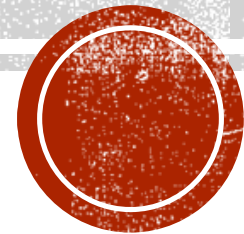


# STP MARKETING

MIT

Humna Ijaz

The STP Process





# SEGMENTATION

- Communication is an art, and it's incredibly easy for a message to become lost, confused, or avoided altogether as the size of your audience increases
- The larger your audience grows, the broader their preferences, needs, and opinions become, which can put your marketing message at risk for being irrelevant to a large group of people.
- This is why segmenting your target market is crucial
- This practice allows you to focus your marketing efforts on an individual customer segment so you can better cater to their specific wants and needs
- This method gives your brand/business an advantage over your competitors because you prove to potential customers that you understand them and know what they need best.



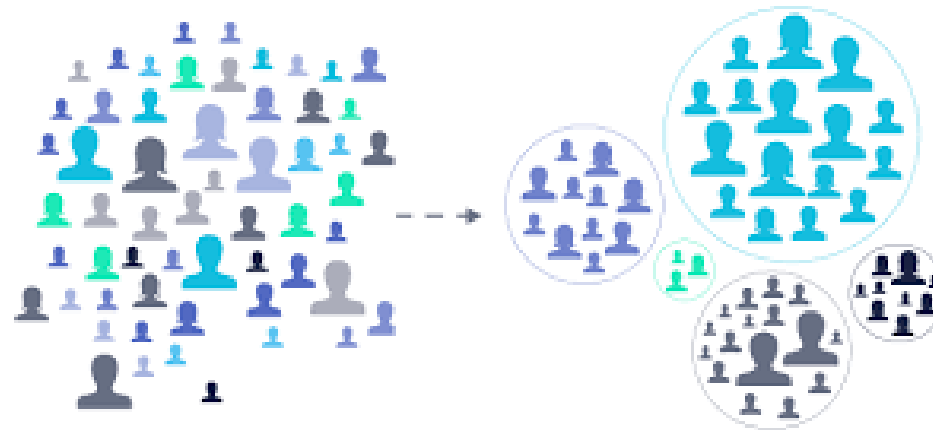
# MARKET SEGMENTATION



- Market segmentation is the process of dividing a market of potential customers into groups, or segments, based on different characteristics
- The segments created are composed of consumers who will respond similarly to marketing strategies and who share traits such as similar interests, needs, or locations
- Market segmentation is a business practice relying on research that leads the direction of how a business divides its target market into smaller, more manageable groups based on common ground they share
- Customers of each market segment have similar characteristics that businesses can leverage to optimize their marketing, advertising, and sales efforts.



- The purpose of segmentation is that you are able to introduce a more tailored message that will be received successfully
- This is advantageous for companies who may have a product or service in the marketplace that boasts multiple benefits or uses for different types of customers.
- Have you ever heard the phrase: “You can’t be everything for everybody”?
- The same proves true with one marketing solution
- As a marketer, you can’t solve everyone’s problem or appeal to every single person, which is why market segmentation can be such an effective growth strategy to implement.



# WHY IS MARKET SEGMENTATION IMPORTANT FOR MARKETERS?

- Market segmentation makes it easier for marketers to personalize their marketing campaigns
- By arranging their company's target market into segmented groups, rather than targeting each potential customer individually, marketers can be more efficient with their time, money, and other resources than if they were targeting consumers on an individual level
- Grouping similar consumers together allows marketers to target specific audiences in a cost effective manner.
- Market segmentation also reduces the risk of an unsuccessful or ineffective marketing campaign
- When marketers divide a market based on key characteristics and personalize their strategies based on that information, there is a much higher chance of success than if they were to create a generic campaign and try to implement it across all segments



- Marketers can also use segmentation to prioritize their target audiences. If segmentation shows that some consumers would be more likely to buy a product than others, marketers can better allocate their attention and resources.

### **GEOGRAPHIC**

Based on predefined geographic boundaries and regional needs like type of cities, climate, elevation or region

### **DEMOGRAPHIC**

Based on variable such as age, gender, marital status, education level, family size, occupation, income or religion

### **PSYCHOGRAPHIC**

Based on values, personalities, interests, lifestyle, opinions, temperament or motivators

### **BEHAVIOURAL**

Based on decision-making and buying process with aspects like brand perception, knowledge of the product, the usage and more



- Another example of market segmentation is the athletic shoe industry. Major manufactures of athletic shoes have several segmented markets. One segment is based on gender and the other segment is based on the type of sport or activity. They have different promotional campaigns for each market segment.
- Larger markets are most typically divided into smaller target market segments on the basis of geographic, demographic, psychographic and behavioristic characteristics:
- Decide if your business is going to do business on a local, regional, national or international level. Identify the geographic region where your market is located. Identify specific boundaries within which you will do business.

