Segmentation - Targeting - Positioning

Maximize your marketing impact
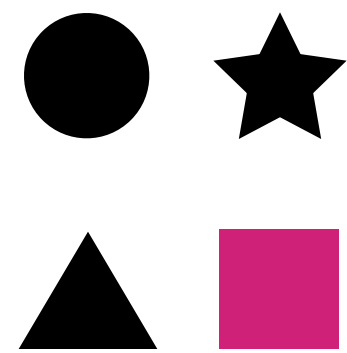
ANTHONY/HÖDAR
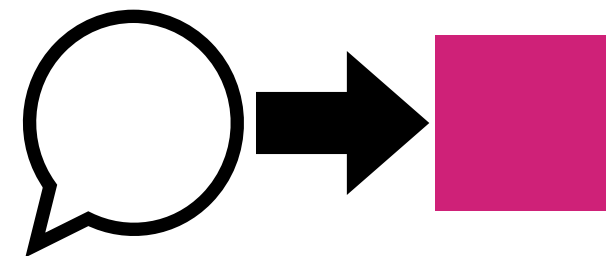
Who is your product for?

...better yet

Who is your product **NOT** for?

Segmentation

(Make a choice)

Targeting

(Increase relevance)

Positioning

(In the consumers mind)

Get to *know* your customer

Segmentation is the process of understanding *why people buy* products and services like yours, which of those people you can best satisfy and what you can do to make your product simply irresistible to them

Demographic:

- Age
- Income
- Marital Status
- Education
- Family Size
- Gender
- Geographic Location
- Social Status
- Occupation

Psychographic:

- Brand Preferences
- Price Sensitivity
- Conservative/Liberal
- Enviro-Friendly
- Hobbies
- Lifestyle
- Service Preferences
- Spontaneity
- Influenced by Peers
- Relationship Importance

Behavioral:

- Purchase History
- Where They Shop
- Type of Store Preferences
- Association Memberships
- Internet Usage
- Impulsiveness
- Information Sources
- Buy Based on Trends
- Benefits sought

The fundamental philosophy behind customer segmentation is that customers will be more inclined to buy something or take action when doing so addresses their *specific needs*
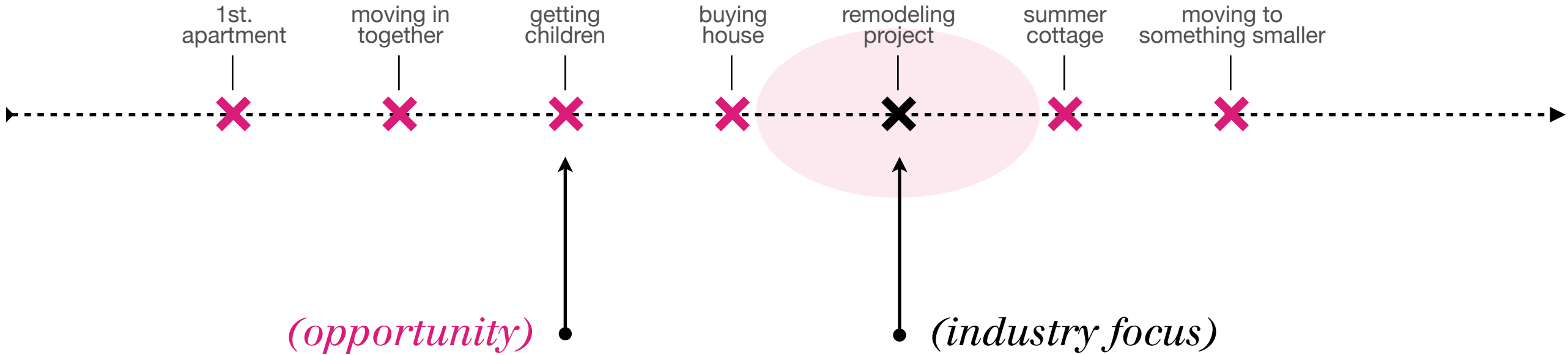
Segmentation by - life stage + benefit sought

Example:

Paint industry
Existing focus and potential opportunities uncovered by STP*.

