

Segmentation, Targeting & Positioning



Warfare is a game which always has been the same. Why believe that the reason why warfare is so different now is due to the great number of people who are now for destruction, for medical instruments, for guns, for controlling machines, for...
The transverse diversity that warfare offers us today is a situation for many. From an emotional or technical point of view...



Learning Objectives

1

Related Concepts: STP

2

Segmentation - Levels, Basis and Preferences

3

Target Market Criteria and Patterns

4

Positioning – Definition, Behavioral Foundations, Strategies

5

Managerial Decisions

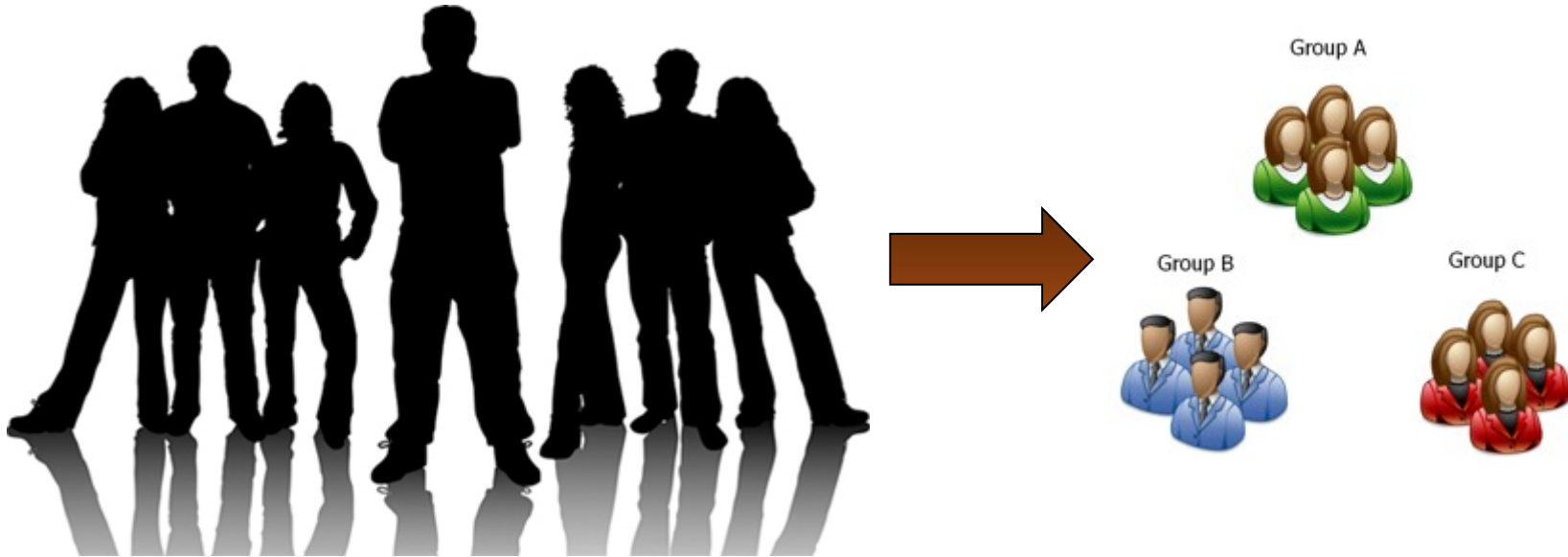
Death of Mass Marketing!!!

- No longer can one say *“You can have any colour as long as it is black”*
- No longer Coca-Cola can have only 6.5 ounce bottles
- No more mass marketing - Need to follow a *“horses for courses”* policy
- **STP Marketing** is the name of the game
- Mass marketing is dying and companies are moving to MICROMARKETING

