

# **Segmentation, Targeting, and Positioning (STP)**



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Professor



# Steps in Market Segmentation, Targeting, and Positioning



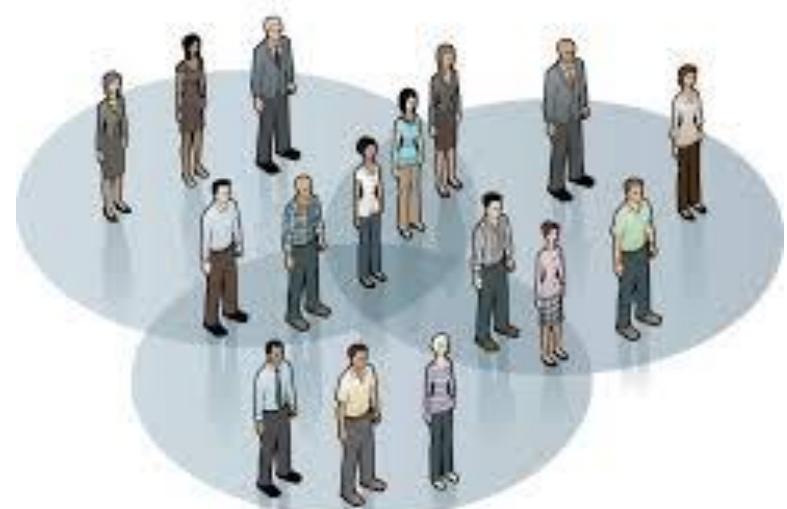
*Get the best piece of the cake!!!*

# Definition

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- **Market Segmentation:**

- **Dividing a market into distinct groups with distinct needs, characteristics, or behavior who might require separate products or marketing mixes.**



# Market Segmentation

## Key Topics

- ***Segmenting Consumer Markets***
- ***Segmenting Business Markets***
- ***Segmenting International Markets***
- ***Requirements for Effective Segmentation***

- **Geographical segmentation**
  - Marketing mixes are customized geographically
- **Demographic segmentation**
- **Psychographic segmentation**
- **Behavioral segmentation**
- **Using multiple segmentation variables**

# Geographic Segmentation



# Market Segmentation

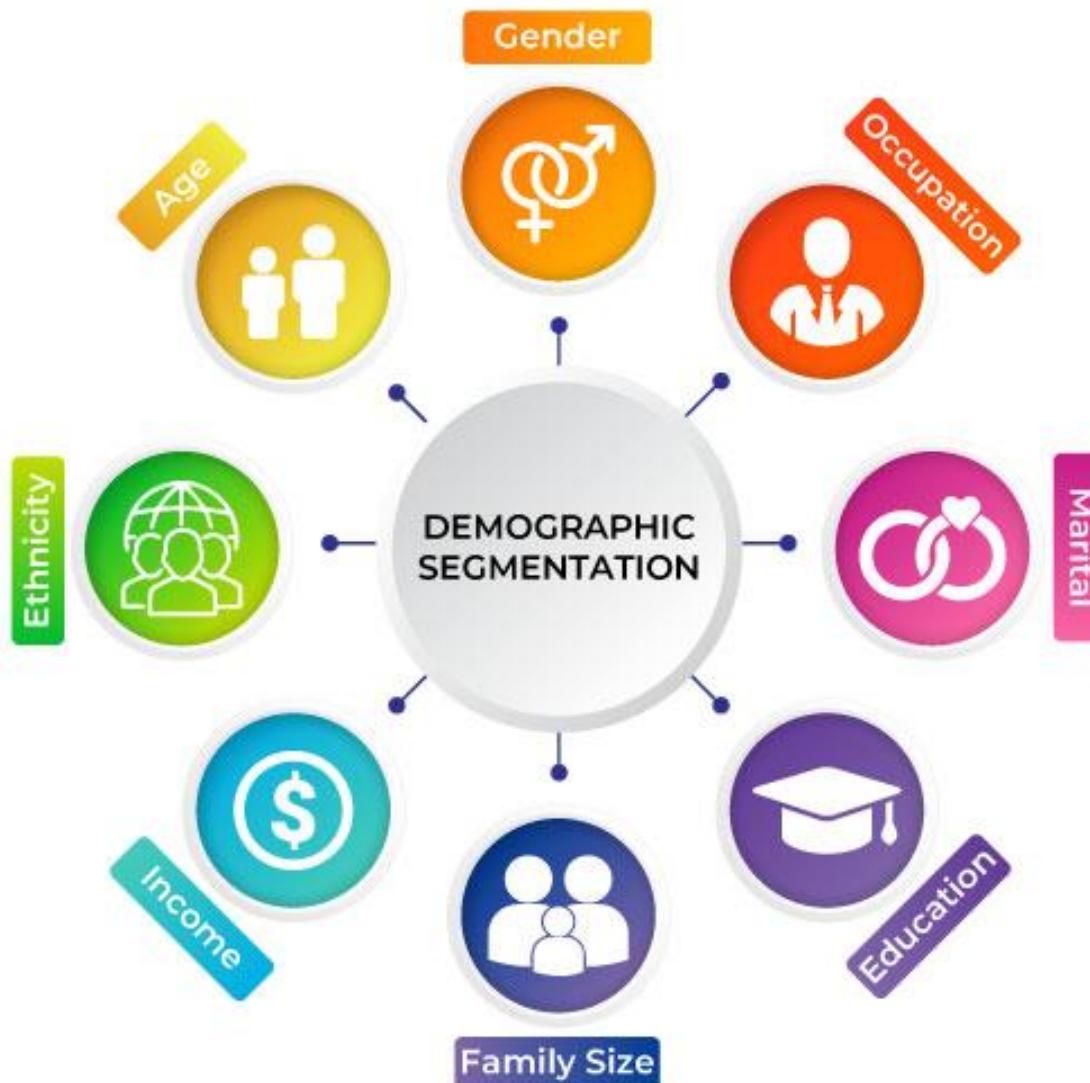
## Key Topics

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- ***Segmenting Consumer Markets***
- ***Segmenting Business Markets***
- ***Segmenting International Markets***
- ***Requirements for Effective Segmentation***

