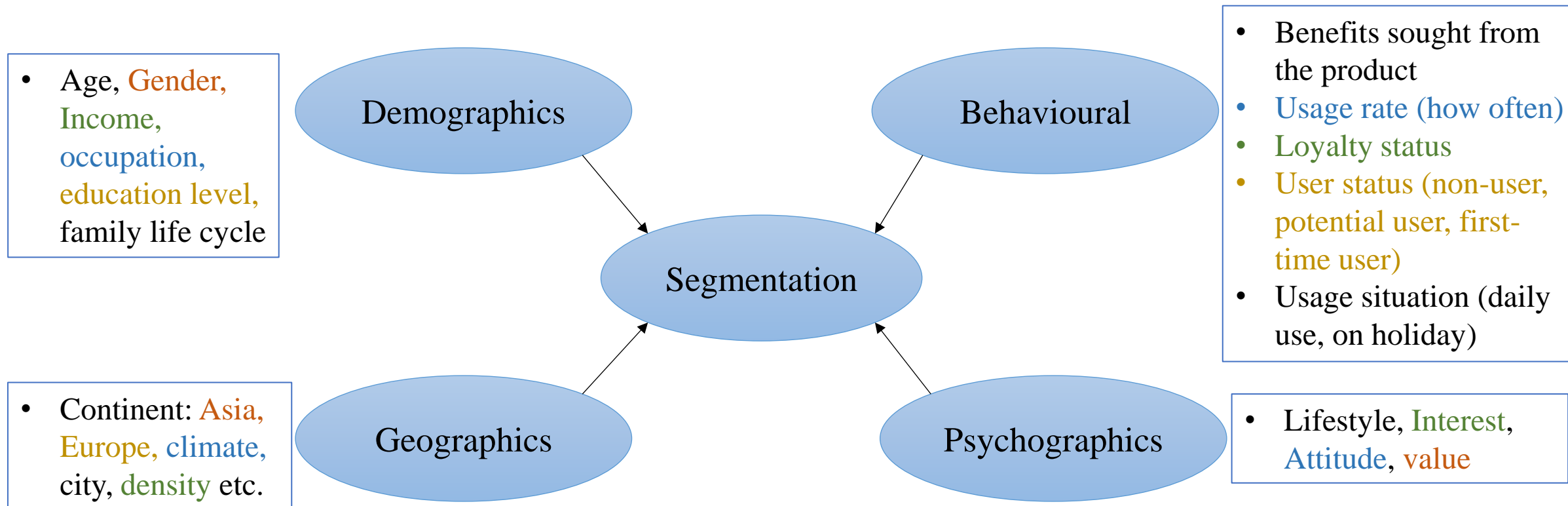


Executive Certificate Program in Advanced Product and Brand Management

INSTRUCTOR: PROF. PANKAJ VISHWAKARMA

Types of Segmentation







10 million

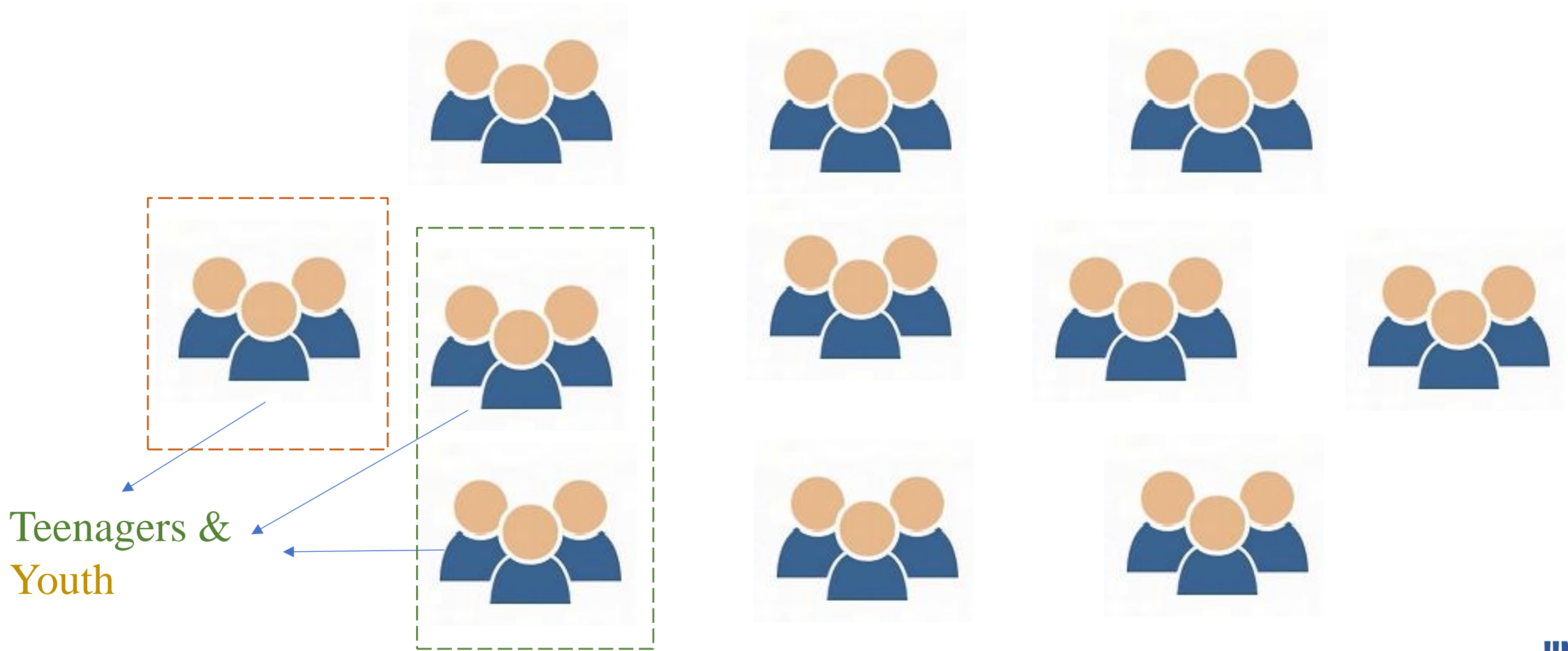
If Coca-Cola wants to sell this to all the people.

- More production
- More Expenses
 - Reach out to the consumers
 - Promote your product

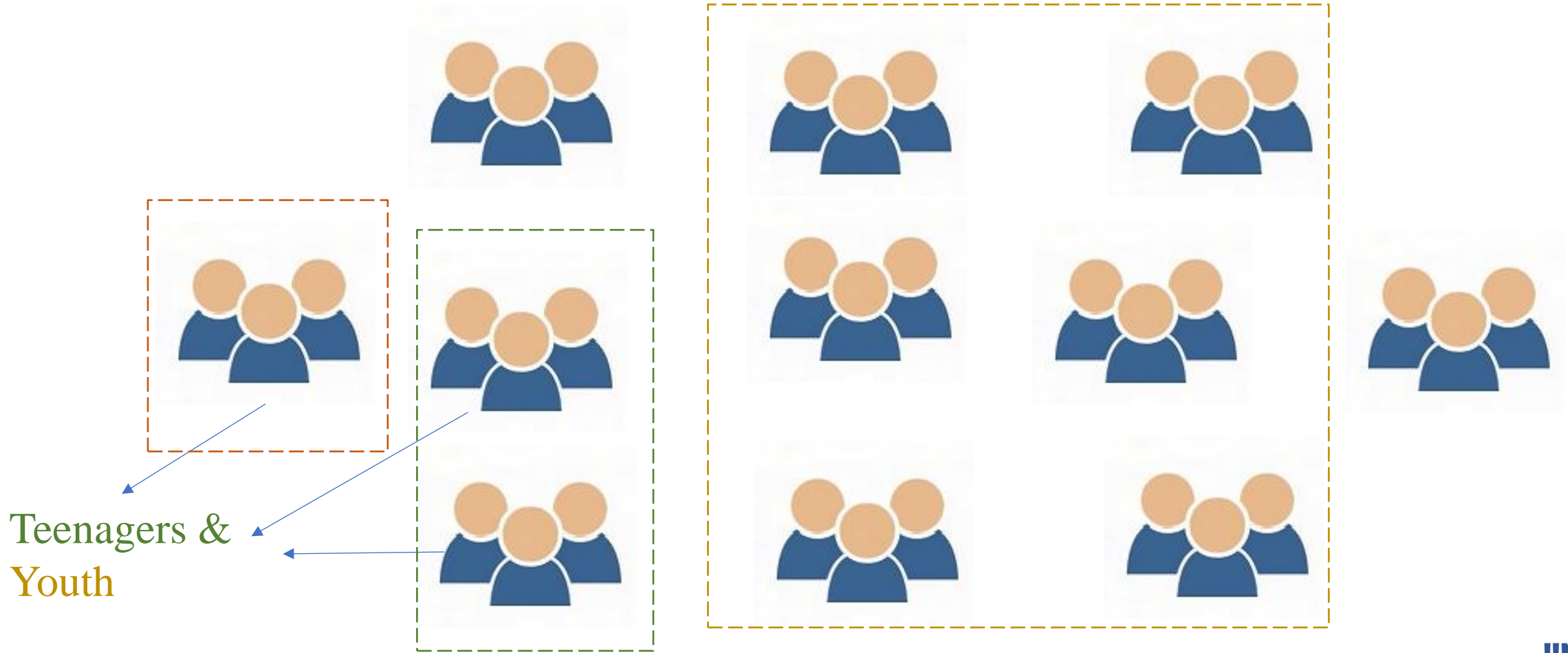


Major Consumers

Teenagers and Youth



Middle Aged

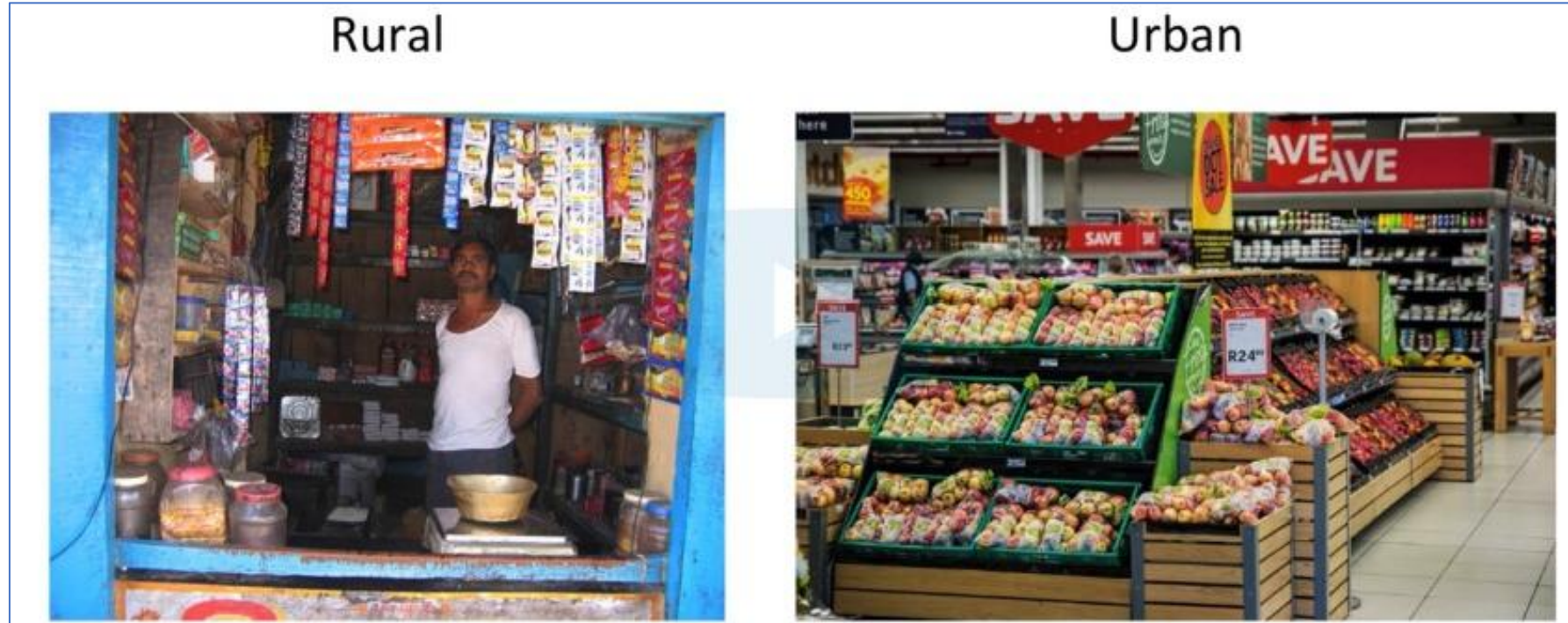


Can *Coca-Cola* target the *middle-agers*?

