

UNIT 3 : Acquiring & Engaging users through Digital Channel

- Relationship between Content & Branding (Impact on Sales)
- Search Marketing
- Mobile Marketing
- Video Marketing
- Social Media Marketing
- Online Campaign Management
- Marketing Analytical Tools for (STP) Segment, Target and Position
- Overview of Search engine optimization.

Why you may need a digital channel strategy?

1. You're directionless :

companies without a digital strategy (and many that do) don't have [clear strategic goals](#) for what they want to achieve online in terms of gaining new customers or building deeper relationships with existing ones.

2. You won't know your online market share :

Customer demand for online services may be underestimated if you haven't researched this. Perhaps, more importantly, you won't understand your online marketplace: the dynamics will be different to traditional channels with different types of customer profile and behaviour, competitors, propositions and options for marketing communications.

3. Existing Business House and start-up competitors will gain market share

If you're not devoting enough resources to digital marketing or you're using an ad-hoc approach with no clearly defined strategies, then your competitors will eat your digital lunch!

4. You don't have a powerful online value proposition

A clearly defined [online customer value proposition](#) will help you differentiate your online service encouraging existing and new customers to engage initially and stay loyal.

5. You don't know your online customers well enough

It's often said that digital is the "most measurable medium ever". But Google Analytics and similar will only tell you volumes of visits, not the sentiment of visitors, what they think. You need to use other forms of [website user feedback tools](#) to identify your weak points and then address them.

6. You're not integrated ("disintegrated")

It's all too common for digital marketing activities to be completed in silos whether that's a specialist digital marketer, sitting in IT or a separate digital agency. It's easier that way to package digital marketing into a convenient chunk. But of course, it's less effective. Everyone agrees that digital media work best when integrated with traditional media and response channels.

7. Digital Marketing doesn't have enough people/budget given its importance

Insufficient resource will be devoted to both planning and executing e-marketing and there is likely to be a lack of specific specialist e-marketing skills which will make it difficult to respond to competitive threats effectively.

8. You're wasting money and time through duplication

Even if you do have sufficient resource it may be wasted. This is particularly the case in larger companies where you see different parts of the marketing organization purchasing different tools or using different agencies for performing similar online marketing tasks.

9. You're not agile enough to catch up or stay ahead

If you look at the top online brands like Amazon, Dell, Google, Tesco, Zappos, they're all dynamic - trialling new approaches to gain or keep their online audiences.

10 You're not optimizing

Every company with a website will have analytics, but many senior managers don't ensure that their teams make or have the time to review and act on them. Once a strategy enables you to get the basics right, then you can progress to continuous improvement of the key aspects like search marketing, site user experience, email and social media marketing. So that's our top 10 problems that can be avoided with a well thought through strategy. What have you found can go right or wrong?

So What Should I do ?



(A) Content marketing

- *The Practice of creating relevant and compelling content in a consistent fashion to a targeted buyer, focusing on all stages of the buying process, from brand awareness through to brand evangelism.*
- The buying process is guided by buyer behavior, which progresses in the following four stages:
 - Discover: A customer determines the need to solve a problem
 - Explore: Needs are refined into requirements and potential vendors are contacted
 - Buy: Vendors submit offers and the solution is acquired
 - Engage: Onboarding is completed and the service is provided
- Even though content marketing intends to generate leads, the material should not read as an advertisement or sales pitch.
- [Victoria Harres](#), vice president of strategic communications at PR Newswire, explains:

“Content marketing is about sharing information that has real value to your target audience and educates your potential customers; not about your products, but topics that strongly support what you sell.”
- The goal of content marketing is to increase the demand for a product or service through useful information.

Content brings

- Search engines
- People/ Partners/ Prospects
- Credibility
- A good user experience
- Variety
- Inbound links
- Sharing
- Stickiness (repeat visitation).

The Impact Content Marketing on Sales

Understanding of “content marketing” is short-sighted for most of the customers on the online channels as they want an infographic for their blog or a video for their landing page because when they think of content marketing, they focus on the single piece of content that will drive more sales.

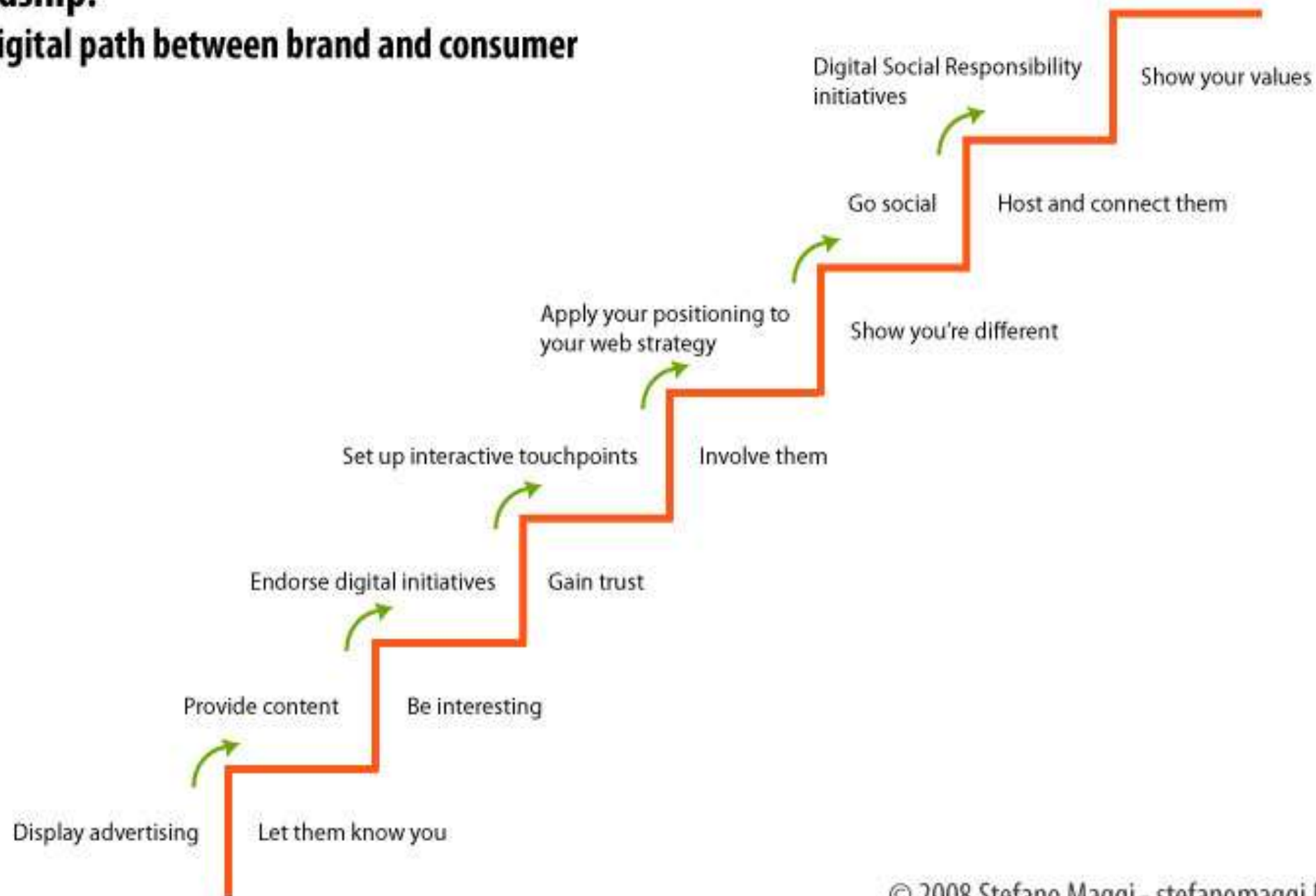
How to Drive more sales??? By doing the Mix of Marketing and Selling