Levels of Market Segmentation



Segmentation

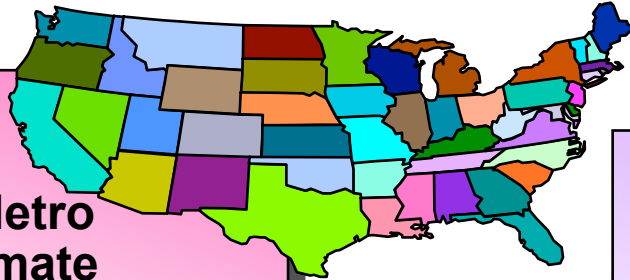


- Taking a heterogeneous mass market and breaking it into smaller, more homogeneous groups (segments)
- Group of customers who share a similar set of needs and wants

Bases for Segmenting Consumer Markets

Geographic

Region, City or Metro
Size, Density, Climate



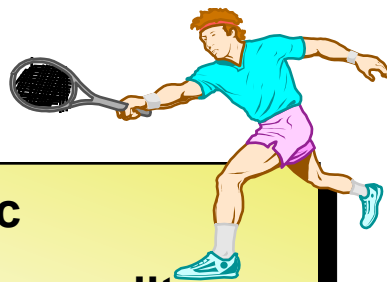
Demographic

Age, Gender, Family size
and Life cycle, Race,
Occupation, or Income ...



Psychographic

Lifestyle or Personality



Behavioral

Occasions, Benefits,
Uses, or Attitudes

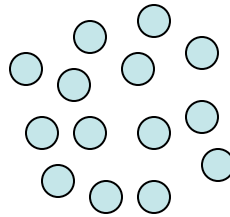


Segment Marketing

- Identify and Understand the Preferences
 - Ice creams😊
 - Homogeneous / Diffused/ Clustered