(Segmentation - Targeting - Positioning)

1st. apartment | moving in together | getting children | buying house | remodeling project | summer cottage | moving to something smaller

(opportunity)   (industry focus)

existing target segment

indoor outdoor

surface

finish

product

technical properties

$

price

price driven

place

paint retailer

promotion

segment aligned

target segment *(opportunity)*

non toxic

anti bacterial

eco friendly

product

relevant added values

$

price

premium

place

related distribution

(ex. baby equipment store)

promotion

segment aligned

Chart axes:
- Vertical axis: **Ease and cost of measurement** (from *Easy & Low* at bottom to *Difficult & high* at top)
- Horizontal axis: **Predictability of consumer choice behaviour** (from *Low* at left to *High* at right)

Layered categories (top to bottom):
- *Behaviour*
- *Psychological*
- *Demographics*

More specific knowledge = Predictable behaviour

equally

More specific knowledge = Difficult and costly to acquire

Best to use *multiple approaches* in order to identify smaller, better-defined target groups.

Start with a single criteria and then expand to other bases.

5 criteria that indicate whether you have selected a viable target market

1

Size
how large is this target market? Worth pursuing?

2

Expected Growth
even if the market is small, it may be profitable if there are indications that it will grow.

3

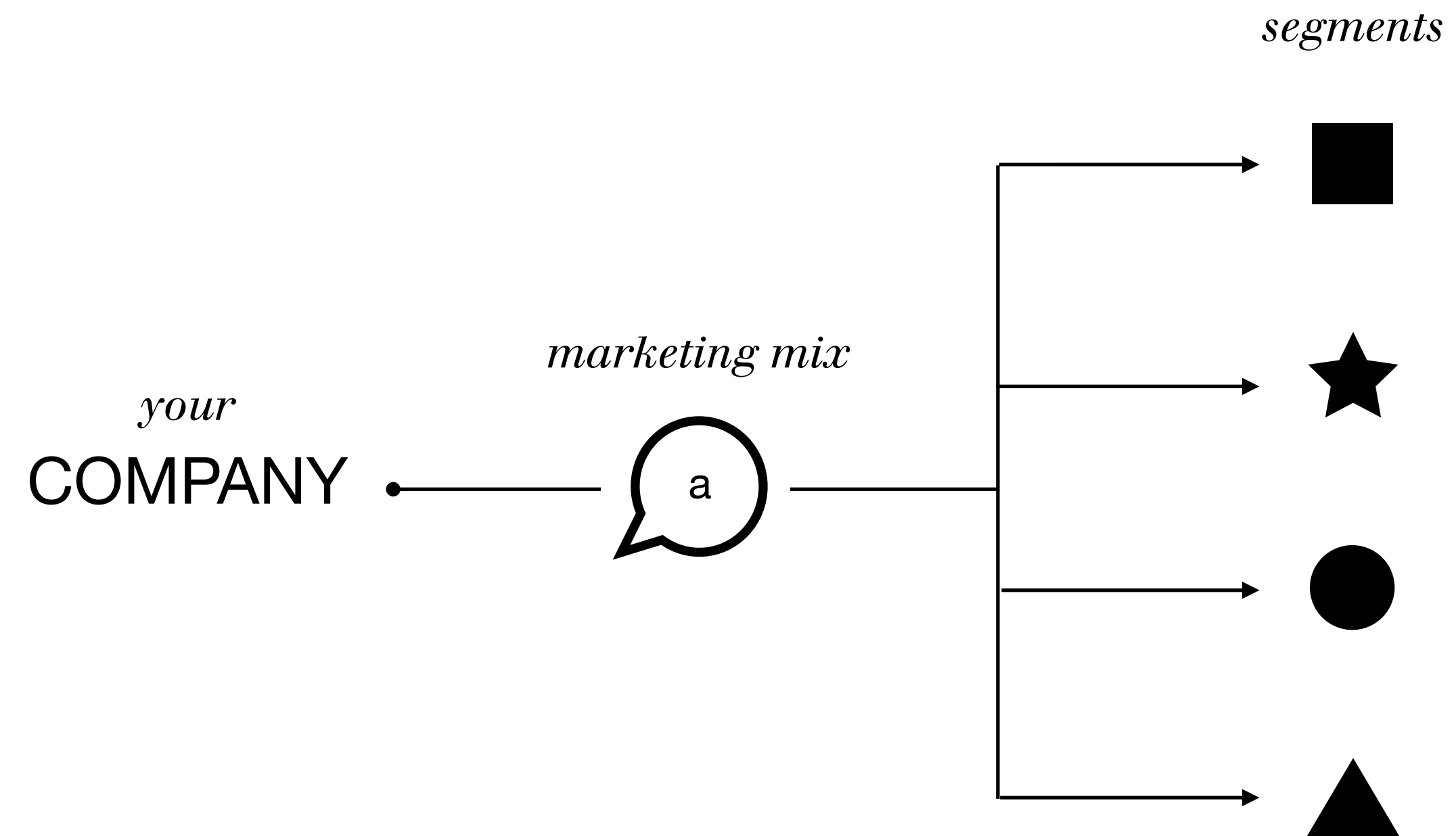**Competitive Position**
low competition equals attractive market.