1. **Conversation** :Content marketing is all about playing the slow game. It’s about creating content that starts a conversation, which will transition into sales down the road. It’s not selling out of the gate
2. **Satisfaction stories and testimonials** : If you’re marketing through content, you can’t achieve popularity with your content *and* tell your sales stories at the same time. Why? Because you run the risk of diluting your message.
3. **Charm** : Marketing content is about charming people. In fact, good marketing content will charm people to the point where convincing them to buy is easy
4. **Attract** : Marketing content is about attracting people to whatever you’re selling and the kind of company you’re building.
5. **Allure** : The content people love to share (and that journalists love to write about) is not the content that says how great you are but about value proposition.
6. **Values** : it’s the content that speaks to your [customer’s pain points](#) *and* speaks to your “why” or your values.
7. **Trustworthiness** : People want to work with people that they know, like and trust. But it’s hard to establish trust or affinity with someone when you’re also trying to sell them something. That’s why your marketing content needs to make the best impression – not be an immediate turnoff.
8. **Convince** : Sales content is about convincing people that you’re the best brand to work with, your products and services are right for them, and your people are a good fit for what they’re building.
9. **Infographics off sales** : highlight your impressive stats, such as your customer list, awards, sales figures, the number of offices you have, etc. That’s the sales content that will sway people enough to want to work with you

The Key to creating Engaged Customers

- It is argued that the ‘typical’ marketing approach using “creative mass advertising” and “ensuring customers are ‘satisfied’” is not enough to create engaged customers because of various external and internal challenges.
- Four elements that must be aligned to create engaged customers:
 - o Customer value proposition
 - o Customer experience
 - o Brand
 - o Internal culture
- Research reveals that the simple act of completing a customer satisfaction survey engages the consumer more deeply with a firm
- It follows that social media such as blogs, user-generated content, forums, aggregators, communities, and social networks are tools by which consumers engage with organisations and vice-versa
- “Engagement is all about content” which is “no longer something you push out.
- Content is an invitation to engage with your brand”.

Brandship: The digital path between brand and consumer



How Social Digital Branding ??



(B) Search Marketing

2 types of the search marketing

- ✓ SEM : search engine marketing
- ✓ SEO : search engine optimization

Purpose of Search Marketing ??

- Acquire New Customers
- Retain Old Customers
- Create Awareness by means of Content marketing
- Engage the customers to make 1st purchase by offering freebies

SEM Terminology

- PPC – Pay Per Click
- CPC – Cost per Click
- Creative – Heading and description of search ad
- SERP – Search Engine Results Page
- CTR% - Click through Rate (as a percentage)
- Impressions – The number of times your ad is shown
- Google Content Network – Display banner ads outside of Google
- Rank/ Position – The position your ad is shown when a keyword is searched (1 through 8 for page 1)
- Quality score – A ranking Google gives your ad based on its CTR, relevance to the keyword & the landing page's relevance & other factors.

Why SEM?

- Quick Wins
- Good targeting
- Conversion reporting – with Google Analytics
- Low wastage
- Competitive
- Strong acquisition driver
- Branding.

What is SEO?

SEO is optimising your website to make it easier for search engines to find you.

- Good SEO = High rankings in Google search listings (pg. 1)
- SEO is about many small tactics, implemented in increments over time to help your website rank better in search engine results. These tactics include:
 - Website content (engagement objects [images, maps, video, infographics, ebooks] + words)
 - Internal and external linking strategies (expertness)
 - Information architecture and siloing (URLs and site navigation)
 - Meta data + keywords (html)
 - Site map (html and XML) and much more.

Optimising for Google

There are [reportedly] over 200 variables in Google's algorithm which determine rankings, some of them are:

- Content
 - Domain age language and uniqueness
 - frequency of updating
 - Duplicate content
 - Keywords used and anchor text + alt text
- Where you servers are located
- URL structure
- Internal cross linking
- Outbound and Inbound linking
 - Authority of domains being linked to
- XML and html site maps
- Robots.txt
- Page load time.

Keyword search

Identify what your audience is searching for when looking for your product or service

- Prioritise your organisation's target keywords based on volume, relevancy and likelihood to convert
- Identify gaps in your content that you need to fill
- Develop your SEO strategy based on audience, consideration cycle, location and culture.

Use SEO Tools to do your Keyword Research and Google Adwords is the best place to get Australia search volume numbers

- http://www.seotoolset.com/tools/free_tools.html
- <https://adwords.google.com/ko/KeywordPlanner>

SEARCH ENGINE OPTIMIZATION

1. ***Do not change a domain name.***
2. ***Optimize your site for your target audience, not for the search engines.***
3. ***Research your keyword phrases extensively.***
To find the optimal phrases to optimize for, use tools such as KeywordDiscovery, Wordtracker, Google AdWords, and Yahoo Search Marketing data. Make lists of relevant phrases for your site & choose a few different ones for every page.
4. ***Design and categorize your site architecture and navigation based on your keyword research.***
Navigation should showcase the various ways of searching your product or service. Make sure you have links to specific-brand pages as well as specific age ranges, specific types, etc.
5. ***Program your site to be "crawler-friendly."***
6. ***Label your internal text links and clickable image alt attributes (aka alt tags) as clearly and descriptively as possible.***
7. ***Write compelling copy for the key pages of your site based on your chosen keyword phrases and your target market's needs, and make sure it's copy that the search engines can "see."***
8. ***Incorporate your keyword phrases into each page's unique Title tag.***
The information that you place in this tag is what will show up as the clickable link to your site at the search engines.
9. ***Make your site is "link-worthy."***
Other sites linking to yours is critical for successful search engine optimization, as all of the search engines focus on your site's overall link popularity.
10. ***Don't be married to any one keyword phrase or worried too much about rankings.***
Forget about where your site ranks for any specific keyword phrase and instead measure your results in increased traffic, sales, and conversions.

(C) Mobile Marketing

Personal engagement with consumers on their mobile device

- Global market penetration rates at 91% (Ericsson, 2012)
- “The use of the mobile medium as a means of marketing communications” (Leppaniemi *et al*, 2006, p. 38)
- Non PC devices

What type of customer reacts to mobile marketing?

