

Principles of Marketing

Session 8

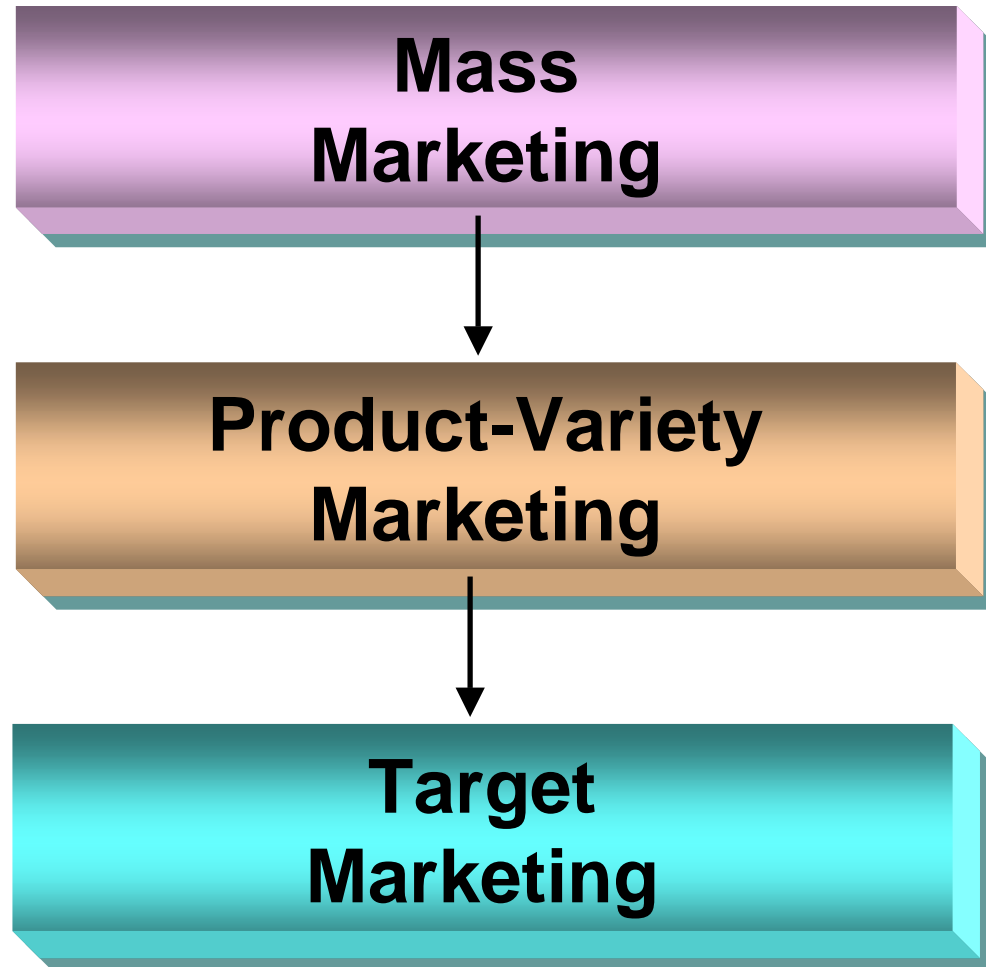
Market Segmentation, Targeting and Positioning