- **Geographical segments**
- **Demographic segmentation**
  - **Most popular type**
  - **Demographics are closely related to needs, wants and usage rates**
- **Psychographic segmentation**
- **Behavioral segmentation**
- **Using multiple segmentation variables**

# Demographic Segmentation



# Demographic Segmentation

				
<b>TRADITIONALISTS</b> Born 1900-1945  Great Depression World War II Disciplined Workplace Loyalty Move to the 'Burbs' Vaccines	<b>BOOMERS</b> Born 1946-1964  Vietnam, Moon Landing Civil/Women's Rights Experimental Innovators Hard Working Personal Computer	<b>GEN X</b> Born 1965-1976  Fall of Berlin Wall Gulf War Independent Free Agents Internet, MTV, AIDS Mobile Phone	<b>MILLENNIAL</b> Born 1977-1997  9/11 Attacks Community Service Immediacy Confident, Diversity Social Everything Google, Facebook	<b>GEN 2020</b> After 1997  Age 15 and Younger Optimistic High Expectations Apps Social Games Tablet Devices



# Market Segmentation

## Key Topics

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- ***Segmenting Consumer Markets***
- ***Segmenting Business Markets***
- ***Segmenting International Markets***
- ***Requirements for Effective Segmentation***

- **Geographic segments**
- **Demographic segmentation**
- **Psychographic segmentation**
  - **Lifestyle, social class, and personality-based segmentation**
- **Behavioral segmentation**
- **Using multiple segmentation variables**

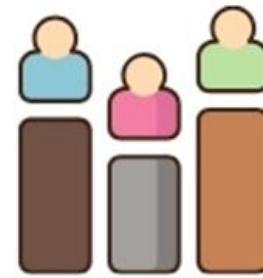
# Psychographic segmentation



Personality



Lifestyle



Social Status



Attitudes



Activities & Interests



Opinions

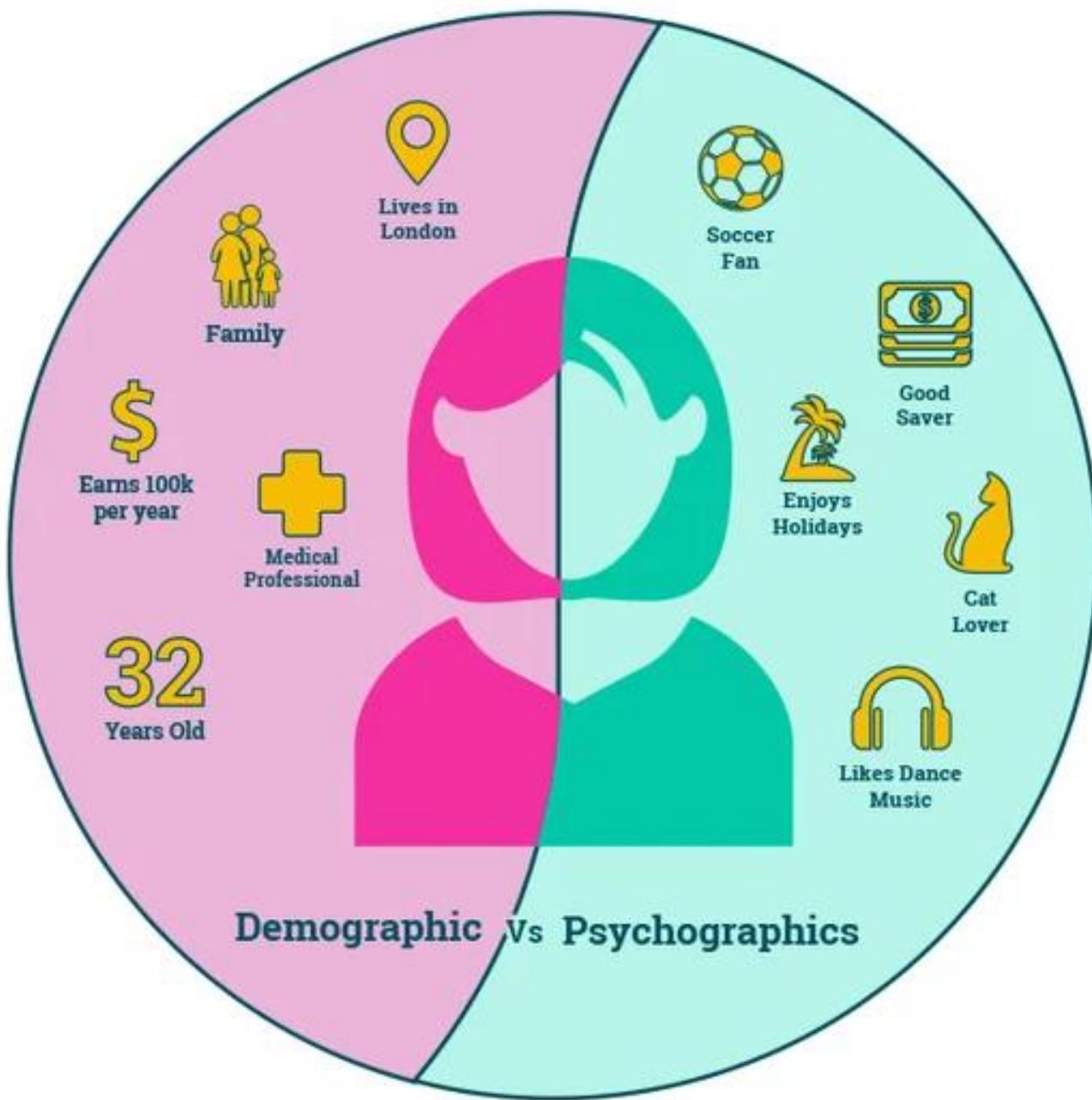
# Psychographic segmentation

non-coffee drinker



serious coffee drinker





# Market Segmentation

## Key Topics

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- ***Segmenting Consumer Markets***
- ***Segmenting Business Markets***
- ***Segmenting International Markets***
- ***Requirements for Effective Segmentation***

- **Geographic segments**
- **Demographic segmentation**
- **Psychographic segmentation**
- **Behavioral segmentation**
- **Using multiple segmentation variables**

