

Strategic Marketing Principles

Course sequences

Classe	Theme
1	Introduction to marketing and market analysis
2	Analyzing the Marketing Environment
3	Company and Marketing Strategy
4-5	customer loyalty (Delivering customer value)
6	Tools and techniques for creating & capturing value <ul style="list-style-type: none">• Value proposition• Contemporary business models
7	Understanding customer behavior
8	Marketing channels

The objective of this course

- Is to introduce the students to the concepts and strategic principles of marketing, and to provide an understanding of the marketing environment.

Pedagogical approach

- Classes will consist of :
 - theoretical elements,
 - business cases & follow-up discussions, as well as in-class student presentations

Assessment

- 50% for the continuous assessment (Write a word file of 5-10 pages)
- 50% for the final exam

Bibliographic references

- Kotler, P. & Armstrong, G. (2021) Principles of Marketing ,New Jersey: Prentice Hall
- Marketing Management (16th Global Edition) Philip Kotler, Kevin Lane Keller and Alexander Chernev

Form groups : Choosing a company

- Banking, Airlines, Retail, Luxury, Automotive and Pure Players.
- **Present the company's environment (Pestel, SWOT, Porter), its its values, its offers/services, its target and its positioning.**
- **What is the strategy regarding the marketing mix (4 or 7 Ps).**
- **Establish a SWOT on the loyalty strategy**
- **Describe the company's loyalty tools... in the digital age (content creation, community animation, Social Networks, inbound marketing, CRM, loyalty programs...).**
- **What about the customer experience? How is customer dissatisfaction managed.**

Chapter 1. History of marketing

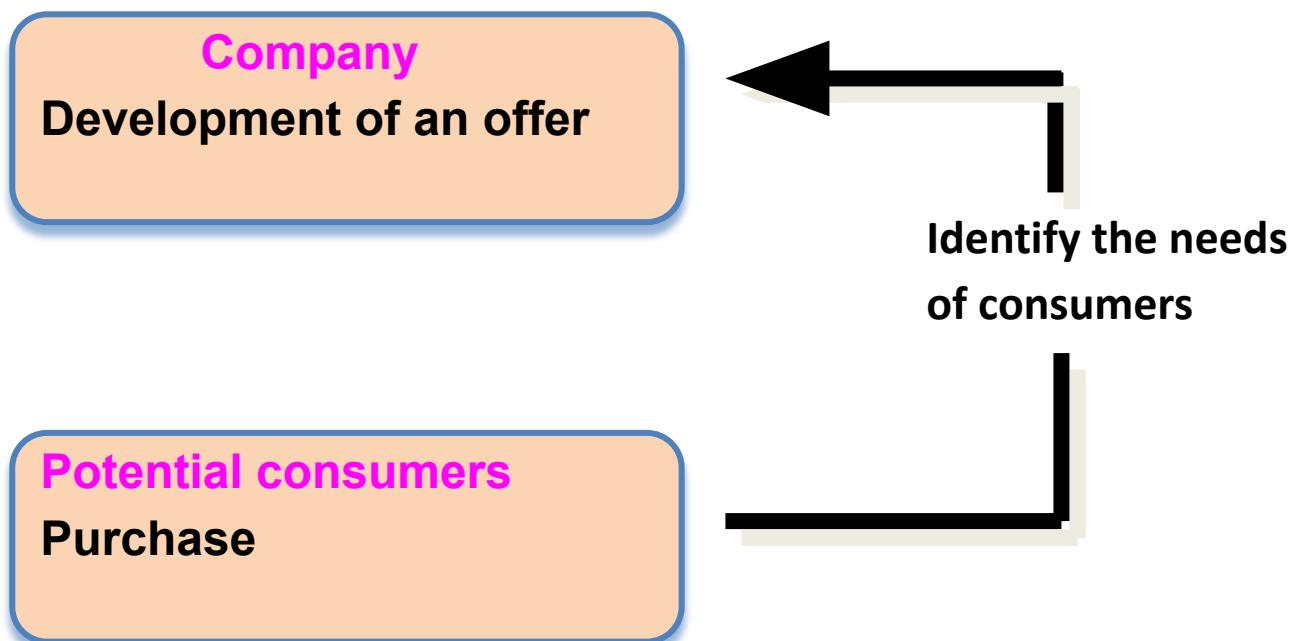
What is it's important aspect ?

- ◆ Sales and Advertising ?



What is marketing ?

❖ Sales and Advertising ? No !!!



creating, communicating and delivering value to customers

What is the important aspect of marketing ?

- ▶ It has often been equated with "the art of selling".
- ▶ This is why people are often surprised to learn that the most important aspect of marketing is not selling.

What is marketing ?

Marketing is an organizational function and a set of processes aimed at creating, communicating and delivering value to customers and managing the customer relationship in a way that benefits the organization and its stakeholders

Source : association américaine du marketing

- ▶ **Good marketing doesn't just happen!**
- ▶ **It is both an "art" and a "science".**
- ▶ **It involves balancing creative abilities with analytical methods**



History of marketing

Three key phases

History of marketing

3 key phases

- ▶ **The official story says that marketing was born in the United States around 1950.**
- ▶ This "marketing era" would have succeeded the sales era (1930-1950), itself preceded by the production era (1870-1930)

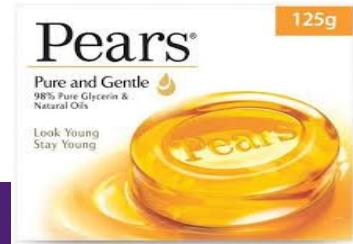
Historique du marketing

Trois phases clés



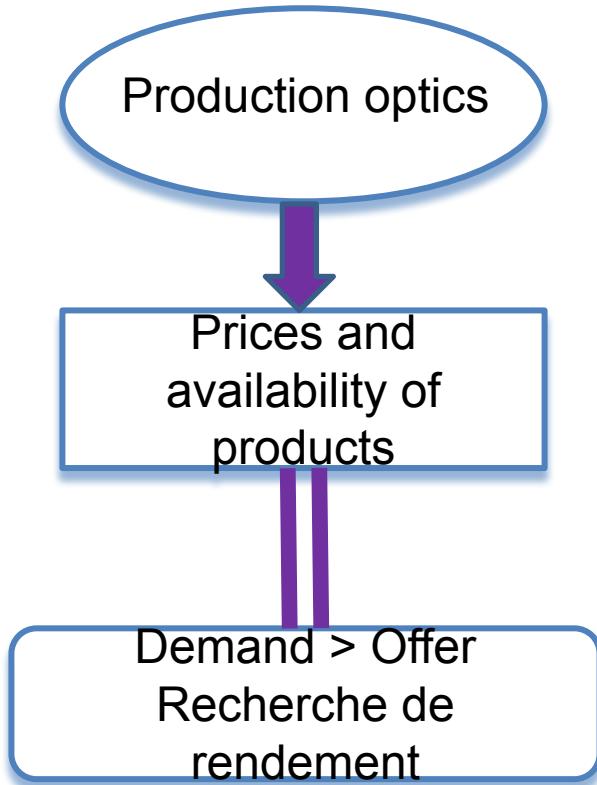
Modern marketing did not develop after the Second World War !

- “**The production era**” (1870-1930) : Emergence of modern practices, such as branding, packaging and product design
- “**The sales era**” (1930-1950): economic crisis of 1929 in the USA
- “**The marketing era**” began in the United States in the 1950s.



Packaging designed to identify brands and improve the attractiveness of products dates back to the 1870s.

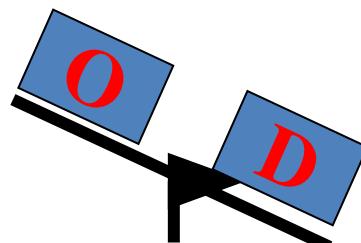
Phase 1: the production era (1870-1930).



An exclusive focus by managers on technological innovation

- Indifference to market needs**
- Mass market**

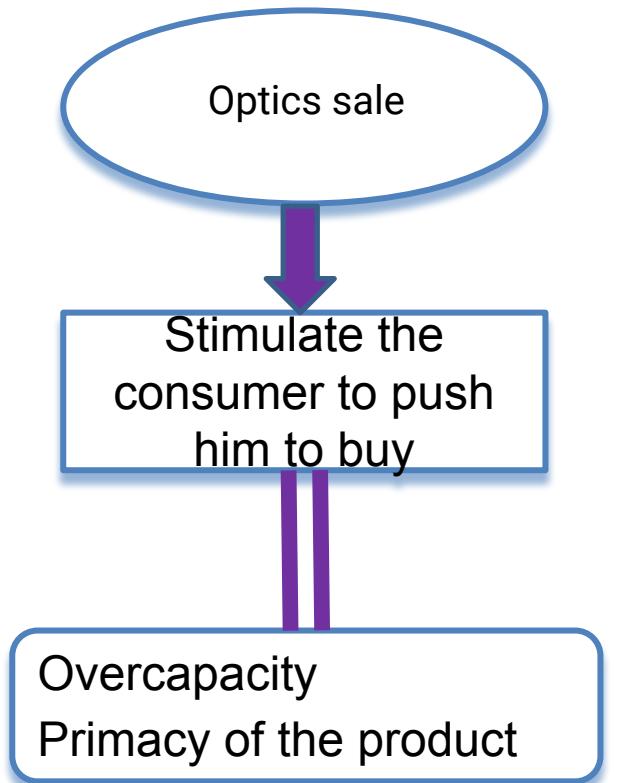
"My customers can choose the color of their car as long as it is black" (H. Ford)



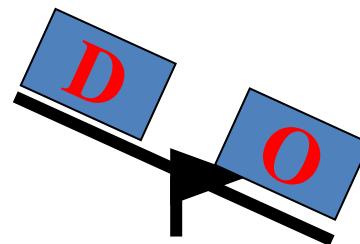
Henry Ford trusted his instincts and carried out his wishes. His car production was not based on extensive market research.

"If I had asked people what they wanted, they would have told me faster horses."