Text: Chapter 7



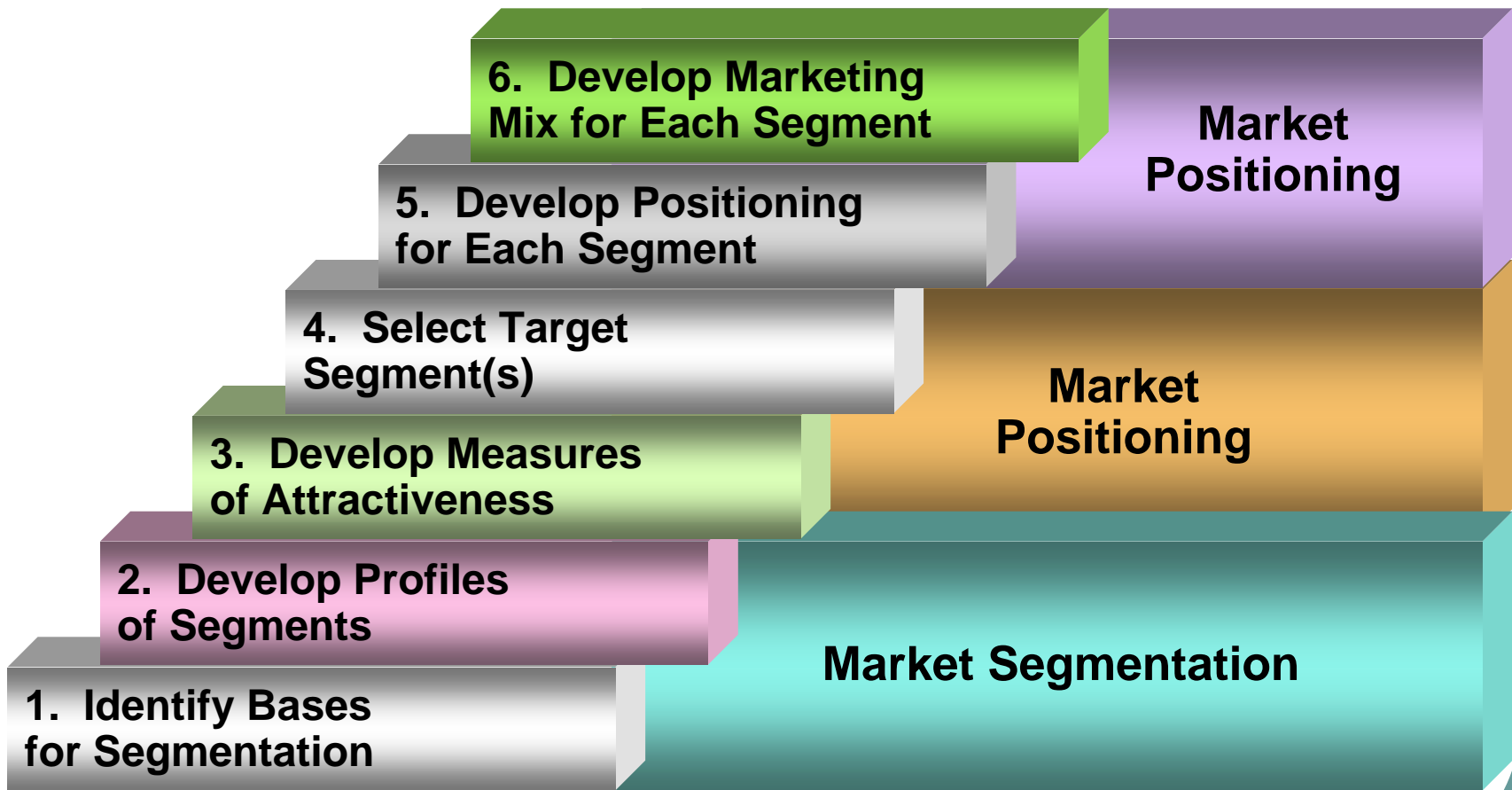
- I. Stages in Market Orientation**
- II. Segmenting Markets**
- III. Market Targeting**
- IV. Positioning**

I. Stages in Market Orientation



Steps in Segmentation, Targeting, and Positioning

8-4



II. Segmenting Markets

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- Segmenting Consumer Markets
- Segmenting Business Markets
- Segmenting International Markets
- Requirements for Effective Segmentation



Bases for Segmenting Consumer Markets

8-6

Characteristics

- Demographic
- Geographic
- Psychographic
- Response



Geodemographics

Characteristics

Geographic location:

- Population by country
- Popn. by Region
- Popn. by City size
- Popn. by SD
- Popn. by SSD
- Popn. by LGA
- Popn. by CD

Bases for identifying homogenous groups of consumers that are *measurable, accessible, substantial and, actionable*

Demographics:

- Gender
- Age
- Income
- Occupation
- Marital status
- Household size
- Race
- Religion
- Education level
- Socioeconomic status
- Lifecycle stage

Bases for Segmenting Business Markets

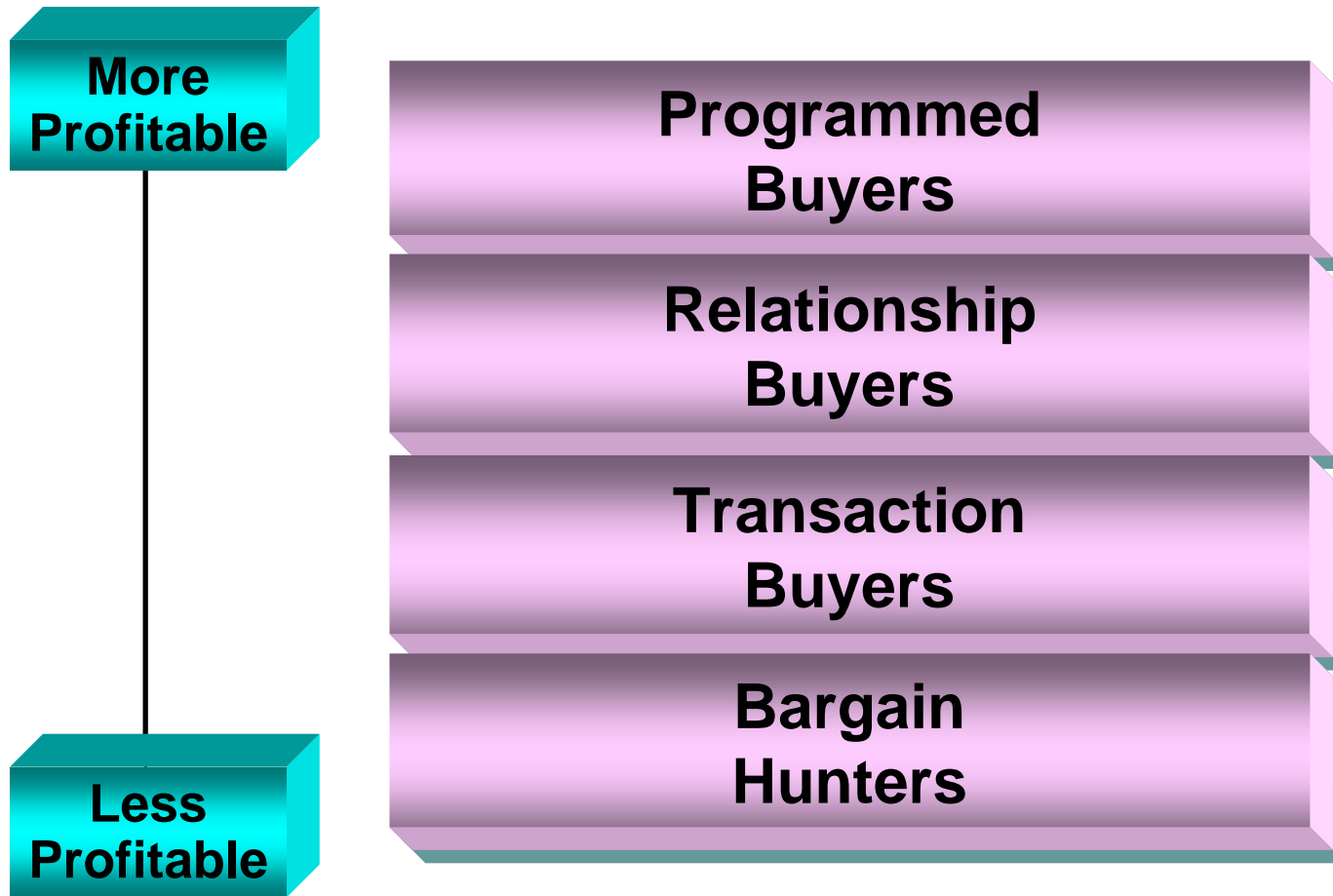
8—8

- **Demographics**
- **Operating Variables**
- **Purchasing Approaches**
- **Situational Factors**
- **Personal Characteristics**