# Behavioral Segmentation

1



Occasion-Oriented

2



Usage-Oriented

3



Loyalty-Oriented

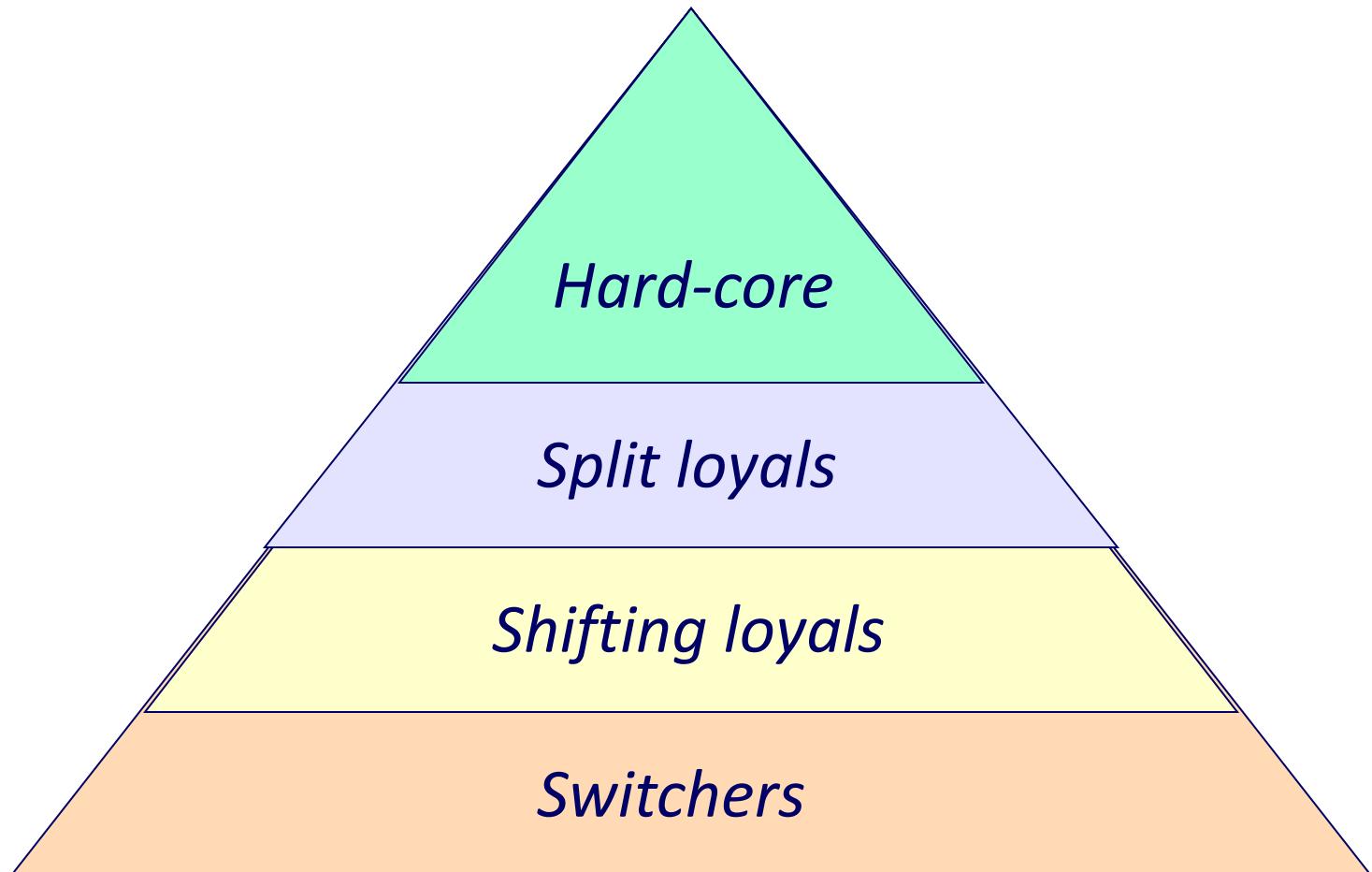
4



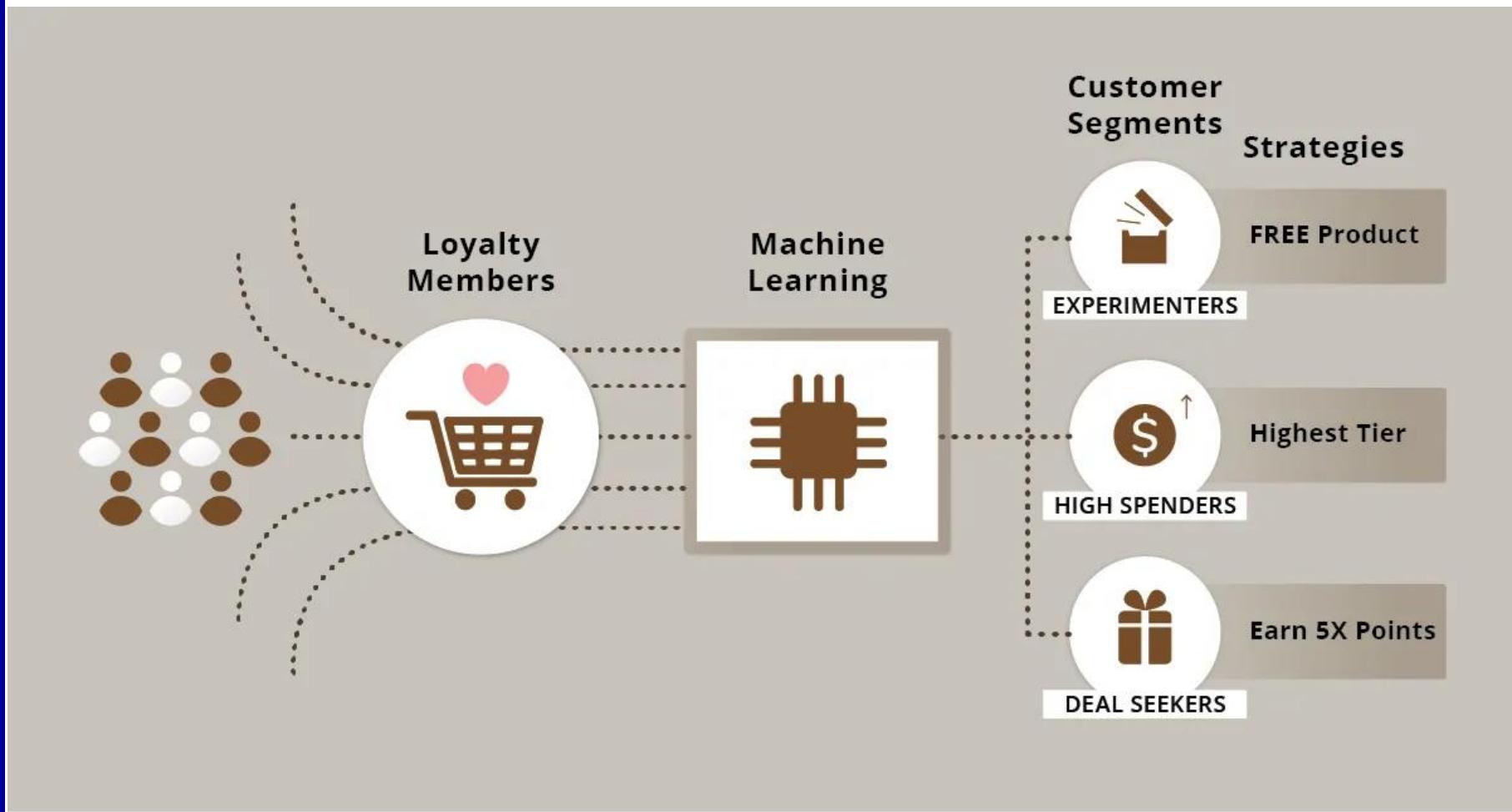
Benefit-Oriented



# Loyalty Status Segmentation



# Using loyalty segmentation



# Market Segmentation

## Key Topics

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- *Segmenting Consumer Markets*
- *Segmenting Business Markets*
- *Segmenting International Markets*
- *Requirements for Effective Segmentation*

- Demographic segmentation
  - Industry, company size
- Operating variables
  - Technology, usage status, customer capabilities
- Purchasing approaches
- Situational factors
  - Urgency, specific application, size of order
- Personal characteristics
  - Buyer-seller similarity, attitudes toward risk, loyalty

# Market Segmentation

## Key Topics

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- ***Segmenting Consumer Markets***
- ***Segmenting Business Markets***
- ***Segmenting International Markets***
- ***Requirements for Effective Segmentation***

- **Geographic segmentation**