Yes



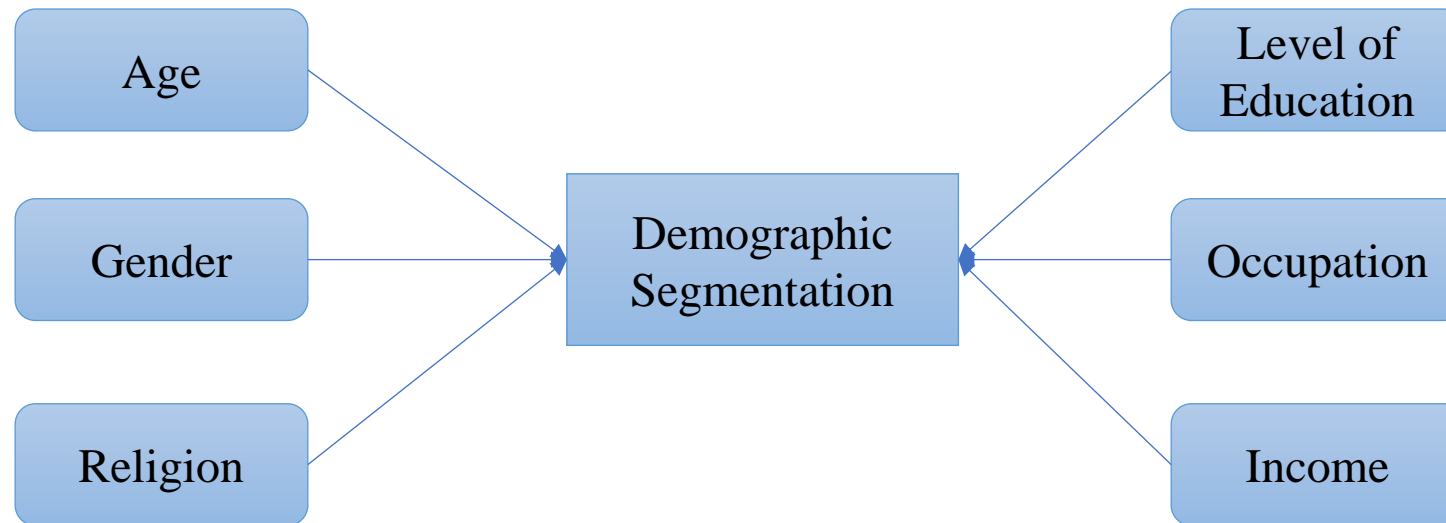
- Teenage girls/boys [*age* + *gender*]
- Online Certification program in Digital marketing [*Education level*, *Occupation*, *Income*]
- Hot vs cold climate clothes



Which kind of Segmentation is this?

Geographic

Demographic



Demographic

What *Titan* is doing with its brand '*Fastrack*'?

Segmented market

Chose *Youth, age between 18-35*

Working adults and *postgraduate students*

(*Metros* and *mini metros*)

Demographic

Do you think *women consumer* are a *distinct segment* for *many products*?

Apparels in India

Shoe in India (Adidas derives *35% [6.4. billion Euros]* of revenue from *women segment*)

What about the *Scooters*?

Pleasure, Scooty pep

Income

Airline Industry

Economy, Business class, and First class

Do you think that *marketer can enter in any segment* that they have *identified*?

Segmentation, Targeting and Positioning

Targeting

Select the most attractive segment to focus on for your marketing.

Segment Attractiveness

Identifiable

Substantial

Reachable

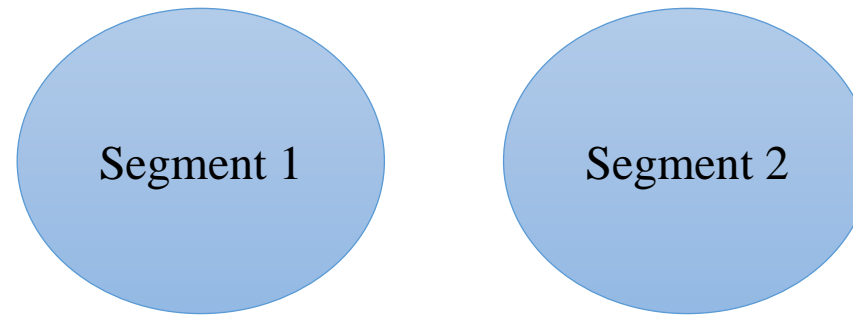
Responsive

Profitable

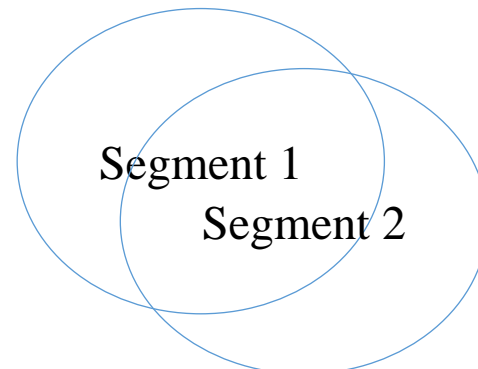
Segment Attractiveness

Identifiable

Option A

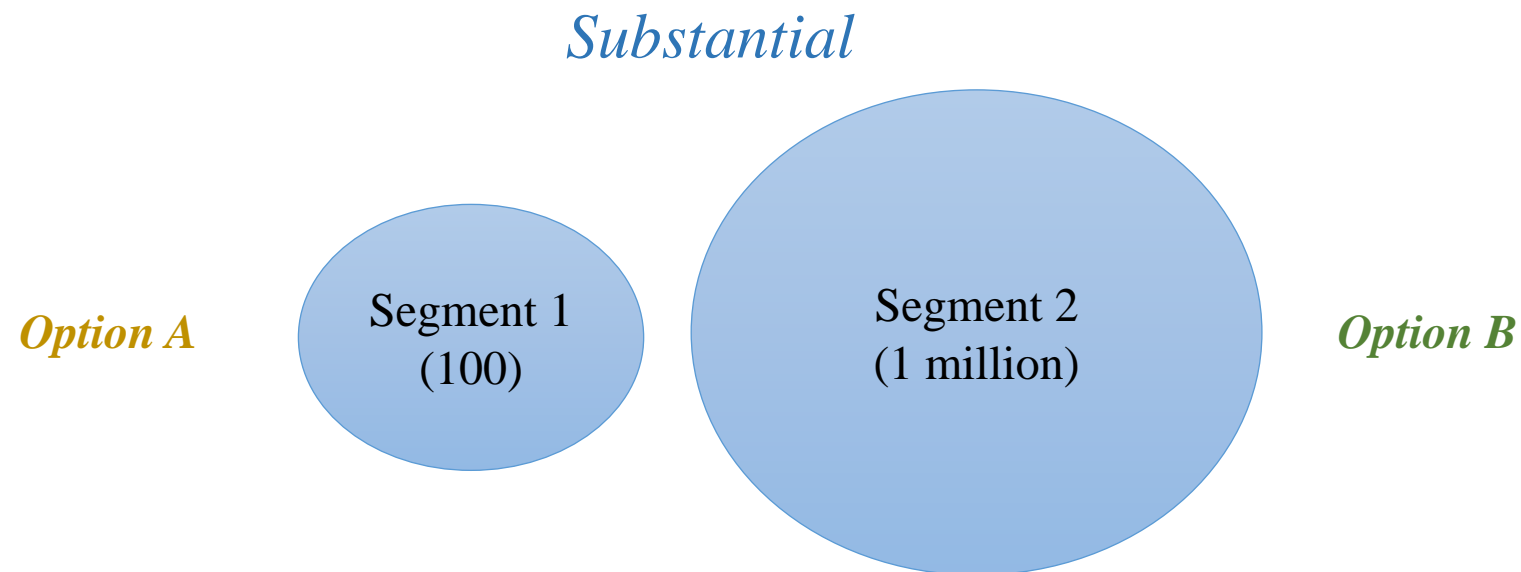


Option B



Distinct marketing strategies are *not necessary*
meet the *member's need*

Segment Attractiveness



If *segment is small* then what will *happen*? Will you go to *serve the segment*?

Segment Attractiveness

Reachable

If the *segment is not reachable* then do you think the *company should move ahead or not?*

Reachable in terms of *accessibility* through *communication* and *product distribution*

We can also consider the *Customer Acquisition Cost (CAC)*. ↑

Segment Attractiveness

Responsive

The *customers in the segment* must react *similarly* and *positively* to the offering

E.g., Maruti start offering the *luxury cars* to the *large ad lucrative segment*

Which car *people prefer to buy* in *luxury car segment* (brands)?

Audi, BMW etc.

Segment Attractiveness

Do you think *Maruti* should *pursue the segment*?

No, It may be possible that market probably *will not be responsive to it*.

Segment Attractiveness

Profitable

Should *assess* the *potential profitability* of the segment

Point should keep in mind

Growth (current and expected)

Competitiveness (substitute, entry barrier)

Market access (ease of developing distribution channel)