4

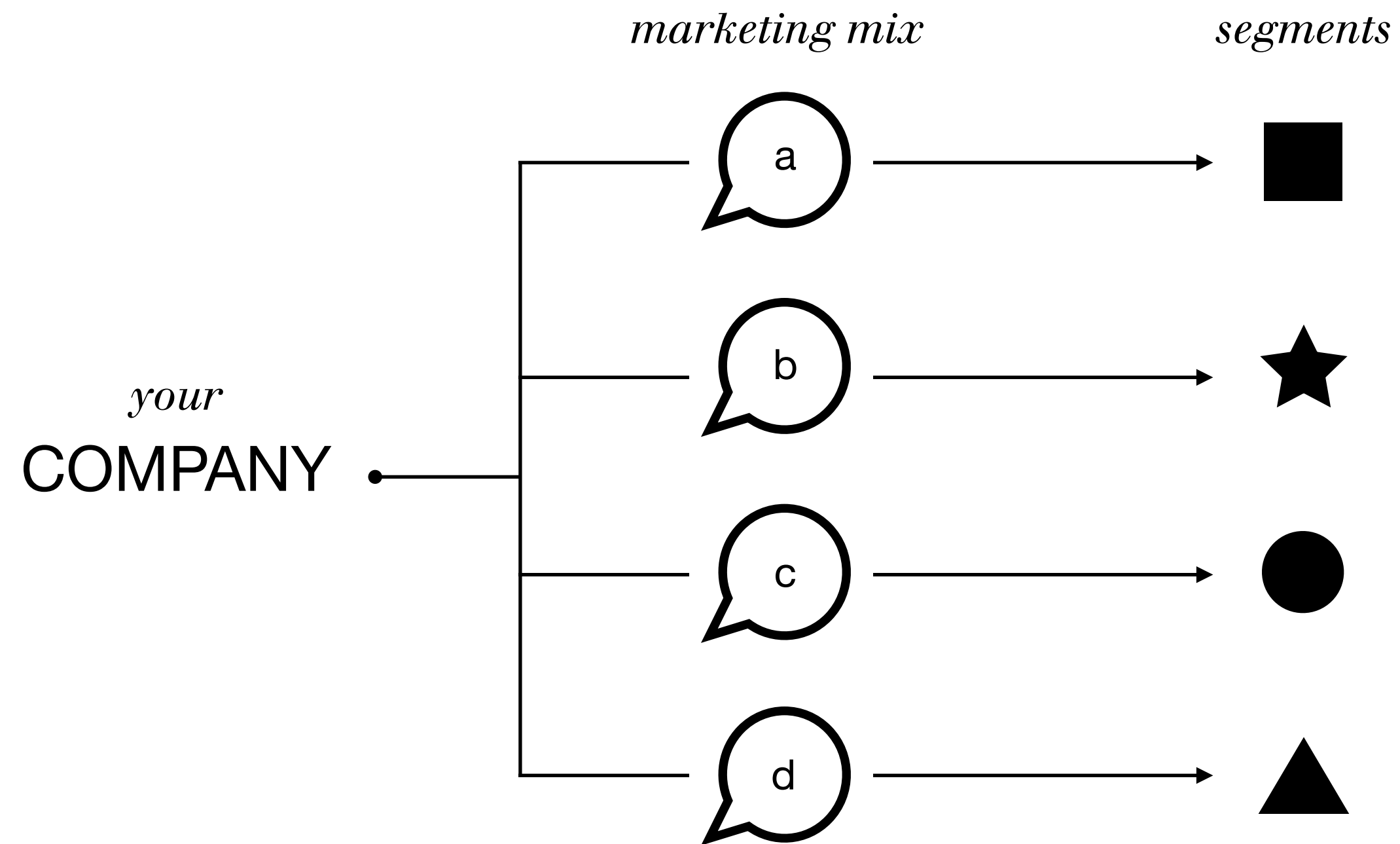**Cost to Reach**
is this market accessible with our tactics?