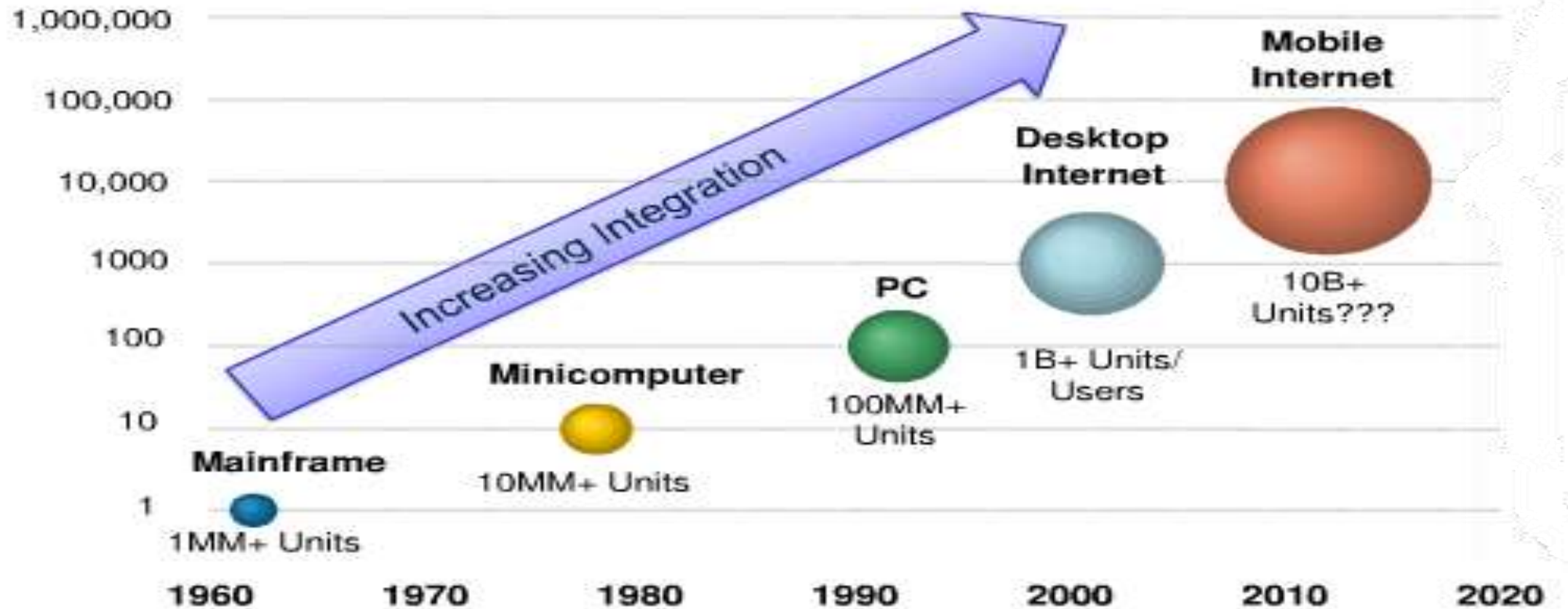
All age bands <65 but still expanding

Mobile Marketing is a two-way communication with your customers via the device in their hands, the device they cherish greatly.



Mobile Overtakes PC

Computing Growth Drivers Over Time, 1960-2020E



Note: PC installed base reached 100MM in 1993, cellphones/Internet users reached 1B in 2002/2005 respectively.
Source: ITU, Mark Lipacis, Morgan Stanley Research.

•Overall by 2016, Forrester expects advertisers to spend \$77 billion on interactive marketing. The consultancy broke out spending estimates in 2016 versus 2011 in these categories:

* **Search marketing:** \$33.3 billion, up 78 percent over the five-year period.

* **Display advertising:** \$27.6 billion, up 152 percent.

* **Mobile marketing:** \$8.2 billion, **up 399 percent.**

* **Social media marketing:** \$5 billion, up 214 percent.

* **Email marketing:** \$2.5 billion, up 63 percent



Global Trends Between 2011-2016 For Mobile Traffic Data

- Increase 18 fold, a compound annual growth rate of 78%.
- Will reach 10.8 Exabytes per month in 2016, up from 597 Petabytes per month in 2011.
- Will grow 3 times faster than Global fixed IP traffic.
- Global Mobile was 2% of total IP traffic in 2011, and will be 10% of total IP traffic in 2016.
- Mobile data traffic in 2016 will be equivalent to 5x the volume of the entire Global Internet in 2005.

Source:

http://www.cisco.com/web/solutions/sp/vni/vni_forecast_highlights/index.html

How can you get started with mobile?

SMS Text Messaging

- Users opt-in:
 - On your website
 - By texting a code & keyword
- Send specific special offers:
 - Weekly
 - Monthly Specials
- Engage with the customer:
 - Feedback / Surveys
 - Timed Promotions
 - Coupon Redemption

First Name (*) Last Name

USA ▼

+1 Mobile Phone

1 messages/mo
Message & Data Rates May Apply.
You will receive, Save A Dollar coupon
For help, text HELP to 69302
To stop messages, text STOP to 69302

☐ ACCEPT: [terms&conditions/privacy policy](#)

Submit

Mobile Marketing Channels

- MMS- Multimedia Messaging Service
 - Picture, images, audio, video
 - Tell a story, offer coupons with pictures, video, audio
- Email: Mobile email
- IVR- Interactive Voice Response
- Proximity Marketing
 - Wifi and Bluetooth
 - Localized distribution of content to a mobile device
- Apps
 - Sticky as prospects and customers download
- Mobile Ads
 - Paid ads on mobile sites your target visits



(D) Video Marketing

- Utilization of video-based communications, interactive conversations, and “Sales ” practices will lead to greater buyer insight, engagement and trust.
- Over 75% of Fortune 500 executives are viewing online video (Forbes) More and more B2B buyers are turning to YouTube to be educated, making it a premier destination for reaching and influencing your target audience.
- 65% of senior executives have visited a vendor’s website after watching a video (Forbes) and 72% percent research an organisation after watching a B2B video marketing campaign (International Data Group).
- Clearly video is a great way to get your target audience to your website and find out about you. Over 75% of Fortune 500 executives are viewing online video
- 70% of B2B content marketers use video (TopRank) B2B marketers are investing in video in a big way. If you aren’t, your competitors may be reaping the rewards.
- 46% percent of B2B technology buyers will purchase a product or service after viewing video content (International Data Group). Showing that video can have a direct impact on sales.

6 reasons why B2B Marketers can't ignore Video

1. Search Engine Ranking
2. 360-degree Videos Boost Video Engagement
3. Generate Lead by Videos on Sales Pages
4. Competitive Advantage
5. Trustworthiness
6. Multi funnel uses by means of live streaming

How ?

Make a Content Marketing

- What should my video be about?
- What do I want to achieve?

Plan how you will produce the video.

- What type of video should I use?
- What do I need to prepare?

Promote your video.

- How do I get my video found?
- How do I make my video viral?

Measure your success!