Phase 2: the sales era (1930-1950)

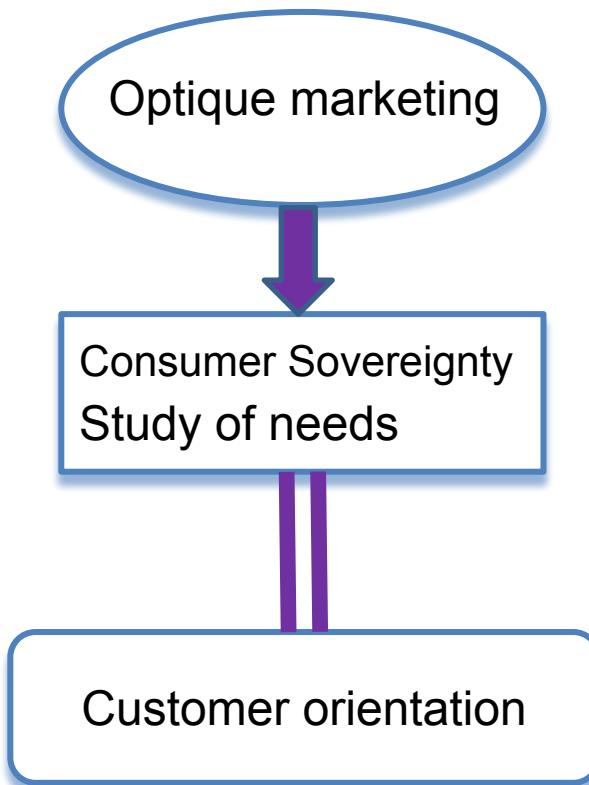


- Mass unemployment
- ▶ Aggressive marketing methods (advertising)
- Overproduction

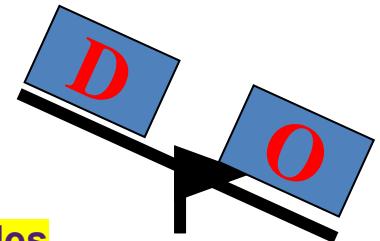


Goal : to sell what the company produces rather than to produce what the market demands

Phase 3: The marketing era (1950)



- **Forte concurrence**
- **Surproduction**
- **Développement des études**
- **Segmentation, personnalisation**



The only real boss is the customer. He can throw everybody out on the street, from the CEO to the stock boy, and all he has to do is???

Sam Walton, founder of Wal-Mart.

Phase du marketing digital

Digital Marketing

Strategies Focused on Increasing The Reach & Visibility of Your Business.



1991 - L'avènement du marketing digital

- ❖ 40 years after the birth of marketing
- ❖ Digital transformation since the beginning of the 2000s

❑ the opening of the first website in 1991

<http://info.cern.ch> (Tim Berners-Lee).

Marketing



Chapter 2

1. Market analysis

1.1 - How to define a market

1.2 - The different levels of competition

1.3 - The structure of a market (end customers)

Chapitre 3

Chapter 3. SWOT analysis

2.1 - Definition

2.2 - External analysis

2.3 - Internal analysis

2.4 - Diagnosis (Stratégic SWOT analysis)

Marketing Management, Kotler P., Keller K. L., Manceau D., 16/E, 2019, Pearson Education.
Chap. 3.5.1 et Chap. 4

CHAPTER 2

Market analysis

1.1 - How to define a market?

1.2 - The different levels of competition

1.3 - The structure of a market (end customers)

How do you define a market ?

Market: Different Definitions

Definition 1 :

It is the meeting between a supply and a demand

Definition 2 :

All current or potential customers with purchasing power
and willingness to buy...

... and having the
same need to satisfy

... or concerned by the
exchange of a given good



*Example: % of population regularly
eating a full breakfast*

Children (< 14 years) 30 % (3,5 M)

Adultes 19 % (10 M)



*Example: % regularly eating
cereal at breakfast*

66 % (2,3 M)

13 % (1,3 M)

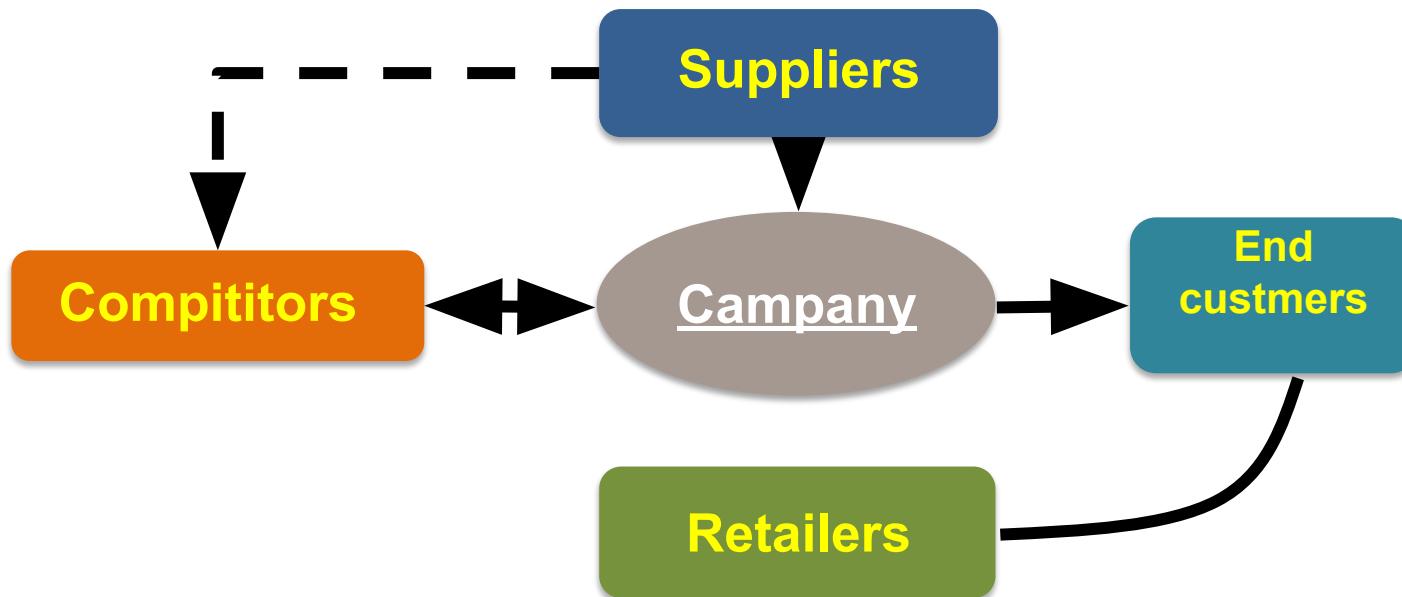
Source : CREDOC 2013 (Centre de Recherche pour l'Étude et l'Observation des Conditions de Vie)

Market: Different Definitions

Definition 3 :

The set of actors who interact to market a category of products or services in a given geographical area.

The Corporate Micro-environment:



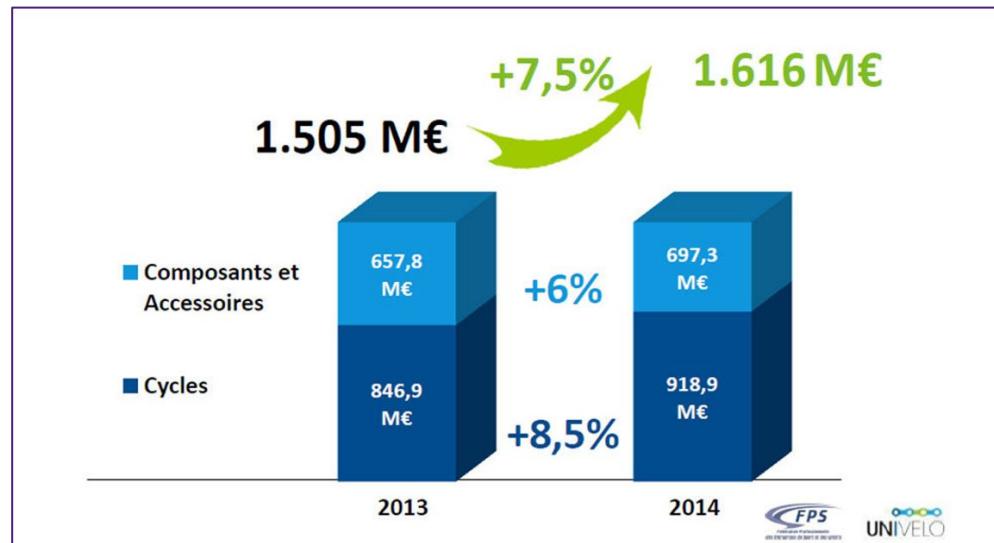
Market: Different Definitions

Definition 4 :

Total sales (all competitors combined) of a product or service, in volume (units) or in value (€)

Example :

The Bike Market in Value (2018 – 2019)



What is Market Share?

The Market Share of product X, brand Y or company Z ...

... can be a Market Share in :

► **VOLUME**

MS VOL

$$= \frac{\text{Number of X, Y, or Z units sold in a given period}}{\text{Total number of units sold on the market during the same period}}$$

► **VALue**

MS VAL

$$= \frac{\text{Sales (*) of X, Y, or Z over a given period}}{\text{Total sales of the market over the same period}}$$

(*) Sales at public price

How can we talk about a gain or loss in market share?



We never talk about a gain or loss of market in terms of percentage (Market Share is already a percentage!).

A market share trend is expressed in POINTS

Example:

Our Market Share by volume increased from 22.5% in 2018 to 23.5% in 2019

- ▶ "Our Market Share by volume increased by one point between 2018 and 2019, from 22.5% to 23.5%" or
- ▶ "We gained one point of Market Share in volume in 2019 vs. 2018, from 22.5% to 23.5%"

CHAPTER 2

Market analysis

1.1 - How to define a market ?