MARKET SEGMENTATION

creaminess



Homogeneous Preference

- no natural segments
- all buyers have same preference

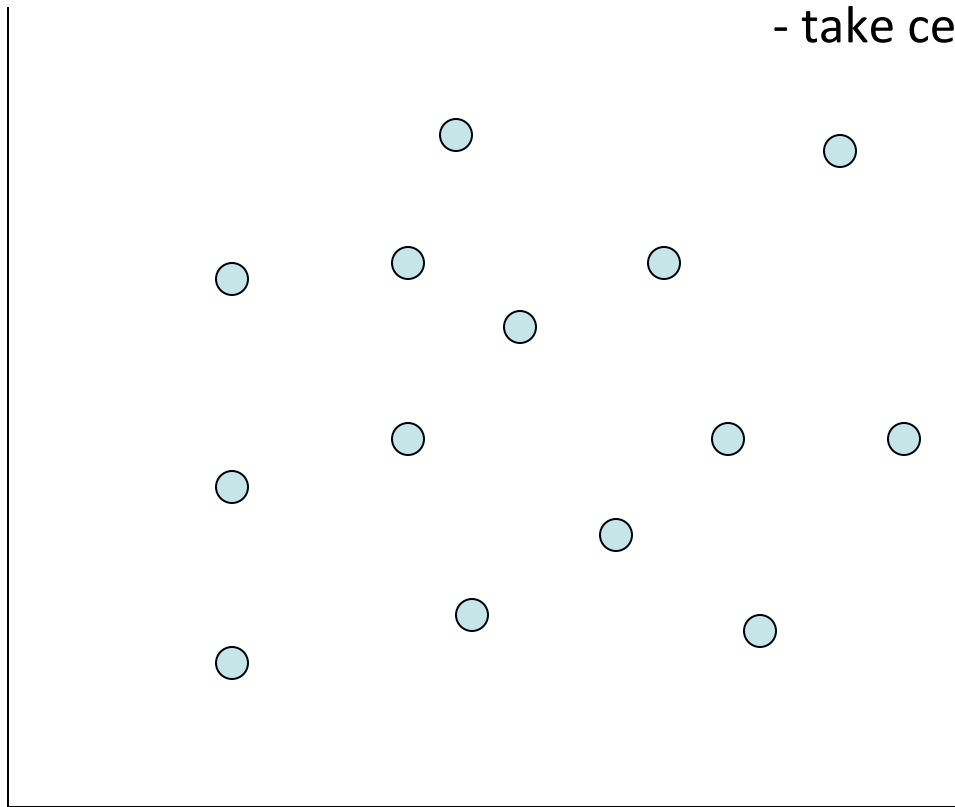
sweetness

MARKET SEGMENTATION

Diffused Preference

- no pattern (...or poor research)
- take center position

creaminess

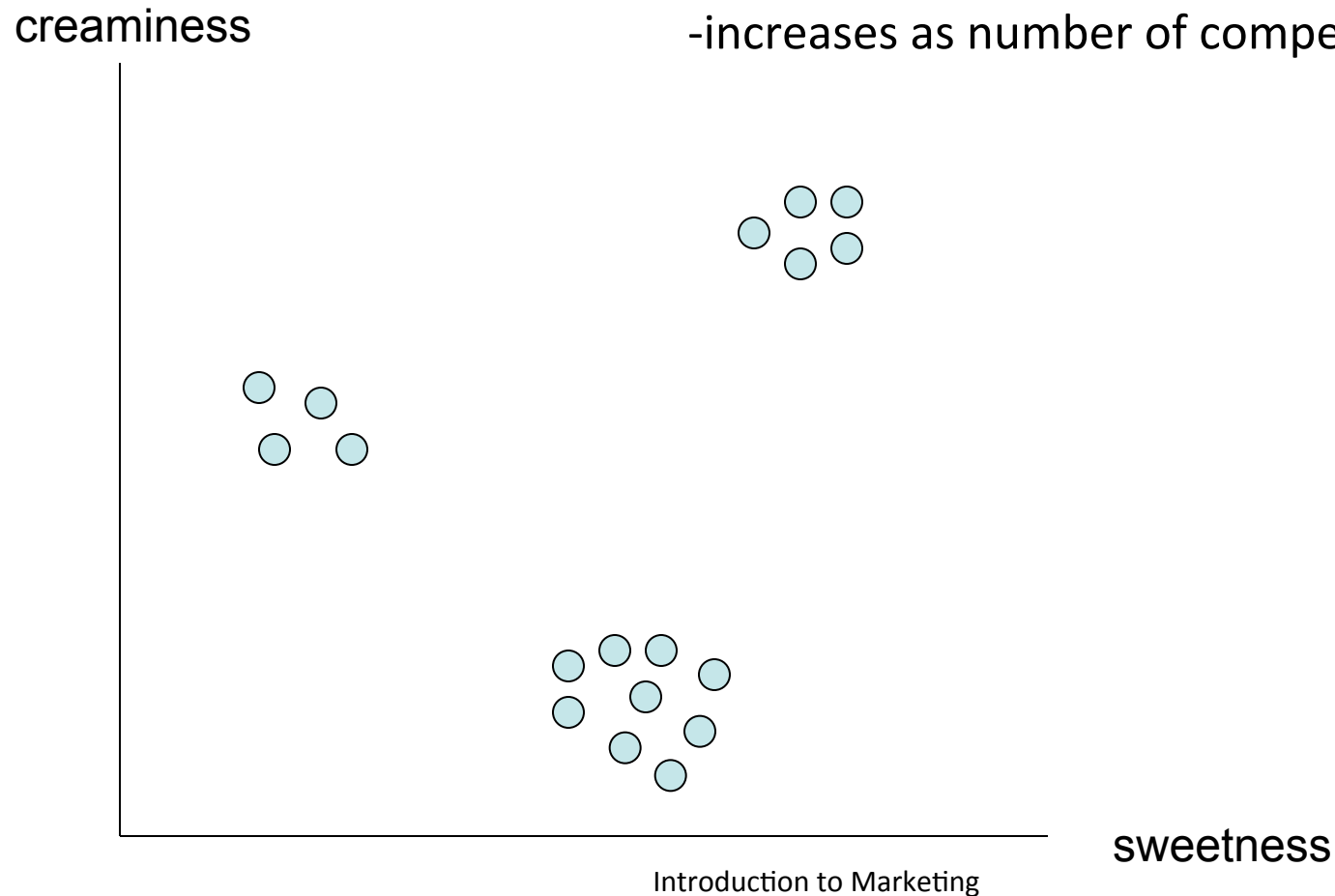


sweetness

MARKET SEGMENTATION

Clustered Preference

- natural segments
- increases as number of competitors increases



Niche Marketing

- Niche = Segments divided into Sub-segments
- A more narrowly defined customer group seeking a distinctive mix of benefits
- Niche – Characteristics???
 - Customers seek a distinct set of benefits
 - Ready to pay a premium
 - Unlike segments, not likely to attract many competitors
 - Gain certain economies of scale through specialization
 - Have size, profit and growth potential
- Examples???