Mapping Your Video to the Buyers Journey

Sales Funnel

Video Goal

To educate and inform

To move buyer through sales funnel

eliminate any perceived risk and SELL

Video Type

Video blogging
Educational tastings

Case studies
Product reviews
FAQ's
Video newsletters
Product features

Demo promotion
How to use your demo
Testimonials

Buyer Stage

Awareness/ Discovery

Buyer Stage

Interest, desire
and consideration

Buyer Stage

Decision and action

SALES

(E) Social Media Marketing

Social media marketing refers to the process of gaining traffic or attention through **social media** sites. **Social media itself** is a catch-all term for sites that may provide radically different **social** actions. For instance, Twitter is a **social** site designed to let people share short messages or “updates” with others.

Social media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool. The goal of **SMM** is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach.

To put it all together, here are eight best practices for successfully engaging customers and promoting your small business through social media.

- Determine your goals. What do you want to get out of your social Web participation?
- Ask conversation-starter questions.
- Share your expertise.
- Evaluate your resources.
- Know your audience.
- Provide value by Create amazing content.
- Enhance the rewards for virtual check-ins.
- Create a Pinterest board.
- Integrate your marketing efforts.
- Create a schedule.
- Focus on quality, not quantity.

Social Media Terms

Social media	Description	Examples
Blogs	Individuals' or companies' online journals. Readers can often leave comments.	John Battele's FM Signal blog
Microblogs	A form of blogging that allows a user to publish short text updates.	Twitter
Social network	Applications allowing users to build personal web sites accessible to other users for exchange of personal content and communication.	Facebook; LinkedIn; MySpace
Content communities	User-generated content web sites.	YouTube; Flickr
Virtual brand communities	Brand-specific websites where people with a common interest can interact.	Lego's LUGNET P&G's Beinggirl
Forums/ Bulletin boards	Sites for exchanging ideas and information usually around special interests.	Numerous, all unique.
Content aggregators	Applications allowing users to customise the web content they wish to access.	Technorati; Stumbleupon
Collaborative websites (Wikis)	A wiki is a web site that allows online collaboration by allowing multiple users to add, remove or edit and change content.	Wikipedia
Social bookmarking sites	Users can recommend and share interesting and relevant content with one another.	Digg; del.icio.us, Newsvine; Reddit

Sources: Constantinides and Fountain (2008); van Zyl (2009); Mangold and Faulds (2009); Stokes (2009).

Social Business: Where It's Been & Where It's Going



"Chasing the past, I stumbled into the future". - T A Sachs

Challenges identified to social media Marketing

- A. Can social media enable brands to re-connect with their customers?
- B. Can social media enable organisations to influence buyer behaviour once again?
- C. Can social media bring about change in organisations and make them market-oriented?
- D. Do social media enable organisations to create and deliver value for customers and organisations?
- E. Can social media help organisations to innovate?
- F. Can social media offer a competitive advantage to organisations?
- G. Can social media restore trust in brands and build brand equity?
- H. Can social media provide a fix to the marketing mix which, it is claimed, does not work anymore?

Existing business functions and their groundswell alternatives

You already have this business function	Now you can pursue this groundswell objective	How things are different in the groundswell
Research	Listening	Ongoing monitoring of your customers' conversations with <i>each other</i> , instead of occasional surveys and focus groups
Marketing	Talking	Participating in and stimulating two-way conversations your customers have with <i>each other</i> , not just outbound communications to your customers
Sales	Energizing	Making it possible for your enthusiastic customers to help sell <i>each other</i>
Support	Supporting	Enabling your customers to support <i>each other</i>
Development	Embracing	Helping your customers work with <i>each other</i> to come up with ideas to improve your products and services

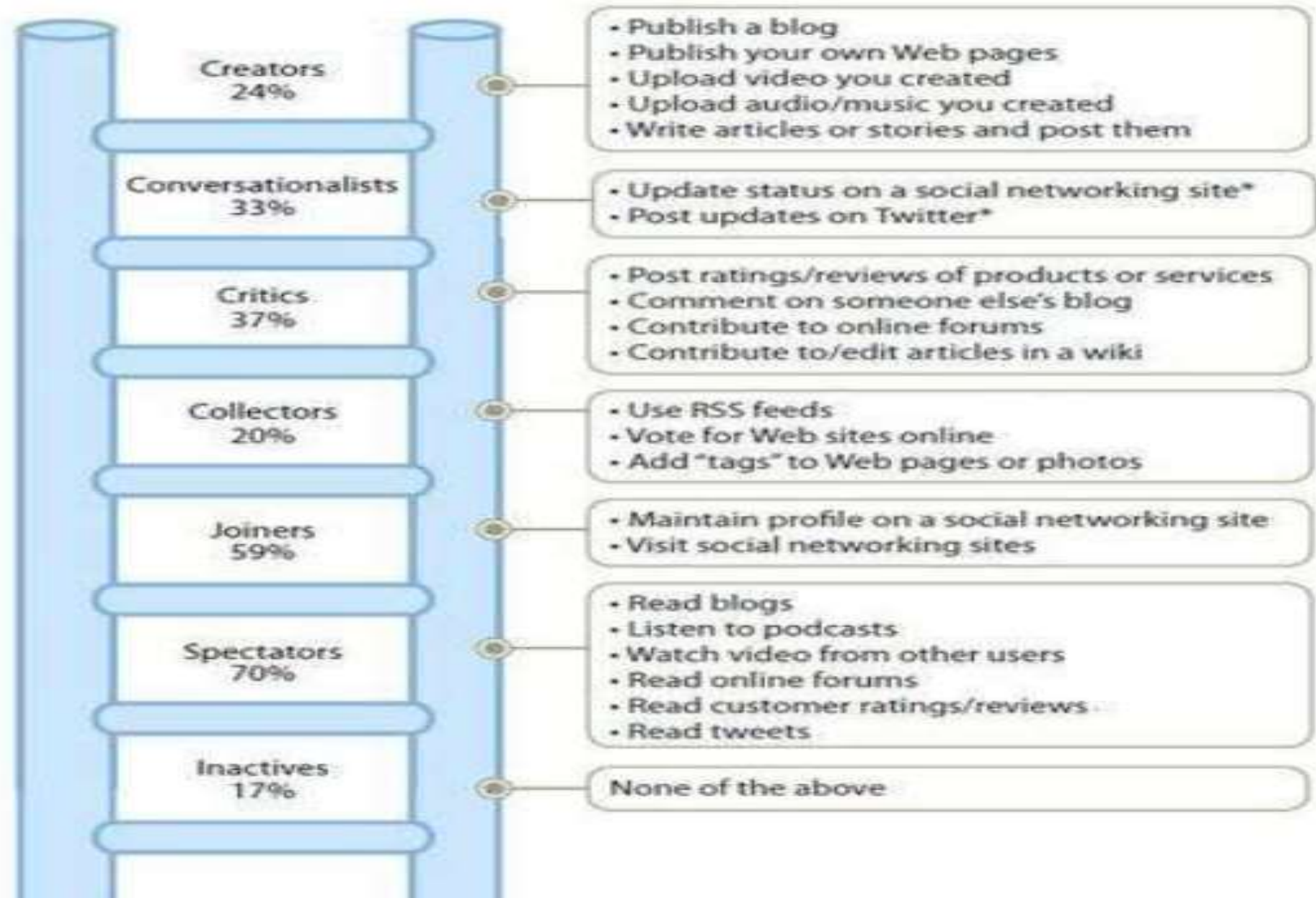
From *Groundswell: Winning in a World Transformed by Social Technologies*

by Charlene Li and Josh Bernoff, p.69.