1.2 - The different levels of competition

1.3 - Market structure (end customers)

1.2- The different levels of competition

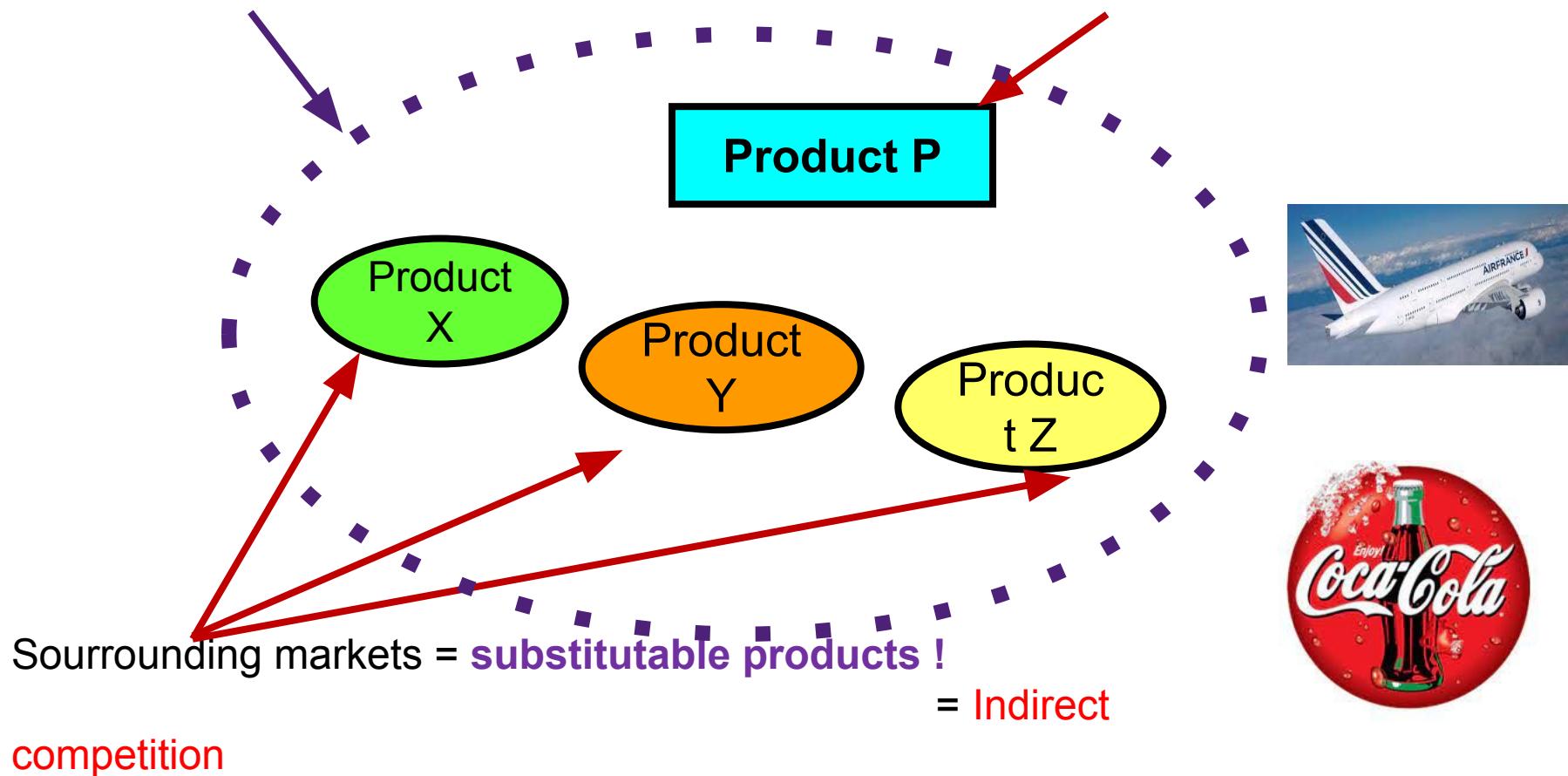
GENERIC market

= direct+indirect competition

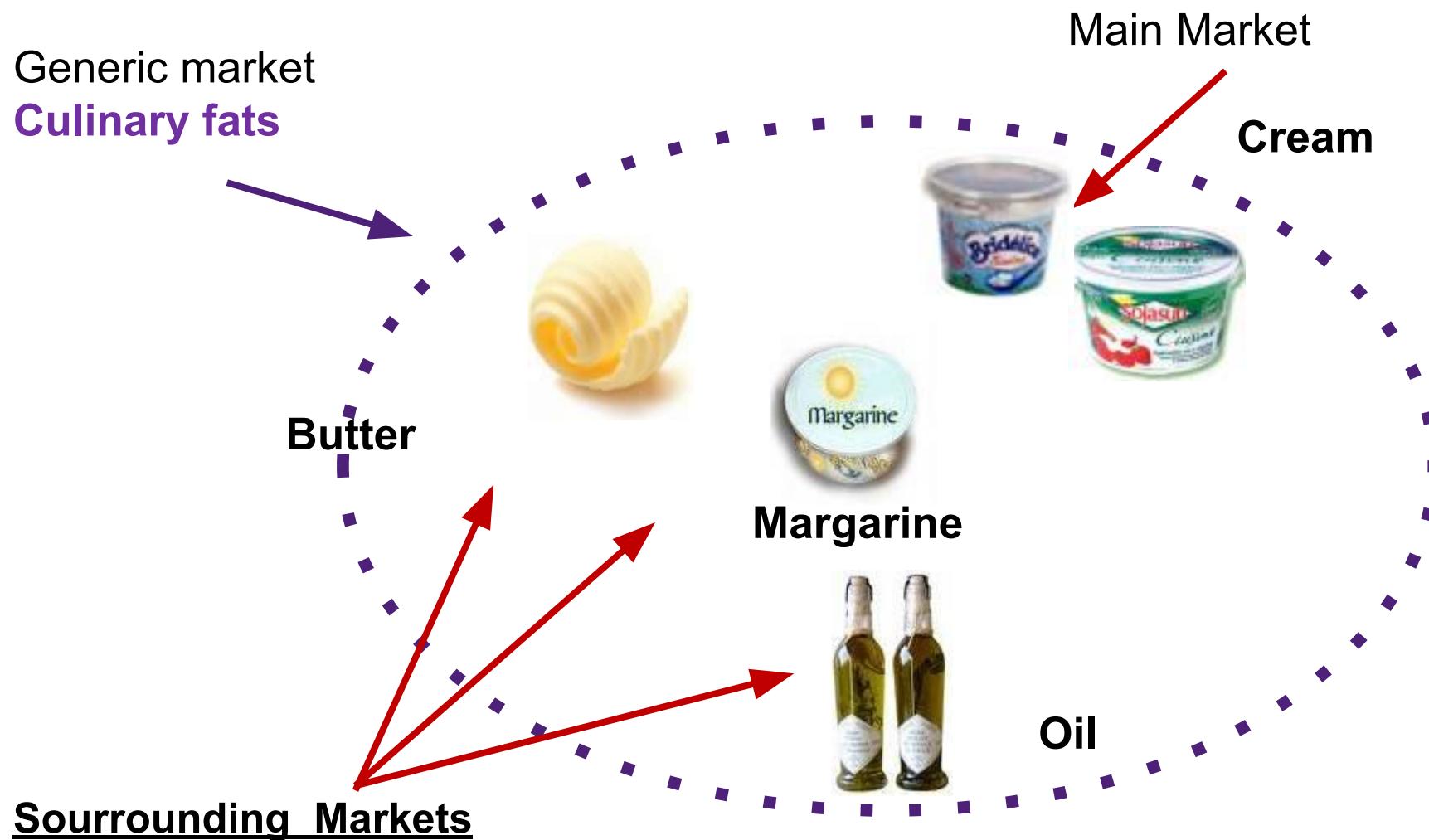
Main market

= **similar products!**

= direct competition



Example: fresh cream



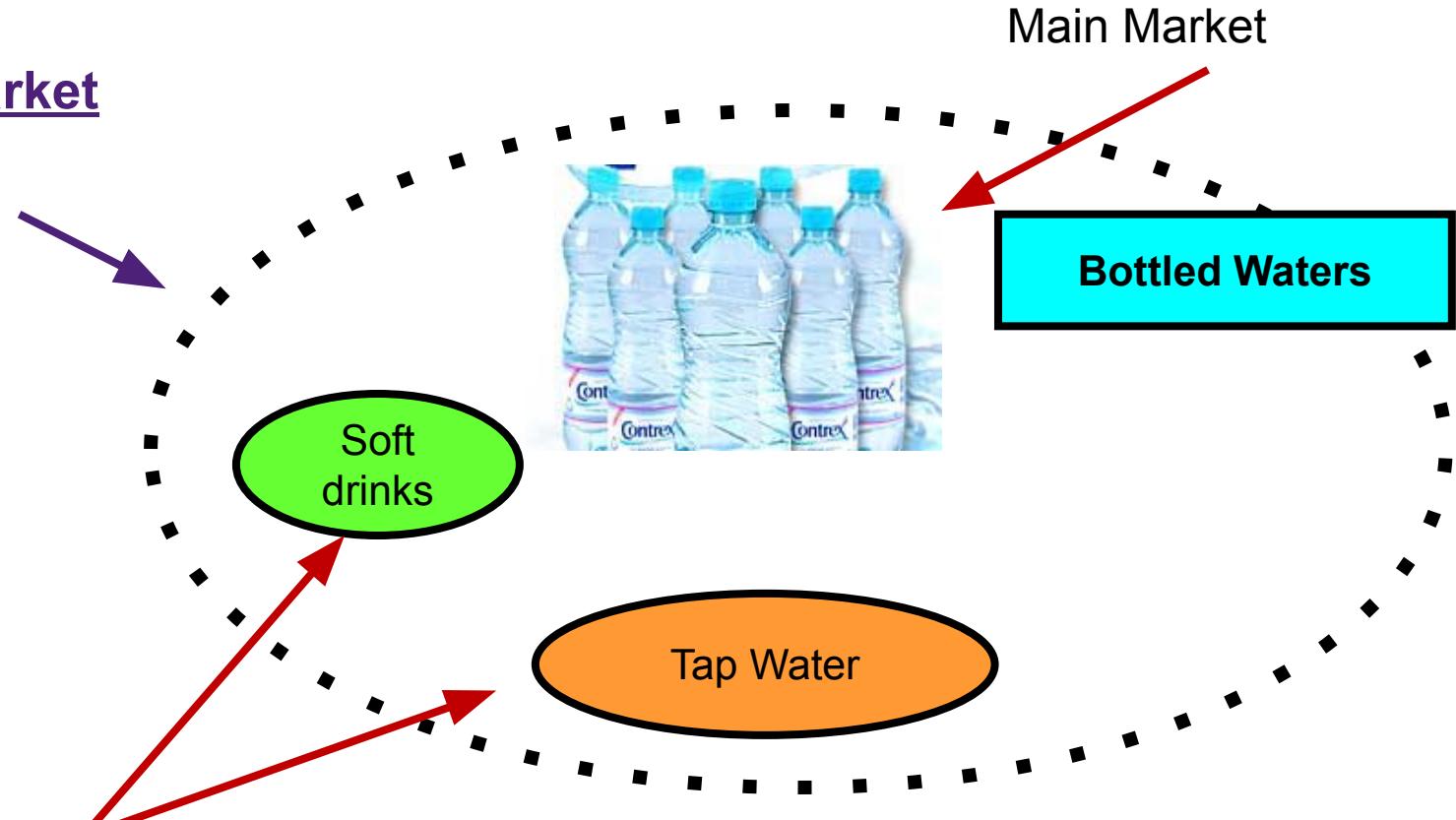
Application

Main market? Surroundings? Generic?



Generic market

The drinks



Surrounding market ?

