

أكاديمية



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المحاضرة الرابعة

Segmentation, Targeting & Positioning “STP”

- ❖ What is segmentation?
- ❖ What are different factors used to make segmentation?
- ❖ How to set segmentation in marketing plan?
- ❖ What is targeting ?
- ❖ What are different types of targeting?
- ❖ What is the relation between targeting and generic strategies?
- ❖ What is Positioning ?
- ❖ What are differences between positioning statement, message and slogan?
- ❖ How I make positioning?
- ❖ What are different factors used to make positioning?
- ❖ What is the perceptual maps?
- ❖ What is meaning by repositioning?

Segmentati on



What is segmentation?

- ❖ Dividing total market into different unites in order to know how to satisfy every segment's need with the proper product.
- ❖ “Market segmentation is a natural result of the vast differences among people.”

Example: Avon for cosmetics



What are different factors used to make segmentation?

There are 4 ways we use in order to make segmentations:

- ❖ **Demographic variables**
- ❖ **Geographic variables**
- ❖ **Psychographic variables**
- ❖ **Behavioristic variables**



Demographic variables

There are 7 variables in demographic factor:

- ✓ Age
- ✓ Gender
- ✓ Ethnicity
- ✓ Social class
- ✓ Family size
- ✓ Family life cycle
- ✓ Religion



Demographic variables

- Crest and Colgate offer 3 main lines to target kids, adults, and older consumer.
- Levi Strauss has been successful in developing the idea that it is a “brand for life” by introducing products such as



- Avon has built a \$ 6 billion-plus business selling beauty products to women.
- **Camel** cigarettes emphasizes men and surrounds the brand with more masculine cues.

Psychographic variables

There are 2 variables in psychographic factor:

- ✓ **Personality attributes.**
- ✓ **Life style:**
 - ☐ Healthy life style
 - ☐ Costal area
 - ☐ Non stop shopping
 - ☐ Money rich time poor
 - ☐ Coffee bar phenomena

Example: The home insurance market may segment into those who afraid of crime , those who afraid of natural disasters and those who are afraid of accidental damage to their property

Psychographic variables

The Jeep Cherokee is aimed at lifestyle segment that favors an outdoor ,adventure-some ,fun-seeking style of life



Geographic variables

There are 2 variables in geographic factor:

- ✓ **Region**
- ✓ **Climates**

- ☐ **Cars in California always have air conditioning.**
- ☐ **Cars in Sweden have headlights that stay on constantly because of the poor quality of the light for much of the year.**

Behavioristic variables

There are 3 variables in geographic factor:

- ✓ **Volume usage**
- ✓ **Price sensitivity**
- ✓ **Benefit expectation**

Behavioristic variables



Benefit segmentation of the toothpaste market

Benefit	Demographics	Behavior	psychographics	Favored brand
Low price	men	Heavy users	High autonomy ,value oriented	Brands on sale
Decay prevention	Large families	Heavy users	Hypochondriac ally, conservative	Crest
Cosmetic (bright teeth)	Teens and young adults	smokers	High sociability and active	Aqua-fresh Ultra Brite
Taste (good tasting)	children	Spearmint lovers	High self involvement ,hedonistic	Colgate

Requirements for Effective Segmentation



- ☐ **Measurable** :size, purchasing power, and profiles of segments
can be measured.
- ☐ **Accessible** :segments can be effectively reached and served.
- ☐ **Substantial** :segments are large or profitable enough to serve.
- ☐ **Differential** :segments are conceptually distinguishable and respond differently to different marketing mix elements and programs.
- ☐ **Actionable** :effective programs can be designed for attracting
and serving the segments.

How to set segmentation in marketing plan?



- ❖ I needn't to cover all 4 areas of segmentation in my marketing plan just only what is matching with my product.
- ❖ I need to write every factor I perceive that it is important to highlight.
- ❖ After that I need to summarize all factors that I mentioned in only one paragraph.

Demographic variables ▶ Age ▶ Gender ▶ Race ▶ Ethnicity ▶ Income ▶ Education ▶ Occupation ▶ Family size ▶ Family life cycle ▶ Religion ▶ Social class	Geographic variables ▶ Region ▶ Urban, suburban, rural ▶ City size ▶ County size ▶ State size ▶ Market density ▶ Climate ▶ Terrain
Psychographic variables ▶ Personality attributes ▶ Motives ▶ Lifestyles	Behavioristic variables ▶ Volume usage ▶ End use ▶ Benefit expectations ▶ Brand loyalty ▶ Price sensitivity

Targeting



What is targeting?