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The Social Technographics® Profile (STP)

Groups include consumers participating in at least one of the indicated activities at least monthly.



Influencing Buyer Behaviour via Social Media

- A market-oriented organisation is one which “continuously gathers information about customers, competitors, and markets” and which “involves the use of superior organisational skills in understanding and satisfying customers”.
- By listening, companies not only measure engagement but become learning organisations, a desirable state advocated by leaders in management because “learning is the basis for developing superior strategies”
- Social media listening tools give the organisation which can “inform the strategic marketing decision making”. However, “listening is perhaps the most essential neglected skill in business” but the same is managed by means of Relationship Marketing
- With relationship marketing on the wane, marketers see online brand communities as a way of helping them to understand consumer needs and to encourage brand loyalty and involvement
- Social media are exposing existing CRM systems’ inability to help firms build relationships within these new channels.
- To offset this, the organisation must adopt social CRM as a series of systems and processes across departmental boundaries
- In effect, social CRM involves existing traditional organisational processes, such as market research and sales, being synchronised with their social media equivalents

(G)Online Campaign Management

➤ **Defining Campaign Goals—Analyze your campaign goals.**

Lead generation

Lead generation campaigns include direct mail, email blasts, web seminars, conferences, and trade shows. These types of campaigns directly generate new prospects. In Salesforce, you can easily track the effectiveness of each campaign in terms of the amount of new business generated.

Brand building

Brand-building campaigns include print advertisements, billboards, and radio advertisements. These types of campaigns may not generate direct responses, so the calculation of campaign ROI may not be as straightforward.

➤ **Determining How to Target Campaigns—Analyze who you want to target with your campaigns and to whom do you typically market your products and services?**

Existing customers

You can use Salesforce contact reports to create target lists of customers for direct mail, email blasts, or other types of campaigns.

Prospects,

including: – Existing leads. These are individuals that have already been entered as leads in Salesforce. You can use Salesforce lead reports and list views to create target lists of existing leads for a campaign.

➤ **Categorizing Campaigns**— Categorize your campaigns so that you will have the relevant data for future campaign analysis.

- What specific types of campaigns do you run?
- Are you using campaign hierarchies?
- Do you want to see how campaigns are influencing your opportunities?
- Do some campaigns target a specific product or service?
- What types of advertisements do you run?
- What publications or media do you use for ads?
- Do you use multiple agencies to create marketing materials?
- What creative pieces do you use in your campaigns?
- What offers do you use?
- Do you do any partner marketing?

➤ **Tracking Campaign Responses**—Determine the different channels by which prospects will respond to your campaigns.

What channels do customers and prospects use to respond to a campaign? Some common response channels include: • Web form • Phone • Personal email • Registration/attendance for a conference, trade show, or Web seminar

➤ **Defining Campaign Access**—Decide who in your organization should have access to campaigns. (eg CEO, COO, Marketing Heads and Marketing manager.

How to promote your mobile campaign?

Online

- Special Web Promotion
- Search Engine Marketing
- Broadcast to existing lists
- Social Media Channels
- Blogs & Forums
- Location Marketing



Offline

- QR Coupon
 - POS/Register
 - On receipt if capable
 - At entry & exit locations
- Existing direct mail campaigns
- Flyer insert / collateral



Types of Products Purchased by Smartphone Buyers
Total U.S. Mobile Subscribers Ages 18+
Source: Custom Mobile Retail Advisor Survey Sep. 2011

Type of Products Purchased on Smartphone	% of Smartphone Buyers
Digital purchases (i.e., songs/music, eBooks, ringtones, images, movies, TV shows, etc.)	47%
Clothing or accessories directly from retailer	37%
Tickets (i.e., concerts, movies, theatrical productions, sporting events, etc.)	35%
Daily deals	34%
Gift certificates	34%
Electronics (i.e., television, computer)	32%
Food (not grocery) for delivery or pick up (ex., pizza, Chipotle)	31%
Hotel stays	29%
Books (physical copies)	26%
Car rentals	24%
Airplane tickets	24%
Flowers	21%
Sports/Fitness	19%
Auto	13%

How can mobile marketing provide benefit?

By creating an emotional bond between the customer & brand

- **Easy to Use:** Most interactions in one or two clicks
- **Creates database:** Consumers opt-in to receive offers
- **Customizable:** Limited only by creativity
- **Instant Response:** Coupons, links, and codes acted upon
- **Strong Delivery:** Messages delivered and read in < 24 hours
- **Scalable:** Can use several platforms, with room for growth
- **Cost Effective:** Cost of Entry in the \$\$\$, not the \$,\$\$\$



THE CONSUMER DECISION JOURNEY IN THE DIGITAL AGE

4 key elements of the traditional path consumers take towards making a purchase has become obsolete in today's digital age.

Learn how your organization can adapt to the motivations of the digital consumer with the 4 most significant elements of their new decision journey:

1. Reviews & recommendations
2. Engagement with abundant brand content
3. Constant mobile connection
4. Brand/consumer dialogue

(H) Market Analysis Tools and How to Use Them

- **market analysis tools** (i.e. the most common methods to understand your target market), and how you can use them to achieve business success.
- Market research, you stay updated on the latest trends in the market, general buying habits, changing technologies, and competitor activity.
- What products and services your target market is already using
- Which businesses are using the best marketing mix to provide these products and services
- If there are any shortcomings in these products and services that you can fix to gain the attention of customers
- What external factors apart from competition and demand can affect the success or failure of your business (e.g. government economic policies)

Marketing Tools

[Google AdWords](#)

[Google Analytics](#)

[Google Analytics URL Builder](#)

[Google Tag Manager](#)

[Google Analytics Debugger](#)

[Facebook Audience Insights](#)

[Facebook Ads](#)

[Facebook Analytics for Apps](#)

WHAT IS MARKET SEGMENTATION ?

defined as the process of dividing a potential market into distinct subsets of consumers with common needs or characteristics and selecting one or more segments to target with a distinct marketing mix.

Before the widespread adoption of the marketing concept, the prevailing way of doing business with consumers was through mass marketing --- that is, offering the same product and marketing mix to all consumers. The essence of this strategy was summed up by the entrepreneur Henry Ford, who offered the Model T automobile to the public ---

“ in any color they wanted, as long as it was black.”

