

Segmentation, Targeting, and Positioning



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Before we jump in...



Before we jump in...







Definition

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



Steps in Market Segmentation, Targeting, and Positioning



Get the best piece of the cake!!!

Market Segmentation

Key Topics

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

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

Market Segmentation

Geographic Segmentation Variables

- **World Region or Country**
- **U.S. Region**
- **State**
- **City**
- **City Size**
- **Neighborhood**
- **Density**
- **Climate**

Discussion Question

Geographical climate is a legitimate means of segmentation for many products or services.

Name several examples of products for which need (and demand) would vary on a geographical basis.



Market Segmentation

Key Topics

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

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

Market Segmentation

Demographic Segmentation Variables

- Age
- Gender
- Family size
- Family life cycle
- Income
- Race
- Occupation
- Education
- Religion
- Generation
- Nationality

Market Segmentation

Key Topics

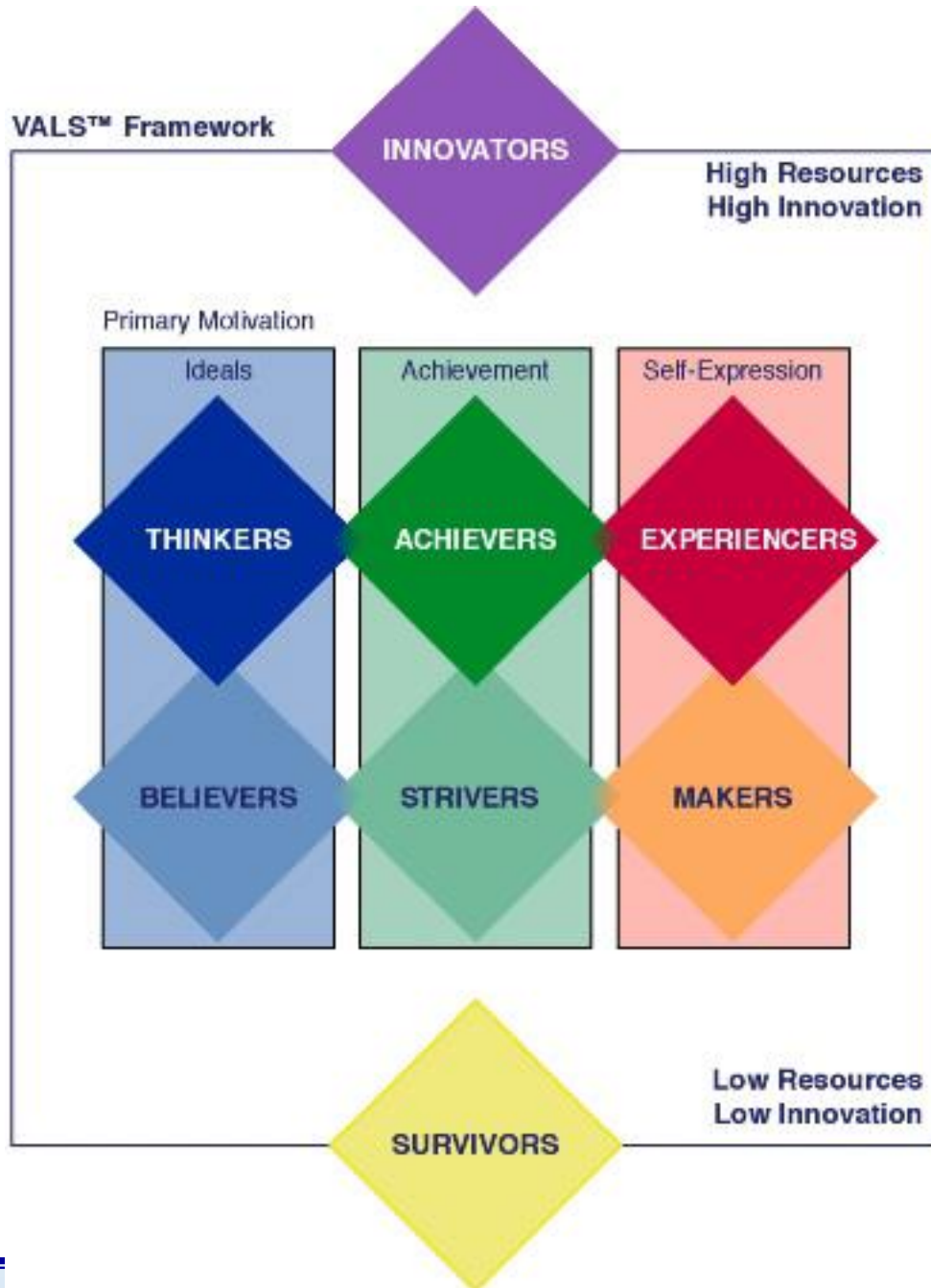
- ***Segmenting Consumer Markets***
- ***Segmenting Business Markets***
- ***Segmenting International Markets***
- ***Requirements for Effective Segmentation***