Competition: The Different Levels

■ Direct competition :

- ▶ Brands competition
- ▶ Products competition (same category, but different)



■ Indirect competition



■ Competition of purchasing power *Comment préfère-t-on dépenser son argent ?*



CHAPTER 2

Market analysis

- 1.1 - How to define a market?**
- 1.2 - The different levels of competition**
- 1.3 - The structure of a market (end customers)**

End customers: the structure of the Market

POPULATION

Absolute non-consumers

People unable to consume the product for physical, moral or religious reasons.

POTENTIAL MARKET

Relative
non-consumers

Non-consumers of a product or service (because of lack of interest in the product or because of a financial or other barrier), but who could become consumers.

Existing market or
Market penetrated

People who have already bought the product

$$\frac{\text{Market penetrated (or existing)}}{\text{Potential market}} = \text{Penetration rate}$$

Exercice : Maintenant, rêvons un peu....

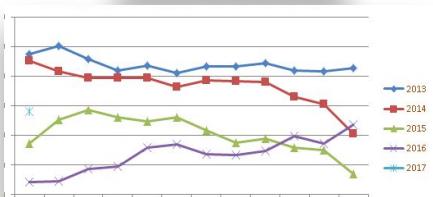


You have just been recruited by Danone
as a Product Manager.
The Marketing Director asks you to
think about launching a new yogurt.
**What information do you need to gather
to make sure that this yogurt
will be a commercial success?**



Information to gather...

Offer

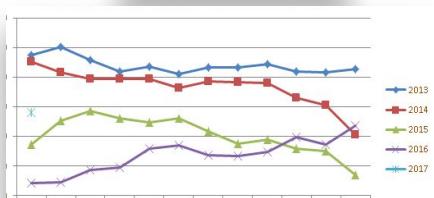
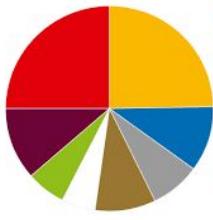


- ▶ Market size? In volume (number of units sold)? In value ?
- ▶ What are the different types of yogurt?
 - *Texture (firm, stirred, liquid)*
 - *Flavor (sweet, unsweet, flavored, fruit, honey, jam)*
 - *Fat content (3.5% / 1.5% / <1%)*
 - *Milk (cow, goat, sheep)*
- ▶ What do they represent (in volume and value)?
- ▶ What are the trends?
- ▶ What are the different types of packaging (plastic, glass, tube, bottle)? What do they represent?
- ▶ Who are the players in this market?

...

Informations à rassembler...

Offre



- ▶ Taille du marché ? En volume (nombre d'unités vendues) ? En valeur ?
- ▶ Quels sont les différents types de yaourts ?
 - *Texture* (ferme, brassé, liquide)
 - *Parfum* (sucré, non-sucré, aromatisé, aux fruits, miel, confiture)
 - *Teneur en matières grasses* (3,5% / 1,5% / <1%)
 - *Lait* (vache, chèvre, brebis)
- ▶ Que représentent-ils (en volume et valeur) ?
- ▶ Quelles sont les tendances ?
- ▶ Quels sont les différents packagings (plastique, verre, tube, bouteille) ? Que représentent-ils ?
- ▶ Qui sont les acteurs présents sur ce marché ?
- ...

Informations à rassembler...

Demand



- ▶ Who eats yogurt (gender, age, CSP)?
- ▶ How many are there?

For each segment (client group):

- ▶ Why, when, how often do they eat yogurt?
- ▶ Quel type de yaourt mangent-ils ? Pourquoi ?
- ▶ Who buys the yogurt they eat?
- ▶ What do they expect from a yogurt?
- ▶ Are they loyal to brands? Why are they loyal?
- ▶ Is price important to them?
- ▶ Are they expecting an innovation (product or packaging)?

...

CHAPTER 3

SWOT Analysis



- 1 - Definition
- 2 - External analysis
- 3 - Internal analysis
- 4 - Diagnosis
(strategic SWOT analysis)

Definition

The SWOT analysis is a strategic analysis tool of the company.

- It allows you to make a diagnosis before launching your project (business plan, new product, marketing plan, takeover of a company...).
- Its purpose is to provide an overview of the current situation of a company (strengths and weaknesses).
- It suggests trajectories for the future (opportunities and threats).

Définition

L'analyse SWOT est un outil d'analyse stratégique de l'entreprise.

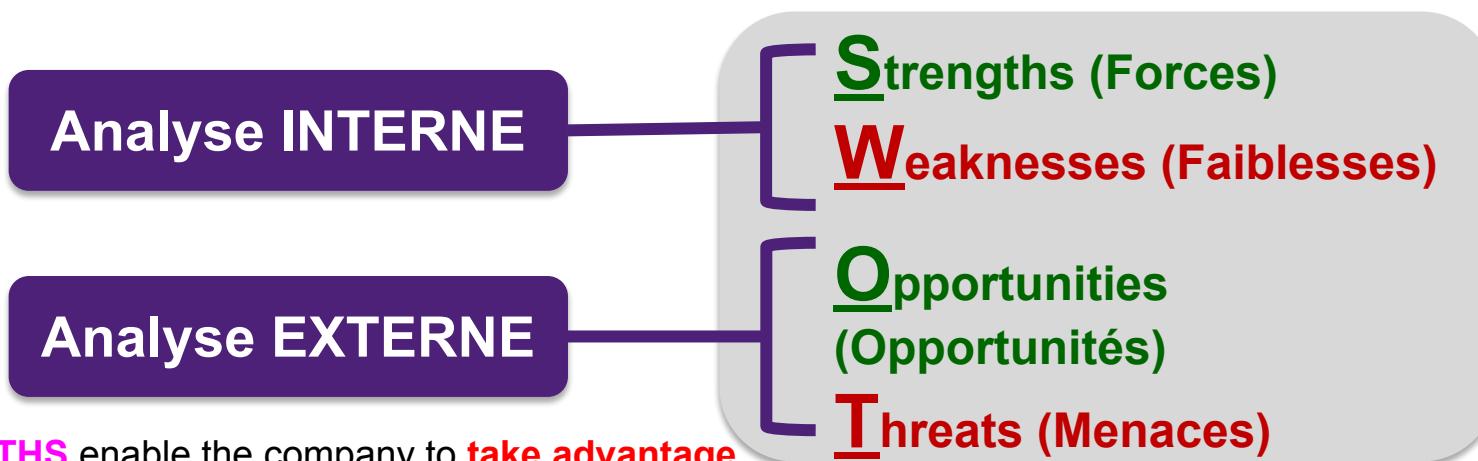
- Permet de réaliser un **diagnostic** avant de lancer son projet (**business plan, nouveau produit, plan marketing, reprise d'une entreprise...**).
- À pour but de **dresser une vision d'ensemble** de la situation actuelle d'une entreprise, d'une partie de celle-ci ou d'un projet.
- Elle fournit un aperçu de la situation actuelle (**forces et faiblesses**)
- Elle suggère des trajectoires pour l'avenir (**opportunités et menaces**)

L'analyse SWOT

The SWOT analysis always starts with the EXTERNAL analysis

A summary of the marketing analysis, identifying :

- ▶ **Strengths and Weaknesses of the company**
- ▶ **Opportunities and Threats identified during the analysis of the market, competition and environment**



STRENGTHS enable the company to **take advantage of opportunities and resist threats**

WEAKNESSES likely to diminish or worsen in the future, given the environment?

S	W	O	T
STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Things your company does well Qualities that separate you from your competitors Internal resources such as skilled, knowledgeable staff Tangible assets such as intellectual property, capital, proprietary technologies etc. 	<ul style="list-style-type: none"> Things your company lacks Things your competitors do better than you Resource limitations Unclear unique selling proposition 	<ul style="list-style-type: none"> Underserved markets for specific products Few competitors in your area Emerging need for your products or services Press/media coverage of your company 	<ul style="list-style-type: none"> Emerging competitors Changing regulatory environment Negative press/media coverage Changing customer attitudes toward your company

RIVALRY AMONG EXISTING COMPETITORS:

- Number of competitors
- Diversity of competitors
- Industry concentration
- Industry growth
- Quality differences
- Brand loyalty
- Barriers to exit
- Switching costs

BARGAINING POWER OF SUPPLIERS

BARGAINING POWER OF SUPPLIERS:

- Number and size of suppliers
- Uniqueness of each supplier's product
- Focal company's ability to substitute

THREAT OF SUBSTITUTE PRODUCTS:

- Number of substitute products available
- Buyer propensity to substitute
- Relative price performance of substitute
- Perceived level of product differentiation
- Switching costs

THREAT OF NEW ENTRANTS

RIVALRY AMONG EXISTING COMPETITORS

THREAT OF NEW ENTRANTS:

- Barriers to entry
- Economies of scale
- Brand loyalty
- Capital requirements
- Cumulative experience
- Government policies
- Access to distribution channels
- Switching costs