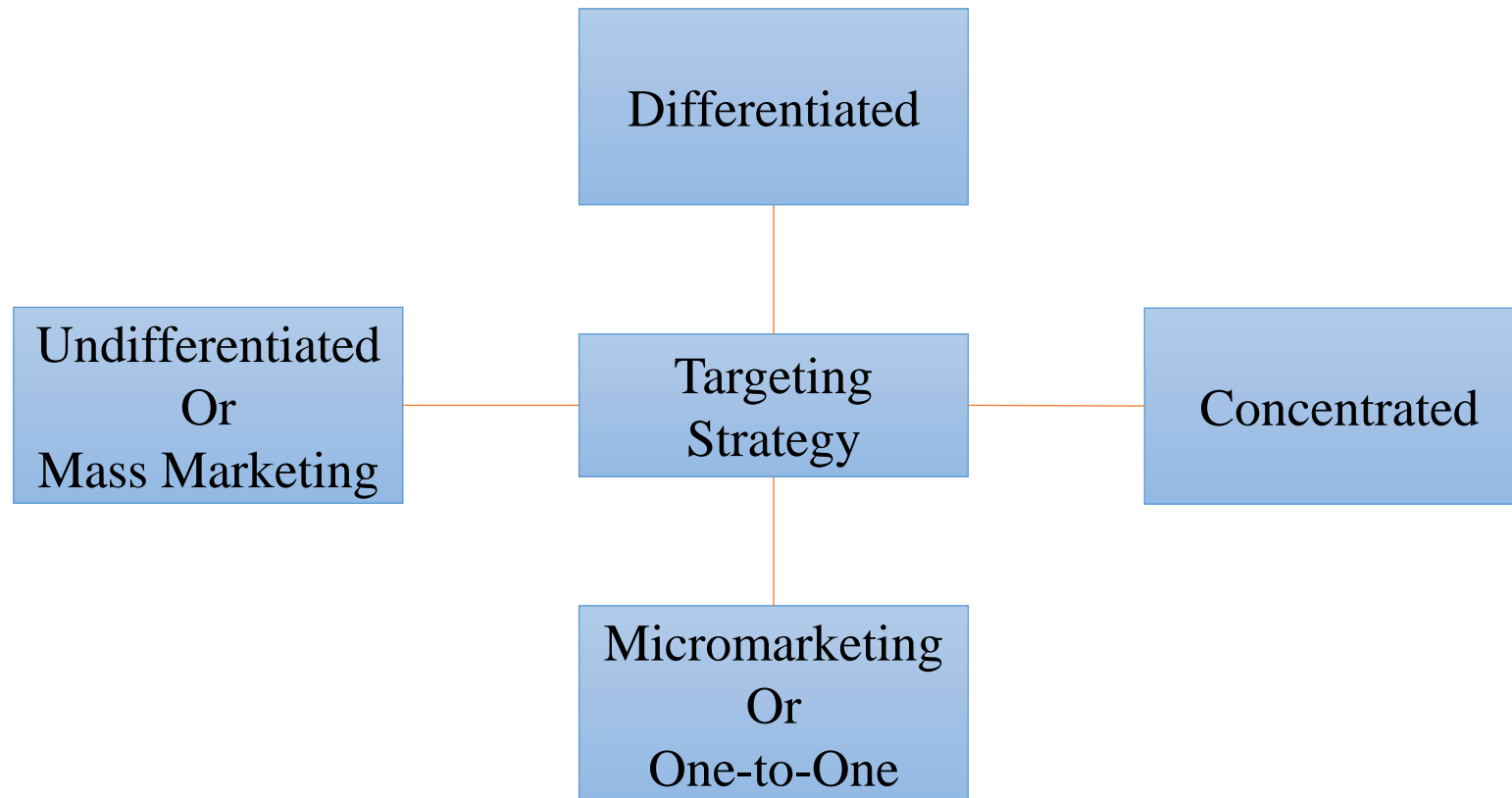
Targeting

*Look for the company's **competencies** and **resources** to address the need of the **segment***

E.g., A **large number** of segments is **attractive**. However, a company **may not be able to serve** the **all segments** because of a **lack of resources**.

What about any **health band**?

Targeting Strategies



Undifferentiated Targeting Strategy or Mass Marketing

- *Everyone* might *considered a potential user* of the product
- Everyone perceived the *same benefits* from the *product*
- Hence, *no need* to develop a *specific strategy* for *different group*
- Very effective for *basic commodities*

E.g., *Salt, Sugar*

Undifferentiated Targeting Strategy or Mass Marketing



What about *Gasoline market* ? (*differentiated* or *undifferentiated*)

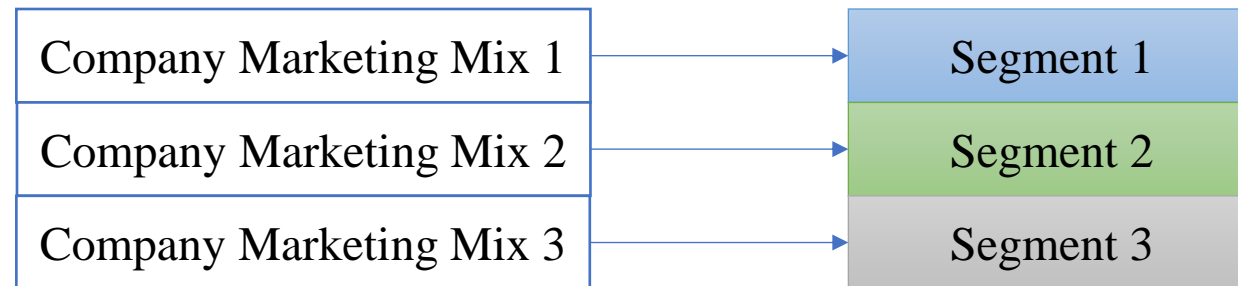
Gasoline (Undifferentiated)

Differentiated Targeting Strategy

- Target *several segment* with *different strategies*
- *Helps firm* to *cater bigger market share*
- *Increase* market of overall product
- *Lower* the company's *overall risk* as it in *multiple segment*

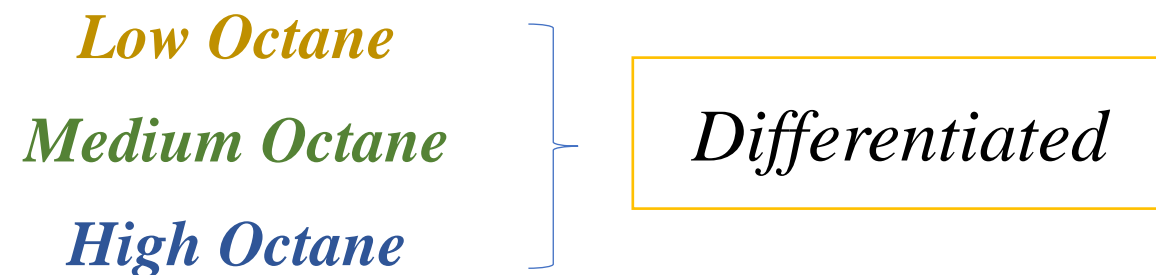
E.g., *Adidas group*, adidas *Reebok*, *Rockport* and *TaylorMade-adidas golf lines* of clothing and footwear

Differentiated Targeting Strategy



What about *Gasoline market* ? (*differentiated* or *undifferentiated*)

Gasoline (Undifferentiated)



Concentrated Targeting Strategy

- Select a *single target market (niche market)*
- Focuses all *energy and resources*

E.g., *Entrepreneurial start-ups*

Concentrated Targeting Strategy



Micromarketing (one-to-one) Targeting Strategy

- When a company *tailors* a *product or service* to *suit* an *individual* customer's *wants or needs*
- Generally adopted by *small producers or service providers*
- *Hard* to adopted by the *larger firms*

Any big company which has adopted such strategy?

Dell (custom made computers)

Till now, we are *ready with the target market*

Segmentation, Targeting and Positioning

Positioning

Create **product positioning** and **marketing mix** that is most likely to appeal to the selected segment.

Positioning

It involves a *process of defining* the *marketing mix variables* so that *target customers* have a *clear, distinctive, desirable understanding* of *what the product does* or *represent* in *comparison with competing products*.

Positioning

Usually focus on

How *product/services affect consumer*

How *it is better* than the *competitor's product/services*

What do you think when you see a *Volvo logo*?

Positioning

What are the *different element* a *company* is using for positioning?

Value

Symbol (Well known symbol)

Competition (E.g., 7Up positioned its product as “Uncola” to differentiate)

What will happen if a *company* uses *McDental service* or *McFinance* ?

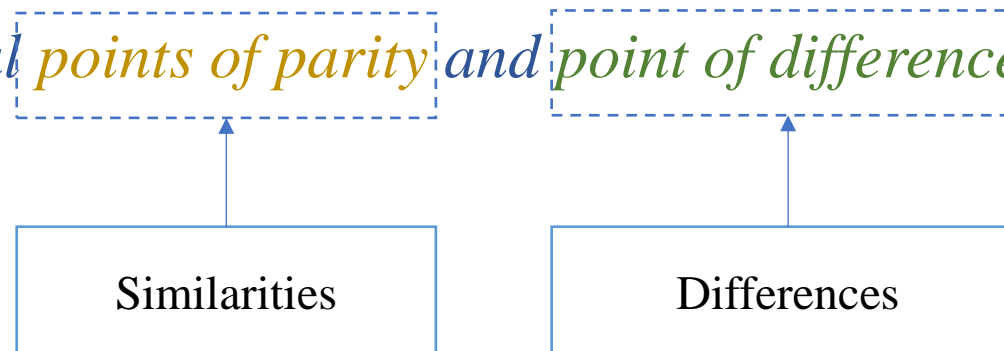
Company can *sue these brands*

Positioning Strategy

- “It is an act of designing a *company’s offering* and *image* to occupy a *distinctive place* in the minds of the *target market*.” *Positioning*
- Requires to *define* and *communicate similarity* and *differences* between brand and its competitors.

Positioning Strategy

- It involves:
 - *Choosing a frame of reference by identifying the target market and relevant competition*
 - *Identifying the optimal **points of parity** and **point of difference** given the frame of reference*



Frame of Reference

What customer usually do with the evaluation of the product?

Compare with *reference point* in term of *benefits* and *costs*

When this comparison is beneficial and when it will be unattractive?

When comparing with the *inferior product*; comparing with the *better offering*

Hence, It serve as a *benchmark* against which customer evaluate the benefits a company is offering

What is Point of parity (POP) and difference (POD)?

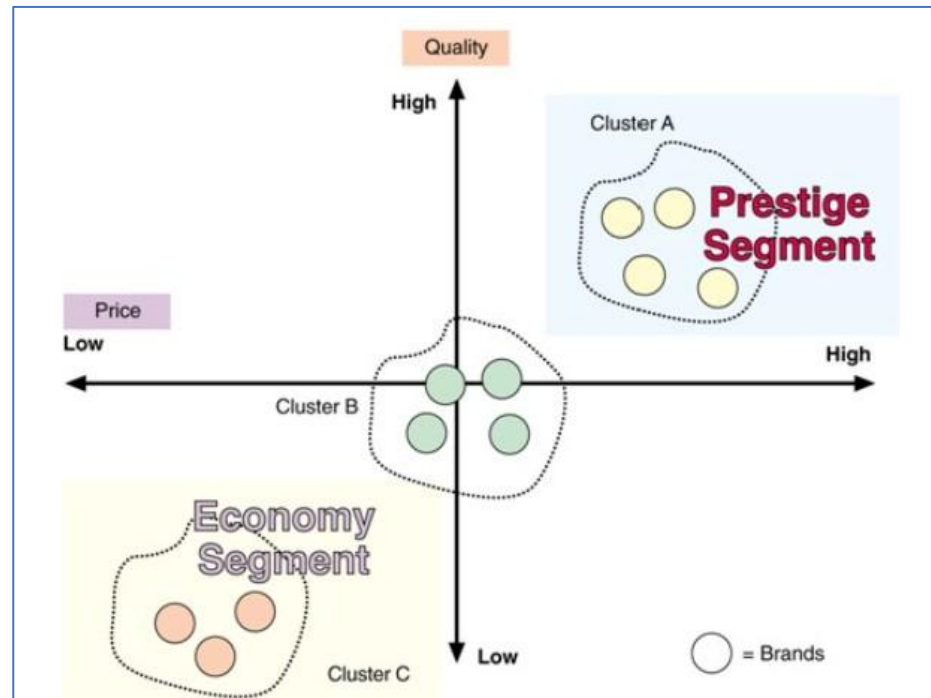
Attribute that are *not unique* and *shared* by the other brand too. (*Parity*)

Attribute or benefits that are *different* from the *competitors' products*
(*Difference*)

E.g., *Toothpaste*

What is POP and PODs?

POP (Clean teeth), POD (Charcoal, Salt)



Segmentation, Targeting and Positioning



Segmentation, Targeting and Positioning



Segmentation, Targeting and Positioning

<https://www.youtube.com/watch?v=YipOz16CpaI>

<https://www.youtube.com/watch?v=HctFehbv8-E>

Targeting

E.g.,

- *Xiaomi*: The company has selected the *Young, tech-savvy generation* of *urban India* for its *smartphones*.
- *Nivea*: When Nivea entered in Indian Market, it selected the *top 30-35 cities* of India as its target market for its *premium skincare products*.
- *HUL*: HUL treat *entire Indian market* as their target market for *various products*.

Marketing Strategy using STP

Firm: Xiaomi

SBU: Mobile Phones

- 1. Target Market: **Young tech-savvy generation** of **urban India***
- 2. Positioning: The **'affordable luxury'**. On par with the leader brand at **half of the price***

Marketing Strategy for Xiaomi

Marketing Mix:

1. *Product*: Smartphones: Xiaomi Redmi Models
2. *Price*: Rs. 6000 – 13,000
3. *Place (Channel)*: Online, first priority, Also available in Airtel Stores
4. *Promotion*: Mainly social media and fan meets

Do companies *assign the equal weightage* to all *four Ps* ?