  - Location or region
- **Economic factors**
  - Population income or level of economic development
- **Political and legal factors**
  - Type / stability of government, monetary regulations, amount of bureaucracy, etc.
- **Cultural factors**
  - Language, religion, values, attitudes, customs, behavioral patterns

# Market Segmentation

## Key Topics

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- *Segmenting Consumer Markets*
- *Segmenting Business Markets*
- *Segmenting International Markets*
- ***Requirements for Effective Segmentation***

- **Measurable**
  - Size, purchasing power, and profile of segment
- **Accessible**
  - Can be reached and served
- **Substantial**
  - Large and profitable enough to serve
- **Differentiable**
  - Respond differently
- **Actionable**
  - Effective programs can be developed

# Target Marketing

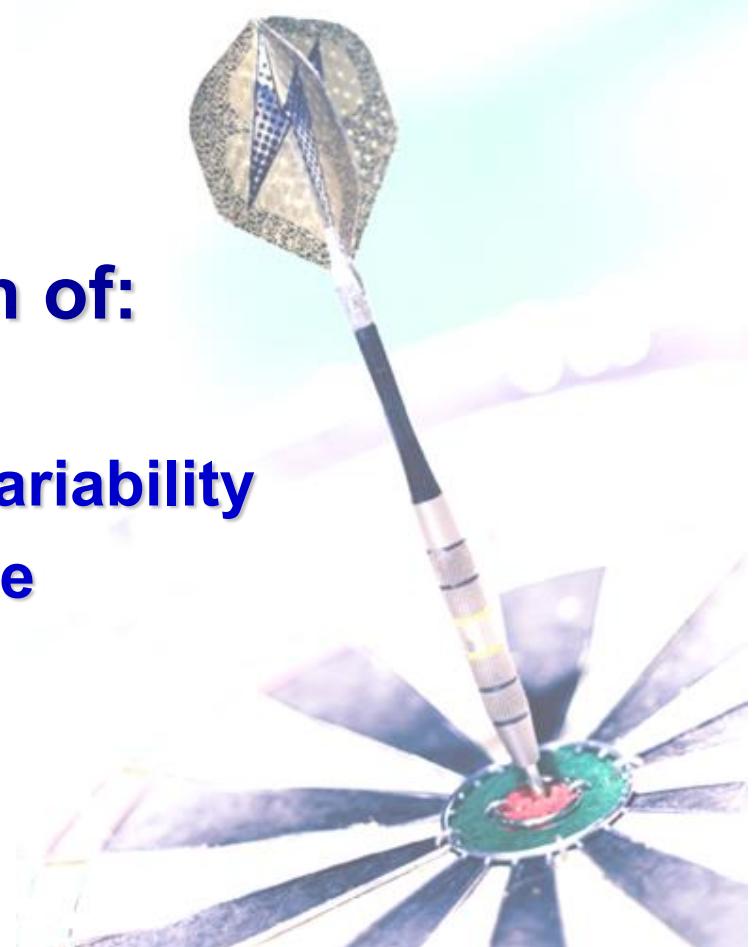


# **Target Marketing**

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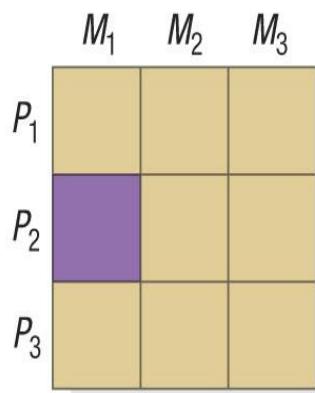
\* **Choosing a Target-Marketing Strategy Requires Consideration of:**