Choose those characteristics of your demographic target market that relates to the interest, need and ability of the customer to purchase your product or service.





# TARGETING





# WHAT IS TARGETING IN MARKETING?

- Targeting in marketing is a strategy that breaks a large market into smaller segments to concentrate on a specific group of customers within that audience
- It defines a segment of customers based on their unique characteristics and focuses solely on serving them.
- Instead of trying to reach an entire market, a brand uses target marketing to put their energy into connecting with a specific, defined group within that market.
- They can focus on a small group of customers who will be most likely to benefit from and enjoy their products.
- For example, a brand that sells day planners may decide to focus on a smaller, specific target market. Instead of marketing to the masses, they may focus solely on selling planners to female business owners
- Or they could choose to exclusively market to high school teachers. Both examples are smaller, more specific segments of the day planner's potential market.



# IDENTIFYING YOUR MARKET

- Here are three steps to follow when identifying your market:
  - Identify Why A Customer Would Want To Buy Your Product/Service
  - Segment Your Overall Market
  - Research Your Market
- **Step One — Identify Why A Customer Would Want To Buy Your Product/Service**
- The first step in identifying your target market is understanding what your products/services have to offer to a group of people or businesses
- To do this, identify your product or service's features and benefits
- A feature is a characteristic of a product/service that automatically comes with it



- For example, if a toothpaste has a stain-removing formula, that's a feature
- The benefit to the customer, however, is whiter teeth.
- While features are valuable and can certainly enhance your product, benefits motivate people to buy.
- An example is anti-lock brakes; they are features on a car, but the benefit to the consumer is safety.
- By knowing what your product/service has to offer and **what will make customers buy**, you can begin to identify common characteristics of your potential market.
- For example, there are many different consumers who desire safety as a benefit when purchasing a car. Rather than targeting everyone in their promotional strategy, a car manufacturer may opt to target a specific group of consumers with similar characteristics, such as families with young children. This is an example of market segmentation.



# EXERCISE FOR A NEW CELLPHONE

## ■ Features:

- 1.
- 2.
- 3.
- 4.

## Benefits:

- 1.
- 2.
- 3.
- 4.




# WHAT YOU NEED BEFORE YOU START TARGET MARKETING

- Using targeting in marketing serves both customers and brands
- It improves product development and operations, and it allows a brand to differentiate itself, stand out, and make a bigger impact
- The best target marketing plans start with creating a clear and detailed buyer persona.
- A buyer persona is a description of a semi-fictional character that represents your ideal customer
- It is a detailed summary of the characteristics, qualities, and habits of a person who is in your target audience.



# **BUYER PERSONA**

<b>NAME:</b>	<input type="text"/>
Age:	<input type="text"/>
Gender:	<input type="text"/>
Income:	<input type="text"/>
Location:	<input type="text"/>
Family Situation:	<input type="text"/>
Annual Income:	<input type="text"/>
Education:	<input type="text"/>



Knowing your ideal audience helps you decide which target markets to focus on. When you deeply know your ideal customer, you can identify ways to segment them into a more defined audience.



- To create a buyer persona, you need to imagine your ideal customer and describe their:
- Demographics
- Professional roles
- Values and goals
- Challenges
- Sources of influence
- Buying decisions





# TARGET MARKET STRATEGIES

- When selecting their target markets, companies have to make a choice of whether they are going to be focused on one or few segments or they are going to cater to the mass market
- The choice that companies make at this stage will determine their marketing mix and positioning plank. There are four generic target marketing strategies.



# UNDIFFERENTIATED MARKETING:

- There may be no strong differences in customer characteristics
- Alternatively, the cost of developing a separate marketing mix for separate segments may outweigh the potential gains of meeting customer needs more exactly
- Under these circumstances a company will decide to develop a single marketing mix for the whole market. There is absence of segmentation.

Companies which lack a marketing orientation may practice this strategy because of lack of customer knowledge. It is convenient since a single product has to be developed

- A company using an undifferentiated targeting strategy essentially adopts a mass-market philosophy
- It views the market as one big market with no individual segments. The company uses one marketing mix for the entire market. The company assumes that individual customers have similar needs that can be met with a common marketing mix.
- The first company in an industry normally uses an undifferentiated targeting strategy. There is no competition at this stage and the company does not feel the need to tailor marketing mixes to the needs of market segments.





