

Marketing Management

Segmentation, Targeting and Positioning

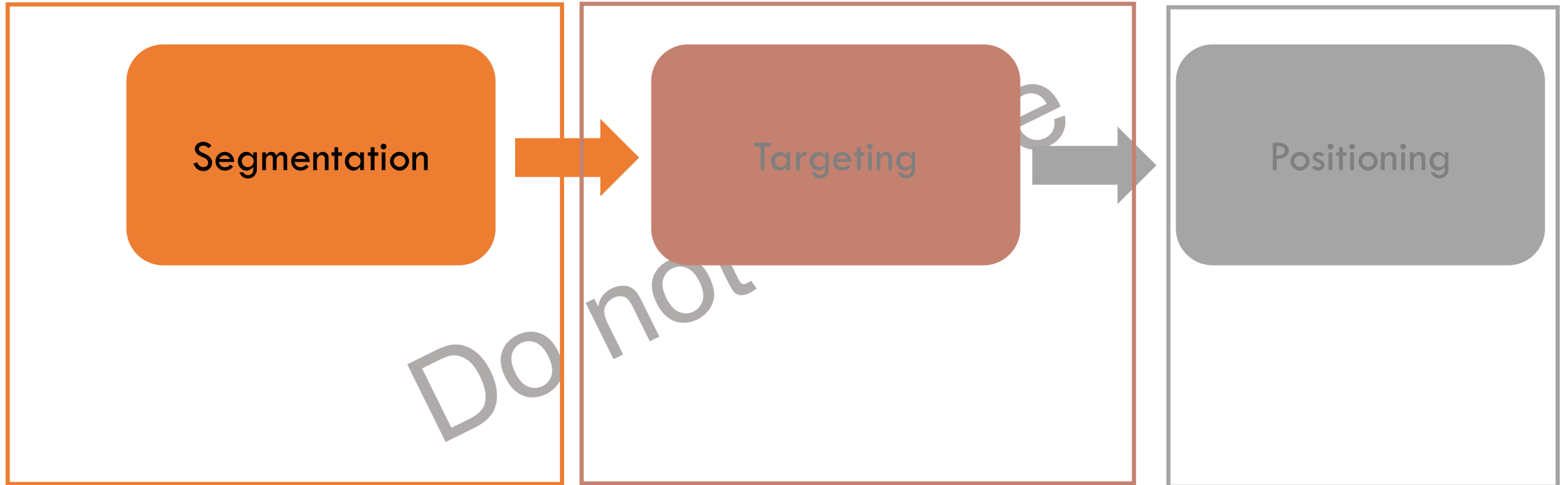


Differentiated Marketing

Enables organizations to meet different consumer needs

Provides competitive advantage

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What is Segmentation

- A separation of a heterogeneous group of customers with different needs into homogenous subgroups with similar needs and preferences
- Ability to tailor the offering better to each segment