One of the key things entrepreneurs should keep in mind, as they start up, is to stay focused. It is best to choose a smaller segment of customers within the overall market and serve that one segment really well. Before you start your venture, defining the one customer that your venture is going to serve is very important. Your understanding of that one customer will help you plan your product and marketing correctly. While considering the target customer for your own venture, below are the things to consider:

Segmentation

- Market segmentation is a marketing strategy which involves dividing a broad target market. Market segmentation can be based on:
 - Geographic factors (region, city, rural)
 - Demographic factors (age, family size, gender, income, occupation, education)
 - Behavioural factors (benefits, attitude)
- Is there a target segment where you can offer the customer clear and fascinating benefits at a price they are willing to pay?
- Are these benefits, in the customer's minds, different from and superior in some way to what is currently being offered by other solutions?
- How large is this segment and how fast is it growing?
- Is it likely that your entry into this segment will provide you with the platform to enter other segments you may wish to target in the future?

Sizing the Market

Once you have understood how to identify your target market. You need to understand how large is the market that you targeting? There are two broad approaches to size your market:

1. Top-down approach: Here you understand and calculate basis the broad market, number of people, who consumes, how much etc, to arrive at the total market sales
 2. Bottom-up approach: Here you understand and calculate basis the sales of a single entity or a business that is a part of the market, to arrive at the total market sales
- While estimating the size of your market, you must make sure the data points come from valid, vetted or credible reports.
 - Assess the attractiveness of your market by sizing the market using top-down or bottom-up approach

MARKET SEGMENTATION BASES AND SELECTED VARIABLES

SEGMENTATION BASE

Geographic Segmentation

Region

City Size

Density of Area

Climate

Demographic Segmentation

Age

Sex

Marital Status

Income

Education

Occupation

SELECTED SEGMENTATION VARIABLES

North, South, East, West.

Major metropolitan areas, small cities, towns

Urban, suburban, exurban, rural

Temperate, hot, humid

Under 11, 12-17, 18-34, 35-49, 50-64, 65-74, 75+

Male, female

Single, married, divorced, living together,
widowed

Under \$15000, \$15000-\$24000, \$25000-\$39999,
\$40,000-\$64,999, \$65,000 and over.

Some high school, high school graduate, some
college, college graduate, postgraduate

Professional, blue-collar, white-collar, agricultural

MARKET SEGMENTATION BASES AND SELECTED VARIABLES

SEGMENTATION BASE

PSYCHOLOGICAL /PSYCHOGRAPHIC

SEGMENTATION

- Needs-Motivation
- Personality
- Perception
- Learning-Involvement
- Attitudes
- Psychographic(Lifestyle)

sociocultural segmentation

- Culture & Subculture
- Religion
- Race/Ethnicity
- Social Class
- Family Lifestyle

SELECTED SEGMENTATION VARIABLES

- Shelter, safety, security, affection, sense of self worth
- Extroverts, introverts, aggressive, complaints
- Low risk, moderate risk, high risk
- Low involvement, high involvement
- Positive attitude, negative attitude
- Swingers, straights, conservatives, status seekers
- American, Italian, Chinese, Mexican
- Jewish, Catholic, Protestant, other
- African-American, Caucasian, Oriental, Hispanic
- Lower, middle, upper
- Bachelors, young marrieds, empty nesters

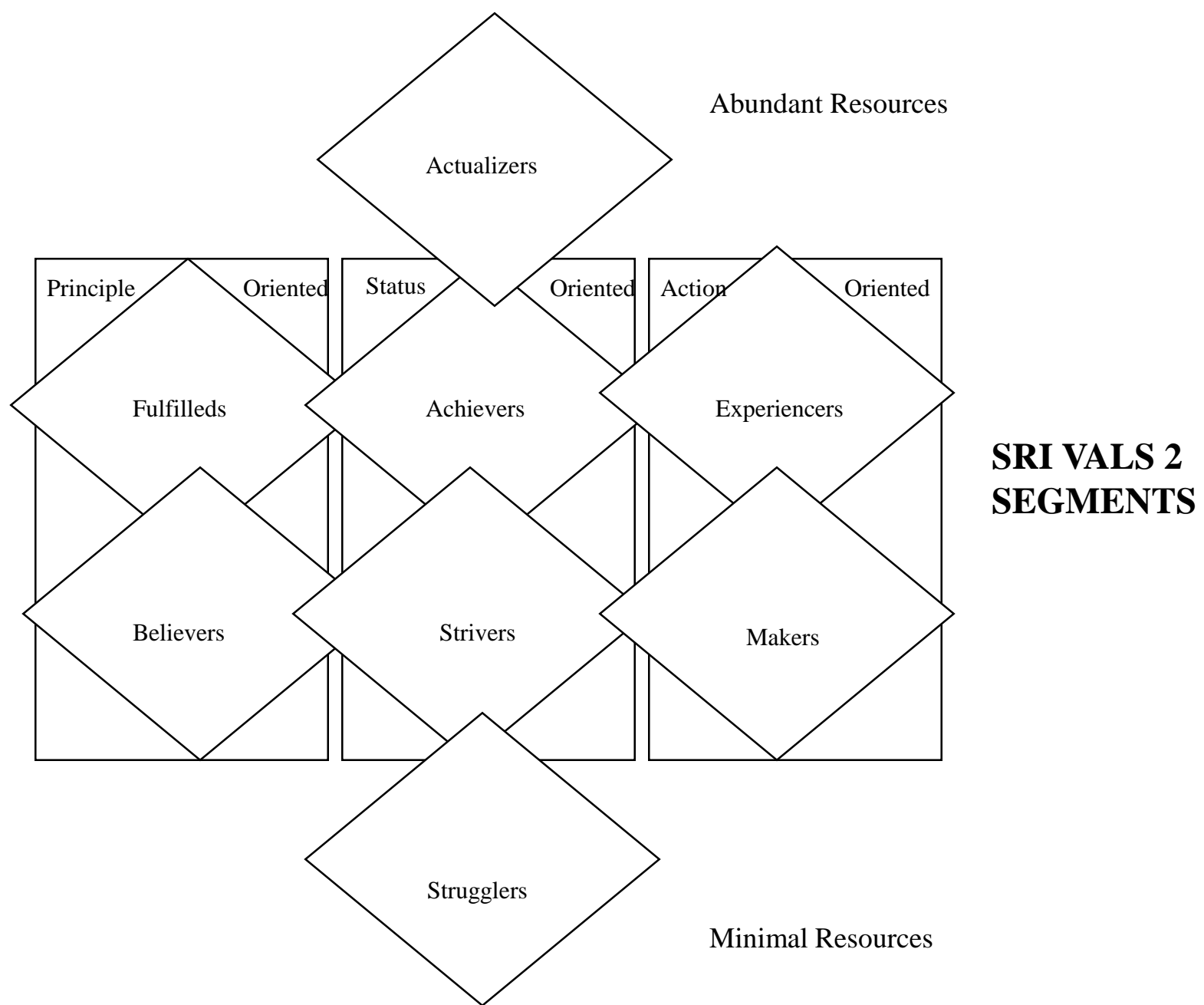
MARKET SEGMENTATION BASES AND SELECTED VARIABLES