No

Xiaomi give higher weightage to product

It gives *maximum resources* to the *product*; they spend resources on *technology, design, manufacturing* to bring the product that *will match the leading* Samsung model; *spend minimum on distribution* and *promotion* and use resources in fixing the *price as low as possible*. So that they *strongly compete* in market.

What about the *Asian Paints* ?

Asian Paints emphasises over distribution

It placed higher *emphasis on distribution*. While other players in the industry were *relying on wholesale trade*, Asian Paints *bypassed* it and *went retail*. *Invested heavily* in building a *nationwide retail marketing set-up* consisting of *14,000 retailers*. Using this, company went *national* and serving the *semi-urban* and *rural markets*, while other player are concentrating on urban market

Paid, Owned and Earned Media

- *Paid*: For which we *pay* to the *advertiser/advertising* agency.
- *Owned*: Media on which *company/organization* has *full control*.
E.g. *Facebook* and *twitter* handle, *brand brochure* etc.
- *Earned*: *Free media*, which is generated by the *consumers* of your *product or services*
E.g., *blog post*, *e-WOM* etc.

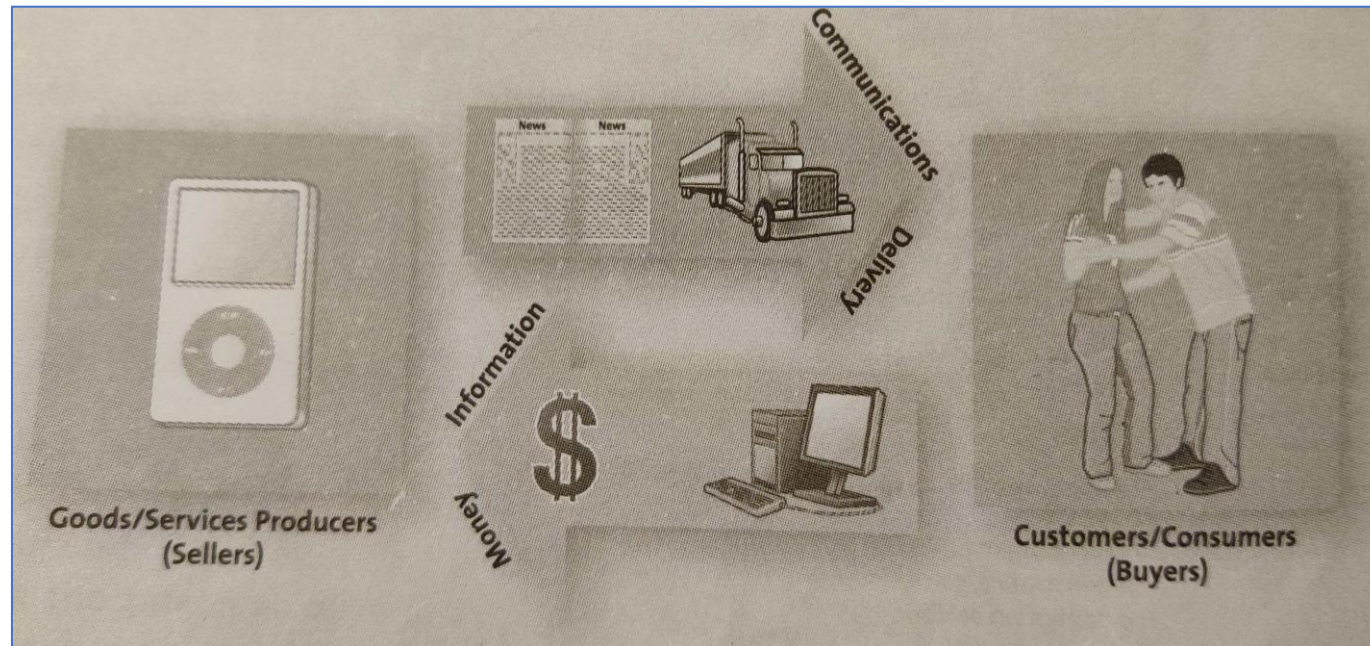
Core Aspects of Marketing

- Marketing is about satisfying customer *needs* and *wants*

E.g., *toothpaste* (salt, white teeth, sensitive)

- *Marketing Entails an Exchange*: About the trade of things of *value* between the buyer and sellers so that each is *better off* as a result.

Core Aspects of Marketing



E.g. Buying audio songs.

Core Aspects of Marketing

- *Marketing Requires Product, Price, Place and Promotion Decisions:*

Also known as *Marketing Mix* or *4 Ps of marketing*

1. *Product*

2. *Price*

3. *Place*

4. *Promotion*

Core Aspects of Marketing





- Robert Lauterborn suggested that the *4Ps* correspond to the customers' *4Cs*:

4 Ps	4 Cs
<i>Product</i>	Customer <i>needs</i> and <i>wants</i>
<i>Price</i>	<i>Cost</i> to the customer
<i>Place</i>	<i>Convenience</i>
<i>Promotion</i>	<i>Communication</i>

Core Aspects of Marketing

1. Product: *Creating Value*
2. Price: *Capturing Value*
3. Place: *Delivering Value*
4. Promotion: *Communicating Value*

Core Aspects of Marketing

Marketing Mix	Value	
Product	Creating	
Price	Capturing	
Place	Delivering	
Promotion	Communicating	

Core Aspects of Marketing

Marketing Mix: The marketing mix is the *set of marketing tools* the firm *uses to pursue its marketing objectives* in the target market.

1. *Product:* Creating Value (*Offering*)

2. *Price:* Capturing Value (*E.g., Flight Prices*)

- Marketer, the key is to determining prices which customers are *willing to pay* so that they are *satisfied with purchase* and seller/company *generate reasonable profit*.

Core Aspects of Marketing

3. *Place*: Delivering Value

- Describes *all the activities necessary* to get the *product to the right customer* when the *customer wants it*.
- Focus is more on *supply chain management*

Core Aspects of Marketing

4. *Promotion*: Communicating Value

- Best products even will go *unsold* if marketers cannot *communicate their value* to the target customers.

Core Aspects of Marketing



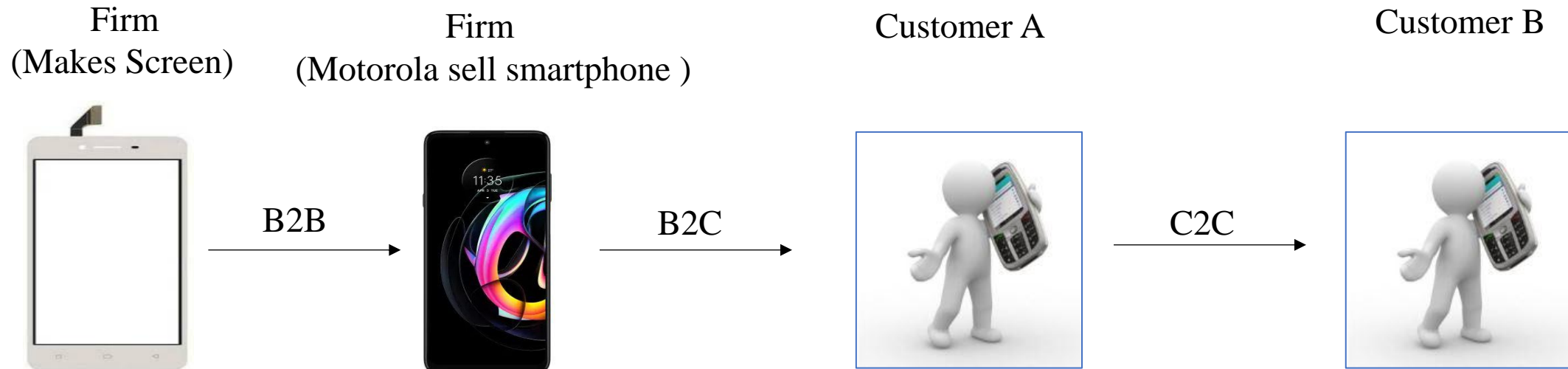
Source: <https://depositphotos.com/stock-photos/service-marketing-mix.html>

Core Aspects of Marketing

- Marketing can be performed by both Individual and organizations:
 - **B2C** (Business-to-Consumer) marketing
 - **B2B** (Business-to-Business) marketing
 - **C2C** (Customer-to-Customer) marketing

Core Aspects of Marketing

- Marketing can be performed by both Individual and organizations:



- Activities while Applying for a job:
 - *Resume* and cover letter
 - *Research* about the company
 - The way one *dress* for an interview

Are these activities can be considered as marketing?

How do companies *grow* their *Businesses* ?

Growth Strategies

- Firms consider pursuing various market segments as part of their *overall growth strategies* which may include the four major strategies..

	Current Products	New Products
Current Markets	1. Market-penetration strategy	3. Product-development strategy
New Markets	2. Market-development strategy	(Diversification strategy)

Growth Strategies

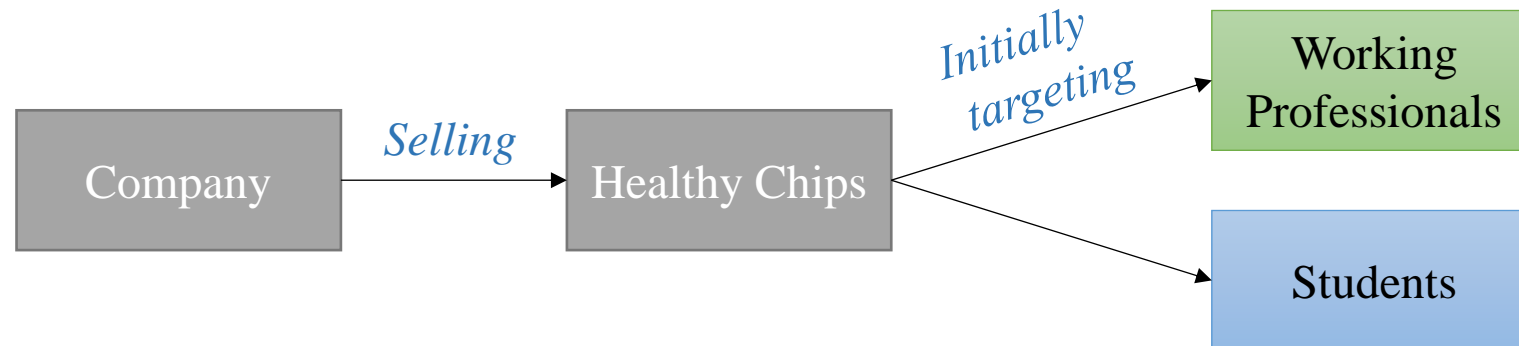
- *Market Penetration:*
 - Focuses on *increasing sales* of *existing products* in an *existing market*.
 - E.g., Nestle adopts an *aggressive marketing* and *promotional strategies* to penetrate a market. (*attract more and more customers* in the *existing market*)

Growth Strategies

- *Market Development:*
 - Targeting with *current products* in a *new market*.
 - E.g., Nestle plans to enter in the *new market*, making sure that the product is available at *lower prices*.
 - Effect of *brand image*.

Growth Strategies

- *Market Development:*



Growth Strategies

- *Market Development:*

How to implement:

- Entertaining a *different customer segment* in the *same geographic area*
- Expanding *markets geographically* i.e., *domestically* and *internationally*

In Market development strategy, do the company develop any product?