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





VALS™ Framework



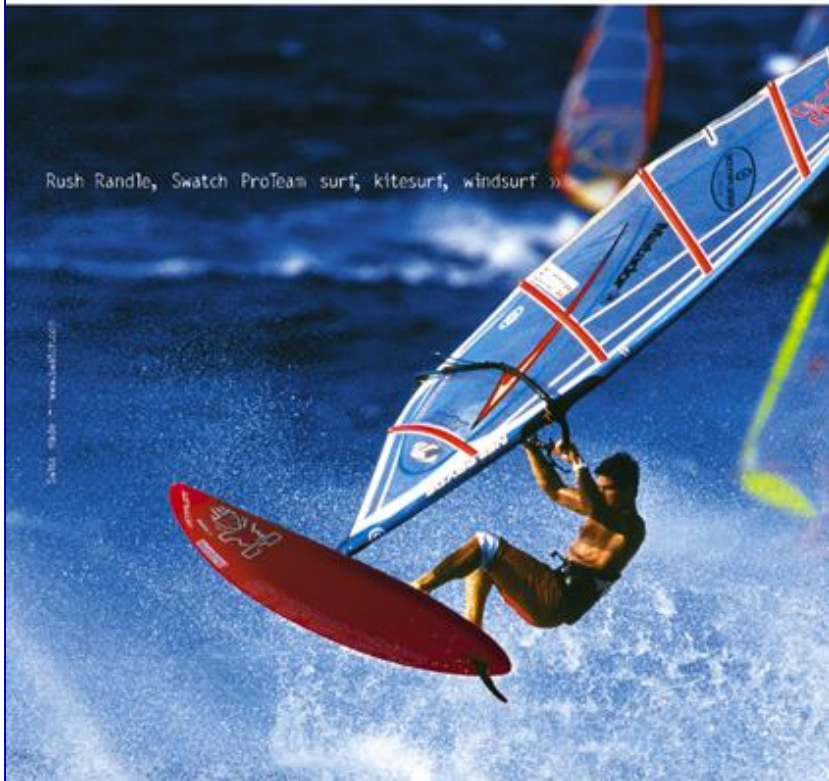
» Hailstorm «



Did I switch off the gas?

swatch+
IRONY

Rush Randle, Swatch ProTeam surfer, kitesurfer, windsurfer »



***Swatch targets
those with an
active lifestyle***

Market Segmentation

Key Topics

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

- **Geographic segments**
- **Demographic segmentation**
- **Psychographic segmentation**
- **Behavioral segmentation**
 - **Typically done first**
- **Using multiple segmentation variables**

Market Segmentation

Behavioral Segmentation Variables

- Occasions
- Benefits
- Frequency of use
- Readiness Stage
- Attitude Toward the Product