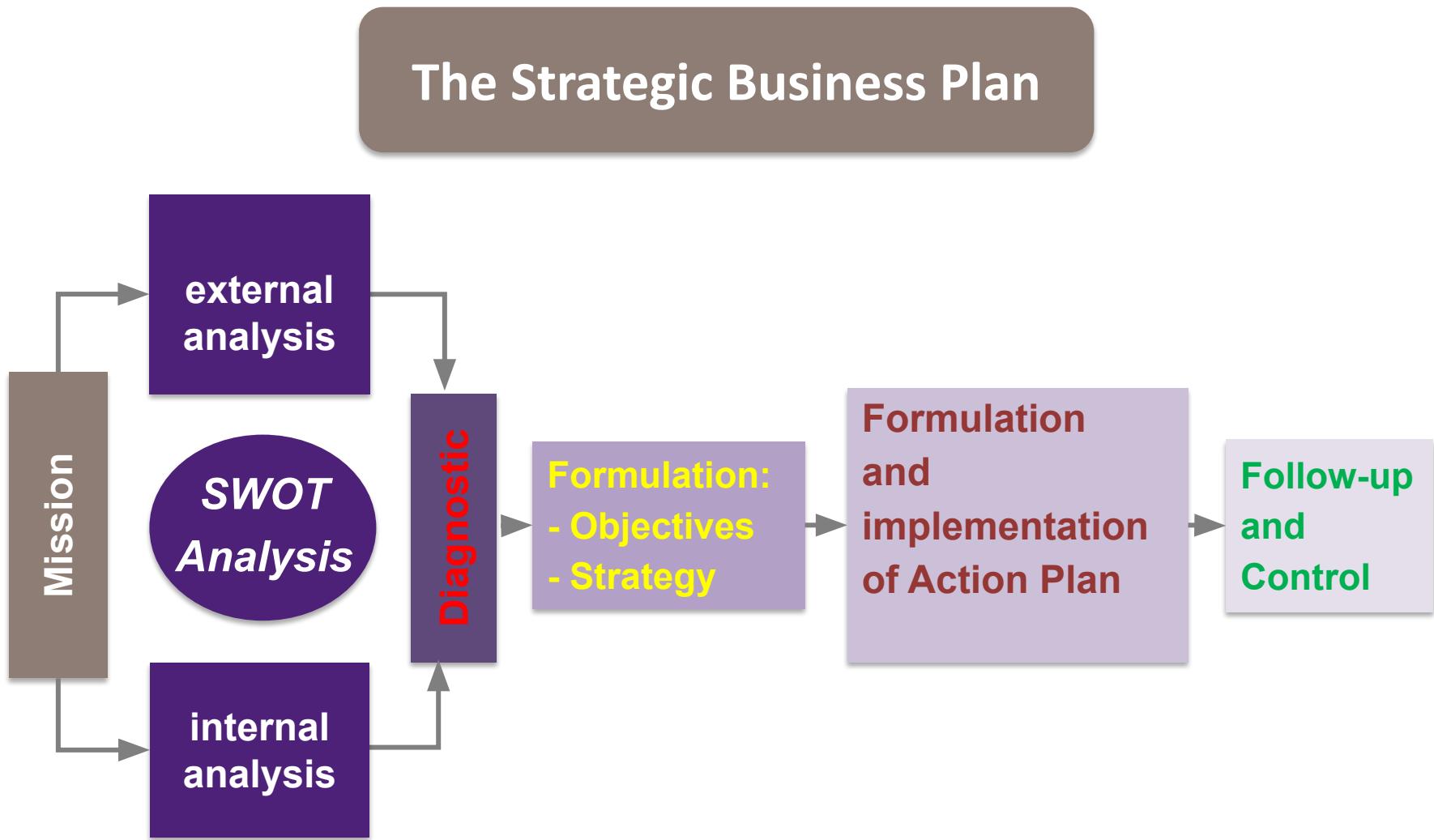
BARGAINING POWER OF BUYERS

BARGAINING POWER OF BUYERS:

- Number of customers
- Size of each customer order
- Differences between competitors
- Price sensitivity
- Buyer's ability to substitute
- Buyer's information availability
- Switching costs

THREAT OF SUBSTITUTE PRODUCTS

L'analyse SWOT



CHAPTER 2

SWOT analysis

- 1 - Definition
- 2 - External analysis
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- 4 - Diagnosis (strategic SWOT analysis)

The External Analysis differentiates:

■ Opportunities:

External phenomena that may have a favorable influence on the business or profitability.

■ Threats:

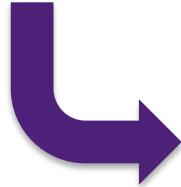
Problems posed by an unfavorable trend or disruption in the environment that, in the absence of an appropriate marketing response, would lead to a deterioration in the company's position.



Pour toutes les entreprises sur le marché
et non pour l'entreprise seulement

Opportunité: Exemple

■ The ageing of the population...



...an opportunity for...

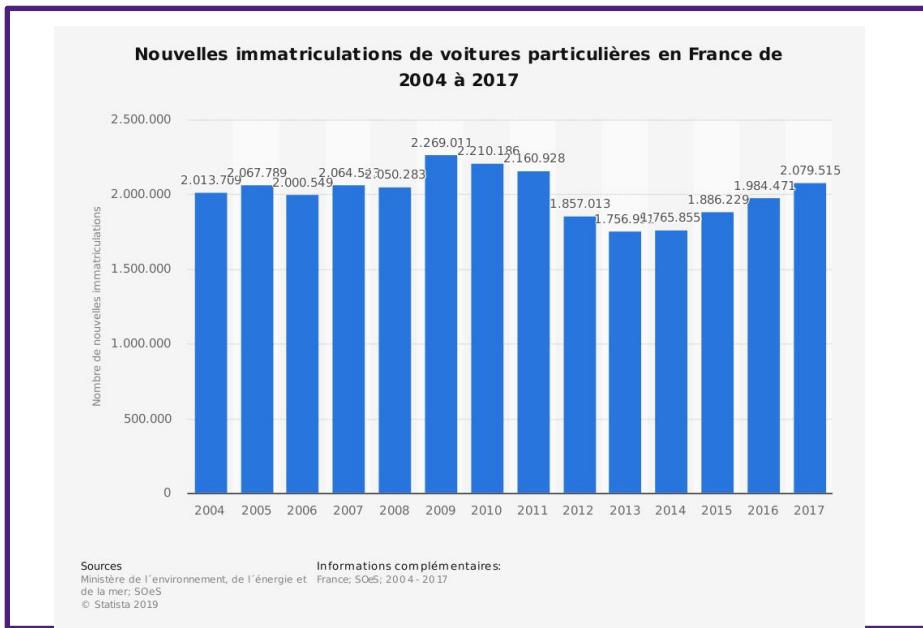
L'ORÉAL®

■ anti-aging products



Threat: Example

- 2010-2014: drop in the number of registrations in France...



... a threat to...

- ... car manufacturers

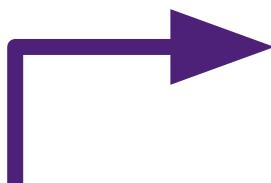


Volkswagen

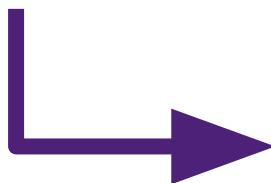
The external analysis must be structured,

1. MACRO-ENVIRONMENT

Analysis (uncontrollable elements
that impact the players present on the
market)



differentiating:



2. MICRO-ENVIRONMENT Analysis

(actors present on the market and
surrounding the company)

L'analyse du MACRO-environnement

(éléments incontrôlables qui impactent les acteurs présents sur le marché)



MACRO-environment analysis: Presentation

Analyse EXTERNE : Macro-environnement

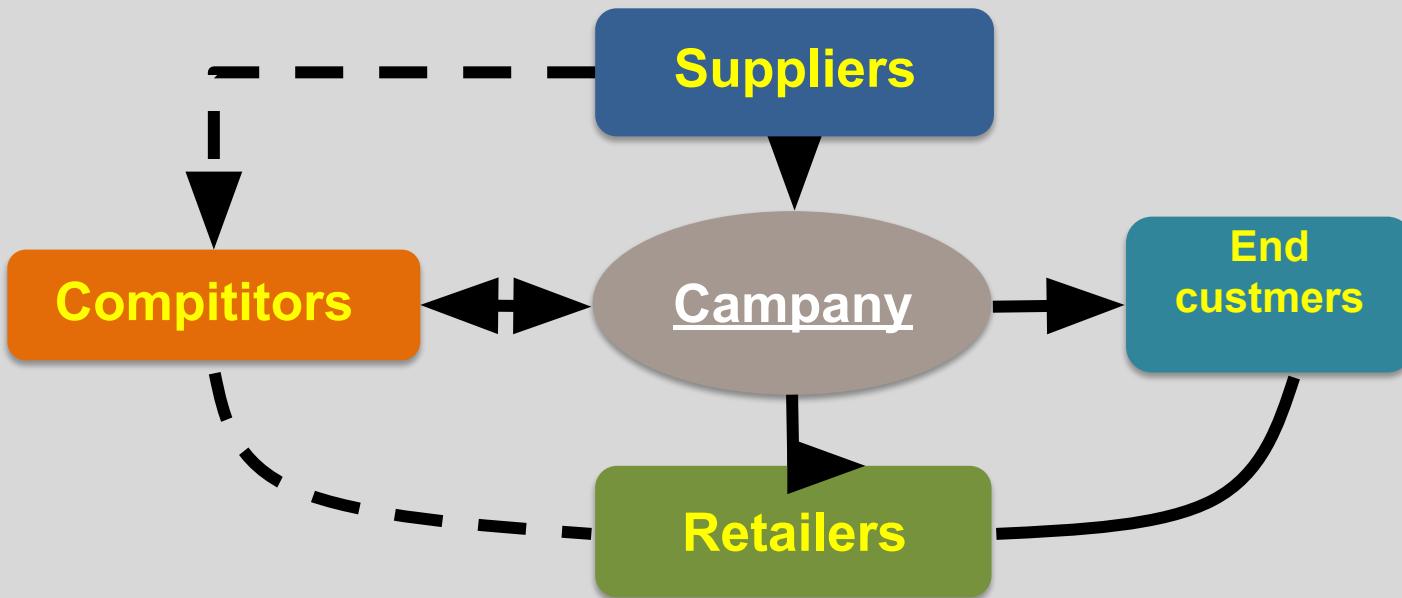
OPPORTUNITÉS	MENACES
Facteurs Politiques <ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.Et harum quidem rerum facilis est et expedita distinctio.	<ul style="list-style-type: none">Et harum quidem rerum facilis est et expedita distinctio.
Facteurs Economiques <ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.Et harum quidem rerum facilis est et expedita distinctio.	<ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.
Facteurs Socio-démographiques <ul style="list-style-type: none">Et harum quidem rerum facilis est et expedita distinctio.	<ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.Et harum quidem rerum facilis est et expedita distinctio.
Facteurs Technologiques	
Facteurs Environnementaux <ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.	
Facteurs Légaux	

These headings should be used only if there are relevant factors to be mentioned.

MICRO-environment analysis

(actors present on the market and surrounding the company)

Marché : caractéristiques, taille & tendances



4 facteurs qui influencent directement la performance de l'entreprise sur le marché

L'analyse du MICRO-environnement : Présentation

Analyse EXTERNE : Micro-environment

OPPORTUNITÉS	MENACES
Caractéristiques du marché, taille & tendances <ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.Et harum quidem rerum facilis est et expedita distinctio.	<ul style="list-style-type: none">Et harum quidem rerum facilis est et expedita distinctio.
Clients / Consommateurs <ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.Et harum quidem rerum facilis est et expedita distinctio.	<ul style="list-style-type: none">Et harum quidem rerum facilis est et expedita distinctio.
Concurrents <ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.Et harum quidem rerum facilis est et expedita distinctio.	<ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.
Distributeurs <ul style="list-style-type: none">Et harum quidem rerum facilis est et expedita distinctio.	<ul style="list-style-type: none">Nemo enim ipsam voluptatem quia voluptas sit aspernatur aut odit aut fugit, sed quia consequuntur magni dolores eos qui ratione voluptatem sequi nesciunt.Et harum quidem rerum facilis est et expedita distinctio.
Fournisseurs	

These headings should be used only if there are relevant factors to be mentioned.