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Benefits of Segmentation

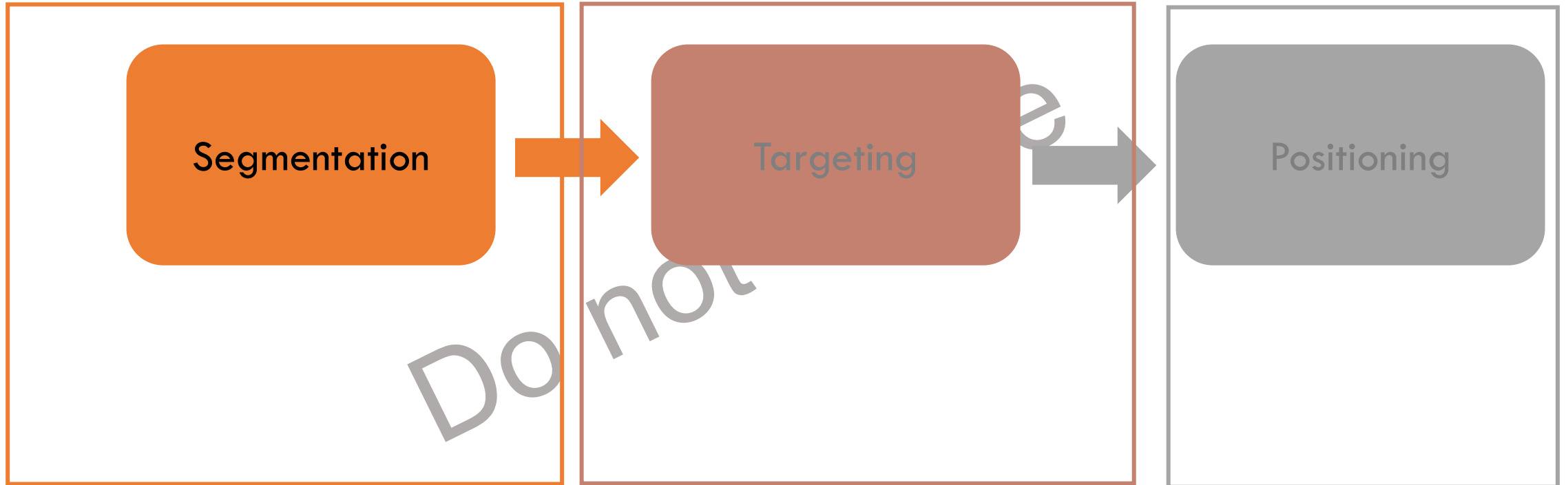
Benefits to the Organization

- Identification of valuable customers
- Better product design
- More targeted promotions
- Higher Customer Lifetime Value

Benefits to the Customer

- Convenience and time savings
- Tailored products and services
- Relevant offers
- Personal experience
- Increased customer satisfaction

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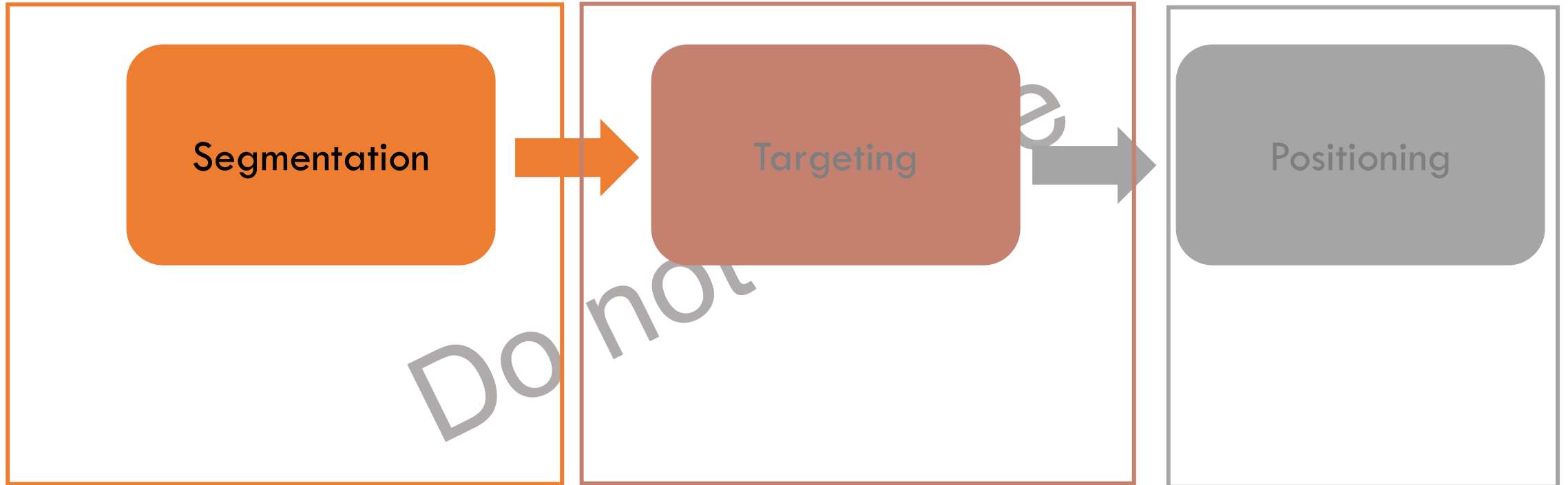




Establish Strategy or Objectives

- After Situational Analysis – SWOT...
- Segmentation strategy needs to be consistent with organization's mission, objectives and current situation