- **Company resources**
- **The degree of product variability**
- **Product's life-cycle stage**
- **Market variability**
- **Competitors' marketing strategies**

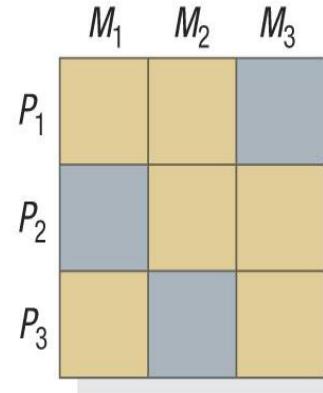


# Patterns of Target Market Selection: Product x Market Matrices

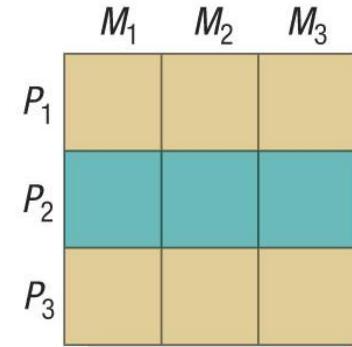
Single-segment  
Concentration



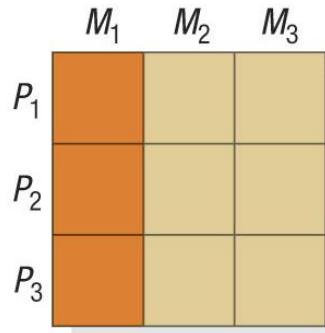
Selective Specialization



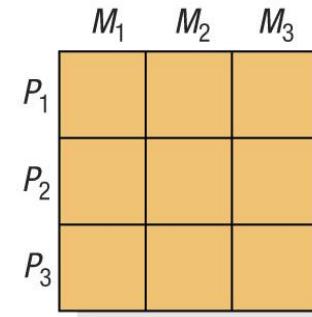
Product Specialization



Market Specialization



Full Market Coverage



$P$  = Product     $M$  = Market

# • Single-segment concentration

- Your business is focused on one segment of the market.
- For example, soccer balls, soccer shoes, soccer clothing, etc.
- Rolex watch



# >Selective Specialization

- If a company produces plasma TV as well as Washing machine, the two different types of products obviously for two different types of markets, then it can be cited as an example of Selective Specialization strategy.



# ❖ Product specialization

- Starbucks specializes in serving standardized coffee
- KFC specializes in fried chicken
- Dominos specializes in pizza



# ❖ Market specialization

- Airtel specializes on youth market segment
- RFL Best Buy specializes on home appliances





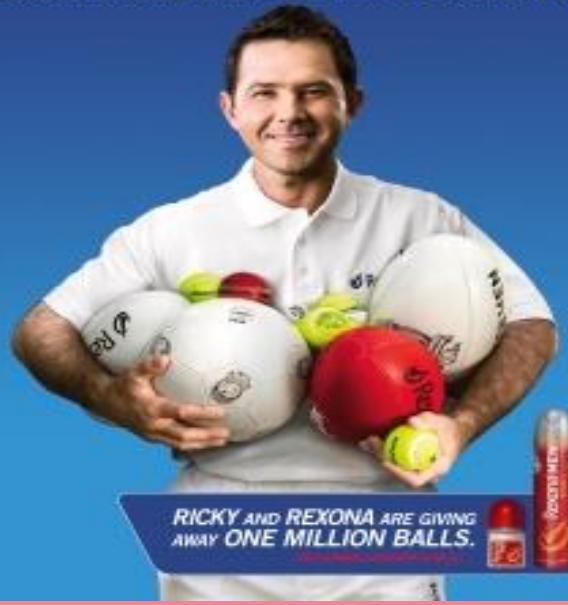
# **Full market coverage**

- IBM (computer market)
- General Motors (vehicle market)
- Coca-Cola (drink market)

# Segmentation & Targeting Exercise!

- *Geographic segments*
- *Demographic segmentation*
- *Psychographic segmentation*
- *Behavioral segmentation*

**HIT MORE, BOUNCE MORE,  
THROW MORE, KICK MORE,  
CATCH MORE AND SWEAT MORE.**



RICKY AND REXONA ARE GIVING  
AWAY ONE MILLION BALLS.