Local Marketing & Customization

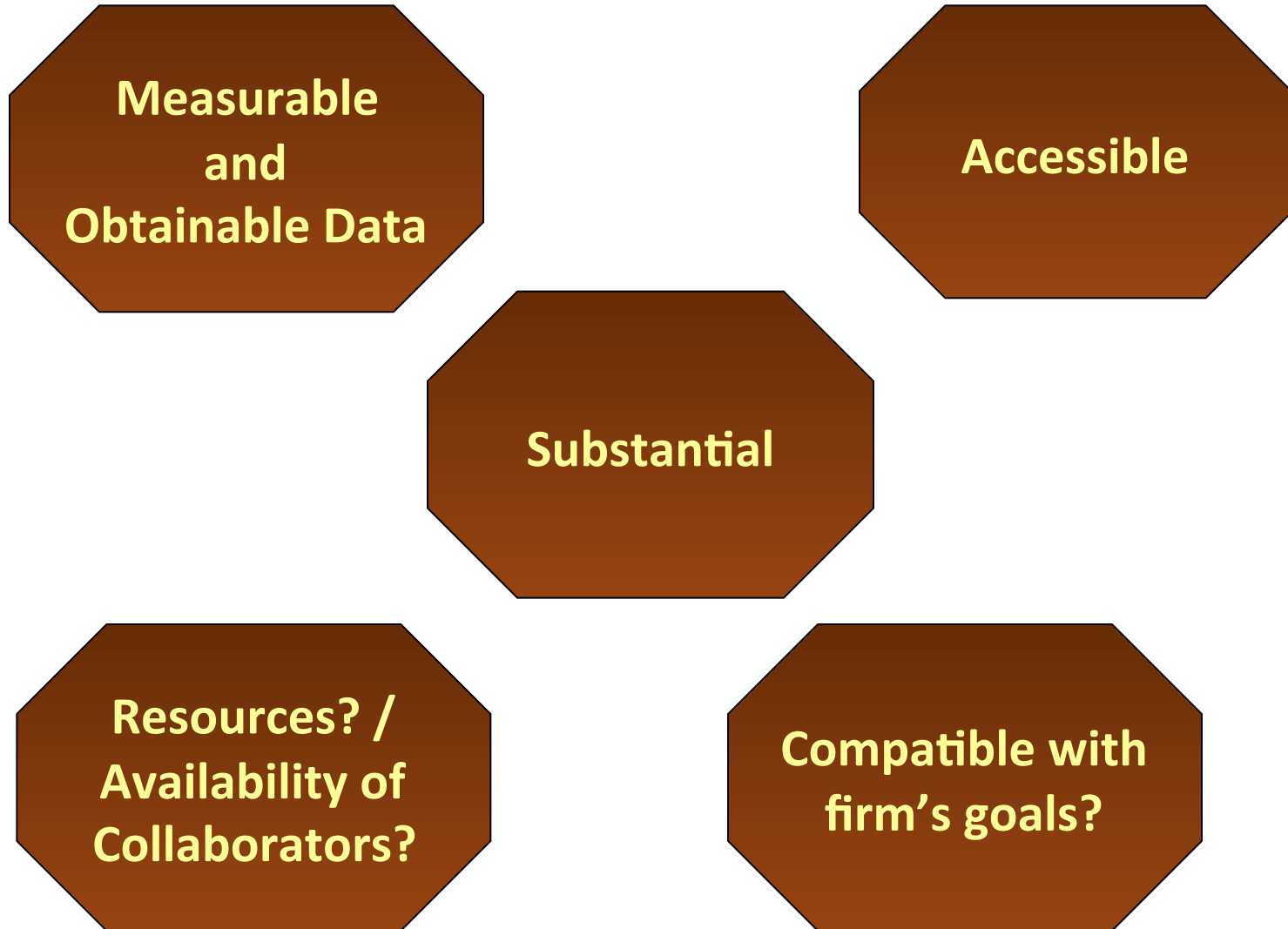
- Local / Grassroots marketing – E.g. Nike's initial success?
- Customization
 - “Segments of One”/Customized Marketing/One-to-one Marketing

Now what???