# DIFFERENTIATED MARKETING OR MULTI-SEGMENT TARGETING:

- When market segmentation reveals several potential target segments that the company can serve profitably, specific marketing mixes can be developed to appeal to all or some of the segments.
- A differentiated marketing strategy exploits the differences between marketing segments by designing a specific marketing mix for each segment
- A company following multi-segment targeting strategy serves two or more well-defined segments and develops a distinct marketing mix for each one of them. Separate brands are developed to serve each of the segments.
- It is the most sought after target market strategy because it has the potential to generate sales volume, higher profits, larger market share and economies of scale in manufacturing and marketing. But the strategy involves greater product design, production, promotion, inventory, marketing research and management costs.



- The car market is most clearly segmented. There are segments for small cars, luxury cars, sports utility vehicles, etc.
- Most car makers like General Motors, Ford, Toyota, Honda and others offer cars for all the segments
- Though Toyota entered the US market with small cars, it eventually chose to operate in most of the segments.



## Planning to Buy a Car

### FULL RANGE OF CARS

Home > Our Cars > Planning to buy a car

Step 1: Need  Step 2: Seating  Step 3: Body Style

Rs 2,00,000    Rs 4,50,000    Rs 6,00,000    Rs 8,50,000    Rs 12,00,000    Rs 16,00,000

Maruti 800					
Omni					
Alto					
Zen Estilo					
A-star					
Ritz					
Swift					
Wagon R					
Versa					
Swift Dzire					
Gypsy					
Six4					
Grand Vitara					

Click on car, to know more

**Haier**  
inspired living



# FOCUS OR CONCENTRATED TARGETING:

Several segments may be identified but a company may not serve all of them

- Some may be unattractive or out of line with the company's business strengths. A company may target just one segment with a single marketing mix. It understands the needs, and motives of the segment's customers and designs a specialized marketing mix.
- Companies have discovered that concentrating resources and meeting the needs of a narrowly defined market segment is more profitable than spreading resources over several different segments. Starbucks became successful by focusing exclusively on customers who wanted gourmet coffee products.

The strategy is suited for companies with limited resources as these resources may be too stretched if it competes in many segments

Focused marketing allows R&D expenditure to be concentrated on meeting needs of one set of customers and managerial activities are devoted to understanding and catering to their needs.





- Mercedes offers premium cars for the upper segment of the market only. It does not offer cars for the middle and lower segments. But Mercedes segments the premium segment and offers different cars for its different premium segments
- We understand ourself as a luxury brand,” he said to the journalists in his German accent, “but not as a traditional luxury brand. Yes, we invented the automobile. We have 130 years of legacy and tradition. But we interpret luxury today in a total other sense. It’s kind of casual luxury. It’s a luxury which is looking very much, and very focused in, to the future.” **Head of brand role**
- Some companies are focused in another way. They focus on heavy users—the small percentage of customers that account for large share of a product’s sale.





- Apple Crumble - Rs 180 - (185cal)
- Icy Range - Rs 150 (H)
- Strawberry Satin - 90cal
- Mojito - Lemon & Mint - 80cal
- Berry Lemonade - 80cal
- Icy Mango - 70cal
- Watermelon - 50cal
- Creamy Range - Rs 180
- Mangold - 190cal
- Salted Caramel - 220cal
- Creamy Coconut - 220cal
- Sprinkle Bell Vanilla - 180cal
- Strawberry & Cream - 180cal
- Cappachillo Coffee - 170cal
- Nutella Fudge - 220cal
- Oreo Cookies & Cream - 200cal
- Double Dutch Belgian - 160cal
- Candi Crunch - 200cal
- Keto Range - Rs 200
- Berry, Vanilla, Coco Fudge, Peanut Greek Yoghurt - Rs 180 (H)
- Yogi Berry • Peaches & Yoghurt  
(130 cal) (150 cal)
- Specials - Rs 200
- Pista & Cream • Birthday Pop







# CUSTOMIZED MARKETING:

- In some markets, the requirements of individual customers are unique and their purchasing power is sufficient to make designing a separate marketing mix for each customer a viable option
- Many service providers such as advertising, marketing research firms, architects and solicitors vary their offerings on a customer to customer basis.
- They will discuss face to face with each customer their requirements and tailor their services accordingly
- Customized marketing is also found within organizational markets because of high value of orders and special needs of customers.
- Customized marketing is associated with close relationships between the supplier and customer because the high value of an order justifies large marketing and sales efforts being focused on each buyer.