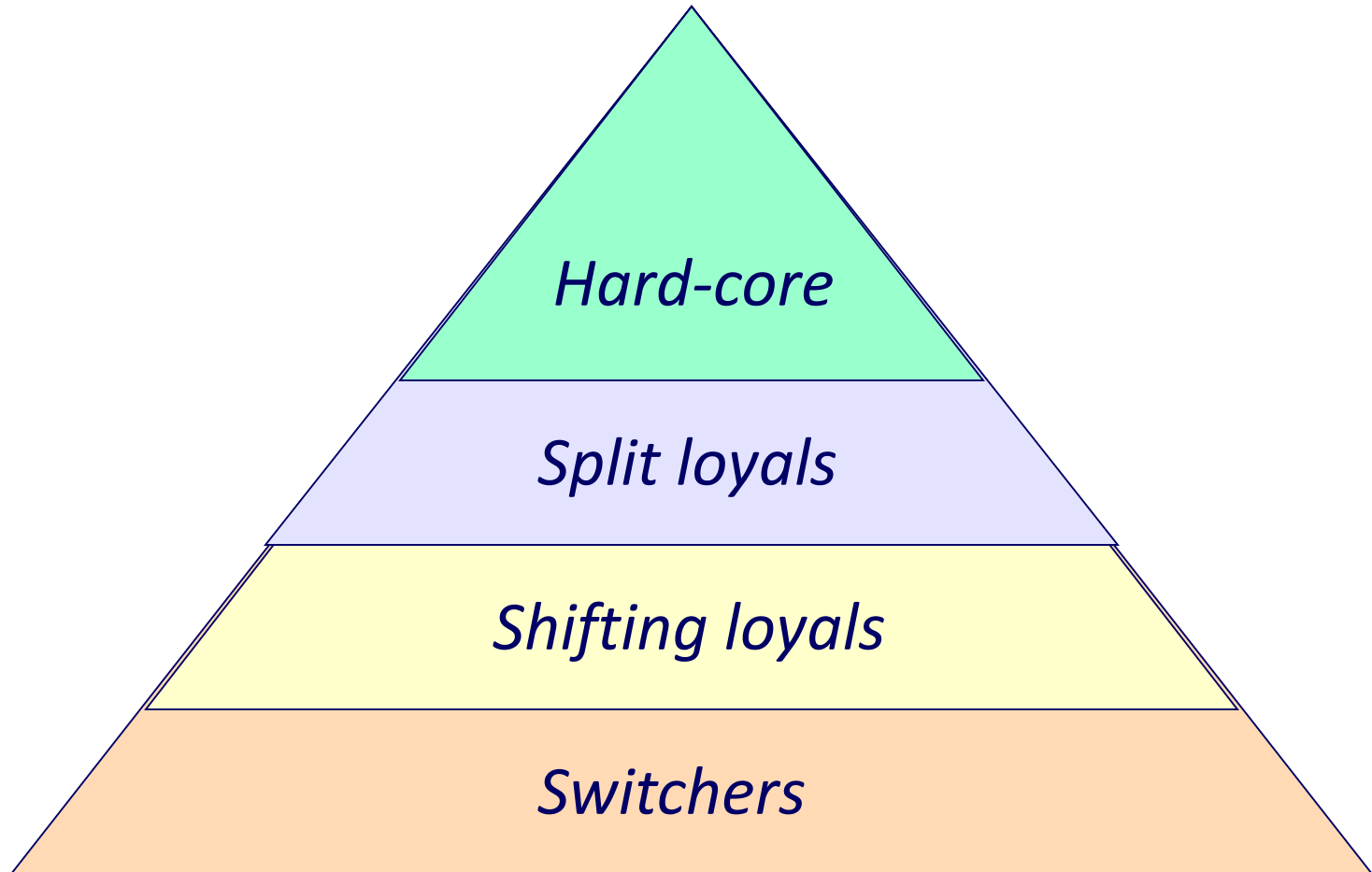
Market Segmentation

Key Topics

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

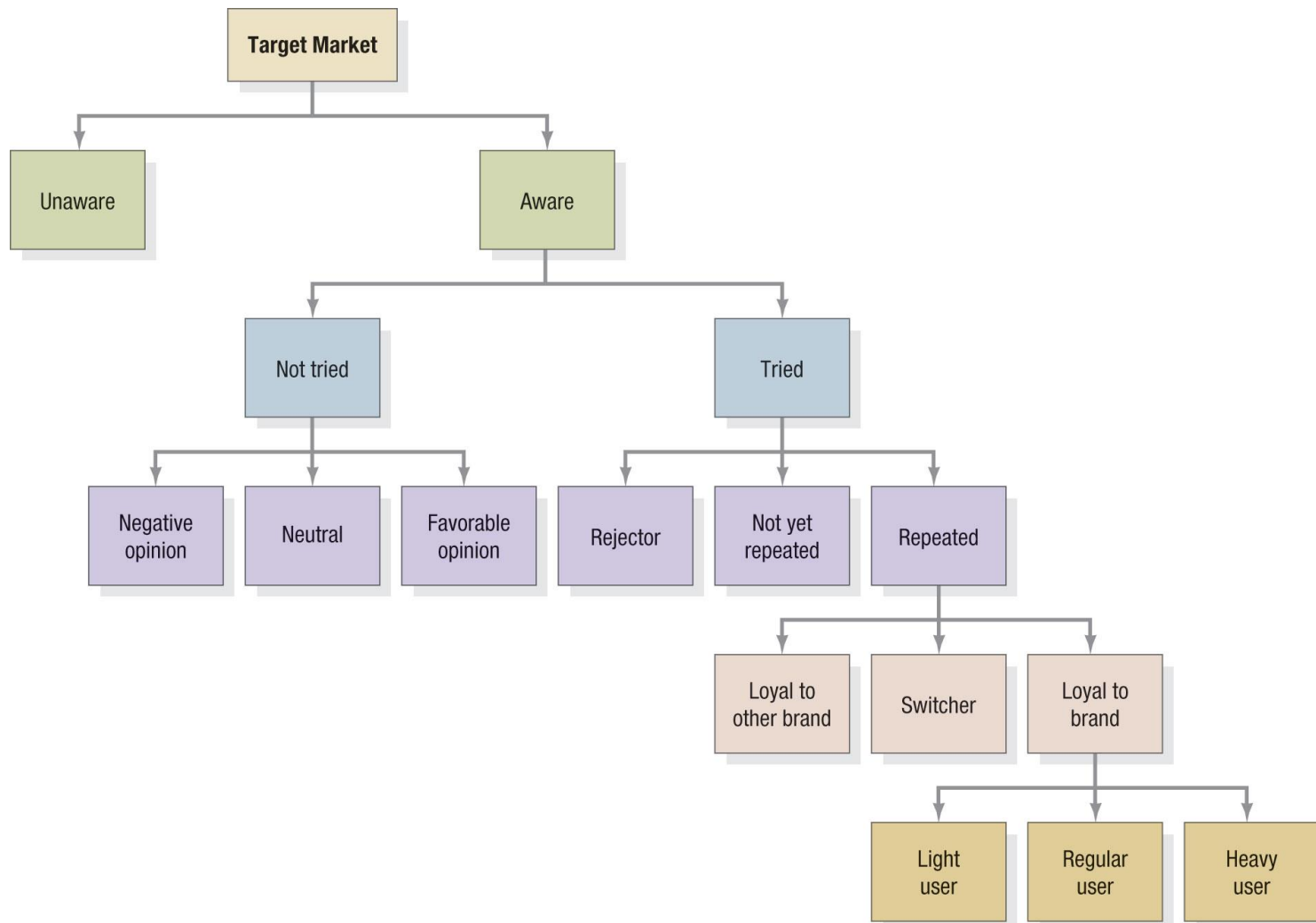
- **Geographic segments**
- **Demographic segmentation**
- **Psychographic segmentation**
- **Behavioral segmentation**
- **Loyalty Status segmentation**
- **Using multiple segmentation.**