Analyse Externe / Présentation

ADVICE

CLARITY OF EXPRESSION:

Ensure that the formulation is specific enough

PRECISION:

be sure to specify any statements with dates and figures.

Opportunité / Exemple:

- *With 500,000 tons in 2019, pasta consumption in France increased by 5% in volume compared to 2018*

Analyse Externe / Présentation

CONSEILS

CLARTÉ D'EXPRESSION:

Ensure that the formulation is specific enough

PRÉCISION:

Veiller autant que possible à préciser toute affirmation par des dates et des chiffres.

Opportunity / Example:

- *With 500,000 tons in 2019, pasta consumption in France increased by 5% in volume compared to 2018*

CHAPTER 3

SWOT Analysis

- 1 - Definition
- 2 - External analysis
- 3 - Internal analysis
- 4 - Diagnosis
(analyse SWOT stratégique)

Internal analysis

Identification of the Strengths and Weaknesses of the company, the brand, the product

Analyse :

Company skills

- Marketing
- Finance
- Production, technology
- Humain Ressources ...

Marketing-mix of the product, service or brand

- **Produit** : intrinsic qualities, range, warranty, customer service, etc.
- **Prix** : Base price, discounts, payment terms, etc.
- **Distribution** : channels, logistics, merchandising, FdV, etc.
- **Communication** : advertising, promotion, PR, etc.

Internal Analysis: presentation

An example...

	Strength	Weakness
The Company		
.		
The Brand		
.		
The product		
.		
The price		
.		
Distribution		
.		
Communication		
.		

Headings of the
sections to be
adapted according to
the strengths and
weaknesses
identified

Internal Analysis: presentation

And again ...

■ CLARITY OF EXPRESSION:

■ PRECISION:

Strength / Example:

With \$50M in 2019, value sales of the "professional hair products" line increased by 8% compared to 2018

Case study

- You have just been appointed Marketing Director of Fruita, a company specialized in the manufacture of fruit compotes.
- Fruita's brand portfolio is composed of 3 brands:
- Les Classiques, whose product line is composed of compotes made with traditional ingredients.
- Les Gourmandes is composed of compotes with melting fruit pieces to provide a pleasant sensory experience for consumers.
- The Saveurs d'Ailleurs brand was launched in 2021. It differs from other brands by using unique ingredients from exotic countries in its recipes.

Case study

- The market is composed of several competing brands. Compotelle offers products similar to those of the Les Classiques brand.
- Stylea develops healthy compotes with no added sugar.
- Finally, private labels offer compotes made with ingredients that appeal to a wide range of consumers.
- When you join the company, the CEO asks you to analyze the performance of the Les Gourmandes brand and to provide recommendations for improving the situation.

Case study

- From the tables available in Appendix 1, calculate the market share for each brand and enter it in the table below.
- Indicate the formula used.

TOTAL	100%	100%	100%	100%
FRUITA	51,7%	53,0%	55,3%	57,6%
Classiques	35,1%	37,1%	36,3%	38,9%
Gourmandes	16,6%	10,4%	19,0%	12,0%
Saveurs d'Ailleurs	0,0%	5,6%	0,0%	6,7%
COMPOTELLE	25,1%	16,1%	23,2%	15,5%
STYLEA	8,2%	11,4%	9,4%	13,0%
MDD	15,0%	19,5%	12,0%	13,9%

Case study

- Then, you are asked to analyze the data at the market and brand level using the figures you have just calculated and the indicators available in the tables in Appendix 1.
- Comment on and use all indicators (those included in the appendix), not just market share.
- Based on this analysis, you will make recommendations for the Les Gourmandes brand. Each recommendation must be illustrated and justified by the market analysis

Annexe 1



	VENTES VOL (M cups)			VENTES VAL (M €)			NOMBRE MOYEN DE REFERENCES		
	2020	2021	<i>evol</i>	2020	2021	<i>evol</i>	2020	2021	<i>evol</i>
TOTAL	415.1	441.1	6.3%	192.4	197.6	2.7%	22.6	23.1	2.2%
FRUITA	214.6	233.7	8.9%	106.5	113.8	6.9%	12.2	12.4	1.6%
Classiques	145.5	163.5	12.4%	69.8	76.8	10.0%	8.6	8.5	-1.2%
Gourmandes	69.1	45.7	-33.9%	36.6	23.8	-35.1%	4.6	3.3	-28.3%
Saveurs d'Ailleurs	0.0	24.5		0.0	13.2		0	2.5	
COMPOTELLE	104.0	71.1	-31.6%	44.7	30.6	-31.6%	5.8	5.2	-10.3%
STYLEA	34.2	50.2	46.8%	18.1	25.6	41.2%	4.9	6.3	28.6%
MDD	62.3	86.1	38.2%	23.1	27.6	19.5%	5.2	7.5	44.2%

	DN			DV		
	2020	2021	evol	2020	2021	evol
MARCHE	100	100	0.0%	100	100	0.0%
FRUITA	100	100	0.0%	100	100	0.0%
Classiques	100	100	0.0%	100	100	0.0%
Gourmandes	91	92	1.1%	89	90	1.1%
Saveurs d'Ailleurs	0	80		0	84	
COMPOTELLE	85	75	-11.8%	87	65	-25.3%
STYLEA	72	75	4.2%	74	83	12.2%
MDD	100	100	0.0%	100	100	0.0%



PANEL CONSOMMATEUR

	NA/100			QA/NA		
	2020	2021	evol	2020	2021	evol
MARCHE	42.6	46.4	8.9%	37.4	36.6	-2.2%
FRUITA	31.5	32.3	2.5%	26.2	27.9	6.5%
Classiques	18.6	20.5	10.2%	30.1	30.7	2.0%
Gourmandes	14.2	13.2	-7.0%	18.7	13.3	-28.8%
Saveurs d'Ailleurs	0	8.0		0.0	11.8	
COMPOTELLE	13.8	9.5	-31.2%	29.0	28.8	-0.7%
STYLEA	4.4	7.2	63.6%	29.9	26.8	-10.4%
MDD	7.7	9.8	27.3%	31.1	33.8	8.6%



Prochaine séance...

Chap. 4: The marketing strategy

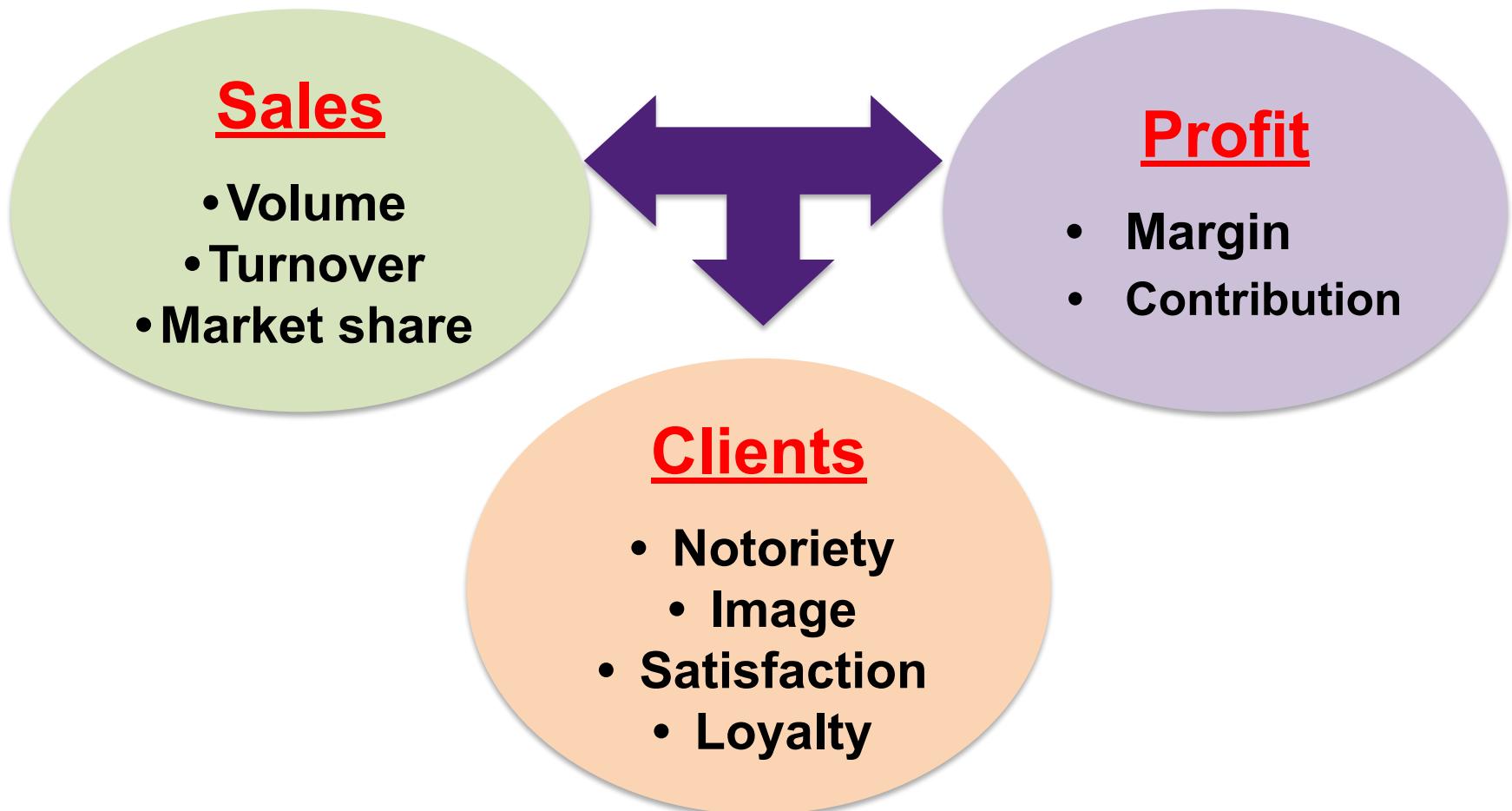
(segmentation/targeting/positioning)

CHAPTER 4 Marketing Strategy

- 1 - Setting a goal**
- 2 - A marketing strategy : why and how?**
- 3 - Segmentation**
- 4 - Targeting**
- 5 - Positioning**

Set a goal

Three types of objectives



Exercise: Sales objective, profit objective or customer objective?