- Why Segmentation?
 - No marketer can serve all the segments profitably
- Having segmented the market – which one to choose?

Targeting is the actual selection of the segment you want to serve

Target Market Selection Criteria



Five Patterns of Target Market Selection

Single-segment concentration

	M1	M2	M3
P1			
P2			
P3			

Selective specialization

	M1	M2	M3
P1			
P2			
P3			

Product specialization

	M1	M2	M3
P1			
P2			
P3			

Market specialization

	M1	M2	M3
P1			
P2			
P3			

Full market coverage

	M1	M2	M3
P1			
P2			
P3			

P = Product
M = Market

Market???

- ‘Market’ is in the minds of the consumers. If you don’t exist in the mind of the consumer, you don’t exist in the market 😞
- What you do to the minds of the consumers?
 - Yoghurt – Dessert/Snack/Meal in itself

Positioning

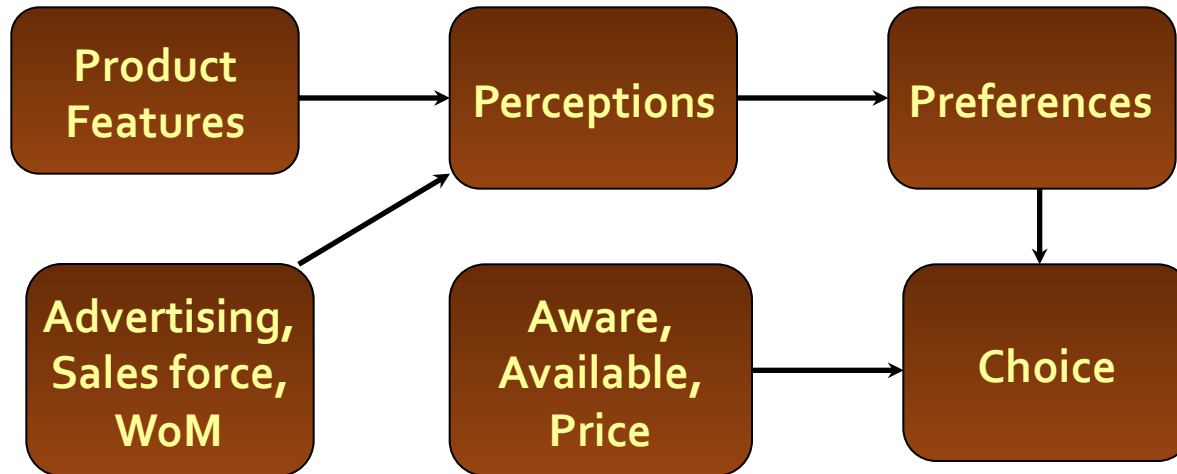
- Creating an Image/Identity in the minds of the target market
- Positioning is the battle for a place in the consumer's mind...
 - Al Ries and Jack Trout
- **“Pick a vacant slot and sit on it”**

Positioning - Comprehensive Definition

- The 'position' of a brand is its perception among target customers
- This perception reflects the essence of the brand
 - Functional and non-functional benefits
- In relation to the perceptions about the competitors

Behavioral Foundations of Positioning

1. Perceptions



Brunswick's "Lens" Model

Behavioral Foundations of Positioning

2. Classical Conditioning Theories of Stimulus Categorization

- E.g. Maruti Van
- Launched in 1983: 13,583 bookings were made
- 1984-85: Demand went up to 1,22,330
- 1986-87: Large cancellations (As many as 90,000)
- Unclear positioning
- Van ??? !? – Light commercial vehicle?
- 1987 – Brand Personification Test