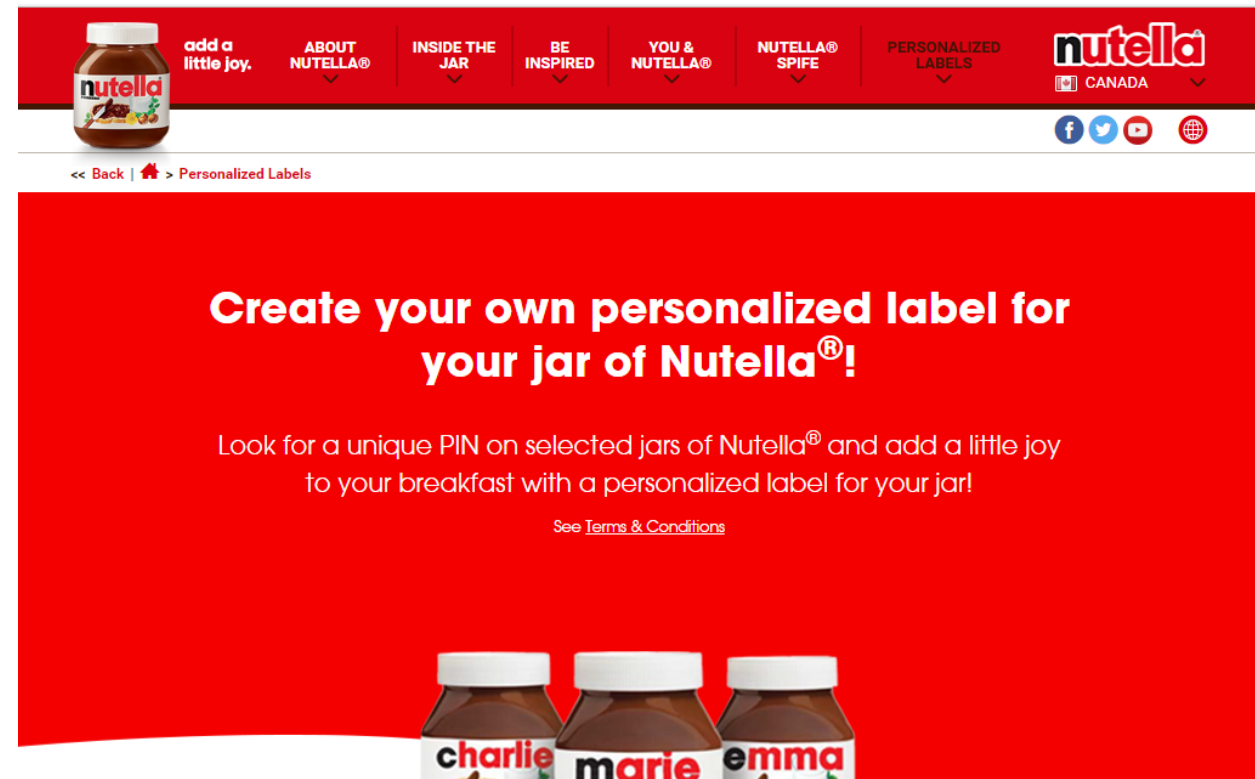