এলো ট্যালকাম পাউডার-এর পৃষ্ঠ সমৃদ্ধ  
নতুন রেক্সোনা পাউডার ত্বাই

অনুভব করুন ট্যালকাম পাউডার থেকে  
৩ গুণ বেশি ত্বাইনেস প্রটিকশন

**Rexona**  
It won't let you down

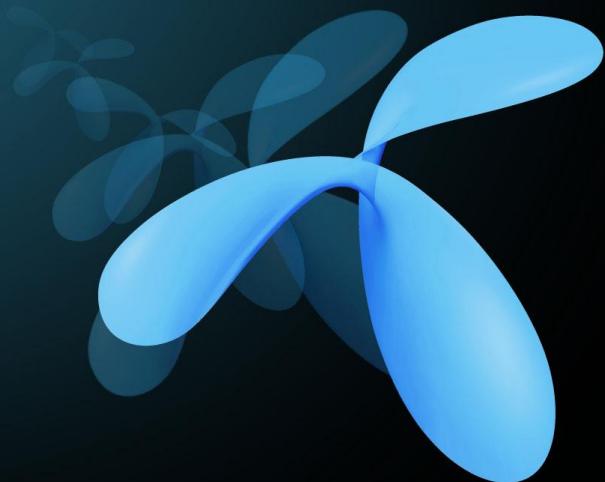


# Positioning



findtheedge

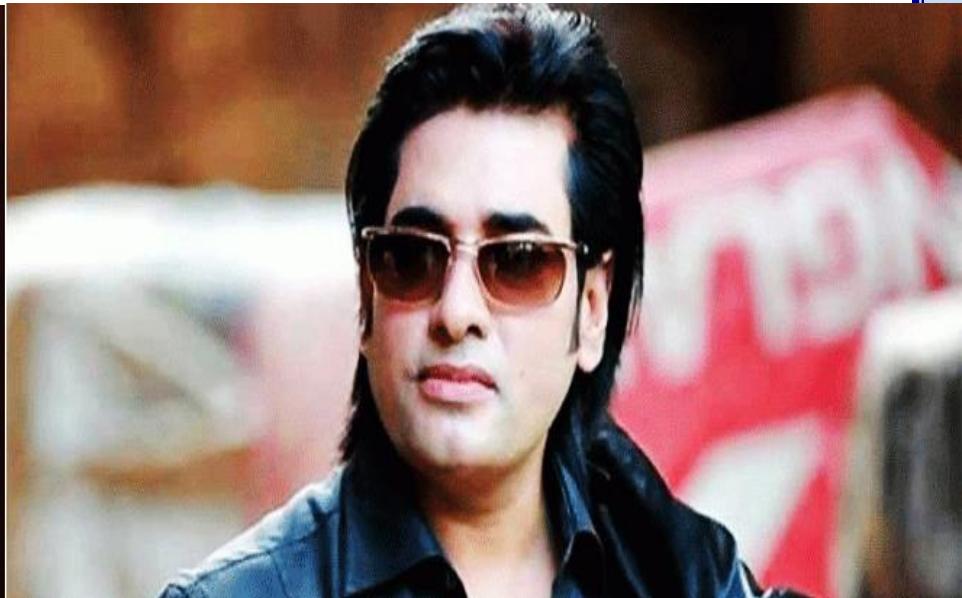
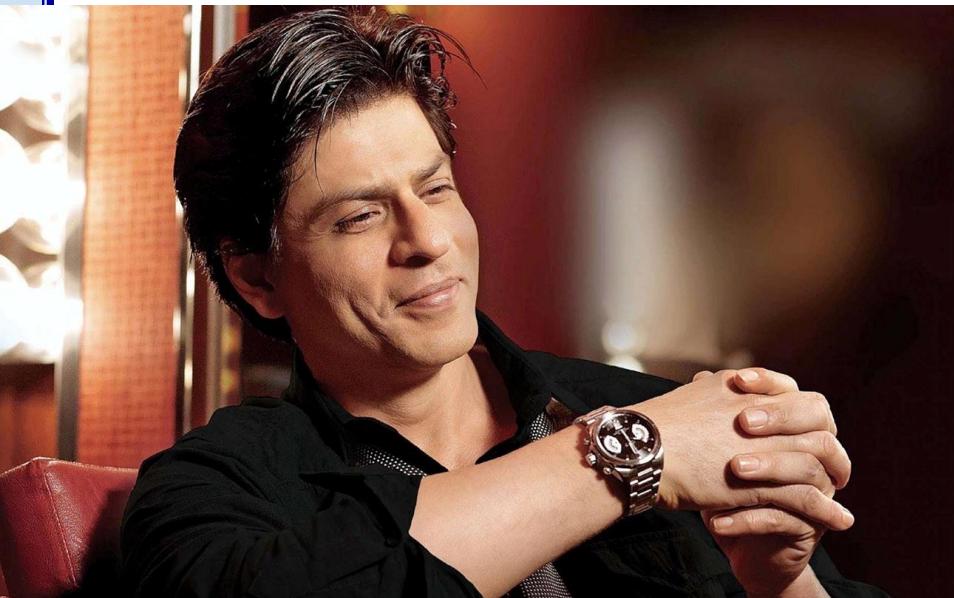
grameenphone



রবি

জুলে উঠুন আপন শক্তিটে





# Positioning

- Is the act of designing a company's offering and image to occupy a distinctive place in the minds of the target market.
- A good brand positioning helps guide marketing strategy by clarifying the brand's essence.
- Everyone in the organization should understand the brand positioning and use it as context for marketing decisions.

# Positioning

- ✿ Positioning requires the marketers define and communicate **similarities** and **differences** between their brand and it's competitors.
- ✿ So, positioning requires –
  - Choosing a competitive frame of reference
  - Identifying the optimal points-of-parity (**POP**) and points-of-difference (**POD**), and
  - Creating a Brand Mantra summarizing the positioning and essence of brand

# Positioning

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- ✿ **Choosing a Positioning Strategy:**
  - **Choosing the right competitive advantage**
    - ❖ **How many differences to promote?**
      - **Unique selling proposition**
      - **Which differences to promote?**

# Positioning Statement

- ✿ A brief description of a product or service and target market, and
- ✿ How the product or service fills a particular need of the target market.
- ✿ It's meant to be used as an internal tool to align marketing efforts with the brand and value proposition.

# Positioning of Microsoft



## Our Core

Microsoft is the **productivity** and **platform** company for the **mobile-first** and **cloud-first** world.

We will reinvent productivity to **empower** every person and every organization on the planet to **do more** and **achieve more**.

# Coca-Cola Positioning Statement

For (individuals looking for high-quality drinks), (Coca-Cola) is a (wide range of the

**(target)**

**(brand)**

**(category)**

most refreshing beverages), that delivers (happiness unlike other beverage options),