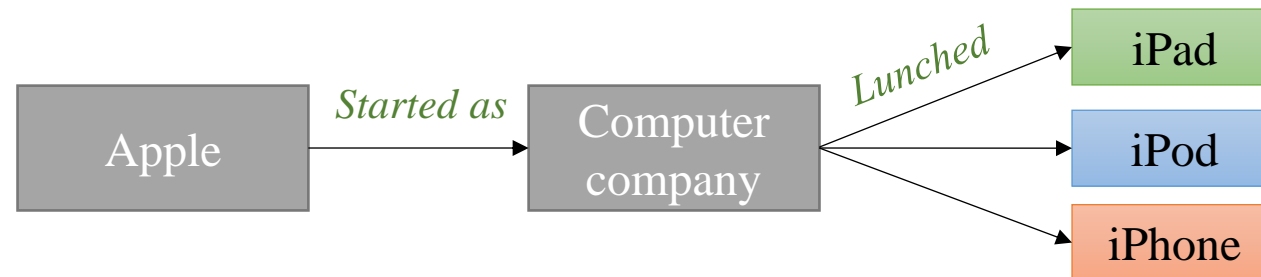
Not introducing a new product, targeting a new market segment

Growth Strategies

- *Product Development:*
 - Introducing *new products* in an *existing market* for expansion.
 - E.g., To succeed internationally, McDonald's creates *several products* to meet *customers demands* in the *local markets*.
 - Also introduced the *Big Mac* to *Maharaja Mac* which contains *no beef*

Growth Strategies

- *Product Development:*



Growth Strategies

- *Product Development:*

When to implement:

- Implemented when the company has an established *large customer base* and the market for its *existing products* is on the *brink of saturation*
- It is *easier to market a new product* to an existing customer base as they are *already aware of the company and its products*.

Growth Strategies

- *Diversification:*
 - Introducing *new products* in a *new market*.
 - Two types: *Related Diversification* and *Unrelated Diversification*
 - E.g., Honda motor company has its core competencies in *cars* and *trucks*, But started producing *motorcycles*.

What about *Reliance* in case of *Jio* ?

Growth Strategies

- *Diversification:*



Developing Marketing Strategy

What is *Marketing Strategy*?

It identifies:

A firm's *target market*

A related *marketing mix* (its four Ps)

The base on which the firm plan to build a *sustainable competitive advantage*

What is *Sustainable Competitive Advantage*?

It is an *advantage* over the *competition* that is *not easily copied* and can be *maintained* over a long period of time.

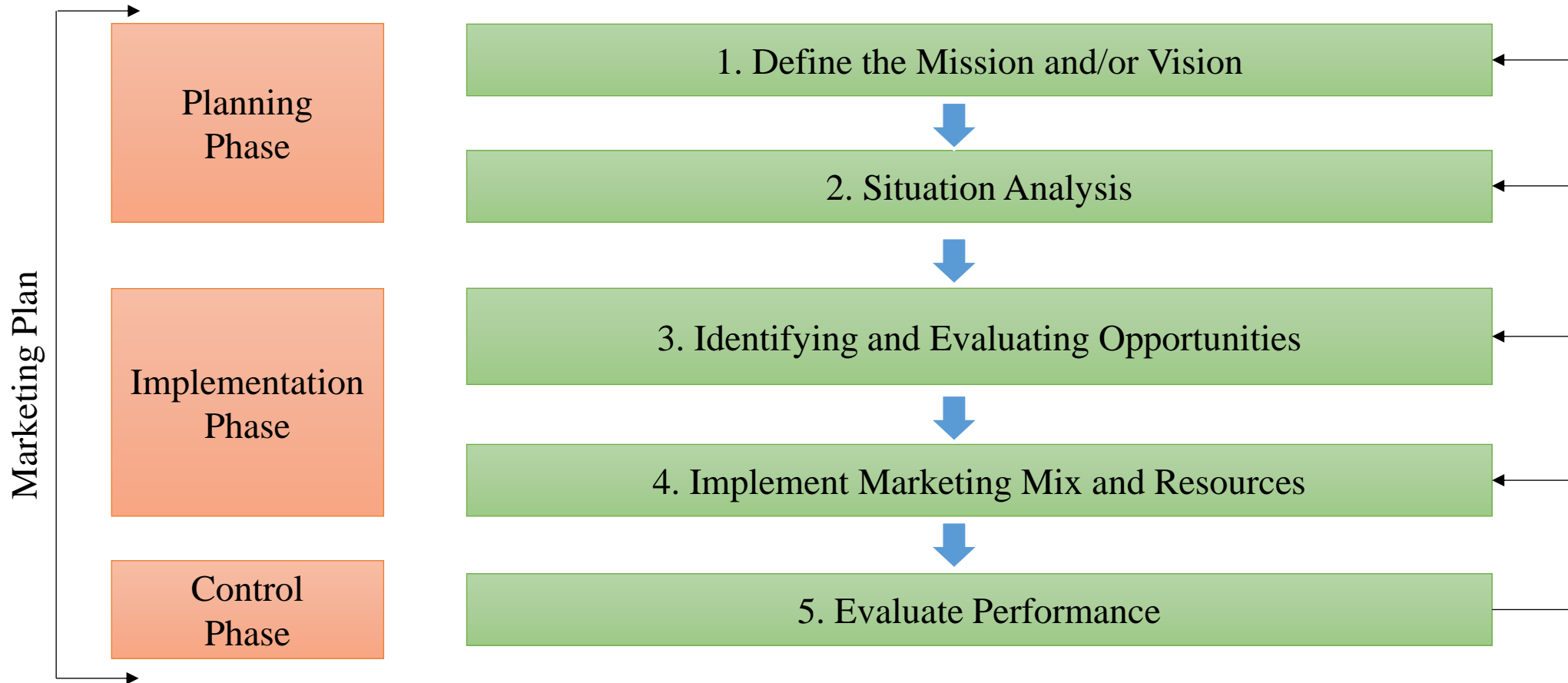
What is *Sustainable Competitive Advantage*?

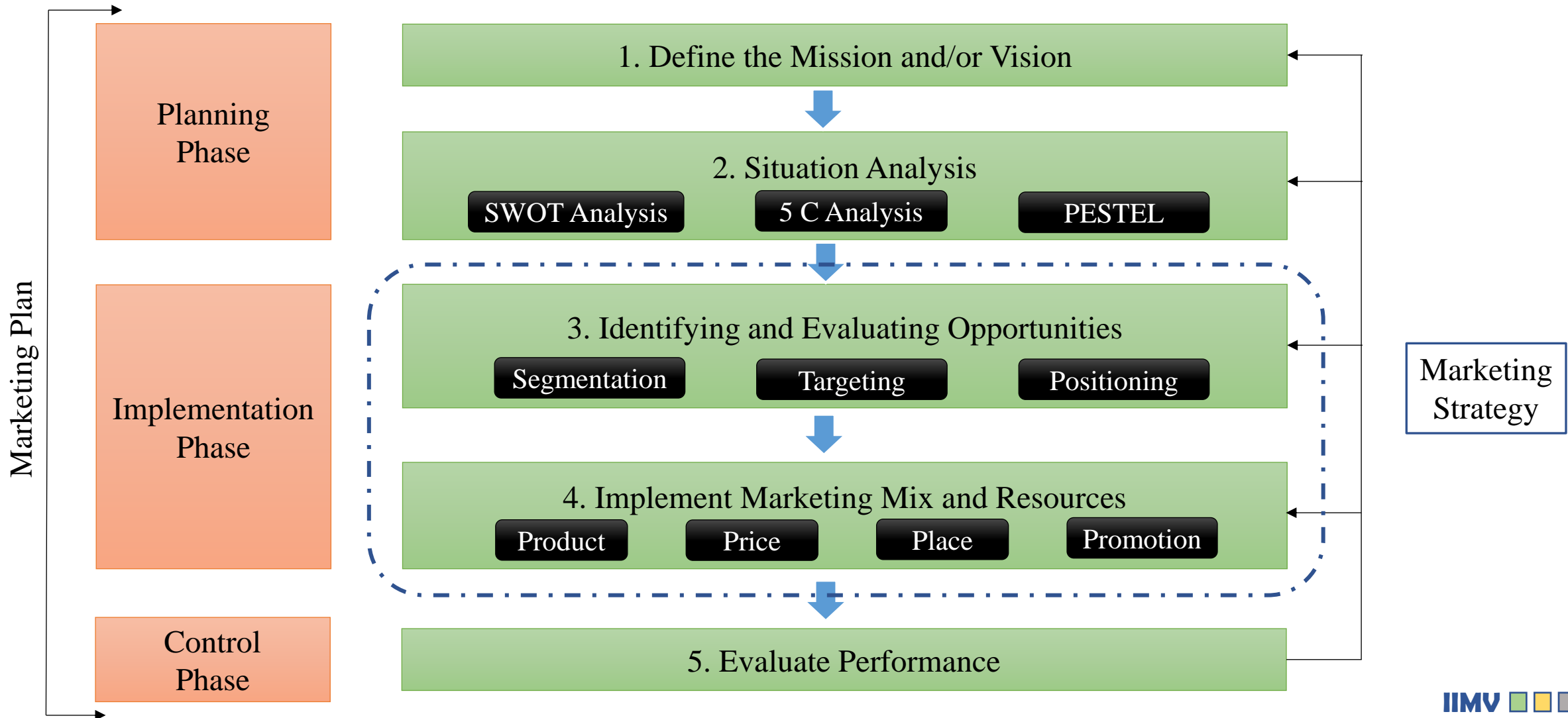
- Through which a firm can *persistently do better* than its competitors.
- Acts like a wall that a firm has *build around its position* in a market.

E.g., Samsung (AMOLED Display)

What is Marketing Plan ?

“It is a written document composed of an *analysis of the current marketing situation, opportunities and threat for the firm, marketing objectives and strategy specified in terms of 4 Ps*, action program and projected or pro-forma income statements.





Step 1: Planning Phase:

- Marketing executive with top managers *define the mission or vision* of the business.
- Evaluate the *situation* by assessing how various players, both in and outside the organization, *affect the firm's potential for success*.

Step 2: Implementation Phase:

- Marketing managers *identify and evaluate different opportunities* by engaging in a process known as *segmentation, targeting and positioning (STP)*.
- They are also responsible for implementing the *marketing mix using 4 Ps*.

Step 3: Control Phase:

- It is for evaluating the *performance* of *marketing strategy* and taking any *necessary corrective action* (if needed).

Step 1: Define the Business Mission:

What is a Vision Statement?

“What *brands* use to *declare their aspirational goals*, like changing the world”.

E.g., United by Blue’s vision

“*A world without waste*”

What is a Mission Statement?

It defines **its goals** and **how** it plans to achieve them.