Loyalty Status Segmentation





User & Loyalty Status Segmentation



Market Segmentation

Key Topics

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

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

Market Segmentation

Key Topics

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

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

Cultural Factors

✿ USA

✿ Italy

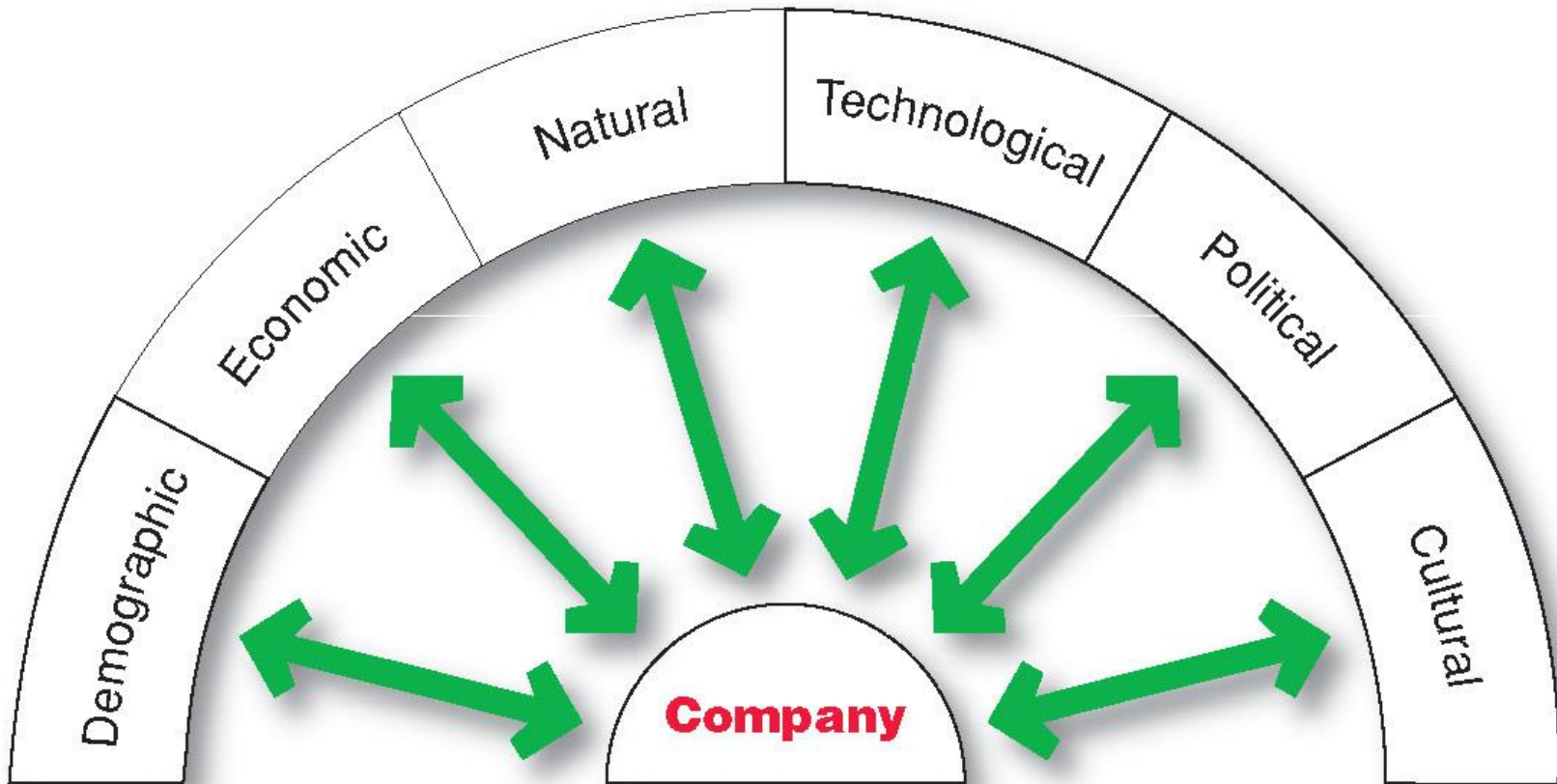
✿ India

✿ France

✿ Germany

✿ Bangladesh

Macro-environment



The Company's Macroenvironment

Demographic Environment

Demography: the study of human populations-- size, density, location, age, gender, race, occupation, and other statistics

- ✿ **Demographic environment:** involves people, and people make up markets
- ✿ **Demographic trends:** shifts in age, family structure, geographic population, educational characteristics, and population diversity

Average age of Population: BD 27, China 38, India 29, Japan 48

The Company's Macroenvironment

Demographic Environment

- **Changing age structure of the population**
 - **Baby boomers include people born between 1946 and 1964**
 - **Most affluent Americans**

The Company's Macroenvironment

Demographic Environment

- **Generation X includes people born between 1965 and 1976**
 - **High parental divorce rates**
 - **Cautious economic outlook**
 - **Less materialistic**