- ❖ Targeting is the next step after segmentation.
- ❖ Targeting is evaluating each segment's attractiveness and selecting one or more segment to attack.



What are different types of targeting?



There are 3 types of targeting:

- ❖ **Undifferentiated targeting**
- ❖ **Differentiated targeting**
- ❖ **Concentrated targeting**

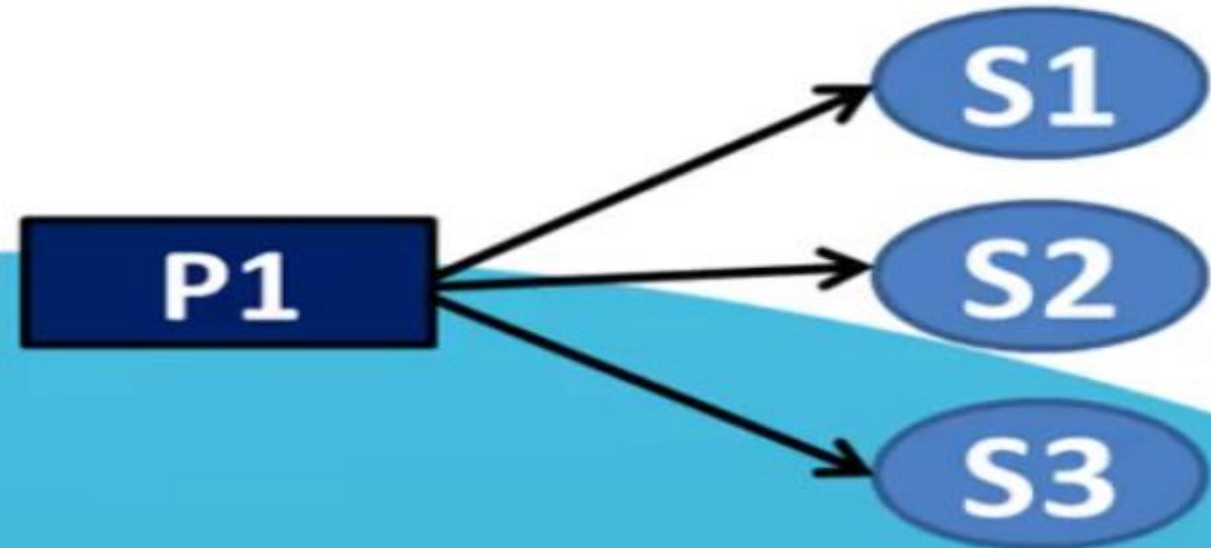
Every type of targeting matching with special kind of porter's strategies.

Undifferentiated targeting

- ❖ This type means the product between our hands targeting all segments in the market.
- ❖ That means the entire market one segment.

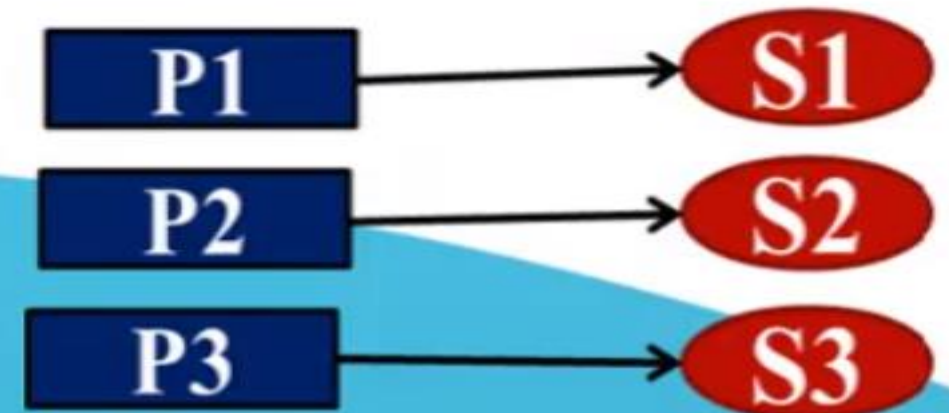
Segmentation = 0

- ❖ It is not common.....**why????**
- ❖ **Which generic strategy matching with this type???**
- ❖ **Examples????**



Differentiated targeting

- ❖ This type of targeting means the organization develops a wide range of products and able to satisfy a lot of customer's need through its products.
- ❖ Appropriate when it is possible to identify one or more segments with distinct needs for different types of products
- ❖ Which generic strategy matching with this type???
- ❖ Examples???