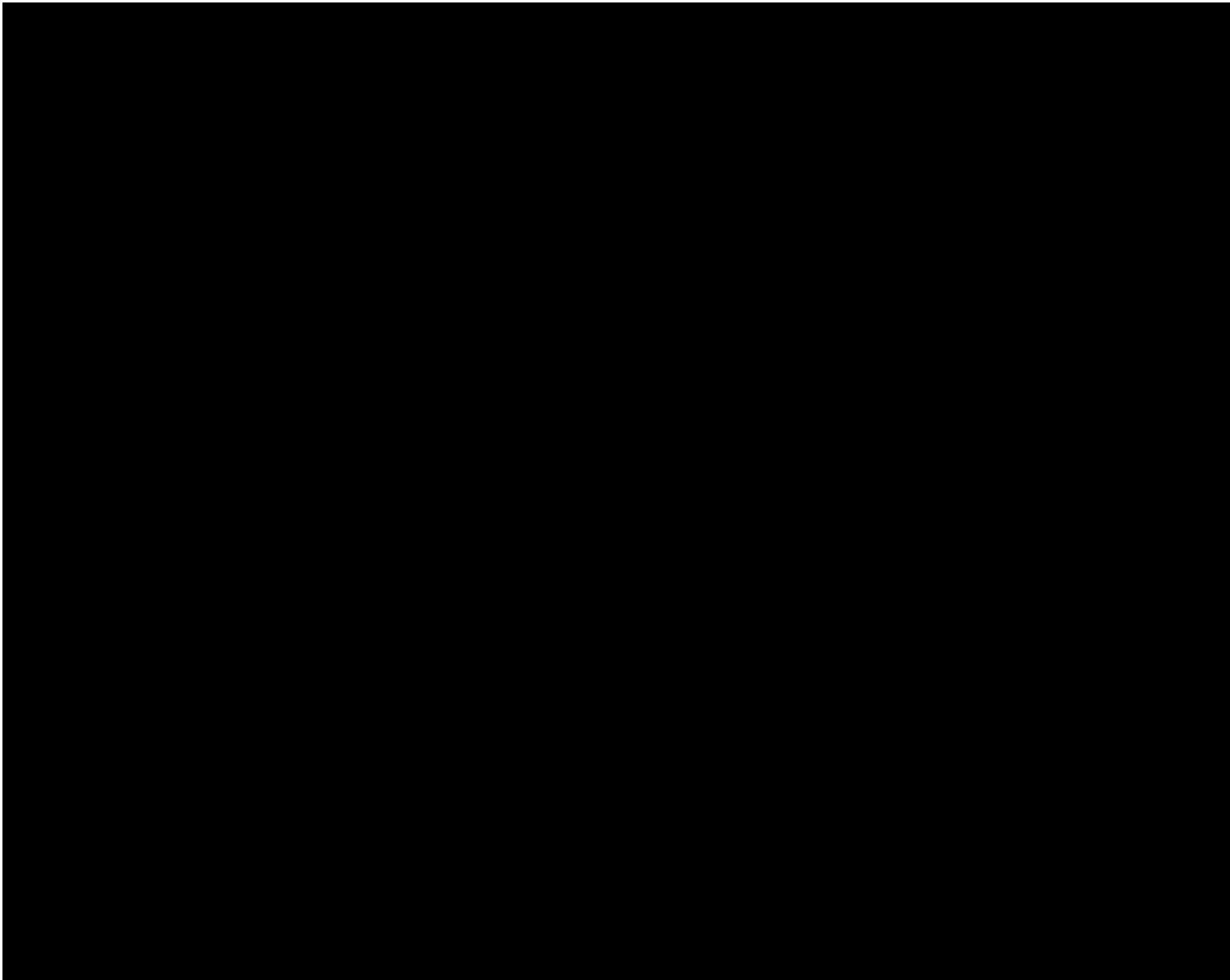
**(point of difference)**

so they can (enjoy a Coca-Cola drink & make a positive difference in their lives),

**(end benefit)**

because (the brand is intensely focused on the needs of customers).