The Company's Macroenvironment

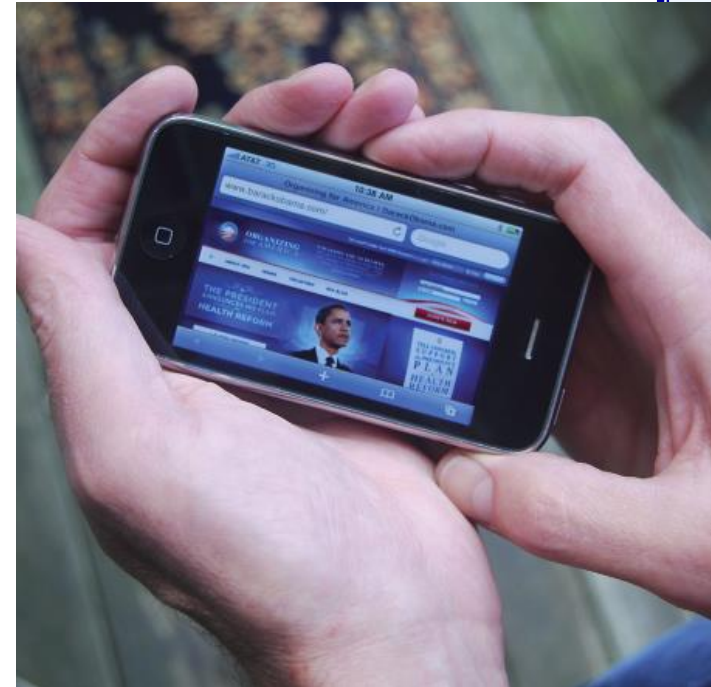
Demographic Environment

- Millennials (gen Y or echo boomers) include those born between 1977 and 2000
 - Comfortable with technology
 - Tweens (ages 8–12)
 - Teens (13–19)
 - Young adults (20's)

The Company's Macroenvironment

Demographic Environment

Generational marketing
is important in
segmenting people by
lifestyle of life state
instead of age



The Company's Macroenvironment

Demographic Environment

More people are:

- ✿ Divorcing or separating
- ✿ Choosing not to marry
- ✿ Choosing to marry later
- ✿ Marrying without intending to have children
- ✿ Increasing number of working women
- ✿ Increasing number of stay-at-home dads

Market Segmentation

Key Topics

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

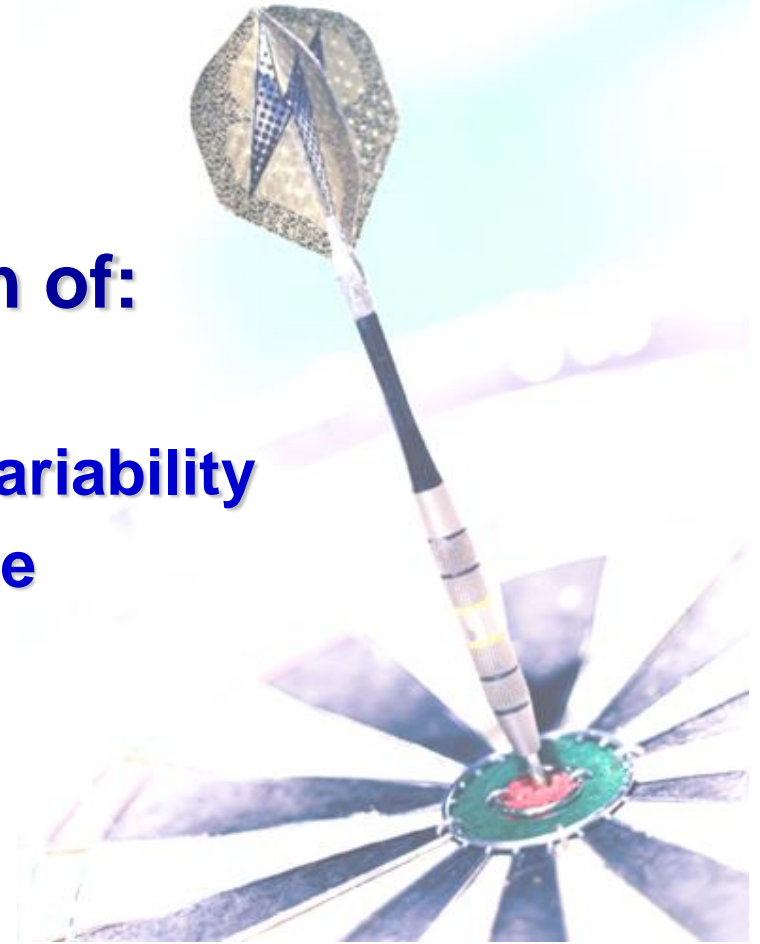
- **Measurable**
 - Size, purchasing power, and profile of segment
- **Accessible**
 - Can be reached and served
- **Substantial**
 - Large and profitable enough to serve
- **Differentiable**
 - Respond differently
- **Actionable**
 - Effective programs can be developed

Target Marketing



Target Marketing

- **Choosing a Target-Marketing Strategy Requires Consideration of:**
 - **Company resources**
 - **The degree of product variability**
 - **Product's life-cycle stage**
 - **Market variability**
 - **Competitors' marketing strategies**



Patterns of Target Market Selection: Product x Market Matrices

**Single-segment
Concentration**

	M_1	M_2	M_3
P_1	Light Brown	Light Brown	Light Brown
P_2	Purple	Light Brown	Light Brown
P_3	Light Brown	Light Brown	Light Brown