E.g., **United by Blue's mission**

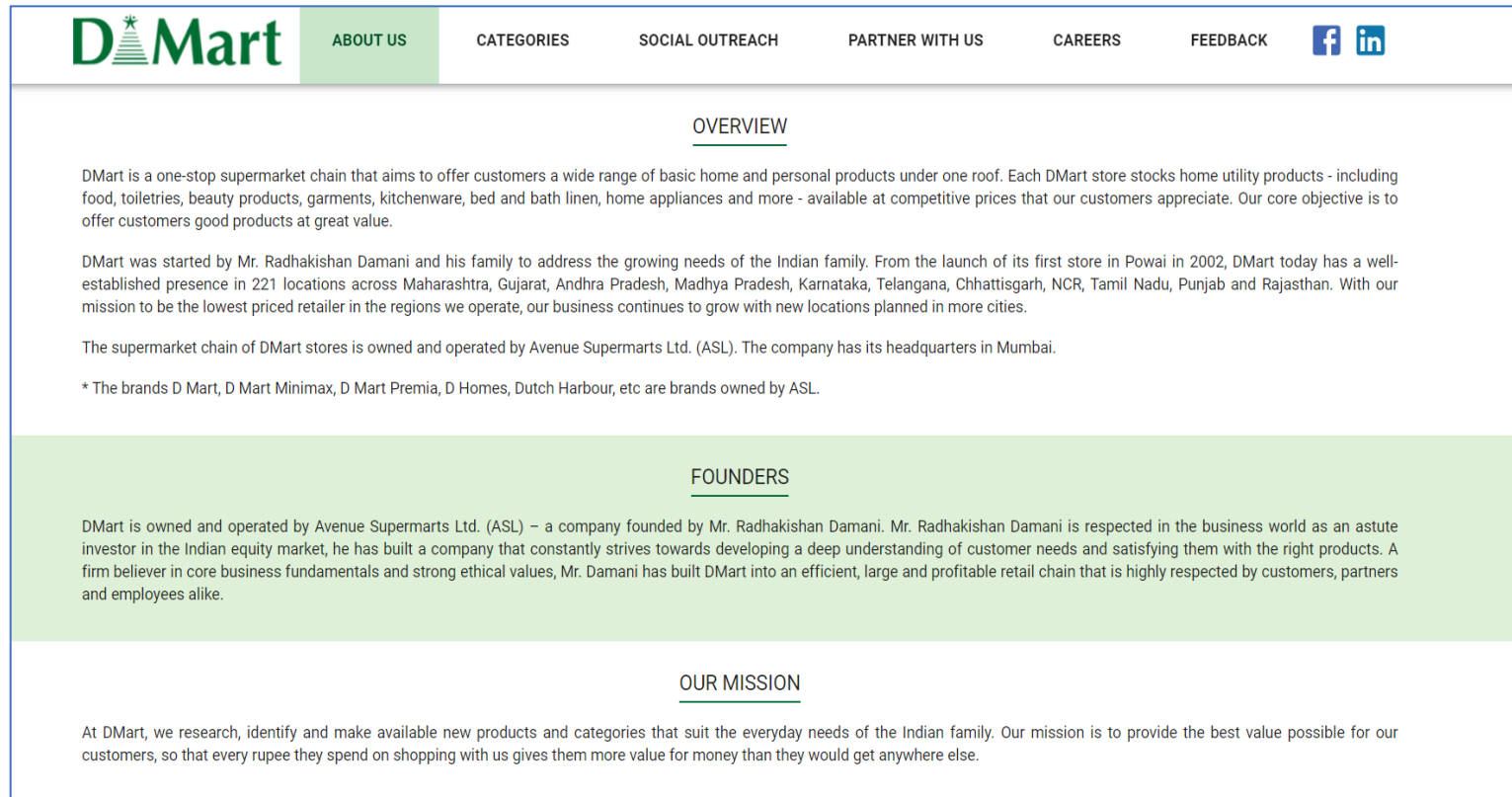
“For every Product Purchased, United Blue *removes one pound of trash* from *oceans and waterways.*”

Step 1: Define the Business Mission:



What is Business Mission Statement?

- It is a broad description of a *firm's objectives and the scope of activity* it plans to undertake.
- Usually answer two important questions:
 - What *type of business* are we?
 - What do we need to do to *accomplish our goals and objectives*?

Step 1: Define the Business Mission:



The screenshot shows the 'About Us' page of the DMart website. The navigation bar includes 'ABOUT US' (highlighted), 'CATEGORIES', 'SOCIAL OUTREACH', 'PARTNER WITH US', 'CAREERS', 'FEEDBACK', and social media icons for Facebook and LinkedIn. The main content is divided into three sections: 'OVERVIEW', 'FOUNDERS', and 'OUR MISSION'. The 'OVERVIEW' section describes DMart as a one-stop supermarket chain. The 'FOUNDERS' section mentions Mr. Radhakishan Damani as the founder. The 'OUR MISSION' section states the goal of providing the best value for money.

DMart ABOUT US CATEGORIES SOCIAL OUTREACH PARTNER WITH US CAREERS FEEDBACK  

OVERVIEW

DMart is a one-stop supermarket chain that aims to offer customers a wide range of basic home and personal products under one roof. Each DMart store stocks home utility products - including food, toiletries, beauty products, garments, kitchenware, bed and bath linen, home appliances and more - available at competitive prices that our customers appreciate. Our core objective is to offer customers good products at great value.

DMart was started by Mr. Radhakishan Damani and his family to address the growing needs of the Indian family. From the launch of its first store in Powai in 2002, DMart today has a well-established presence in 221 locations across Maharashtra, Gujarat, Andhra Pradesh, Madhya Pradesh, Karnataka, Telangana, Chhattisgarh, NCR, Tamil Nadu, Punjab and Rajasthan. With our mission to be the lowest priced retailer in the regions we operate, our business continues to grow with new locations planned in more cities.

The supermarket chain of DMart stores is owned and operated by Avenue Supermarts Ltd. (ASL). The company has its headquarters in Mumbai.

* The brands D Mart, D Mart Minimax, D Mart Premia, D Homes, Dutch Harbour, etc are brands owned by ASL.

FOUNDERS

DMart is owned and operated by Avenue Supermarts Ltd. (ASL) – a company founded by Mr. Radhakishan Damani. Mr. Radhakishan Damani is respected in the business world as an astute investor in the Indian equity market, he has built a company that constantly strives towards developing a deep understanding of customer needs and satisfying them with the right products. A firm believer in core business fundamentals and strong ethical values, Mr. Damani has built DMart into an efficient, large and profitable retail chain that is highly respected by customers, partners and employees alike.

OUR MISSION

At DMart, we research, identify and make available new products and categories that suit the everyday needs of the Indian family. Our mission is to provide the best value possible for our customers, so that every rupee they spend on shopping with us gives them more value for money than they would get anywhere else.

Source: <https://www.dmartindia.com/about-us#:~:text=At%20DMart%2C%20we%20research%2C%20identify,they%20would%20get%20anywhere%20else.>

Step 1: Define the Business Mission:

Unilever: The mission of Unilever, as William Hesketh Lever saw it, is to make cleanliness commonplace, to lessen work for women, to foster health and to contribute to personal attractiveness, so that life may be more enjoyable for the people who use their products.

HUL: The Indian arm of Unilever, HUL, draws its mission from the parent company's mission. HUL describes its mission as meeting the everyday needs of people everywhere in India. HUL would stand committed to continuously improving the quality of

life of each and every Indian. Because ultimately, HUL's future is closely linked to the future of every Indian home and the housewives who run them.

Facebook: Make the world more open and connected by free flow of information.

Twitter: Share and discover what is happening right now, anywhere in the world.

Philips India: Transform Philips India from a pure consumer electronics firm to a 'health and well-being company'.

Step 2: Conduct a Situation Analysis (SWOT):

What is SWOT ?

“The overall evaluation of company’s *strengths, weaknesses, opportunities and threats* is known as SWOT analysis”

Step 2: Conduct a Situation Analysis (SWOT):

- It is a way to monitoring the external and internal marketing environment.

- S: Strengths
 - W: Weaknesses
 - O: Opportunities
 - T: Threats
- Internal Environment*
- External Environment*

Step 2: Conduct a Situation Analysis (SWOT):

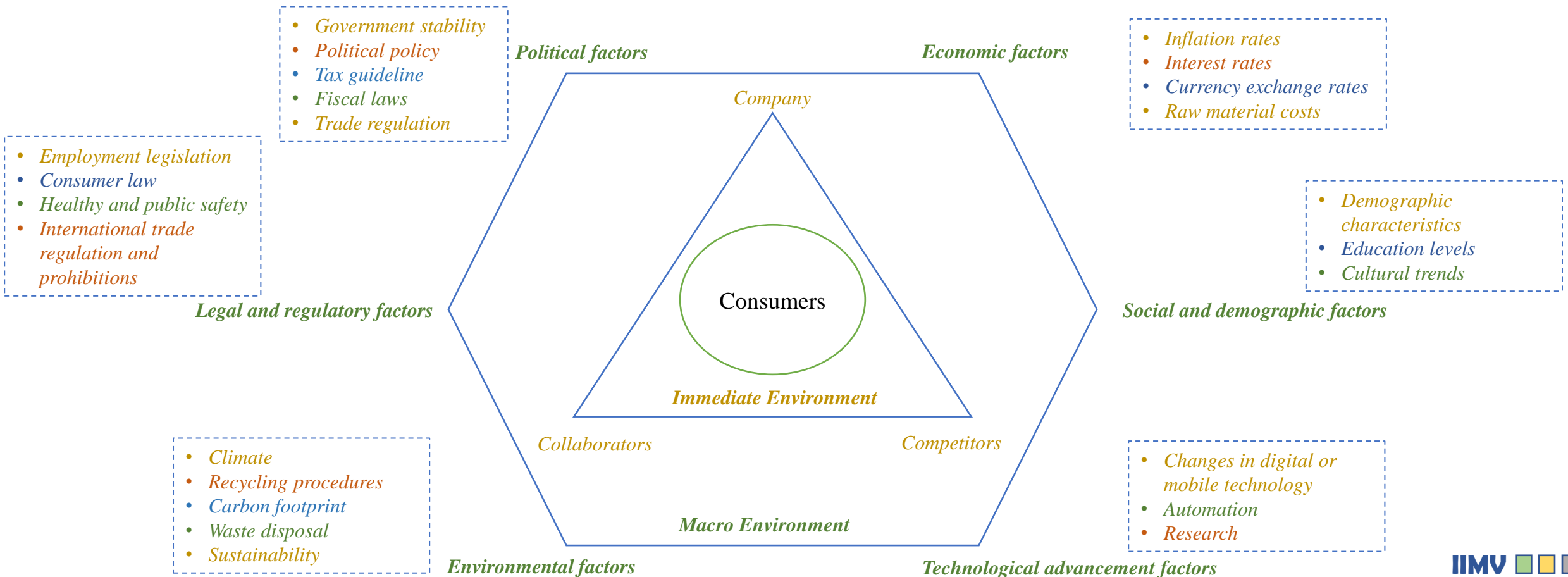
- *Strengths*: It is a *positive and internal* attribute of the firm.
- *Weaknesses* : It is a *negative and internal* attribute of the firm.
- *Opportunities*: Are the *positive aspects external environment* to firm.
- *Threats*: It is a *negative and external attribute* of the firm.

Environment	Evaluation	
	Positive	Negative
Internal	<i>Strengths</i>	<i>Weaknesses</i>
External	<i>Opportunities</i>	<i>Threats</i>

Ex: Walt Disney Company (SWOT analysis)

Environment	Evaluation	
	Positive	Negative
Internal	<p><i>Strengths</i></p> <ul style="list-style-type: none"> • Diverse Businesses • Well-known Brand 	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> • Over-reliance on relationship <ul style="list-style-type: none"> • Seasonal Fluctuations • Risky foreign operations
External	<p><i>Opportunities</i></p> <ul style="list-style-type: none"> • Building the current brand and businesses both in the U.S. and abroad 	<p><i>Threats</i></p> <ul style="list-style-type: none"> • Increasing competitive pressure

Marketing Environment



Factor	Impact on Hyundai's Marketing
P – Political	<ul style="list-style-type: none"> - Government policies on emissions (e.g. BS-VI, Euro 6).- - EV subsidies and taxation policies. - Trade regulations and import duties on auto parts.
E – Economic	<ul style="list-style-type: none"> - Rising fuel prices encourage the shift to electric/hybrid vehicles. - Interest rates affect auto loans and consumer purchasing power. - Global supply chain disruptions (e.g., chip shortages).
S – Social	<ul style="list-style-type: none"> - Growing urban population and middle class seeking affordable, compact cars. - Increasing health and eco-consciousness pushing EV demand. - Shift in ownership attitudes: preference for ride sharing/subscription models.

Factor	Impact on Hyundai's Marketing
T – Technological	<ul style="list-style-type: none"> - Rapid advances in EVs, autonomous driving, and connected car technologies. - Use of AI and big data for personalized marketing and maintenance alerts. - Integration of infotainment and mobile apps.
E – Environmental	<ul style="list-style-type: none"> - Pressure to reduce carbon emissions and promote sustainability. - Demand for fuel-efficient or electric cars. - Regulations on recycling vehicle materials and eco-friendly manufacturing.
L – Legal	<ul style="list-style-type: none"> - Strict safety standards (e.g., airbags, crash-test compliance). - Consumer protection laws related to warranties and advertising. - Data privacy laws related to connected car tech and mobile apps.

