

MODULE 1

Segmentation, Targeting and Positioning

- *Segmentation, Targeting and Positioning Definitions*
- *Segmentation Variables*
- *Evaluation of Segments*
- *Summary*

What is segmentation, anyone?

- *What about targeting and positioning?*
- **Segmentation** is the process of grouping people or organizations within a market according to similar needs, characteristics, or behaviors

Dividing the market into groups

- *an entire market rarely has the same tastes and preferences*
- *it is difficult to handle all preferences too*
- *Mercedes Benz, for example (only high-end)*

Targeting is the actual selection of the segment you want to serve
the target market is the group of people or organizations whose needs a product is specifically designed to satisfy

Positioning is the use of marketing to enable people to form a mental image of your product in their minds (relative to other products)

STP Marketing is the name of the game

- *The days of “one size fits all” are over*
- *No longer can one say “You can have any colour as long as it is black”*
- *Need to follow the “horses for courses” policy - no more mass marketing*
- *Moving towards mass customization in fact*
- *Levi’s Personal Pants*
- *National Bicycle Company*

How to segment a market?

- *On what basis/bases?*
- *What are some criteria/variables?*

Segmentation - Variables

Demographic Segmentation

Age, Gender, Income

Age

- *Bicycles*
- *Disney’s Cartoons*
- *Pension Plans, Retirement Funds e.g.*
- *LIC*

Gender

- *Hasbro Toys*
- *Cindy for girls, GI Joe for boys*
- *Gillette*
- *Razors for men, women*
- *most cosmetics, perfumes etc*