USE-RELATED SEGMENTATION

- Usage Rate
- Awareness Status
- Brand Loyalty
- Heavy users, medium users, light users, nonusers
- Unaware, aware, interested, enthusiastic
- None, some, strong

USE-SITUATIONAL SEGMENTATION

- Time
- Objective
- Location
- Person
- benefit segmentation
- hybrid segmentation
- Demographic Psychographic Profile
- Geodemographics
- VALS 2
- Leisure, work, rush, morning, night
- Personal use, gift, snack, fun, achievement
- Home, work, friend's home, in-store
- Self, friends, boss, peer
- Convenience, prestige, economy,
- value-for-the-money
- Combination of demographic and psychographic
- characteristics
- Young Suburbia, Blue-Blood Estates
- Actualizer, fulfilled, believer, achiever, striver,
- experiencer, maker, struggler



MARKET TARGETTING

IDENTIFICATION :

To divide the market into separate segments on the basis of a common need or characteristic that is relevant to the product or service, marketers must be able to identify the relevant characteristic. Some segmentation variables, such as geography (location) or demographics (age, gender, occupation, race), are relatively easy to identify or are even observable. Others, such as education, income, or marital status, can be determined through questionnaires. Still other characteristics, such as benefits sought or lifestyle, are more difficult to identify. A knowledge of consumer behavior is especially useful to marketers who employ such intangible consumer characteristics as the basis for market segmentation..

MARKET TARGETTING

ACTUALIZERS are successful, sophisticated, active, “take-charge” people with high self-esteem and abundant resources. They are interested in growth and seek to develop, explore, and express themselves in a variety of ways-- sometimes guided by principle, and sometimes by a desire to have an effect, to make a change. Image is important to Actualizers, not as evidence of status or power, but as an expression of taste, independence, and character. Actualizers are among the established and emerging leaders in business and government, yet they continue to seek challenges. They have a wide range of interests, are concerned with social issues, and are open to change. Their lives are characterized by richness and diversity. Their possessions and recreation reflect a cultivated taste for the finer things in life.

FULFILLEDS are mature, satisfied, comfortable, reflective people who value order, knowledge, and responsibility. Most are well educated, and in (or recently retired from) professional occupations. They are well-informed about world and national events and are alert to opportunities to broaden their knowledge. Content with their careers, families, and station in life, their leisure activities tend to center on their homes. Fulfilleds have a moderate respect for the status quo, institutions of authority, and social decorum, but are open-minded about new ideas and social change. Fulfilleds tend to base their decisions on strongly held principles and consequently appear calm and self-assured. Although their incomes allow them many choices, fulfilleds are conservative, practical consumers; they are concerned about functionality, value, and durability in the products they buy.

MARKET TARGETTING

BELIEVERS are conservative, conventional people with concrete beliefs and strong attachments to traditional institutions : family, church, community, and the nation. Many Believers possess moral codes that are deeply rooted and literally interpreted. They follow established routines, organized in large part around their homes, families, and the social or religious organizations to which they belong. AS consumers, they are conservative and predictable, favoring American products and established brands. Their education, income , and energy are modest but sufficient to meet their needs.

ACHIEVERS are successful career and work-oriented people who like to --and generally do--feel in control of their lives. They value structure, predictability, and stability over risk, intimacy, and self-discovery. They are deeply committed to their work and their families. Work provides them with a sense of duty, material rewards, and prestige. Their social lives reflect this focus and are structured around family, church, and business. Achievers live conventional lives, are politically conservative, and respect authority and the status quo. Image is important to them. AS consumers , they favor established products and services that demonstrate their success to their peers.

MARKET TARGETTING

STRIVERS seek motivation, self-definition, and approval from the world around them. They are striving to find a secure place in life. Unsure of themselves and low on economic, social, and psychological resources, Strivers are deeply concerned about the opinions and approval of others. Money defines success for Strivers, who don't have enough of it, and often feel that life has given them a raw deal. Strivers are easily bored and impulsive. Many of them seek to be stylish. They emulate those who have more impressive possessions, but what they wish to obtain is generally beyond their reach.

EXPERIENCERS are young, vital, enthusiastic, impulsive, and rebellious. They seek variety and excitement, savoring the new, the offbeat, and the risky. Still in the process of formulating life values and patterns of behavior, they quickly become enthusiastic about new possibilities but are equally quick to cool. At this stage in their lives, they are politically uncommitted, uninformed, and highly ambivalent about what they believe. Experiencers combine an abstract disdain for conformity and authority with an outsider's awe of others' wealth, prestige, and power. Their energy finds an outlet in exercise, sports, outdoor recreation, and social activities. Experiencers are avid consumers and spend much of their income on clothing, fast food, music movies, and video.

MARKET TARGETTING

MAKERS are practical people who have constructive skills and value self-sufficiency. They live in a traditional context of family, practical work, and physical recreation, and have little interest in what lies outside that context. Makers experience the work by working on it -- building a house, raising children, fixing a car, or canning vegetables - and have sufficient skill, income, and energy to carry out their projects successfully. Makers are politically conservative, suspicious of new ideas, respectful of government authority and organized labor, but resentful of government intrusion on individual rights. They are unimpressed by material possessions other than those with a practical or functional purpose (e.g., tools, pickup trucks, or fishing equipment).

STRUGGLERS' lives are constricted. Chronically poor, ill-educated, low-skilled, without strong social bonds, aging, and concerned about their health, they are often despairing and passive. Because they are so limited, they show no evidence of a strong self-orientation, but are focused on meeting the urgent needs of the present moment. Their chief concerns are for security and safety. Strugglers are cautious consumers. They represent a very modest market for most products and services, but are loyal to favorite brands.

MARKET TARGETTING

SUFFICIENCY

For a market segment to be a worthwhile target, it must have a sufficient number of people to warrant tailoring a product or promotional campaign to its specific needs or interests. To estimate the size of each segment under consideration, marketers often use secondary demographic data, such as that provided by the United States Census Bureau (and available at most local libraries), or undertake a probability survey whose findings can be projected to the total market.

MARKET TARGETTING

STABILITY

Most marketers prefer to target consumer segments that are relatively stable in terms of demographic and psychological factors and needs, and that are likely to grow larger over time. They prefer to avoid “fickle” segment that are unpredictable in embracing fads. For example, teenagers are a sizable and easily identifiable market segment, eager to buy, able to spend, and easily reached. Yet by the time a marketer produces merchandise for a popular teenage fad, interest in it may have waned. The popularity among teenagers of Batman Merchandise (T-shirts and caps) during the highly successful run of Batman I (the movie) was not repeated during Batman II, when much of the tie-in promotional merchandise remained unsold.