- Increase sales in value by 20% in 3 years
- Reach break-even point on this product in 3 years
- Become the preferred brand among 15-25 year olds in 2 years

- Increase the rate of "very satisfied" customers from 33% to 45% next year
- To gain 8 points in market share in 2 years

- Remain leader for the next 5 years
- Become the best rated brand in terms of safety
- Exceed 80% spontaneous awareness in 3 years

Quality of the objectives

Goals are always specific

- ▶ Quantified
- ▶ Fixed in time
- ▶ Controllable

Goals are always consistent

- ▶ Between them
- ▶ With the overall objectives of the company

SMART method

-  **Specific**
-  **Measurable**
-  **Acceptable (or achievable and ambitious)**
-  **Realistic**
-  **Temporally defined**

CHAPTER 4

Marketing Strategy

- 1 - Setting a goal
- 2 - A marketing strategy : why and how?
- 3 - Segmentation
- 4 - Targeting
- 5 - Positioning

A Marketing Strategy: **WHY ?**

Most markets are highly competitive.

many consumers, with different behaviors and expectations.



Impossible to satisfy all potential customers



Need to find one or more “sub-markets” that seem attractive and compatible with the objectives and resources of the company.



Identify these segments and develop targeted marketing using a specific marketing mix.

Marketing strategy : 3-step development

1. Divide the market into homogeneous, relevant and accessible subsets for a specific marketing action.
2. Assess the relative attractiveness of each of these segments and choose the segments on which the company will focus its efforts.
3. Finally, develop an offer adapted to the chosen target.(and then develop a coherent marketing-mix).

Segmentation

Targeting

Positioning



CHAPTER 4

Marketing Strategy

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La Segmentation : Definition



- “A market segment is a group of customers who share the same desires for the product”
(Kotler et al. 2009 : 272).
- Segmentation consists of identifying distinct groups of customers who will react in the same way to the company's offer. *(Kotler et al. 2009 : 16).*
- But to target a marketing campaign, it is essential beforehand to **know your customers well. Create different groups bringing together homogeneous customers, within your CRM.**

The main criteria for segmenting a consumer market

(Kotler et al.)



■ **Geographical**

divide the market according to cities

■ **Sociodemographic: (most important)**

Age, gender, income level, family life cycle, education, habitat.

■ **Psychographics:** difficult to get this kind of information, Personality, lifestyle, values.

If you want to promote pairs of skis, for example, it is better to target customers/prospects interested in winter sports.

■ **Buying behavior :**

Use, benefits sought, purchasing habits (frequency, volume, brand loyalty, store preference), purchase situation (occasional or frequent),

Behavioral criteria can be linked to:



- **Benefits sought:** save money, buy quality products, aesthetic products, comfort, etc.
- **The degree of customer loyalty:** we do not target a loyal customer and a new customer in the same way.
- **Purchasing behavior:** means of payment used, preferred delivery method, preferred time slots for purchases (weekdays, weekends, mornings, evenings, etc.), channel used (computer, mobile, point of physical sale).
- **The use made by customers of the products purchased.**
- **The purchase situation:** does the customer buy occasionally or frequently?

Les critères comportementaux peuvent être liés à :



- **L'usage fait par les clients des produits achetés.**
- **La situation d'achat** : le client achète-t-il de manière occasionnelle ou fréquente ?
- **Avantages recherchés** : faire des économies, acheter des produits de qualité, des produits esthétiques, le confort, etc.
- **Au degré de fidélité du client** : on ne cible pas de la même manière un client fidèle et un nouveau client.
- **Au comportement d'achat** : moyen de paiement utilisé, mode de livraison préféré, plages horaires privilégiées pour l'achat (en semaine, le week-end, le matin, le soir, etc.), **canal utilisé** (ordinateur, mobile, point de vente physique).

Geographic Segmentation: Examples



Food



Sauerkraut

Seafood

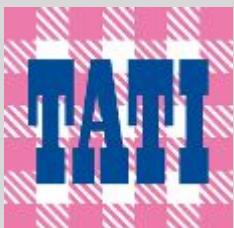
soup

Seasonal products



Socio-demographic segmentation: Examples

Segmentation by income levels



wedding dress



Segmentation by age



Segmentation by gender



toothbrush

Psychographic segmentation: Example



Car Manufacturers: Segmentation by *Lifestyles*



Behavioral Segmentation: Examples

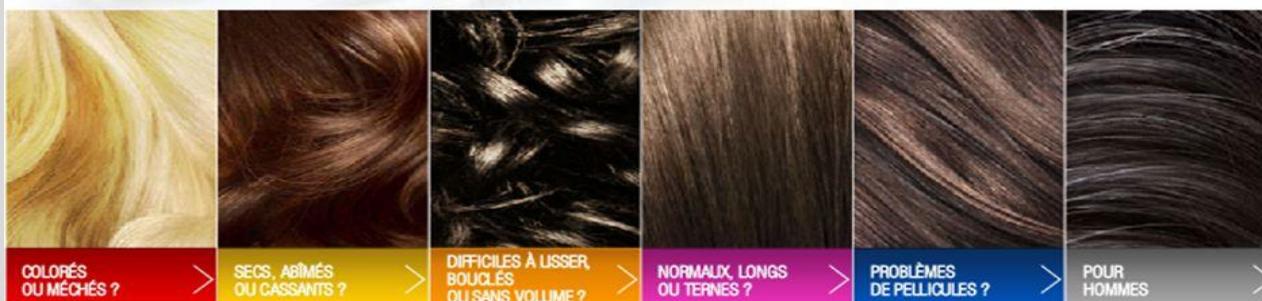


Airlines companies :
Segmentation by purchasing situation



Leisure or business trip ?

L'Oréal, hair care:
Segmentation by benefits sought



Cross segmentations to better target!

How to collect all this data?

- In general, purely socio-demographic criteria are not enough, they must be accompanied by psychological or behavioral criteria.
- The problem: how to recover the data ?

Cross segmentations to better target!

How to collect all this data?

- **The problem: how to recover the data ?**
- **Remember, demographic data is the easiest to retrieve.**
- **They can be requested during a:**
 - **subscription to a newsletter,**
 - **in a contest game or**
 - **when purchasing online**

Characteristics of effective segmentation:

Each segment obtained must meet the following criteria:

1	Possibility of measurement	<i>Size, purchasing power, belonging to a specific segment</i>
2	Sufficient volume	<i>Number and/or profitability</i>
3	Possibility of access	<i>Segments can be reached and served efficiently.</i>
4	Relevance	<i>The segments must be really different from the point of view of the variable studied and react differently to the marketing actions envisaged.</i>
5	Business Feasibility	<i>The company's resources allow it to develop the programs likely to attract and satisfy these segments.</i>

(Kotler et al. 2009, P. 292).

CHAPTER 4

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De la Segmentation au Ciblage



1. Segmentation

Highlights market heterogeneity by identifying different segments



2. Targeting

Evaluate the different segments and choose those on which the company will focus its efforts



Segment evaluation

Two factors to consider

1. Segment appeal

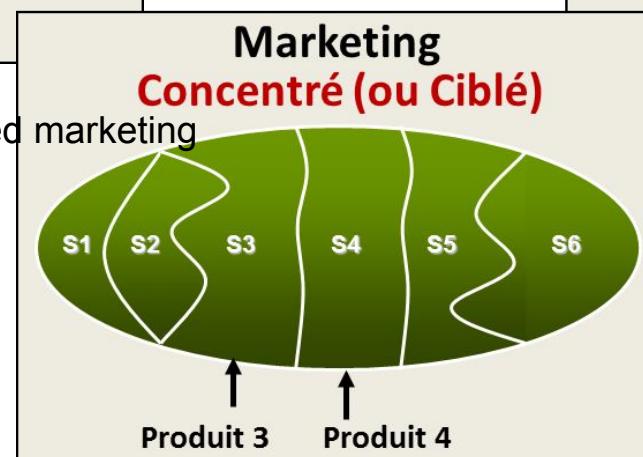
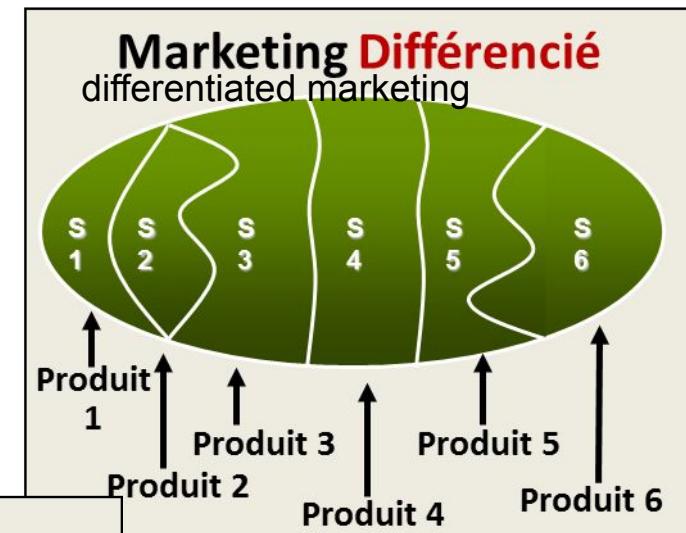
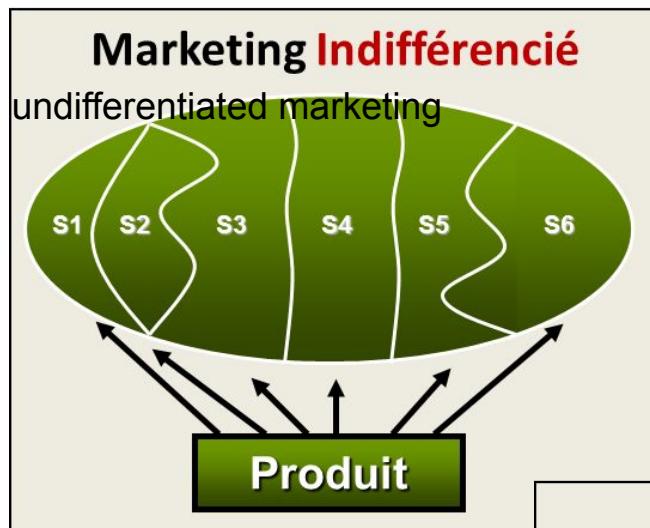
- Size, growth, profitability, level of risk, competitors.

2. Company objectives and resources

- IS the segment compatible with the objectives of the company?
- Does the company have the necessary means (financial, human, technological) to bring a competitive advantage to this segment?

Targeting:

Four Market Hedging Strategies



Micro-Marketing
ou
Marketing individualisé

individualized marketing

Des exemples ?

La stratégie indifférenciée : Les besoins communs sont mis en évidence et donc l'entreprise propose un **seul produit** à l'ensemble du marché. Caractéristique d'une stratégie **marketing** qui tend à considérer le marché comme une masse uniforme, ne nécessitant pas d'adaptation pour tel ou tel sous-ensemble de consommateurs

La stratégie différenciée : Caractéristique d'une stratégie pour laquelle l'entreprise applique une **politique marketing adaptée à chaque segment**, qu'elle aura préalablement identifié comme étant un ensemble homogène d'individus.