Differentiated targeting

L'Oreal follows this strategy

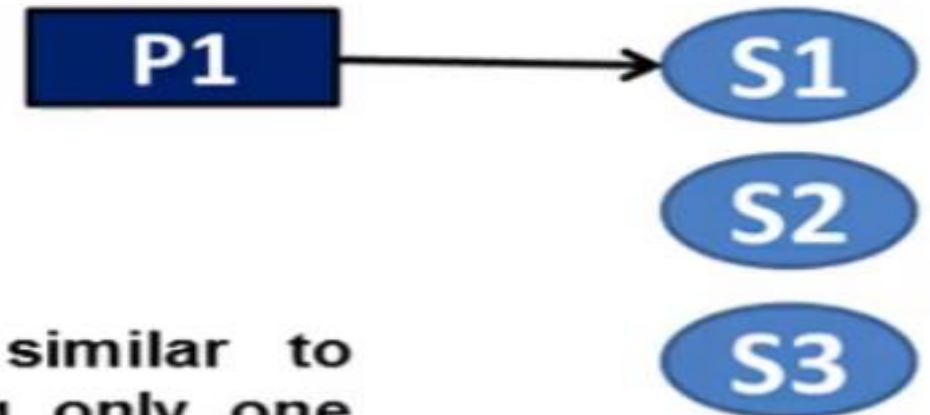
- ❑ The company has the resources to offer several product lines at a variety of prices.
- ❑ It targets the luxury market with such brands as Lancôme while less expensive offerings such as Elseve and L'Oreal are targeted to a lower segment.



Concentrated targeting



- ❖ This type means the organization producing only one product to satisfy the needs of consumers in only one segment by its product.
- ❖ Which generic strategy matching with this type???
- ❖ Examples????



Note : This type of targeting very similar to differentiation targeting as they serving only one segment by specific product but differentiation targeting has wide portfolio of products to serve more than one segment.

How to set targeting in marketing plan?

- ❖ I needn't to explain how or why I selected this type of targeting.
- ❖ What I need to write exactly in marketing plan is the type of targeting.

positioning



What is Positioning?

- ❖ Positioning refers to what is comes at the mind when hearing a bout exact brand or a way I use to put my brand in a customer's mind or how I can put my brand in customer's mind.
- ❖ It is the next step after targeting.
- ❖ It is starts wider and end narrower. **How?**

Position statement

Message

Slogan



What is TOM?



- ❖ TOM refers to top of mind.
- ❖ Checked by market research. (focus groups and IDI)
- ❖ This concept measures for how extent we make positioning for our product in a right way.
- ❖ Every time I makes positioning I should test.

Volvo
Jeep
BMW
Mercedes
Audi

Example:

if I'm a marketing manager of VOLVO and I asked about the best car linked with safety?

What are different factors used to make positioning?



- ❖ I make positioning by using some factors called positioning criteria. It is very similar to segmentation criteria.
- ❖ Criteria used to make positioning are:
 - Positioning by features (benefits)
 - Positioning by users category
 - Positioning by occasion
 - Positioning by against competitor
 - Hybrid positioning

Domino's positioning

A good hot pizza, delivered to your door within 30 minutes of ordering, at a moderate price

This positioning statement depending on which positioning factor?



What is the perceptual maps?



- ❖ Perceptual map is a tool to test the positioning I made to know exactly for how extent my message delivered to customers.
- ❖ Also brands can be positioned against competitive brands on product maps.
- ❖ We use focus groups and IDI in this technique. **What's the difference?**