MARKET TARGETTING

ACCESSIBILITY

A fourth requirement for effective targeting is accessibility, which means that marketers must be able to reach the market segments they wish to target in an economical way. Despite the wide availability of special-interest magazines and cable TV programs, marketers are constantly looking for new media that will enable them to reach their target markets with a minimum of waste circulation and competition. One innovative communications company has devised an advertiser's dream : it created a cable television channel that provides a captive audience of junior and senior high school students daily with two minutes of commercials. Each school showing the 12-minute news and information report and two minutes of commercials receives \$50,000 worth of free satellite dishes, television sets, and VCRs. The same company offers a set of six glossy magazines for display in doctors' waiting rooms to 15,000 physicians who agree to cancel all but two other publications. Advertisers are offered a large captive audience and a pledge of exclusivity : all six magazines feature only one brand in any product category.

POSITIONING ACCORDING TO TREACY AND WIERSEMA

This is based on the notion that in every market there is a mix of three types of customers.

1. some customers favor the firm that is advancing on the technological frontier (product leadership);
2. other customers want highly reliable performance (operational excellence),
3. other want high responsiveness in meeting their individual needs (customer intimacy) in order to

- ✓ become the best at one of the three value disciplines.
- ✓ achieve an adequate performance level in the other two disciplines.
- ✓ keep improving one's superior position in the chosen discipline so as not to lose out to a competitor.
- ✓ keep becoming more adequate in the other two disciplines, because competitors keep raising customers' expectations.

1. ***UNDERPOSITIONING:*** SOME COMPANIES DISCOVER THAT BUYERS HAVE ONLY A VAGUE IDEA OF THE BRAND. THE BRAND IS SEEN AS JUST ANOTHER ENTRY IN A CROWDED MARKETPLACE. WHEN PEPSI INTRODUCED ITS CLEAR CRYSTAL PEPSI IN 1993, CUSTOMERS WERE DISTINCTLY UNIMPRESSED. THEY DIDN'T SEE "CLARITY" AS AN IMPORTANT BENEFIT IN A SOFT DRINK.
2. ***OVERPOSITIONING:*** BUYERS MAY HAVE TOO NARROW AN IMAGE OF THE BRAND. THUS A CONSUMER MIGHT THINK THAT DIAMOND RINGS AT TIFFANY START AT\$5000 WHEN IN FACT TIFFANY NOW OFFERS AFFORDABLE DIAMOND RINGS STARTING AT \$1000.

3. ***CONFUSED POSITIONING:*** BUYERS MIGHT HAVE A CONFUSED IMAGE OF THE BRAND RESULTING FROM THE COMPANY'S MAKING TOO MANY CLAIMS OR CHANGING THE BRAND'S POSITIONING TOO FREQUENTLY. THIS WAS THE CASE WITH STEPHEN JOB'S SLEEK AND POWERFUL NEXT DESKTOP COMPUTER, WHICH WAS POSITIONED FIRST FOR STUDENTS, THEN FOR ENGINEERS, AND THEN FOR BUSINESSPEOPLE, ALL UNSUCCESSFULLY.
4. ***DOUBTFUL POSITIONING:*** BUYERS MAY FIND IT HARD TO BELIEVE THE BRAND CLAIMS IN VIEW OF THE PRODUCT'S FEATURES, PRICE, OR MANUFACTURER. WHEN GM'S CADILLAC DIVISION INTRODUCED THE CIMARRON, IT POSITIONED THE CAR AS A LUXURY COMPETITOR WITH BMW, MERCEDES AND AUDI. ALTHOUGH THE CAR FEATURED LEATHER SEATS, A LUGGAGE RACK, LOTS OF CHROME, AND A CADILLAC LOGO STAMPED ON THE CHASIS, CUSTOMERS SAW IT AS A DOLLED-UP VERSION OF CHEVY'S CAVALIER AND OLDMOBILE'S FIRENZA. THE CAR WAS POSITIONED AS "MORE FOR MORE": CUSTOMERS SAW IT AS "LESS FOR MORE."

- ***ATTRIBUTE POSITIONING:*** A COMPANY POSITIONS ITSELF ON AN ATTRIBUTE, SUCH AS SIZE OR NUMBER OF YEARS IN EXISTENCE. DISNEYLAND CAN ADVERTISE ITSELF AS THE LARGEST THEME PARK IN THE WORLD.

- **BENEFIT POSITIONING:** THE PRODUCT IS POSITIONED AS THE LEADER IN A CERTAIN BENEFIT. KNOTT'S BERRY FARM MAY TRY TO POSITION ITSELF AS A THEME PARK THAT DELIVERS A FANTASY EXPERIENCE, SUCH AS LIVING IN THE OLD WEST.

- **USE OR APPLICATION POSITIONING:** POSITIONING THE PRODUCT AS BEST FOR SOME USE OR APPLICATION. JAPANESE DEER PARK CAN POSITION ITSELF FOR THE TOURIST WHO HAS ONLY AN HOUR TO CATCH SOME QUICK ENTERTAINMENT.

- ***USER POSITIONING:*** POSITIONING THE PRODUCT AS BEST FOR SOME USER GROUP. MAGIC MOUNTAIN CAN ADVERTISE ITSELF AS BEST FOR “THRILL SEEKERS.”
- **COMPETITOR POSITIONING:** THE PRODUCT CLAIMS TO BE BETTER IN SOME WAY THAN A NAMED COMPETITOR. FOR EXAMPLE, LION COUNTRY SAFARI CAN ADVERTISE HAVING A GREATER VARIETY OF ANIMALS THAN JAPANESE DEER PARK.
- **PRODUCT CATEGORY POSITIONING:** THE PRODUCT IS POSITIONED AS THE LEADER IN A CERTAIN PRODUCT CATEGORY. MARINE-LAND OF THE PACIFIC CAN POSITION ITSELF NOT AS A “RECREATIONAL THEME PARK” BUT AS AN “EDUCATIONAL INSTITUTION.”
- **QUALITY OR PRICE POSITIONING:** THE PRODUCT IS POSITIONED AS OFFERING THE BEST VALUE. BUSCH GARDENS CAN POSITION ITSELF AS OFFERING THE “BEST VALUE” FOR THE MONEY

DIFFERENTIATION VARIABLES

PRODUCT	SERVICES	PERSONNEL	CHANNEL	IMAGE
Form	Ordering case	Competence	Coverage	Symbols
Features	Delivery	Courtesy	Expertise	Media
Performance	Installation	Credibility	performance	Atmosphere
Conformance	Customer training	Reliability		Events
Durability	Customer consulting	Responsiveness		
Reliability	Maintenance and repair	Communication		
Repairability	Miscellaneous			
Style				
Design				

BRAND POSITIONING

WHY BUY ME IN PREFERENCE TO OTHERS?

- **BRAND PROPOSITION** : FUNCTIONAL REASONS TO BUY VS OTHERS (*WHAT DO YOU DO BETTER*)
- **BRAND ATTRIBUTES** RATIONAL REASONS TO BUY VS OTHERS (*REASONS TO BELIEVE/ SUBSTANTIATORS*)
- **BRAND VALUES** : EMOTIONAL REASONS TO BUY VS OTHERS (*INNER & OUTER DIRECTED*)
- **BRAND PERSONALITY** THE WAY THE BRAND SPEAKS AND BEHAVES