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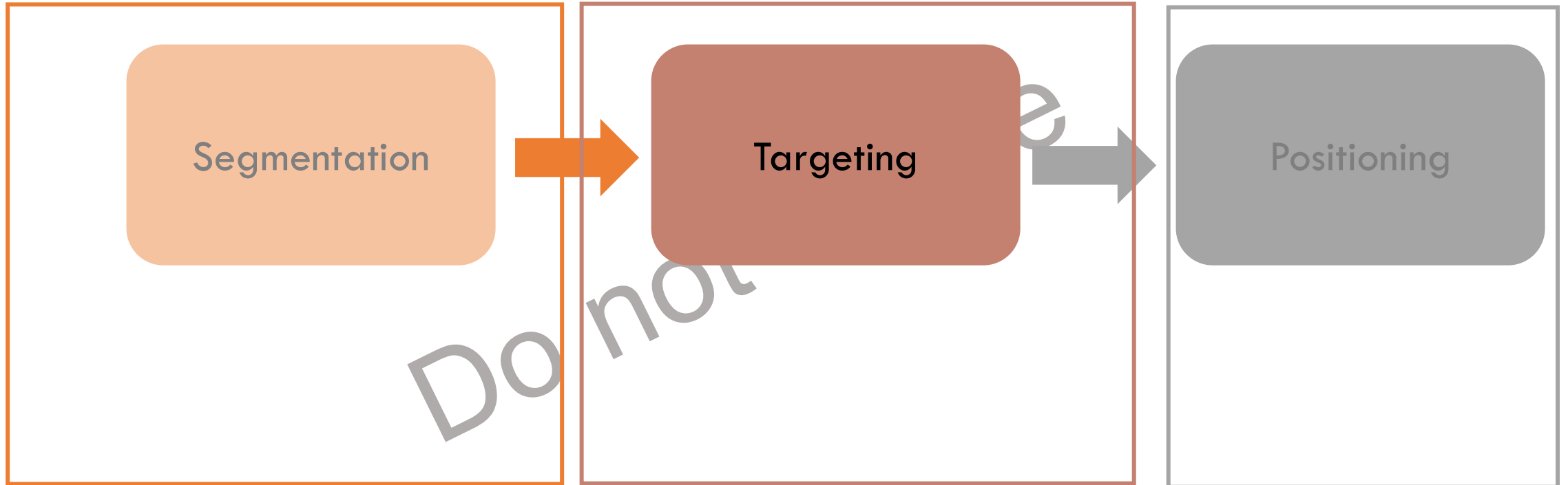




Segmentation Methods

- Geographic Segmentation
- Demographic Segmentation
- Psychographic Segmentation
- Behavioural Segmentation
- Benefit Segmentation

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Evaluate Segment Attractiveness