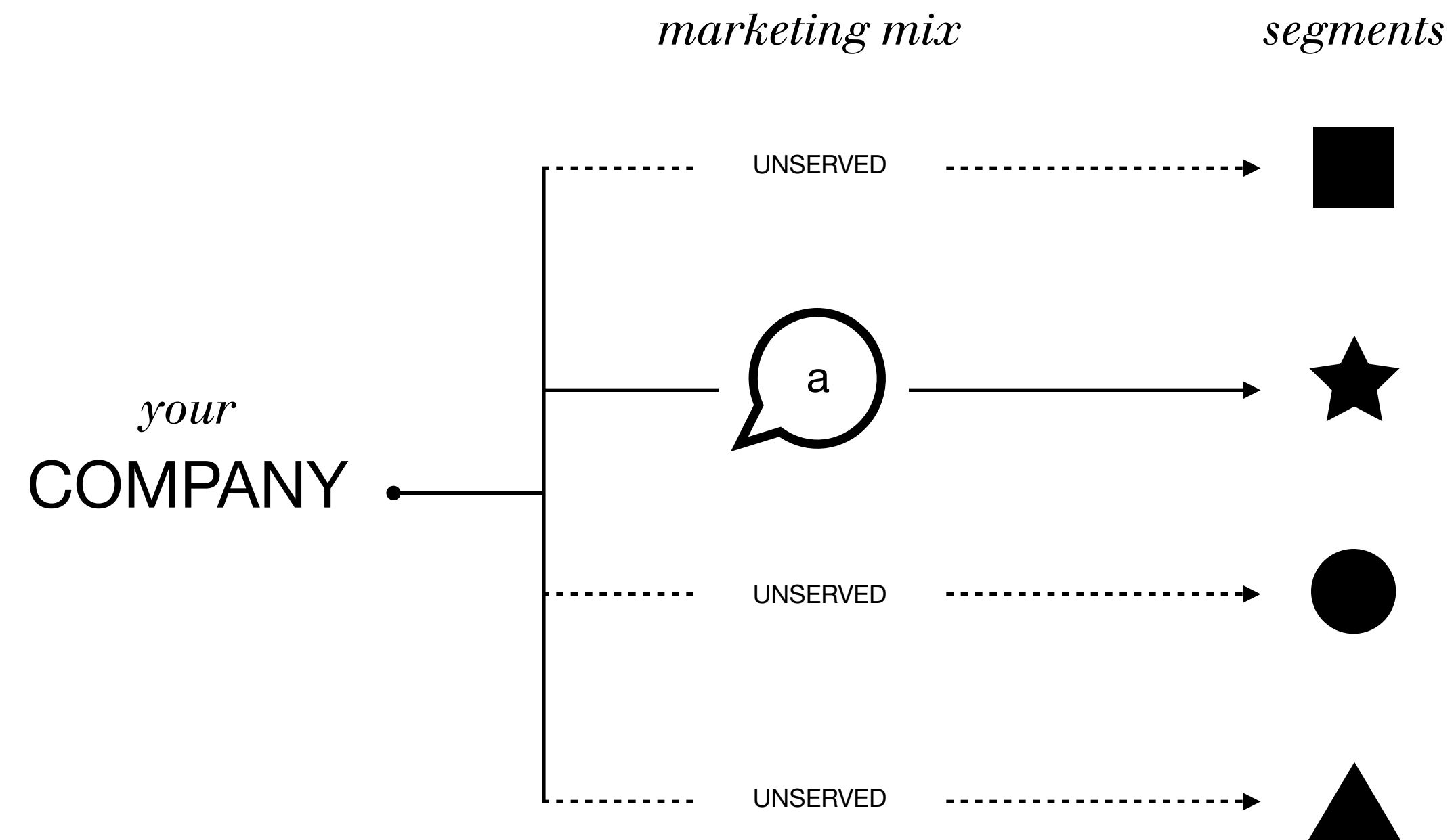**5**

Compatibility
how aligned is this market to our goals?

Increase *relevance*

your
COMPANY

marketing mix

a

segments

Undifferentiated targeting strategy