Selective Specialization

	M_1	M_2	M_3
P_1	Light Brown	Light Brown	Light Blue
P_2	Light Blue	Light Brown	Light Brown
P_3	Light Brown	Light Blue	Light Brown

Product Specialization

	M_1	M_2	M_3
P_1	Light Brown	Light Brown	Light Brown
P_2	Teal	Teal	Teal
P_3	Light Brown	Light Brown	Light Brown

Market Specialization

	M_1	M_2	M_3
P_1	Orange	Light Brown	Light Brown
P_2	Orange	Light Brown	Light Brown
P_3	Orange	Light Brown	Light Brown

Full Market Coverage

	M_1	M_2	M_3
P_1	Light Orange	Light Orange	Light Orange
P_2	Light Orange	Light Orange	Light Orange
P_3	Light Orange	Light Orange	Light Orange

P = Product M = Market

Segmentation & Targeting Exercise!

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

Target Marketing

- ❁ **Socially Responsible Targeting**
 - **Some segments are at special risk:**
 - ❖ **Children**
 - ❖ **Minority consumers**
 - ❖ **Internet shoppers**
 - ❖ **LGBT Community**



Positioning



findtheedge

Positioning

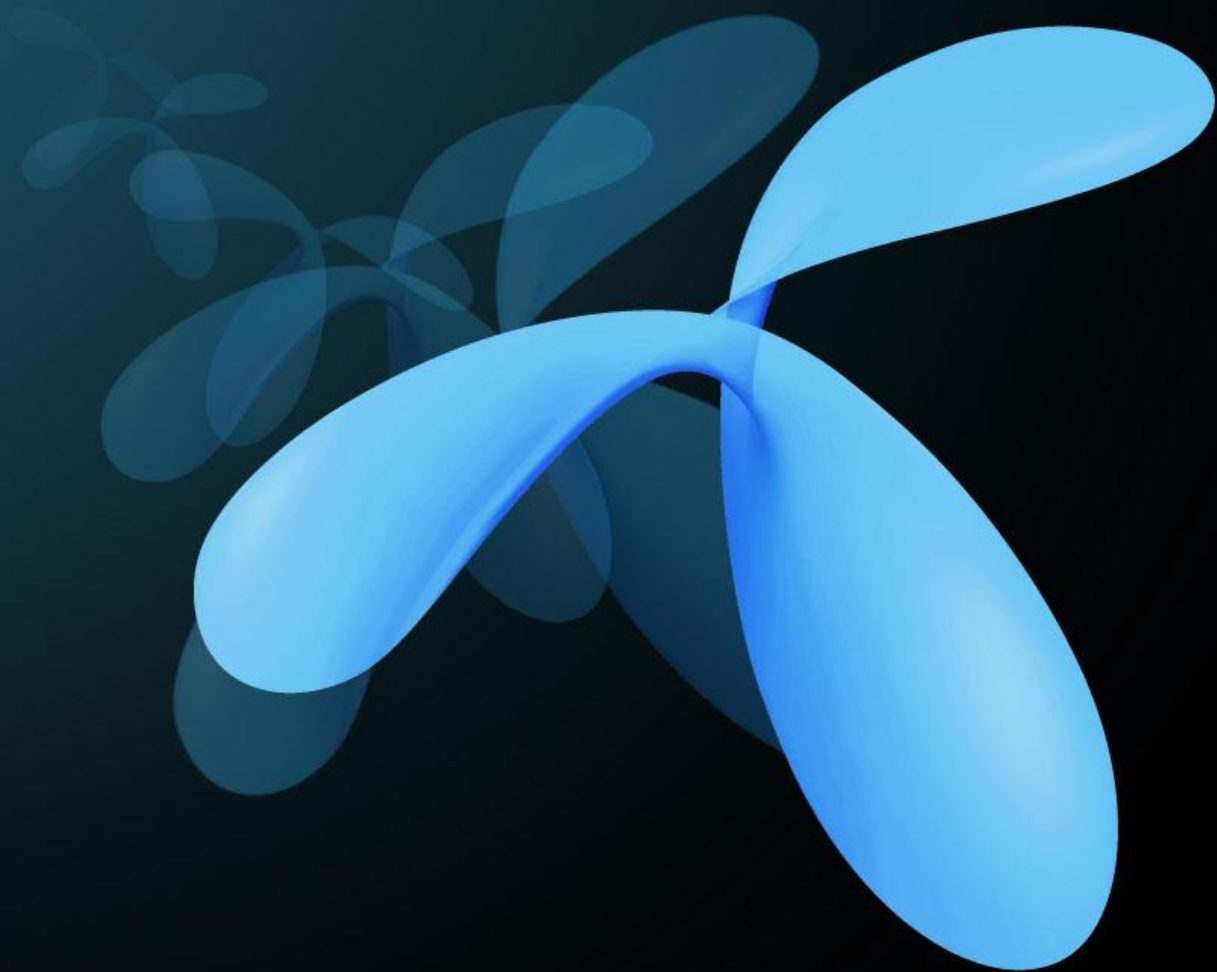
❁ Choosing a Positioning Strategy:

- Identifying possible competitive advantages -- many potential sources of differentiation exist:

- ❖ Products
- ❖ Services
- ❖ Channels
- ❖ People
- ❖ Image



grameenphone

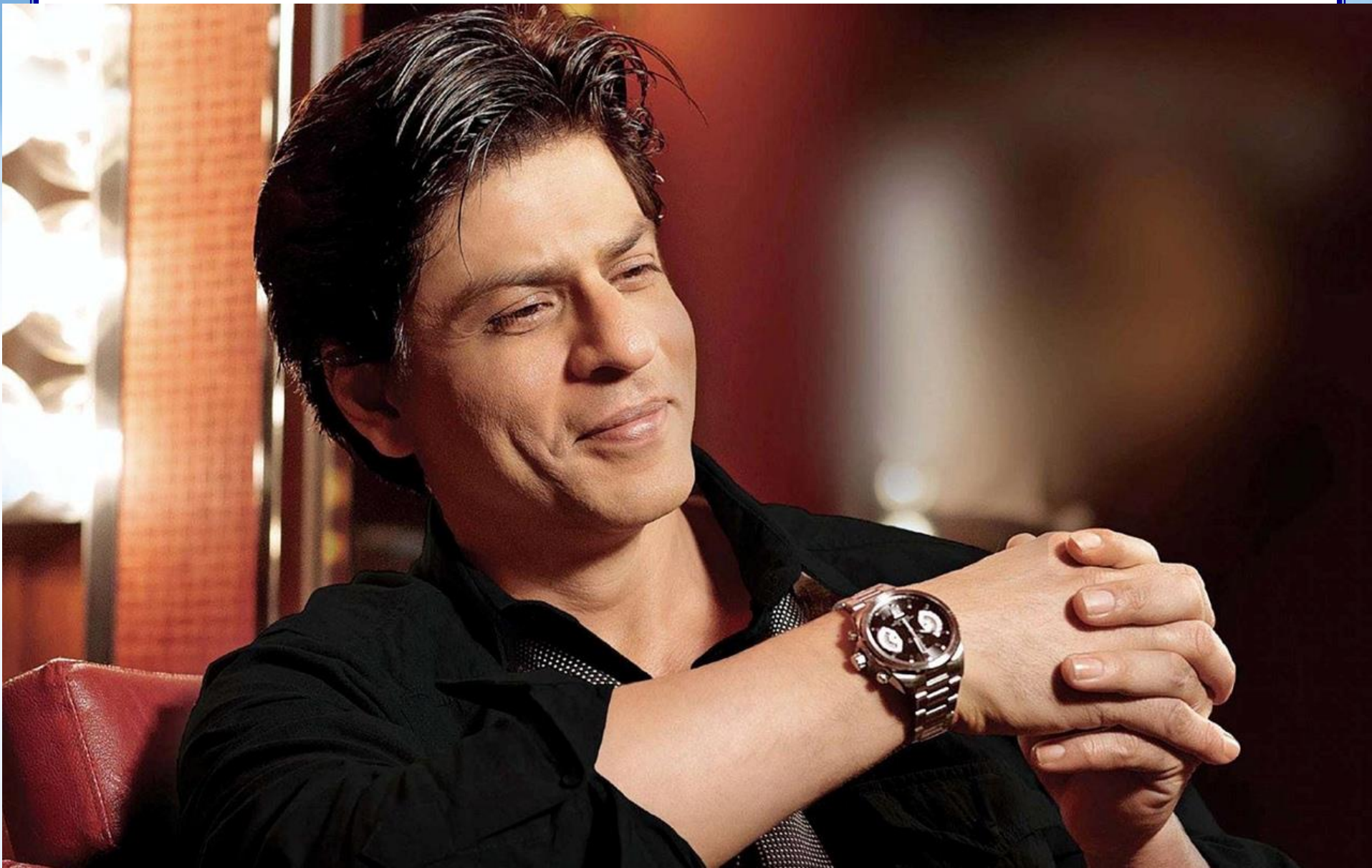


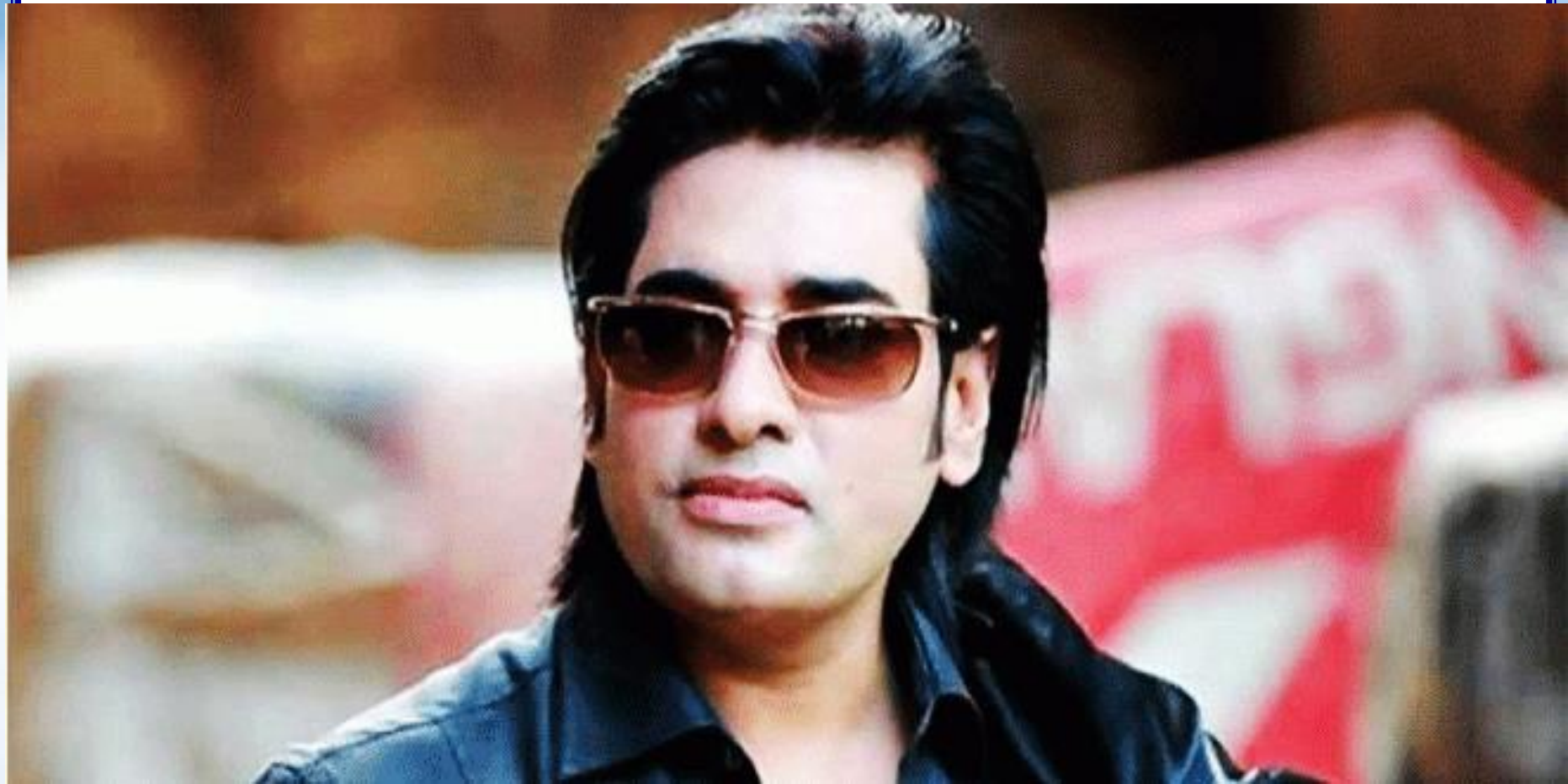




Beauty soap









bKash





BE FORWARD Ref #:BF81760



Positioning

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

• **Points of Parity**

• **Points of Difference**

Differentiate or Die!



Positioning

Criteria for Meaningful Differences

• Important

• Superior

• Profitable

• Distinctive

• Communicable

• Affordable

what 7 concepts are critical to positioning?

1. *Perception (their not your)*
2. *Differentiation*
3. *Competition*
4. *Specialization*
5. *Simplicity*
6. *Leadership*
7. *Reality*

how does the customers mind work?

1. *The mind is a limited container.*
2. *The mind creates "product ladders" for each category (cars, toothpaste, accounting services, hamburgers, etc.) There is always a top rung and a bottom rung in each category.*
3. *The mind can only remember seven items in a high interest category. Most people remember only two or three items in a category.*
4. *On the product ladder, Positions One and Position Two typically account for more than 60 per cent of the sales in that category. In other words, Positions Three, Four and Subsequent are not profitable.*

how does the customers mind work?