Identifiable

- Segments need to be distinct

Substantial

- Market should be big enough to generate profits or marketing-mix

Accessible

- Through persuasive communication and distribution

Actionable

- React positively to firm's offerings

Stable

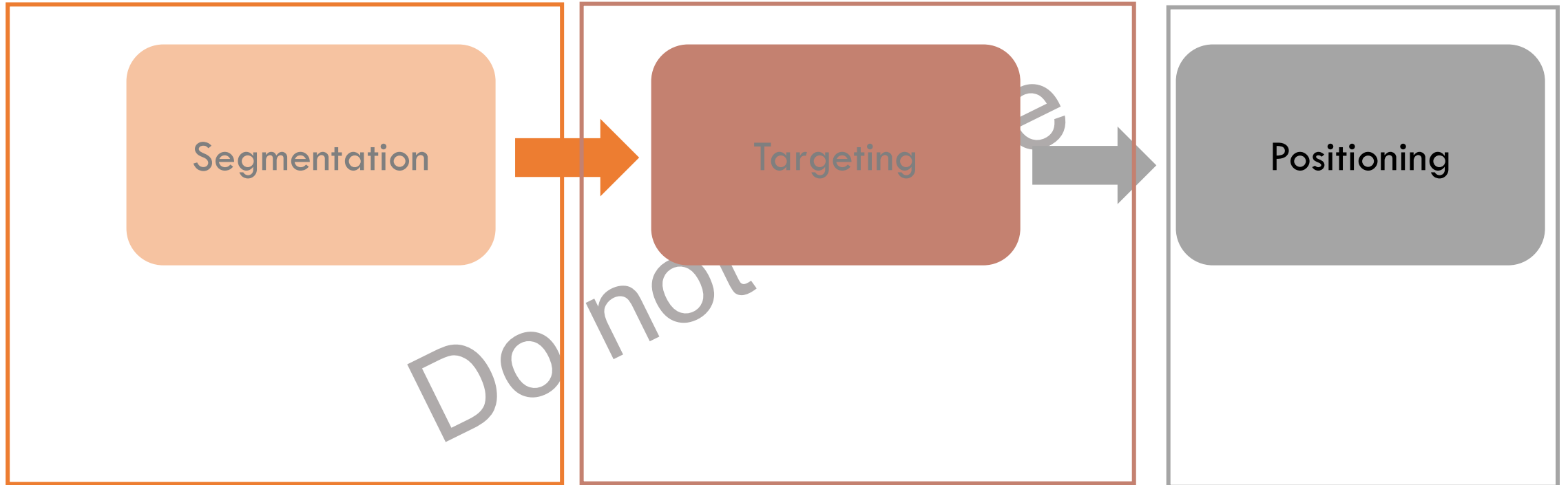
- Current and future profitability



Select Target Market

- Targeting: The process of identifying customers for whom the company will optimize its offering
 - Mass Marketing
 - Differentiated
 - Concentrated
 - One-to-one/Micro Marketing/ Mass Customization

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Identify and Develop Positioning Strategy

Positioning

- The process of defining the marketing mix variables so that the target customers have **a clear, distinctive, desirable understanding of what the product does or represents in comparison with competing products**
 - In order to create a sustainable competitive advantage for each of their products/services

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Identify and Develop Positioning Strategy

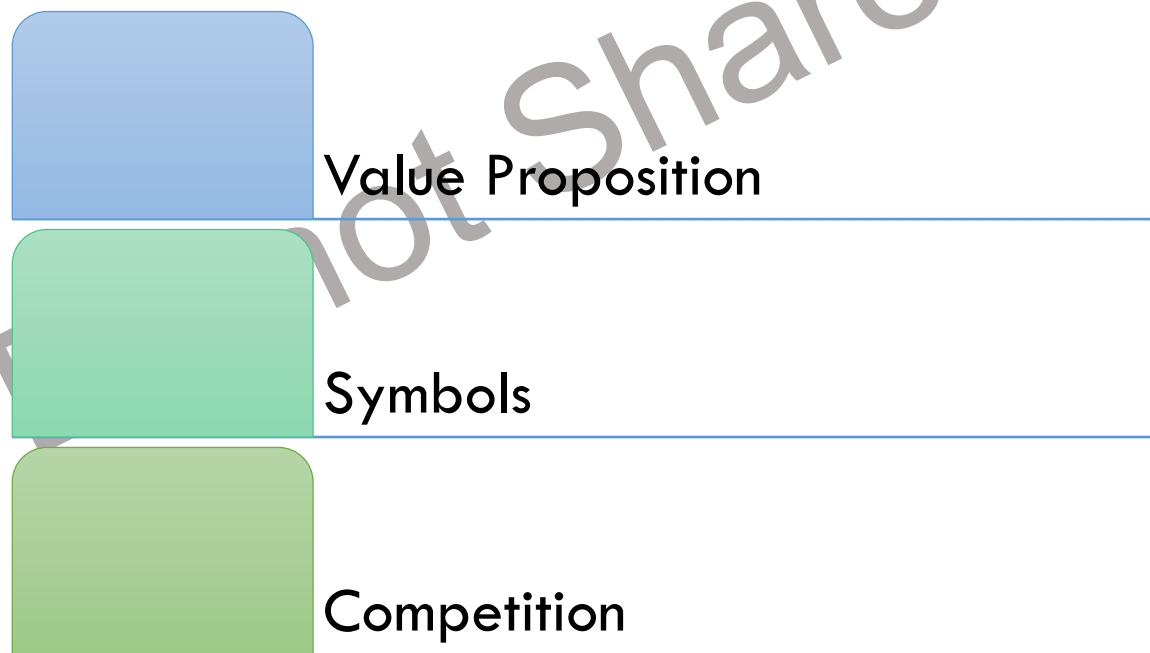
- Point of Difference
 - The factors of products/services that establish differentiation from the competitors
 - Desirable to consumer, deliverable by company and different from competitors
- Unique Selling Proposition
 - A type of value claim that offers a prospective customer a specific, unique and superior reason to purchase a product ~ Rosser Reeves
- Point of Parity
 - Area where the brand/organization is the same as the competitors to be a buying consideration for the customers

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Identify and Develop Positioning Strategy