Positioning statement



Message

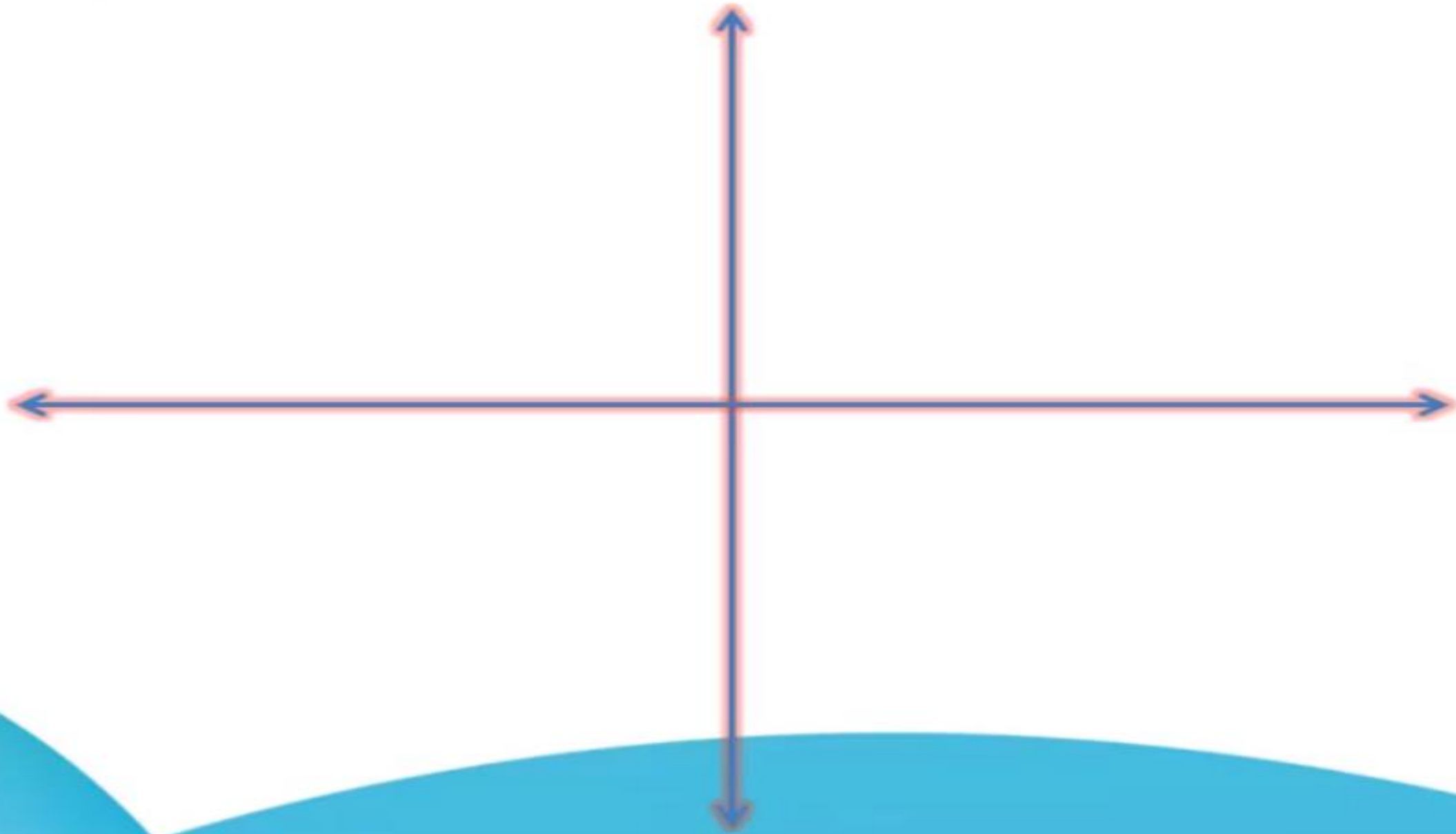


Send to customer

We ask if the customer understand message well or not???
Is he still remember????



Perceptual maps



What is the advantages of perceptual maps?



- ❖ It lets me know exactly who are my competitors?
- ❖ It lets me know how customers look at me?
- ❖ It helps me to look at new positions in market.

What is meaning by repositioning?



- ❖ **Repositioning means developing a new positioning for the same product instead of the old one. Why??**
 - ☐ The current position may become very competitive.
 - ☐ Change in customer needs.

Repositioning

- ❑ Marlboro cigarettes was positioned as a women's cigarette when it was first introduced. complete with a red tipped filter to hide lipstick stain.
- ❑ The brand really took off, however, when Marlboro adjusted its image as a male product complete with the "macho" Marlboro cowboy.



Notes about positioning



Advisable to develop positioning for the product by using more than single competitive advantage but it should be limited.....

If we make positioning for tooth paste:

- ❖ **Case 1:** we offer the best taste in Egypt. (single competitive advantage)
- ❖ **Case 2:** we offer the best taste in Egypt recommended by the most famous doctors. (hybrid positioning.....good one)
- ❖ **Case 3:** we offer the best taste in Egypt recommended by the most famous doctors and fighting decay at low price. (bad positioning)

How to set positioning in marketing plan?



- ❖ I need to set an empty perceptual map based on 2 attributes depending on the product it self and let innovators complete it.
- ❖ Write the slogan and the message I need to send to customers.