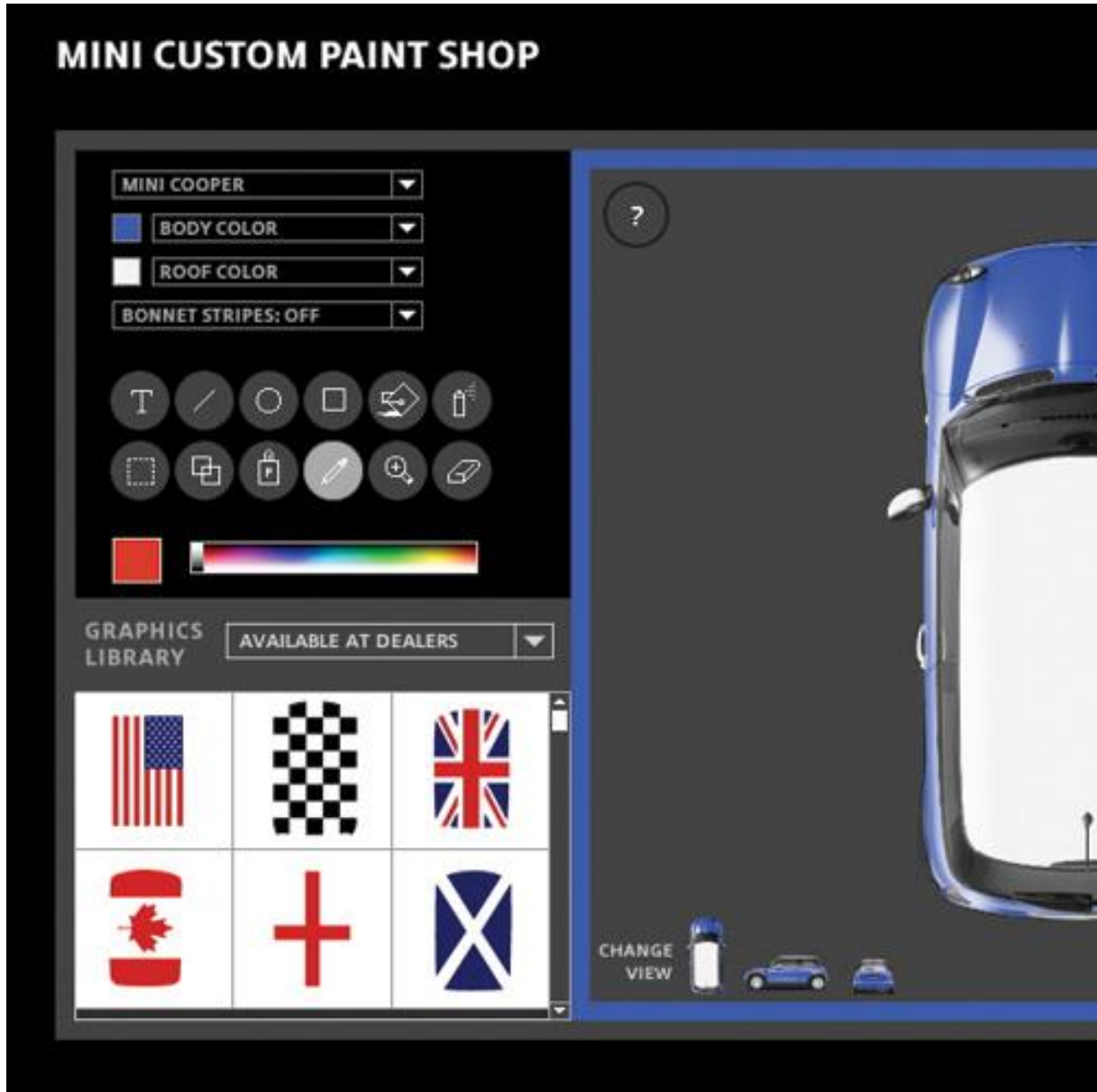