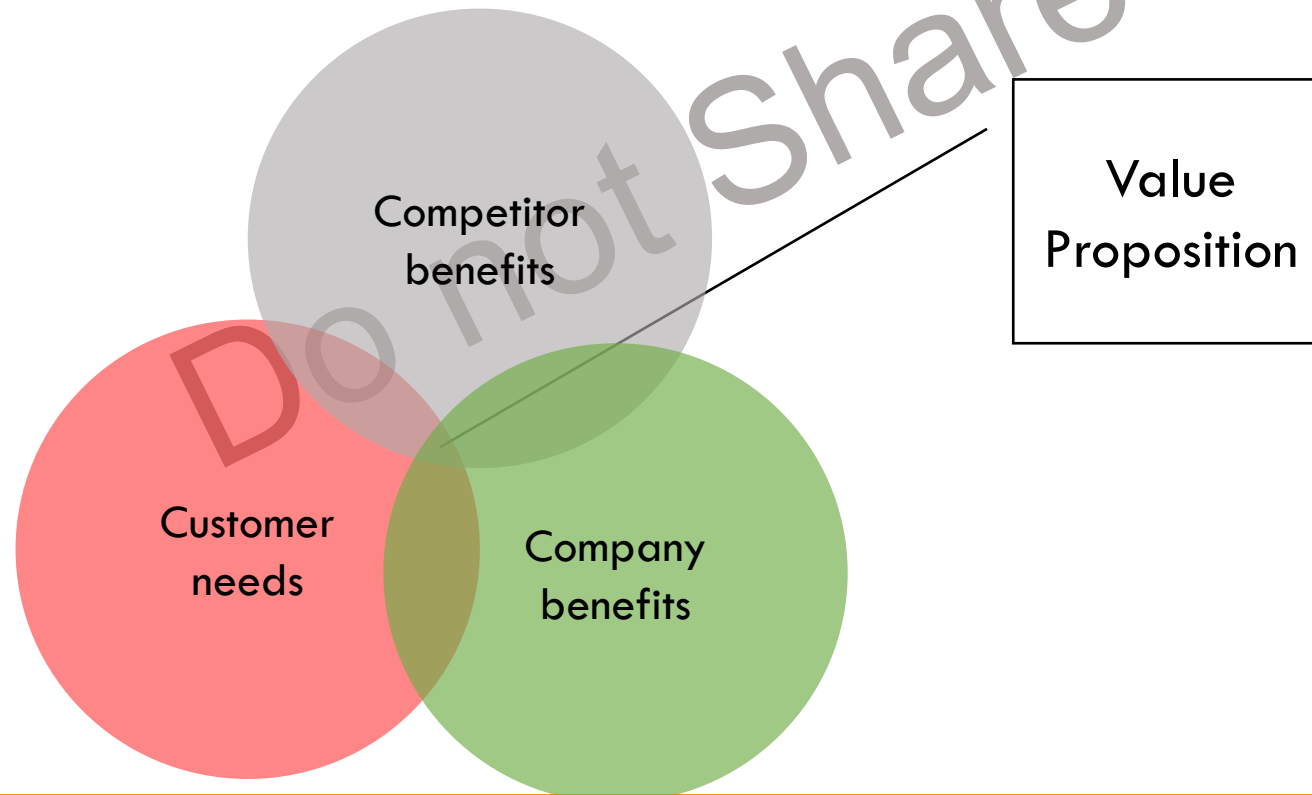
Positioning Methods





Value Proposition

- Positioning strategy can help communicate the brand/organization's **value proposition**
 - Communicating customer benefits from the product/service and their reasons for buying it





Value Proposition

From features to benefits to Value!

- Feature Positioning
- Benefit Positioning
- Value Positioning

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Symbols

- Well-known symbol acts as a positioning tool
- Trademarked and legally protected

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Competition

- Choice between positioning products/services against a specific competitor or an entire product/service classification
- **Frame of reference** – Acts as a benchmark against which customers can evaluate the benefits of the company's offerings
 - Category membership

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Identify and Develop Positioning Strategy

Crafting a Positioning Strategy

- Positioning statement - A strategic document that communicates the unique value the brand would offer to a particular target market segment
- Strategic statements developed for internal managerial audience

For [**Target Market**], Brand 'X' is the only brand among all [**competitive set**] that [**unique value claim**] because [**reasons to believe**]