Differentiated targeting strategy

marketing mix   *segments*

your COMPANY

UNSERVED

UNSERVED

UNSERVED

a

Focused targeting strategy

marketing mix   *segments*

(**Women**)
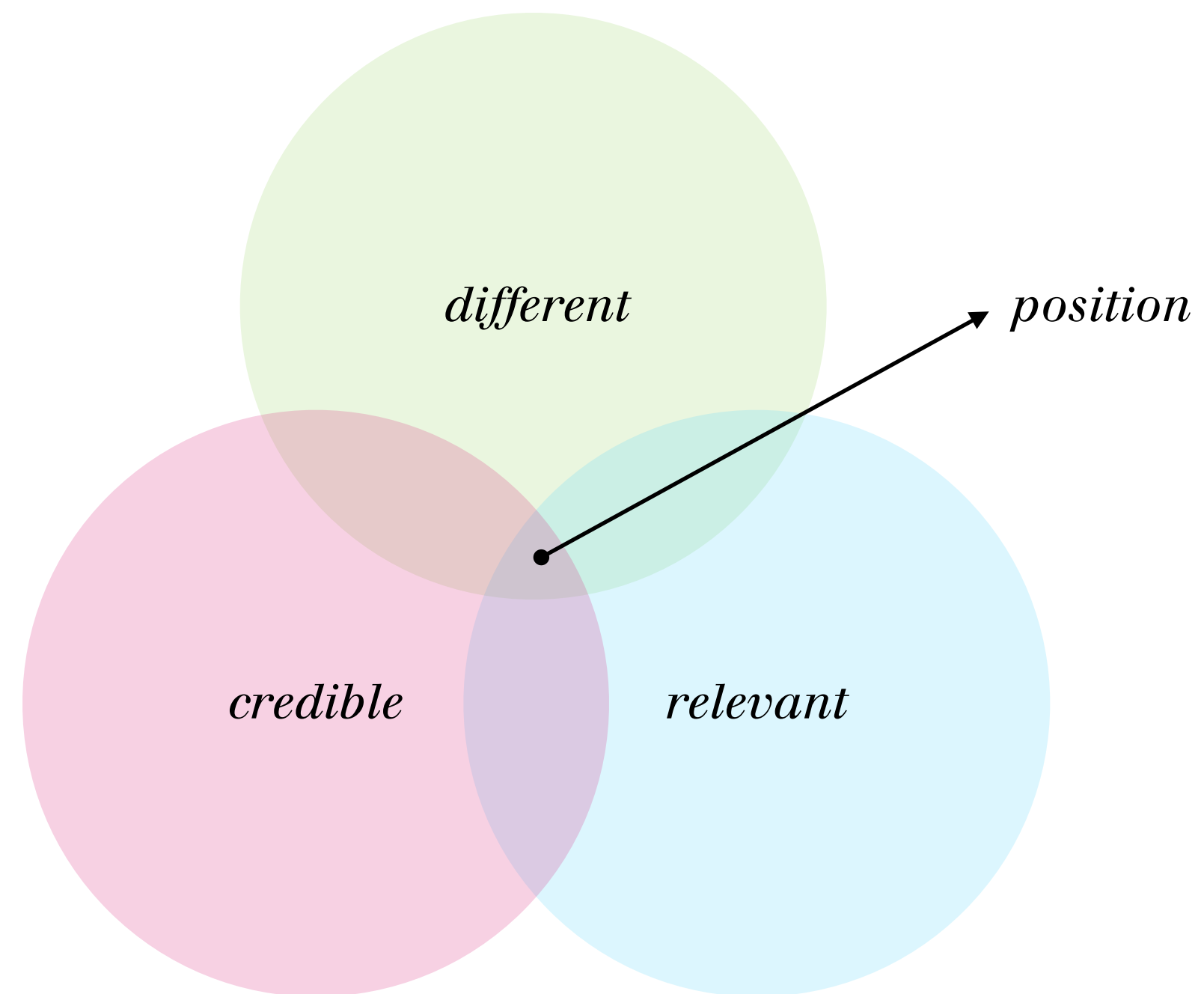
(**50+**)