# MARKET POSITIONING

- Market position refers to the process of establishing the image or identity of a brand so that customers perceive it a certain way.
- This is created through the use of the 4 Ps: promotion, price, place and product.
- The best way to do this is through a positioning strategy. The more detailed a positioning strategy is at defining these 4 Ps, the more effective the marketing strategy will be
- So, for example:
  - Audi and Tesla position themselves as a luxury status symbol.
  - McDonald's and Wendy's position themselves as a place to get cheap and quick meals.
  - Starbucks positions itself as a source of upscale quality coffee and beverages.
  - Apple and Microsoft likes to establish and position themselves as a tech company that offers innovative and user-friendly products.







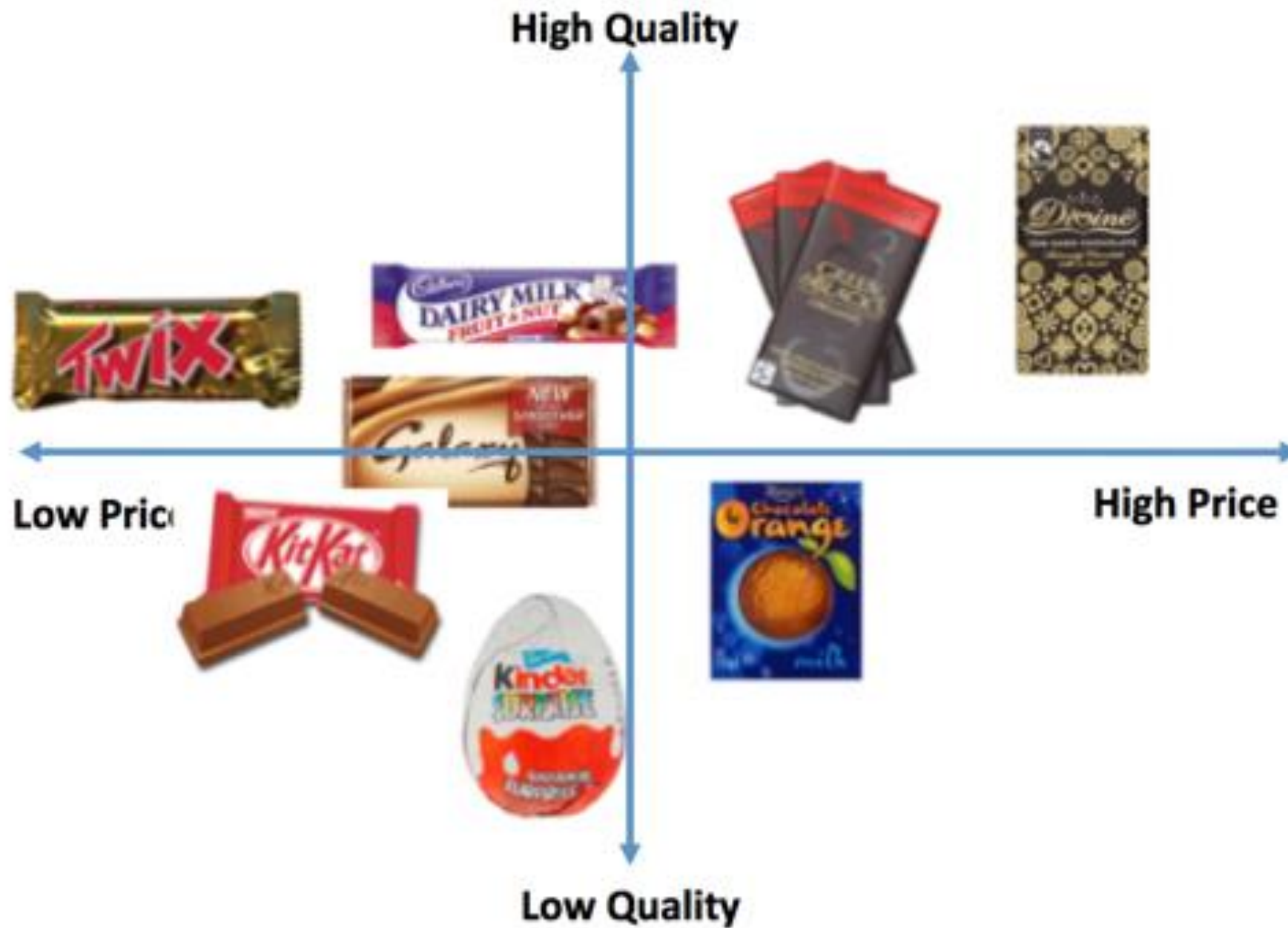






- Positioning of a brand or product is a strategic process that involves marketing the brand or product in a certain way to create and establish an image or identity within the minds of the consumers in the target market
- So going back to Starbucks, they created this video advertisement that lists the following value proposition statements:
  - The Best Coffee
  - Rich & Smooth Flavors
  - The Finest Milk Used
  - Natural and Clean
  - 100% Recycled Paper Use





# WHAT IS MARKET POSITIONING STRATEGY

- A good positioning strategy elevates your marketing efforts and helps a buyer move from knowledge of a product or service to a purchase
- A solid market positioning strategy is crucial to the successful longevity of a business. The sooner you create, the better off your business will be.
- Actively positioning a brand means the brand must truly position themselves with the right branding, values, messaging and experience
- However, that is easier said than done because there are a lot of elements that go into positioning in marketing, but let's take a look at some of the things you should include in your strategy to clearly define your brand for your given industry!



# STEPS TO AN EFFECTIVE MARKETING POSITION STRATEGY

- Positioning your business in your industry take a great deal of detailing, thought and commitment
- Taking the below steps will help with the clarity part but you will need to take them to the next level.
- **Create a Positioning Statement**
- A positioning statement is the identity your business is striving for
- The positioning statement, like a mission statement, becomes the basis for your business identity
- It first identifies who you are and what you stand for. From that point it identifies the target audience, their pain points, and then states how those will be solved by your business.