Continued...

5. The mind hates complexity. To the mind, complexity equals confusion. People don't have time to figure out confusion.

6. The best way to enter the mind is to OVER-SIMPLIFY the message.

7. The most powerful positioning is to reduce your message to one simple and easily understood word.

8. Minds are insecure. Most people buy what others buy: this is the "herd mentality."

9. Minds don't change—easily.

If it leaves an impression



If it separates the product or brand from the competition in the mind of the consumer ie differentiates





২০% বেশি শক্তিদর

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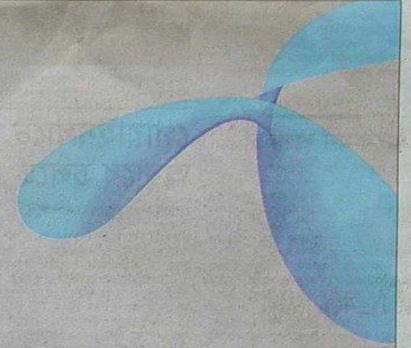
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• REG টাইপ করে SMS করুন 5678 নম্বরে

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Spring
AIR FRESHENER

live inside the fragrance

Bring home the sweet fragrance of orange, lemon or flowers and live in harmony with nature's freshest.





ভিটামিন-ই সমৃদ্ধ জুই খাঁটি নারিকেল তেল। চুল পড়া বন্ধ করার পাশাপাশি চুলের
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Positioning Exercise!!!

What is the positioning of Bangladesh?



Business on Positioning

- **Japan**
- **Singapore**
- **Vietnam**
- **China**
- **USA**

Thank you

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