- *The 5 C framework:* Comprises of 5 Cs (Market Analysis)
 - *Customers*
 - *Collaborators*
 - *Company*
 - *Competitors*
 - *Context*

- *The 5 C framework:* Comprises of 5 Cs.
 - **Customers:** *Individual/organization* whose *need* company intends to fulfill
 - *Business-to-consumer markets*
 - *Business-to-business markets*
 - *Company and its collaborators* must be able to create *superior value* for target customer relative to *competition* & *target customer* should be able to create value for the *company and its collaborators*.

- *The 5 C framework:* Comprises of 5 Cs.
 - **Collaborators:** works with the company and *help company to fulfill the need of customer. E.g., suppliers*
 - A company should base the *choice of collaborators on the complementary resources they can offer to help the company in fulfilling customer needs*
 - Collaboration involves *outsourcing the resources that company lacks but that it requires to create offering that fulfil the needs of the customers.*

- *The 5 C framework:* Comprises of 5 Cs.
 - **Competitors:** *That aim to fulfil the same need for same target customers*
 - **Company:** *that develops and manages the offerings.*
 - *It can be a particular business unit*
 - *E.g., P & G*

- *The 5 C framework:* Comprises of 5 Cs.
 - *Context:* that *affect* how the company will *develop and manages* the offering
 - *It is the environment in which the company and collaborators operate.*
 - *Includes sociocultural context (religion, language, lifestyle, attitude), technological context (skill, method), regulatory context (IPR, taxes, import tariff), economic context (economic growth, inflation), physical context (natural resources, climate trends, geographic location)*

- *The 5 C framework:*



5C Analysis- Garnier

Company

- High Commitment to a green beauty
- Renowned for using gentle formulas and natural ingredients
- Ability to scale production
- High R&D Spending

Customer

- Mass market
- Middle class – Above middle class & age group between 18-50years.
- Price sensitive and highly health conscious

Collaborator

- Suppliers
- Distributors and Retailers
- Online Beauty Influencers
- Brand Ambassadors

Competitors

- Sunsilk
- Head & Shoulders
- Pantene
- Mamaearth



Context

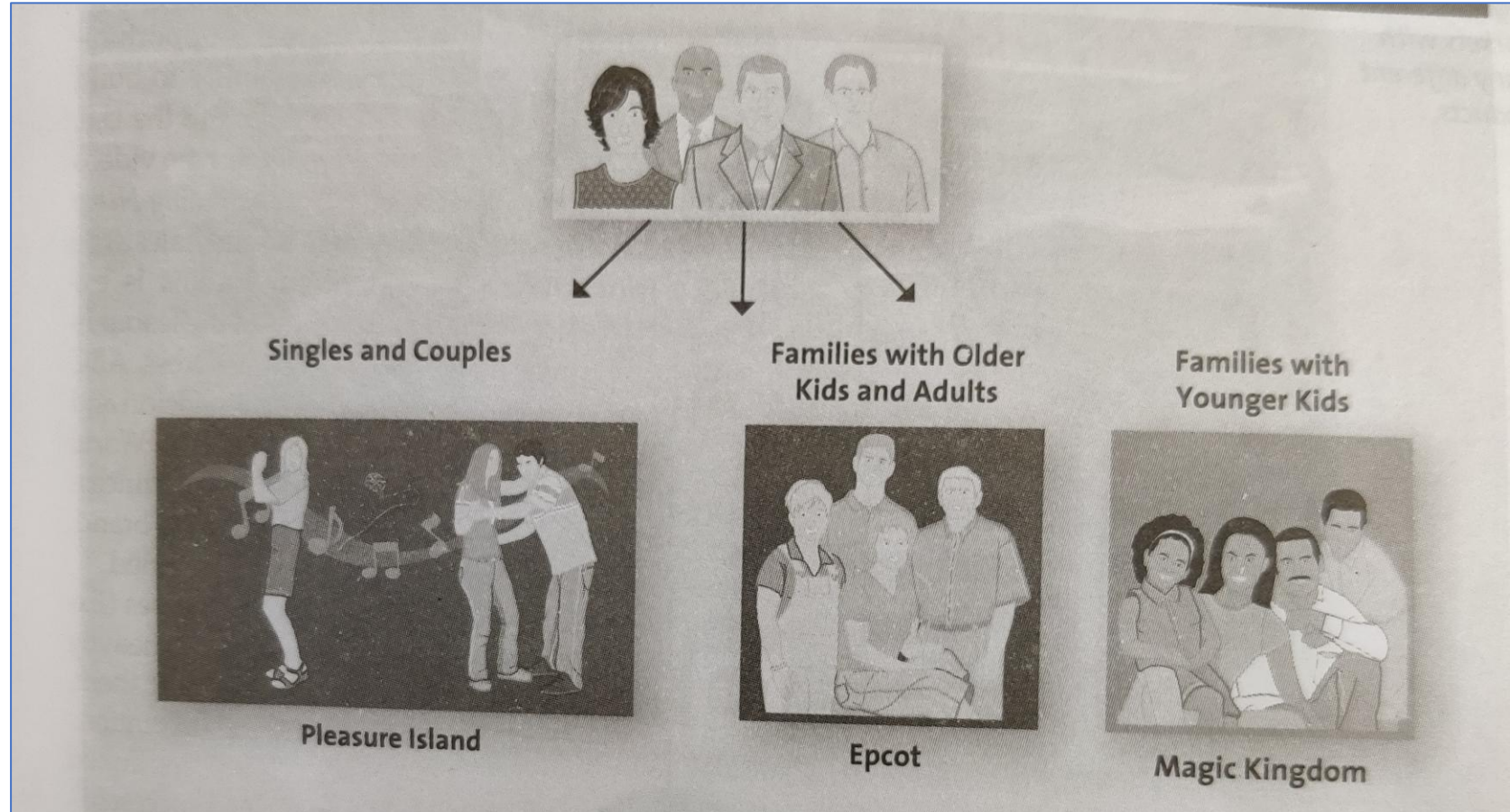
- *Political*- Tax policy, trade regulations, Governments encouragement for national products.
- *Economic*- Inflation, Interest rate, un-employment
- *Social*- Younger population, moderate to high income class, health consciousness.
- *Technological*- Competitors R&D tech, should consider ongoing technological innovations.

Step 3: Identifying and Evaluating opportunities using STP:

- *S: Segmentation*
- *T: Targeting*
- *P: Positioning*

What is Segmentation?

“The process of dividing the market into groups of customers with different needs, wants or characteristics- who therefore might appreciate products or services geared especially for them- is known as market segmentation”



What is Targeting?

- We have the *segments* which firm *want to pursue*.
- Evaluate the *attractiveness* of the segments and
- *Decide* which *segments to pursue*

Targeting

E.g.,

- *Xiaomi*: The company has selected the *Young, tech-savvy generation* of *urban India* for its *smartphones*.
- *Nivea*: When Nivea entered in Indian Market, it selected the *top 30-35 cities* of India as its target market for its *premium skincare products*.
- *HUL*: HUL treat *entire Indian market* as their target market for *various products*.

What is Positioning?

“Market positioning involves the process of defining the marketing mix variables so that target customers have a clear, distinctive, desirable understanding of what the product does or represents in comparison with competing products.”

E.g., Mountain Dew, Thumps Up, Coca Cola

Marketing Strategy using STP

Firm: Xiaomi

SBU: Mobile Phones

- 1. Target Market: **Young tech-savvy generation** of **urban India***
- 2. Positioning: The **'affordable luxury'**. On par with the leader brand at **half of the price***

Step 4: Implement Marketing Mix and Allocate the Resources:

- By now, *identified and evaluated* the various *growth strategy* using STP.
- Here, Marketers implement the actual marketing mix: *4 Ps* for each product and services on the basis of what they believe their target markets will value
- Also, how they will *allocate the resources* to the various *products or services*.

Step 4: Implement Marketing Mix and Allocate the Resources:

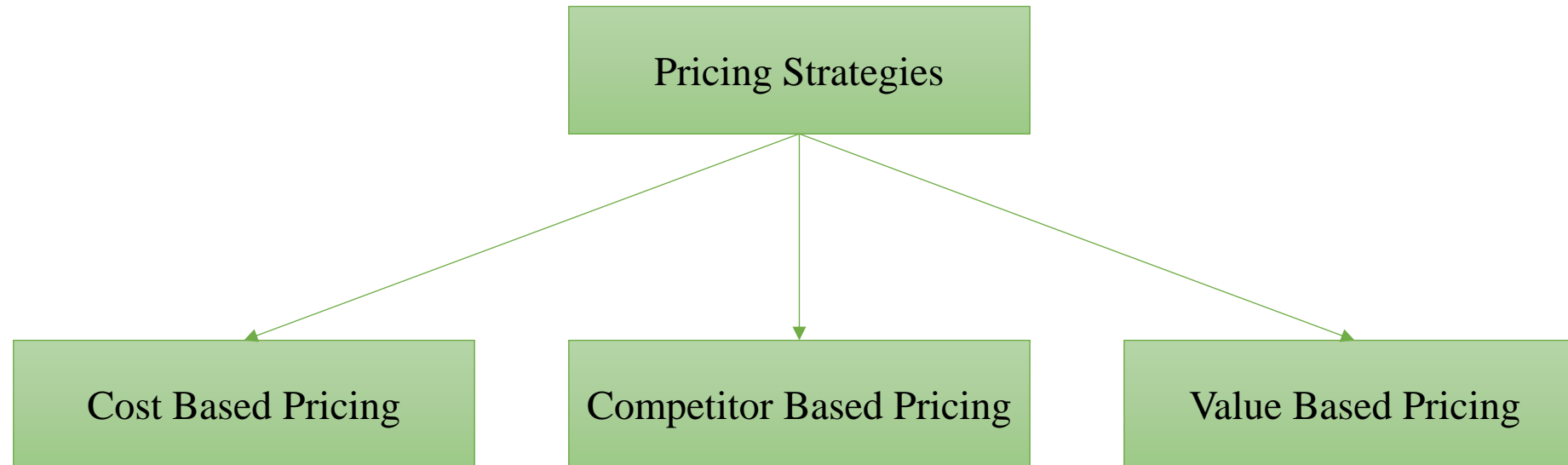
- *Product and Value Creation:*

- Build a *product (service)* that has *value* to customers.
- i.e., customer perceived that product *valuable to buy*.

- *Price and Value Capture:*

- In exchange process, a firm provides *products/services* in return of *money*.
- Should charge a price that customers perceive as *giving them a good value* for the product.

- *Price and Value Capture:*



Price and Value Capture:

- *Cost based pricing:*
 - Firm *determines the cost* of producing or providing the product and then *adds a fixed amount* on top of that which will become *selling price*.
 - E.g., *Bookstore, Apparel shops* etc.

Price and Value Capture:

- *Competitor based pricing:*
 - When a firm prices *below, at or above* its competitor's offerings.
 - E.g., The bookstore might decide to take *top 10 books* on Best seller list and *price them Rs. 50 less* than its primary competitors' prices.

Price and Value Capture:

- *Value based pricing:*
 - Based on the *perception* of the customers.
 - First firm *determines the perceived value* of the *product* from *customers'* *viewpoint* and then *price* accordingly.
 - E.g., Bookstore got to know (based on past experience) that students has *various attitude* towards *textbooks and their prices*.

Price and Value Capture:

- *Value based pricing:*

Do you think all consumers perceive same value for a product?

- Few want a *new book*, however, other accept a *used book* for lower price.
- Giving the *choice of both* options provides *value to both* groups.

Can we set too high or too low price for the product?

- *Place and delivery:*
- The product or services should be *accessible when* and *where* the customer wants it.