- There are a few things that go into creating an effective positioning statement like:
  - Defining your Target Audience
  - Defining your Target Market
  - Creating a Value Proposition Statement
  - Create Content to Prove Value
- So for example, if you are a business like Amazon you might make a positioning statement like:
  - “For internet users who want things fast and easy, Amazon.com is a retail database that provides instant access to millions of items. Unlike traditional retailers, Amazon.com provides a combination of extraordinary convenience, low prices, and comprehensive selection.”



- If you are struggling to figure out your positioning statement, ask yourself the following questions:
- Does it paint a clear picture differentiating your business from others?
- Does it share the unique value proposition?
- Does it focus on your target audience and their needs?
- Does it come off consistent across all areas of your business?
- Is it easy to understand?
- Does the statement promise something that is realistic?
- If you answer “YES” for a lot of these, you are on the right track!





# SIMPLIFY AND TAGLINE

- Once you have a strong brand positioning statement you can then create a tagline, or better known as a slogan, to use externally for potential customer messaging
- Instead of using the positioning statement, this is a shorter, snappier version of what you want your customers to know.
- For example, here are some business taglines:
  - L'Oreal: "Because you're worth it."
  - Southwest Airlines: "The short-haul, no-frills, and low-priced airline."
  - Walmart: "Always low prices. Always."
  - Nike: "Just do it."
  - Target: "Expect more. Pay less."
  - Home Depot: "You can do it. We can help."





Asia's world city  
亞洲國際都會

HONG KONG 香港



**Microsoft**  
*Your potential. Our passion.*

**HSBC**   
The world's local bank



**NOKIA**  
Connecting People



同一个世界 同一个梦想  
*One World One Dream*



*Impossible is nothing*



The Ultimate  
Driving Machine



- **Competitor Analysis**

- Investigating and analyzing the competition helps to determine the strengths and weaknesses of your own business but also helps you carve out your positioning in the market

- **Find Current Position**

- After you figure out where your competition is, you might want to then understand where your business currently stands. When you understand this, you can properly compete for your market share! You cannot grow without a starting point, so define where you are with competition analysis questions

- **Develop Your Unique Position**

- Since you have all the data ready to have a holistic understanding of your market, audience and competition, you should have a better idea of who you are, who you are not and who you want to be to the best target audience. At this point you will be able to create strong marketing plan strategies that can effectively position your business in the market.
- Make sure your marketing efforts and messaging is always reflecting your mission and positioning statement!