Behavioral Foundations of Positioning

3. Importance of Image and Symbolism

- E.g. Maruti Van - Larger Cat
- Own an Image (Brand DNA)
- Reposition to Omni – ‘The most spacious car on the road’
- All in one car
- Sales went up by 15.8% by December 1988

Positioning Strategies



Baritone is a guitar with the strings tuned lower than the treble and bass guitars. Although it is not as common as the other two, it is still used in many genres of music. It is often used in the same way as the other two, but with a lower range. It is often used in the same way as the other two, but with a lower range. It is often used in the same way as the other two, but with a lower range.



Positioning Strategy

Positioning is the pursuit of differential advantage.

- Four Strategic Questions:
 - Who am I?
 - What am I?
 - For Whom am I?
 - Why Me?

Product Positioning Strategies

- Positioning by Corporate Identity
- Positioning by Brand Endorsements
 - Dove

PHILIPS
sense **and** simplicity



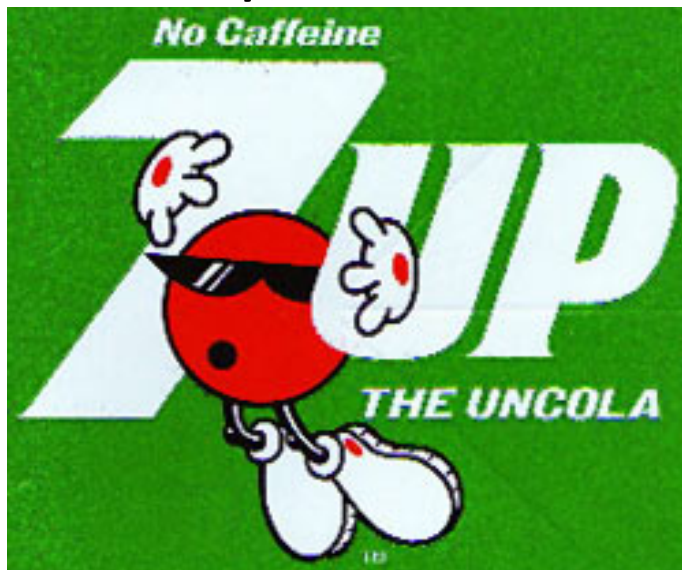
Product Positioning Strategies (Contd.)

- Category-Related Positioning
 - Sugar Free
- Positioning by Distinct Benefits
 - Moov
- Positioning by Usage Occasion and Time
 - Cadbury's Celebrations
 - Nescafe - *Great Start to the Morning*

Product Positioning Strategies (Contd.)

- Positioning by Product Class Association
- Positioning by Product Class Disassociation

It's 7-Up, It's Un-cola



Citibank's Unfixed Deposit

* Bank Fixed Deposit	Return (+) * Citibank's Unfixed Deposit
Liquidity (-)	Liquidity (+) Return (-)

Product Positioning Strategies (Contd.)

- Positioning by User Category
 - Pepsi for the Young Generation
- Positioning by Cultural Symbols
 - Marlboro Cigarettes
- Positioning by Price
 - Big Bazaar

Product Positioning Strategies (Contd.)

- Positioning by Competitor

The tremendous diversity that bamboo offers us holds
 instructions for many. From an ornamental or functional plant



Travails of Positioning

- Similar Positioning (Me-too): Favvy Noodles
- Marketing Myopia: Burnol
- Positioning that was unfavorable:
 - Raymond's Double Barrels (The Park Avenue Collection)

Managerial Decisions

1. Creating a Dimension

- It is also what you do to the product, not just the mind
- Job-related Positioning

2. Dynamics (Repositioning)



3. Matching Segments and Positioning

Conclusion

- Temptation to think tactically
 - Position toward the average customer
 - Serve the most common customer needs
- More effective to think strategically
 - Find your strength in terms of benefits
 - Differentiate or Die
 - Unique
 - Meaningful
 - Believable Advantages