**(reason to believe)**



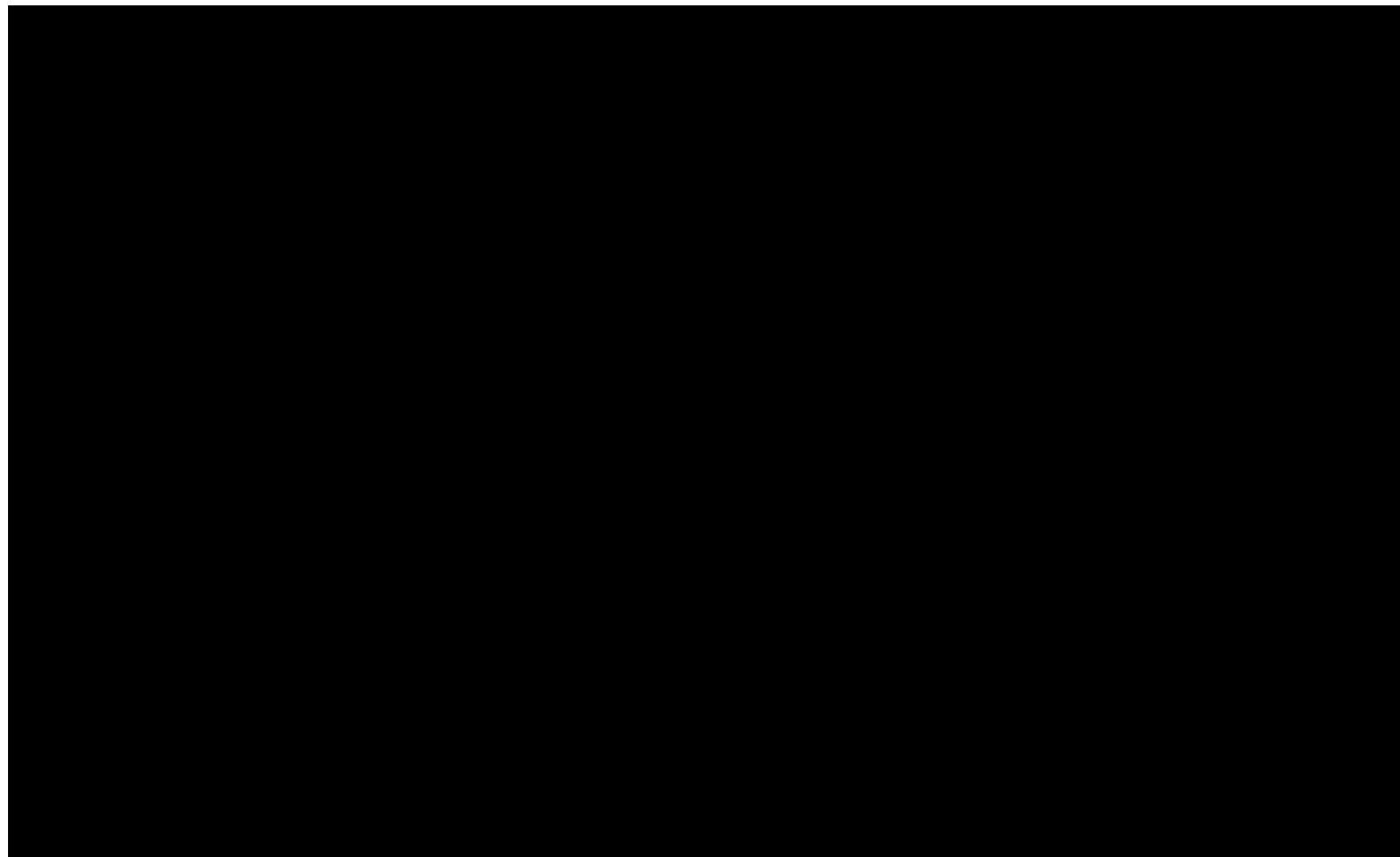


পেপসির দক্ষিণ-পূর্ব এশিয়ার  
ব্যাট এ্যারিসেজন - ১৯৯৪

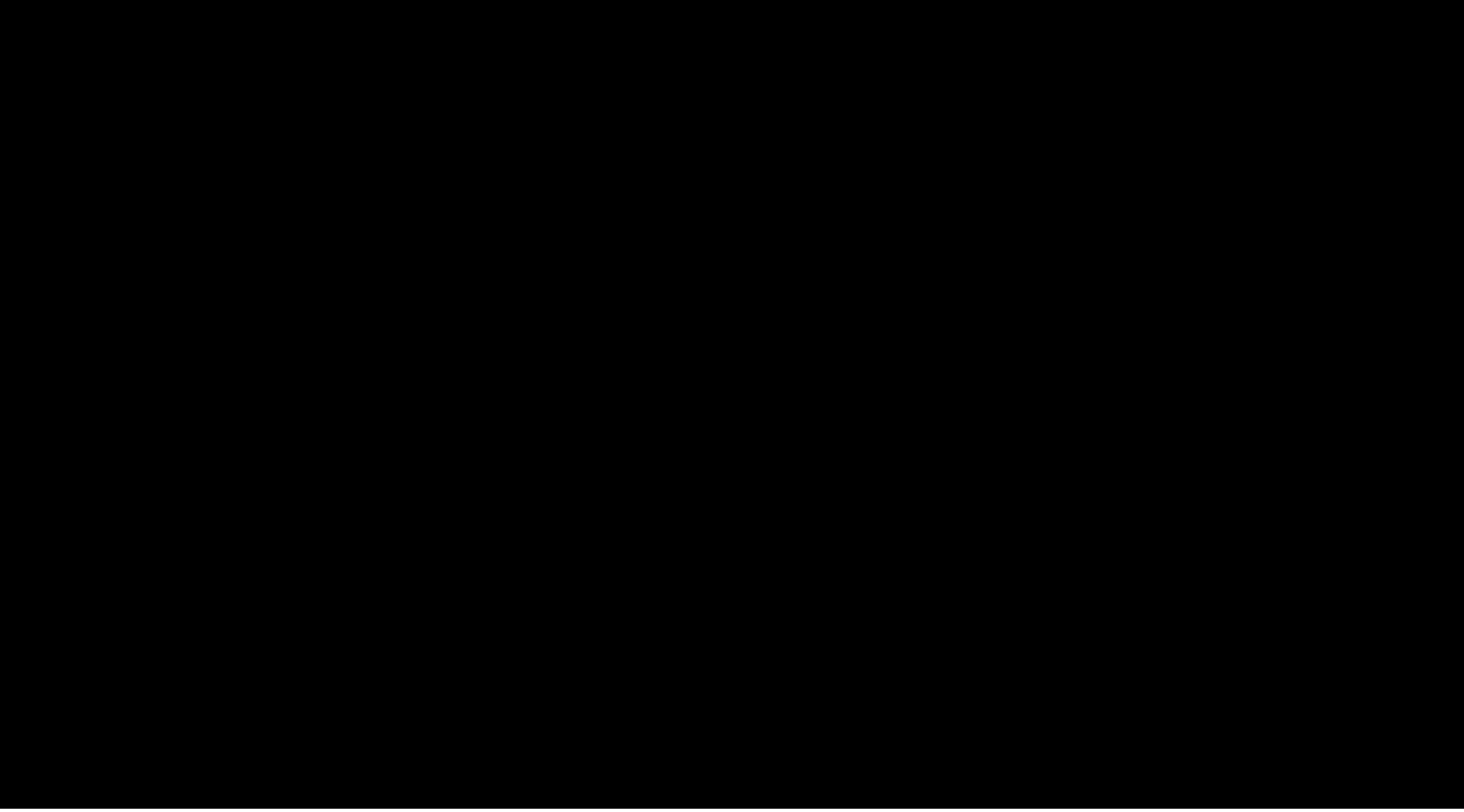
# Positioning

## Criteria for Meaningful Differences

- \* Important
- \* Superior
- \* Profitable
- \* Distinctive
- \* Communicable
- \* Affordable



# **Positioning = Honesty**



# If it leaves an impression



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If it separates the product or brand from the competition in the mind of the consumer i.e. differentiates



২০% বেশি শক্তিধর

BSRM Xtreme-এ আছে ৭২,৫০০ পিএসআই ভার বহনের ক্ষমতা, যেখানে গ্রেড ৬০-এর ক্ষমতা ৬০,০০০ পিএসআই

introducing  
**BSRM Xtreme<sup>TM</sup>**  
the next generation steel

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করার জন্য গোবৰ ব্যাক ও সময় পুটোটি দেওয়ে যাব।

১৫% বেশি সামুয়ী | যে কোন নির্মাণে গ্রেড ৬০-এর চেয়ে ১৫% সীল কর সাবে।  
তাই, বেশির বক করায়, আকর্ষণিক নেও সীর্পসিলি।

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ঢাকা অফিস: বাহ্যিক কাসেল (২ত ও ৪ত তলা) | ৩২ পুরান পটুন গাইন, ইনার সার্কুলের গেট (ডিইপি গেট), ঢাকা। ফোন: +৮৮০-২-৮৩১০১০২, ৮৩১৯১৯, ৯০৫৮১০৫, ৯০৫৮০৮৮ | ফ্যাক্স: +৮৮০-২-৮৩১২৯০২ | ই-মেইল: bsrmm@ailbd.net

# Positioning

- ✿ **Mercedes-Benz = Luxury**
- ✿ **BMW = Performance**
- ✿ **Volvo = Safety**



# **Thank you!**