# PRODUCT



SURF EXCEL MATIC



SURF EXCEL QUICKWASH



SURF EXCEL BLUE



SURF EXCEL BAR



SURF EXCEL GENTLEWASH



SURF EXCEL QUICKWASH



SURF EXCEL BLUE



SURF EXCEL GENTLE WASH



SURF EXCEL BAR



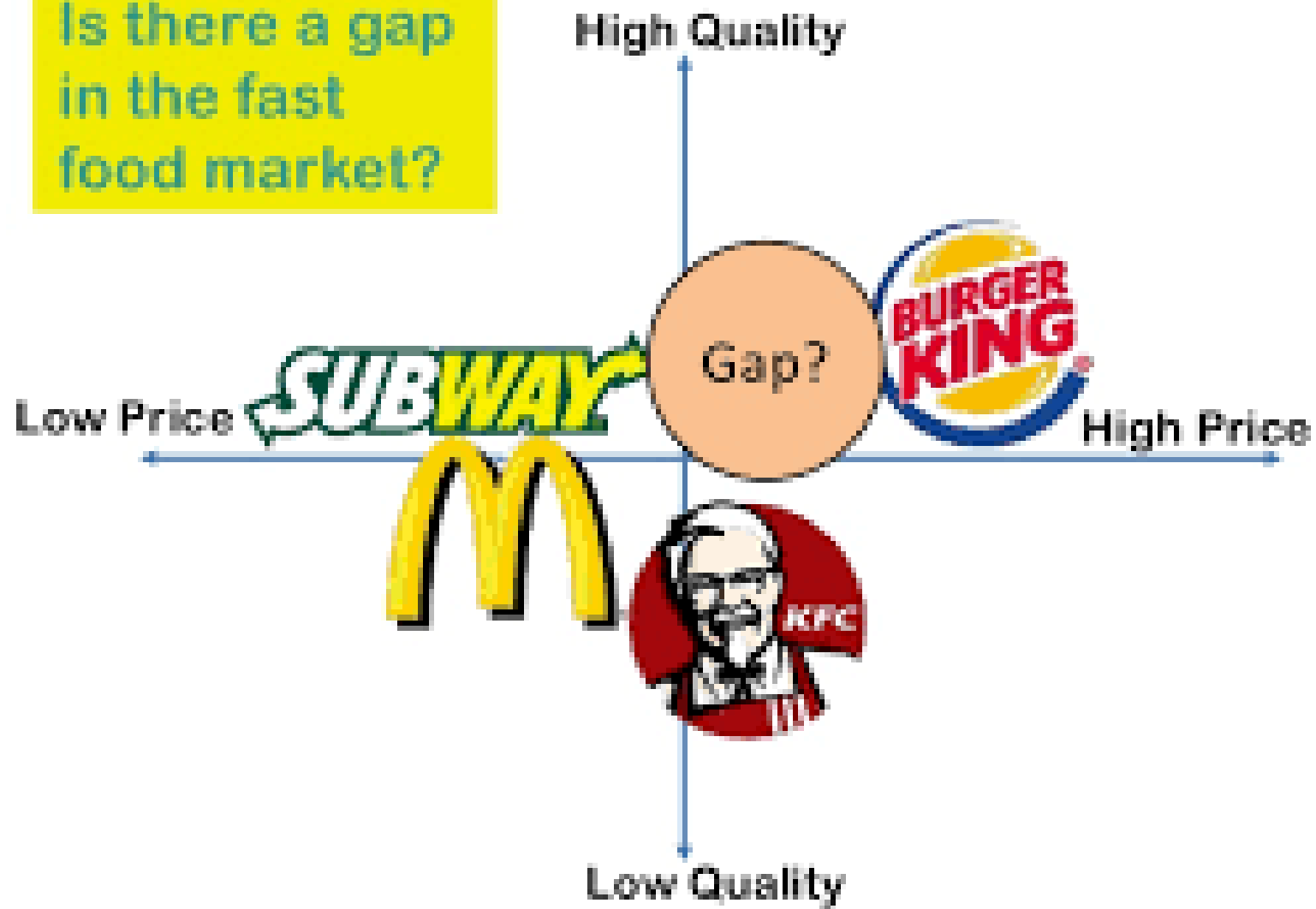
SURF EXCEL FRONT MATIC



SURF EXCEL TOP MATIC



Is there a gap  
in the fast  
food market?



# POSITIONING IN ADVERTISEMENTS

- Advertisements are usually the first and most impactful places businesses position themselves.
- when creating advertisements and other content, ask yourself: Is my business and value proposition being shared clearly?
- If you are a facial skin care business, for example, you must determine who you are targeting and what customer needs are.
- If the intended target is trying to help teenage girls overcome acne issues, the content in your advertisements might need to include:
  - Value Statements (We help acne—easy use, customer testimonials, and success stories)
  - Young Design (Feminine, bright, youthful, possible influencer they would recognize)
  - Young Female Models (Personal connection so they can see themselves in the product)
  - Comparison Statements (We are different from (Brand X,Y,Z) or other over the counter scrubs, different technology)
  - Quick Usage ( Text Us at 0777ACNE to get 10% off and manage your account online, mobile friendly)



# WHAT IS MARKET REPOSITIONING?

- Unfortunately, no matter how beautifully craft your marketing positioning, people will have their own ideas of what your business is
- Positioning is not something you do, but rather, is the result of your customer's perception of what you do
- So, like any marketing effort, you should be prepared to adapt and change your market position as needed. By examining the essence of what you are and comparing it with what your customers want, things might need to change.
- Market repositioning is when a company changes its existing brand or product status in the marketplace. Repositioning is usually done due to declining performance or major shifts in the environment.
- It is best to see what worked and what did not work in your previous marketing efforts to best reposition yourself in the market
- It also be might that you do not need to rehaul all of your positioning in marketing. Many companies, instead of repositioning, choose to launch a new product or brand because of the high cost and effort required to successfully reposition a brand or product.





## Errors In Positioning

- Positioning is a challenging task for marketers and any error in positioning or improper planning can hamper the credibility of the company and lead to a loss of the product's position in the market.
- Hence, marketers need to take utmost care while positioning their products.
- Major positioning errors that can occur include under positioning, over positioning, doubtful positioning and confused positioning.





# Four Major Positioning Errors



**1. Under-positioning** - consumers have only vague idea of the brand.

**2. Over-positioning** - consumers have too narrow a view of the brand.

**3. Doubtful Positioning** - consumers don't believe the brand's claims

**4. Confused Positioning** - consumers confused about the brand due to frequent changes or too many claims.