(**Sun**)

(**Men**)

Variation in Product, Price, Promotion & Place
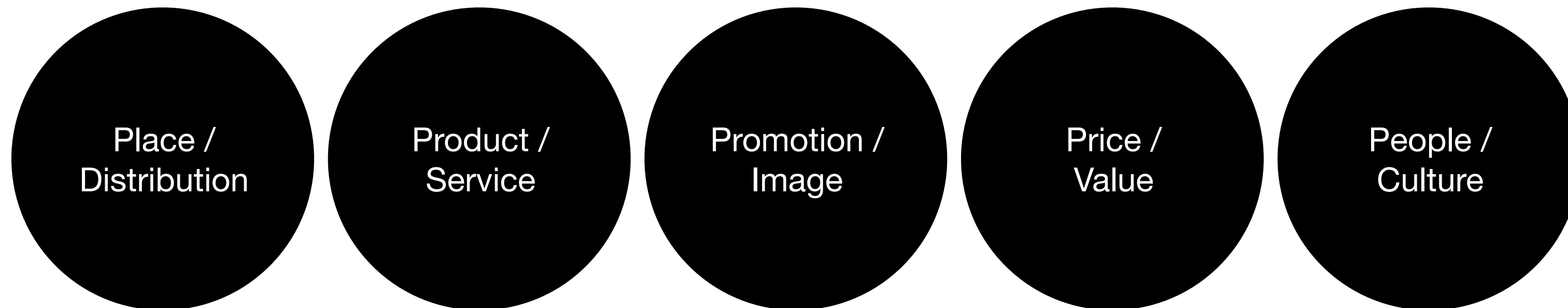
How do you want to be *perceived?*

