

Marketing 101: Building Strong Brands

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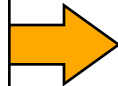
Pod 3

- ▶ Segmentation and Targeting

Positioning Process

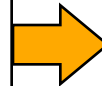
Segmentation

Identify variables
that allow one to
segment the market



Targeting

Evaluate the
attractiveness of
each segment and
choose a target
segment

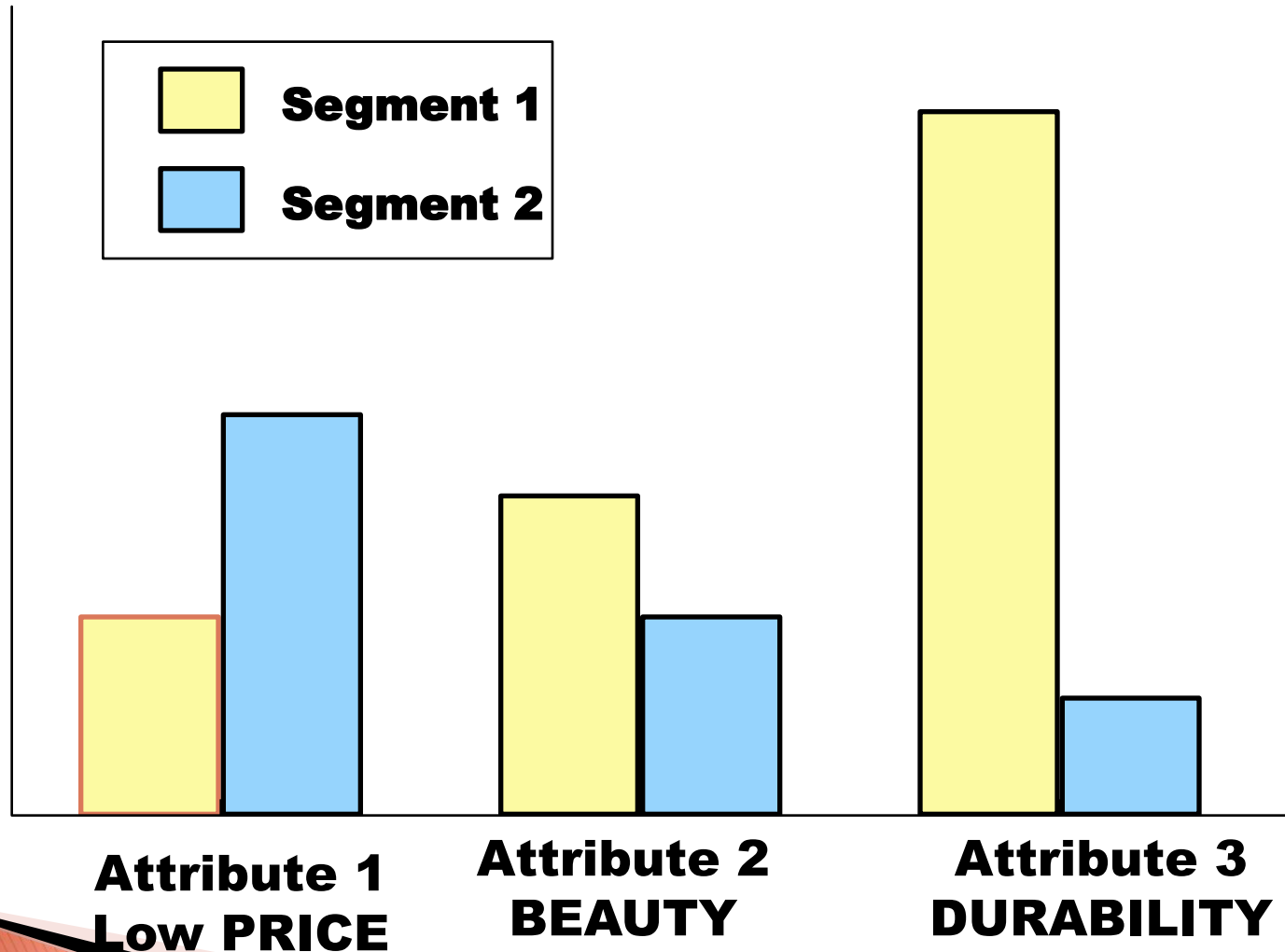


Positioning

Identify positioning
concepts for each
target segment,
select the best, and
communicate it.

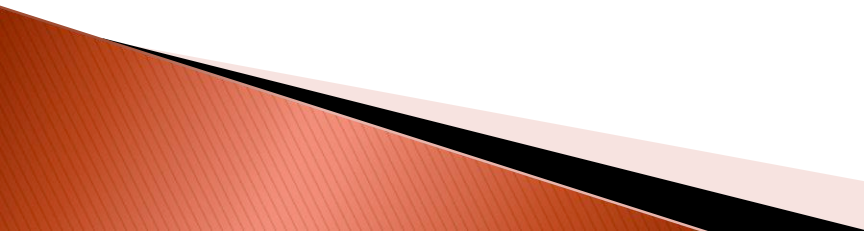
Iterative Process....

Values of the Two Segments



WHAT IS A MARKET SEGMENT?

Market segmentation is the process of dividing a market into distinct subsets, where any subset may conceivably be selected as a marketing target to be reached with a distinct marketing mix.



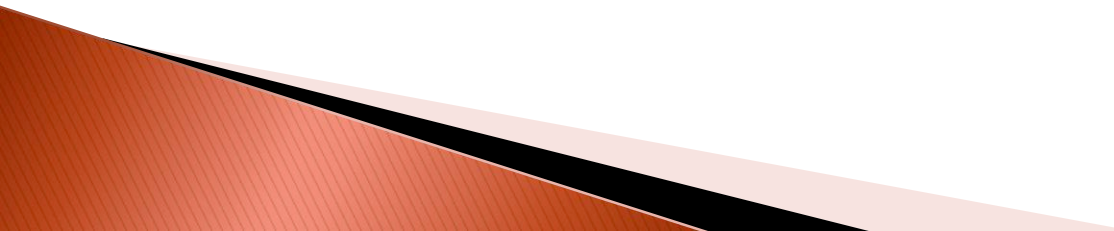
SEGMENTATION METHODS

- I. Characteristics of the Customer
- II. Benefits Sought
- III. Systematic, Product-Related Behaviors
 - purchasing behavior
 - by channel

Geographic Segmentation

- ▶ regional segmentation
- ▶ zip clustering
 - distinct marketing strategies created for similar types of neighborhoods stretched across the nation
 - e.g., PRIZM

Step 2: Selecting a Target Segment

- ▶ What makes a segment attractive?
 - ▶ Balancing Segment Attractiveness with our Capability.
 - ▶ Continuously monitoring whether the actual buyers match the target segment.
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SEGMENT SELECTION Criteria

- **Segment Size**
 - **Growth of Segment**
 - **Value of Segment (\$)**
 - **Stability**
 - **Current Company position within segment**
 - **Ease of entry into segment**
 - **Ease of competitive entry into segment**
 - **Number and strength of competitors**
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Market Targeting

Develop measures of segment attractiveness.

Select among attractive segments based on business capabilities.