E.g., *Best buy*

What about the Reliance Trend?

- *Promotion and Value communication:*
- Marketers communicate the *value of their offerings* or *value proposition* to their *target customer* through the *variety of the media*:
 - *Television, Radio, Magazine, Internet* etc.
- Select the *efficient method* to communicate with their audience.

Marketing Strategy for Xiaomi

Marketing Mix:

1. *Product*: Smartphones: Xiaomi Redmi Models
2. *Price*: Rs. 6000 – 13,000
3. *Place (Channel)*: Online, first priority, Also available in Airtel Stores
4. *Promotion*: Mainly social media and fan meets

Step 5: Evaluate Performance and make adjustments:

- Determine whether the firm *achieved or did not achieve* its performance goals.
- Managers begin the **reviewing** the implementation program.
- Problems can be arise from both:
 - When firm *successfully implement poor strategies*
 - When firm *poorly implement good strategies.*

Competitors Analysis

Competitors Analysis

- Competitor analysis helps product managers understand:
 - What **competing products** offer
 - Market **gaps and opportunities**
 - How to **differentiate** your product
 - Strategic **threats and emerging** trends

Competitors Analysis

- It's essential for making informed decisions across:
 - Product design & features
 - Pricing
 - Positioning
 - Marketing and sales strategies

Steps in Competitor Analysis for Product Managers

1. Identify Competitors

- **Direct:** Offer similar products (e.g., iPhone vs. Samsung Galaxy)
- **Indirect:** Different products solving the same problem (e.g., DSLR vs. smartphone camera)

Steps in Competitor Analysis for Product Managers

2. Analyze Competitor Products

- Features & functionality
- User experience (UX/UI)
- Pricing tiers
- Technology
- Customer reviews & feedback

Steps in Competitor Analysis for Product Managers

3. Evaluate Market Position

- Brand perception
- Value proposition
- Target segments
- Go-to-market strategy

Steps in Competitor Analysis for Product Managers

4. Assess Strengths & Weaknesses (SWOT)

- What are they **doing better or worse** than you?
- Where are the **gaps** you can exploit?

Steps in Competitor Analysis for Product Managers

5. Monitor Performance

- Product updates & launches
- Revenue trends
- Marketing campaigns
- Social media and press presence

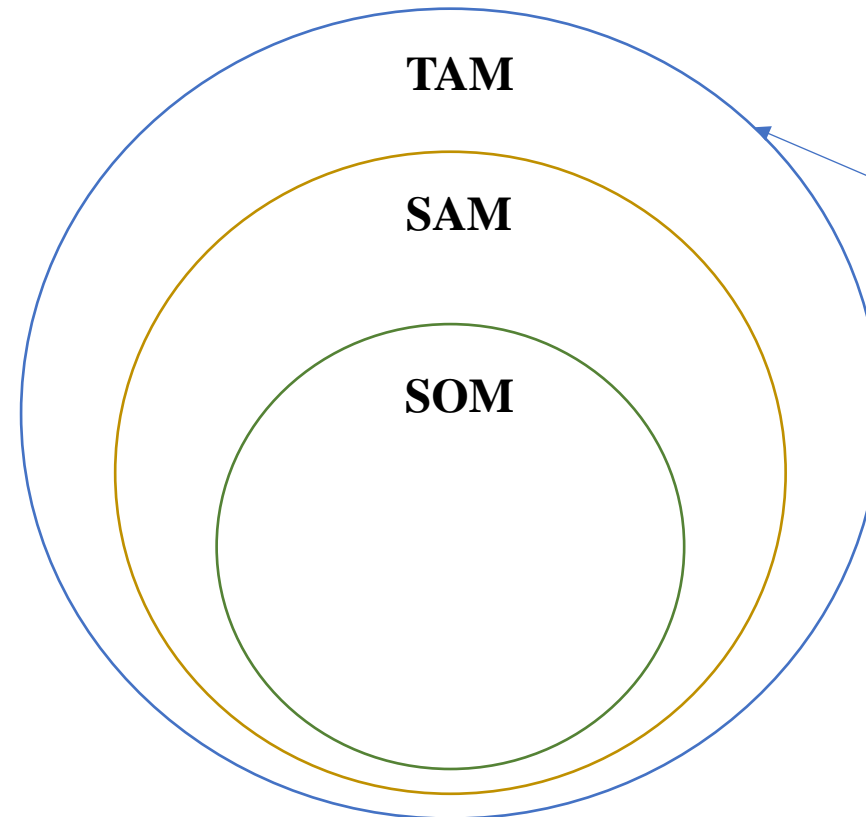
Competitor Analysis – Apple iPhone (Product Manager Perspective)

Competitor	Key Features	Strengths	Weaknesses	Implication for iPhone PM
Samsung Galaxy S Series	High-end camera, foldable screen	Innovation, display tech	Software experience, ecosystem	Focus on ecosystem, seamless UX
Google Pixel	Pure Android, camera AI	Clean UI, camera software	Limited market reach	Improve AI features and Pixel-like simplicity
OnePlus	Affordable flagship specs	Price-to-performance ratio	Brand loyalty, camera quality	Re-evaluate pricing tiers for lower-end models
Xiaomi	Budget + mid-range models	Aggressive pricing, local appeal	Brand perception, software UX	Strengthen mid-tier offerings or value lines

TAM, SAM, SOM

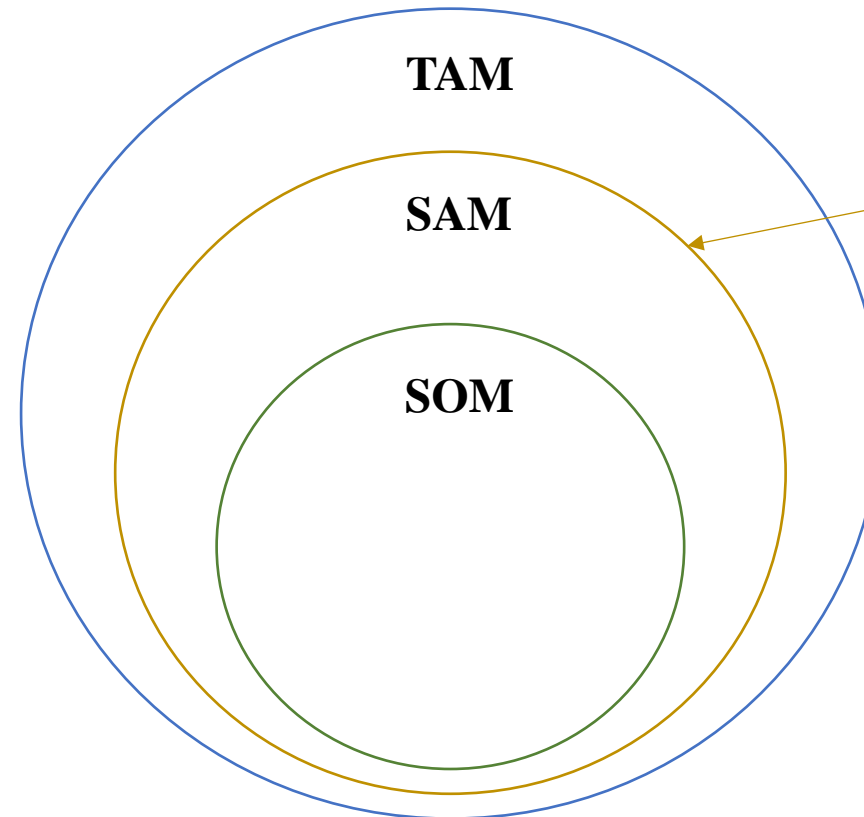
- Total Addressable Market (TAM)
- Serviceable Available Market (SAM)
- Serviceable Obtainable Market (SOM)

TAM, SAM, SOM



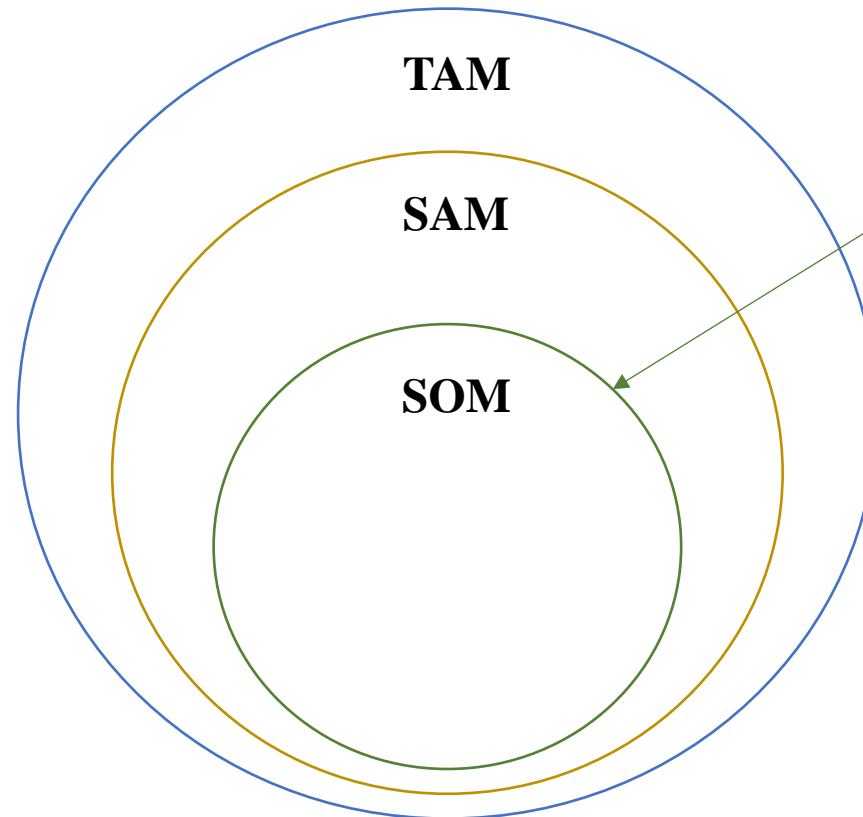
- The **Total Market** for your product.
- It is the **maximum revenue** a company could generate if it held **100% market share**.

TAM, SAM, SOM



- Percentage of TAM that you can realistically capture with its current product offerings, distribution channels, and target market.

TAM, SAM, SOM



- The portion of the SAM that you can realistically win in the short term or in a specific time frame.

TAM, SAM, SOM

Product: Premium Organic Skincare Brand

Target Market: Urban young adults in India

Launch Focus: Direct-to-consumer via online channels

TAM, SAM, SOM?

TAM, SAM, SOM

TAM (Total Addressable Market)

The global skincare market (all skincare products, all demographics)

Data: As of 2025, the global skincare market is *estimated at \$150* billion annually.

TAM for Organic Skincare: If *10%* of this market prefers organic skincare,

$$\text{TAM} = \$150\text{B} \times 10\% = \$15 \text{ billion (global)}$$

TAM, SAM, SOM

SAM (Serviceable Available Market)

The *organic skincare market* in India, focused on *online retail* for premium users

Data: Indian skincare market = ~\$8 billion

Organic/natural products ~15% of that = \$1.2 billion

Online sales contribute ~40% of premium skincare = \$480 million

SAM = \$480 million (online organic skincare in India)

TAM, SAM, SOM

SOM (Serviceable Obtainable Market)

The *realistic share* the brand can capture in its first year, starting *in metro cities*

Assumptions: Targeting *Tier-1 cities* only (e.g., 30% of market)

New brand may *realistically capture ~0.5%* of this market in Year 1

$SOM = \$480 \text{ million} \times 30\% \times 0.5\% = \$720,000$ (first-year revenue potential)

TAM, SAM, SOM

Metric	Market Description	Estimated Size
<i>TAM</i>	Global organic skincare market	\$15 billion
<i>SAM</i>	Indian online organic skincare market	\$480 million
<i>SOM</i>	Realistic 1st year capture (Tier-1 cities)	\$720,000