Developing the *positioning strategy*

1. Understanding *target consumers*

2. Analyzing *Market/Competition*

3. Defining *Competitive Advantage(s)*

4. Identifying *relevant attributes*

5. *Communicating* and *Delivering* Chosen position
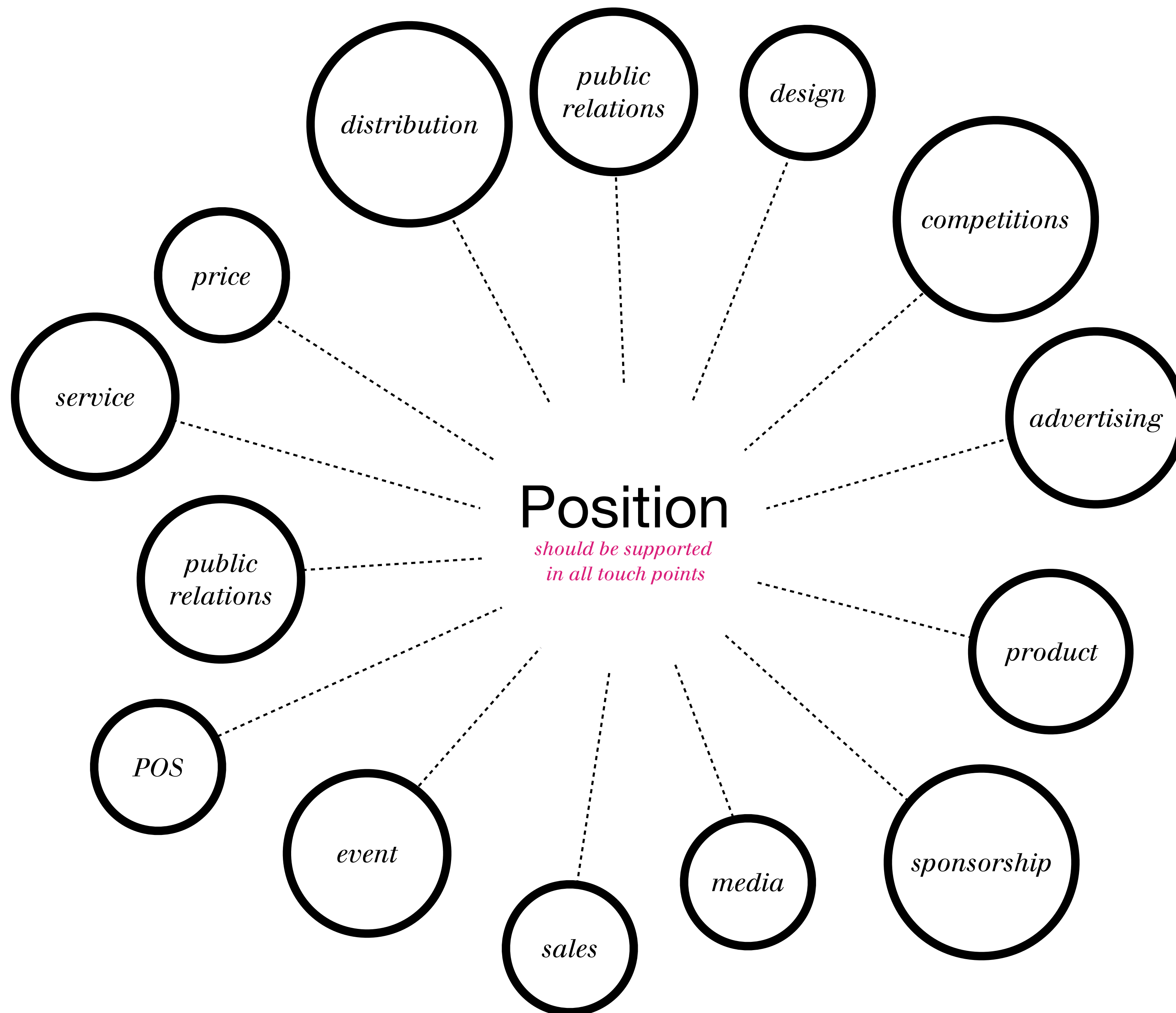
The position *should be*

Differentiation Points

Place / Distribution

Product / Service

Promotion / Image

Price / Value

People / Culture

choose one point of differentiation or a combination of many

Write your *Positioning Statement*

For	*target consumer*
who	*need or opportunity*
the	*product name*
is a	*product category*
that	*key benefit*
unlike	*primary competition*
our product	*primary differentiation*

distribution

public relations

design

competitions

price

advertising

service

Position

should be supported
in all touch points

product

public relations

sponsorship

POS

media

event

sales

A good positioning helps *guide marketing strategy* by clarifying the brand's essence, what goals it helps the consumer achieve, and how it does so in a unique way.

Great positions are *unique, memorable and effective*

"The un-cola"

"We try harder"

"The fashion watch"

"Safety" (Volvo)

Would you like to *know more?*

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