La stratégie concentrée : L'entreprise se concentre sur un marché spécialisé connu sous le nom de « **marché de niche** ». C'est-à-dire se **focaliser** sur un seul **segment** en lui proposant un seul produit destiné uniquement à lui et non au marché global. Ceci est une stratégie qui remédie généralement aux difficultés de l'entreprise à satisfaire toutes les demandes de tous les segments du marché

Stratégies de Couverture de Marché : exemples

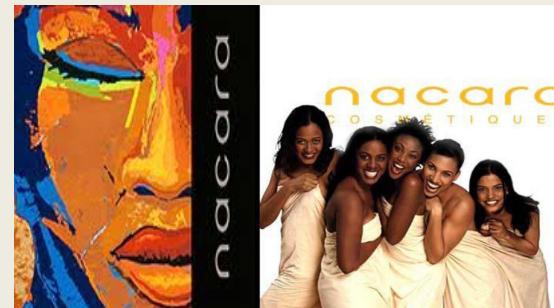
Marketing Indifférencié



Marketing Différencié



Marketing Concentré (ou Ciblé)



Multi-ethnic make-up,
ethno-cosmetics

Micro-Marketing ou Marketing individualisé

The image shows the Nike iD customization interface. On the left, a Nike sneaker is displayed with various colors and patterns applied. To the right, there is a form for creating a personalized ID. The form includes fields for "DEBUT" (TERMINE), "CRÉER" (TERMINE), "PERSONNALISER" (0 sur 2), and "VISUALISER". It also includes a color palette for selecting shoe colors, an "ID" input field, and a "NIKE iD.COM" button. Text at the bottom reads: "Vous créez. Nous réalisons. Personnalisez et achetez votre style personnel sur nike iD".

Targeting a “Niche” Market

“Niche” Market :

Small subset of a market, in principle with limited development potential.

The screenshot shows the homepage of the Antagene website. At the top left is the Antagene logo, which is a stylized green 'A' inside a circle. Next to it is the text "Le réflexe génétique". The top right features a language selection bar with "Langue: EN | FR | IT | ES | Mon Compte" and a search bar. Below the header, there are five navigation buttons: "ANTAGENE", "SOLUTIONS", "SANTÉ", "COMMANDER", and "CONTACT". A main headline reads "Des tests ADN pour la certification d'origine et la prévention des maladies". Below this are two buttons: "Selectionner une race" and "Rechercher une race". A large grid of numerous dog portraits occupies the center of the page. On the left side, there's a section for breeders ("ELEVEUR") featuring an image of a product box labeled "IDENTITÉ KITADN".

dog/cat DNA tests:

The ANTAGENE laboratory is the specialist in dog/cat DNA tests: identification génétique, parenté certifiée ADN et dépistage des maladies héréditaires.

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From Segmentation to Positioning



1. Segmentation

Highlights market heterogeneity by identifying different segments



2. Targeting

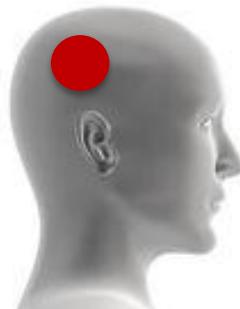
Evaluate the different segments and choose those on which the company will focus its efforts



3. Positioning

Position and differentiate your offer in the minds of target consumers.

Positioning is about creating a clear, unique and desirable value proposition in the minds of target consumers.

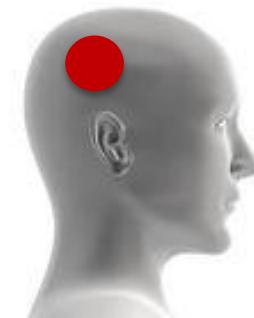


Le Positionnement : Définition

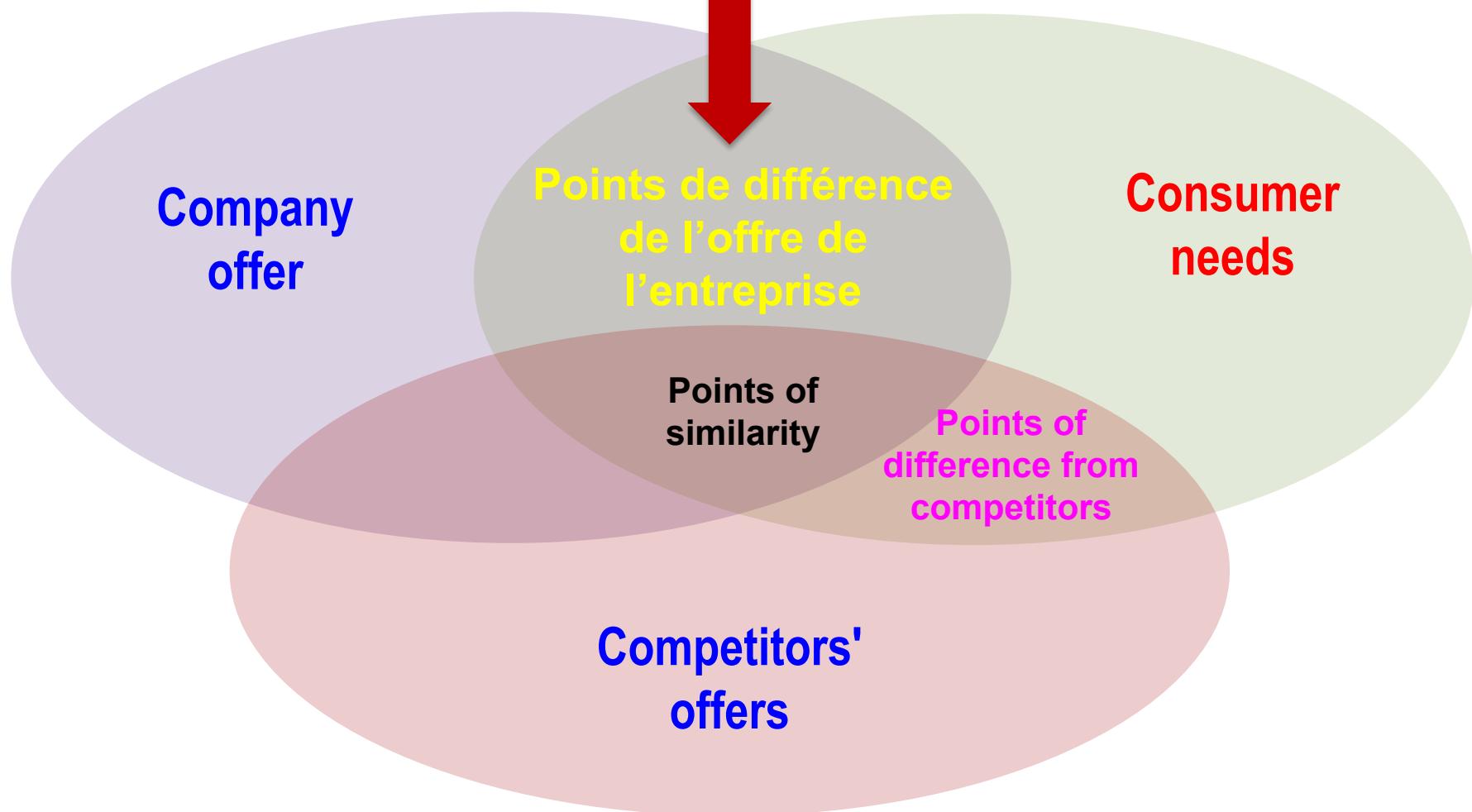
«Positioning is called
**The design of a product and its image in order to give it
a specific place in the minds of the target customers»**

(Kotler et al. 2009, P. 348).

- It will then guide product, communication, price decisions
- It establishes how the company wishes to be perceived by consumers and articulates why they should buy the product from the brand rather than from competitors.
- Positioning : strategic choice that seeks to give an offer (product, brand) a credible, different and attractive position within a market and in the minds of customers.



Positioning is based on the points of difference of supply (PoD)



Value proposition

What promise?

- **Value proposition: set of benefits that I will offer to customers from the product or service that I will sell to them.**
- **A value proposition refers to the value a company promises to deliver to customers.**
- **It communicates the competitive advantage provided to the consumer in an impactful way.**
- **A value proposition is at the heart of a company's marketing strategy and targeting.**
- **It summarizes why a consumer should buy a product or use a service**

Value proposition

What promise?

- A value proposition, must convince a potential consumer that a particular product or service, offered by the company, will add more value or solve a problem better than other similar offers.
- The value proposition is at the heart of the business plan, insofar as it allows you to understand what value your company wishes to bring to its target market.

Examples of value proposition:

- “A restaurant with eco-responsible food, in the heart of the city”
- “A free social network without registration”
- “A bed and breakfast in the heart of Paris, 20% cheaper than the competition”

Difference between Positioning, Slogan and Signature

- **Positioning is a strategic choice that seeks to give an offer (product, brand) a credible, different and attractive position within a market and in the minds of customers.**
- **The slogan is its advertising expression which can be attached to a one-time campaign**
- **The brand signature is permanent**



Important
Credible
Distinct
defensible

Positioning Expression

- **Positioning is expressed in a Marketing Plan in one or two sentences, which describe the key elements of the strategy.**

For [target users]

who want/need [compelling reason to buy],

the [name of product/service] is a [product/service category]

which provides [key benefit],

thanks to [competitive advantage].

for students who need a powerful computer with large storage capacities, Apple offers a Mac that provides speed and comfort thanks to its M2 chip

Positioning Expression

- For (target consumer), brand X is the brand of (product category Y), which provides (promise/benefit), because (reason-why/proof).

Example:

- For consumers of mayonnaise, **the Amora brand is the brand of mayonnaise that tastes the best**, because it contains real Dijon mustard.



A GOOD positioning must be...

1	Pertinent	<i>Offer a substantial benefit to a sufficient number of buyers</i>
2	Distinctive	<i>La différence ne doit pas pouvoir être offerte par aucune autre entreprise de manière aussi marquée</i>
3	Credible	<i>The company, its history and its characteristics must justify that it can offer the advertised characteristic</i>
4	Feasible	<i>The company must actually offer the promised difference</i>
5	Communicable	<i>the specificities of the product must be able to be the subject of an explicit demonstration associated with rational arguments</i>
6	Defensible	<i>Regarding any copies or imitations</i>

(Kotler et al. 2009, P. 353).

Positioning is the cornerstone of the Marketing Mix