Signode's Segmentation Variables

8-9



Factors for Segmenting International Markets

- Economic
- Political/Legal
- Cultural
- Intermarket
- Geographic

Requirements for Effective Segmentation

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- **Actionable**
- **Substantial**
- **Accessible**
- **Measurable**



- **Size and Growth**
- **Structural Attractiveness**
- **Company Objectives
and Resources**

III. Target Marketing

8-13

- **Evaluating Market Segments**
- **Selecting Target Markets**
- **Market-Coverage Strategy**

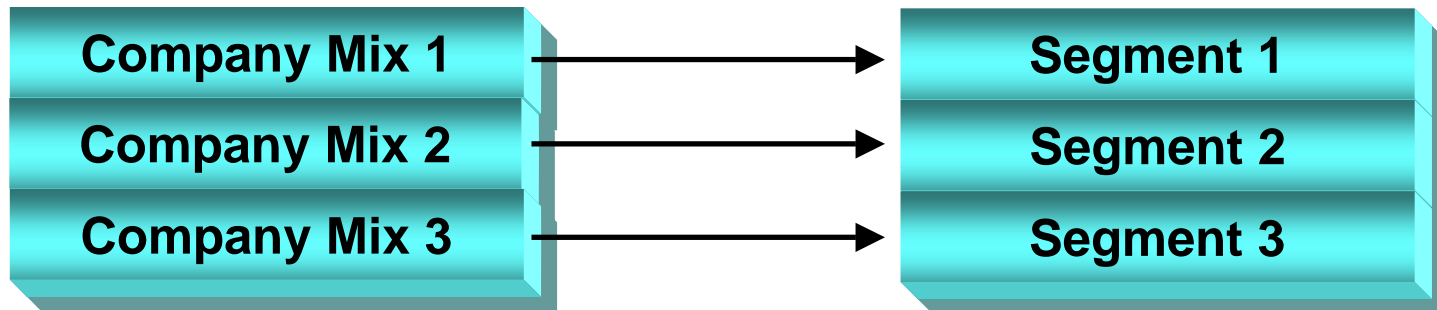


Market Coverage Strategies

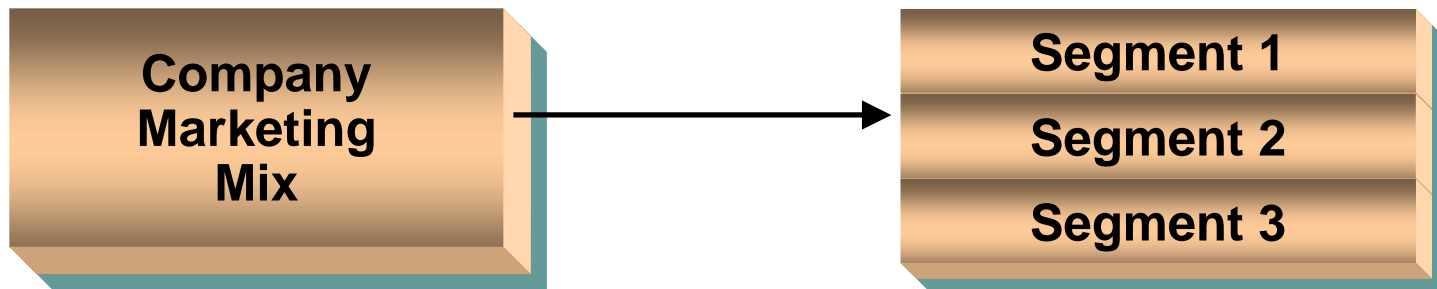
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A. Undifferentiated Marketing



B. Differentiated Marketing



C. Concentrated Marketing

Factors Affecting Strategy Decisions

- **Company Resources**
- **Product Variability**
- **Stage in Life Cycle**
- **Market Variability**
- **Competitors Strategies**

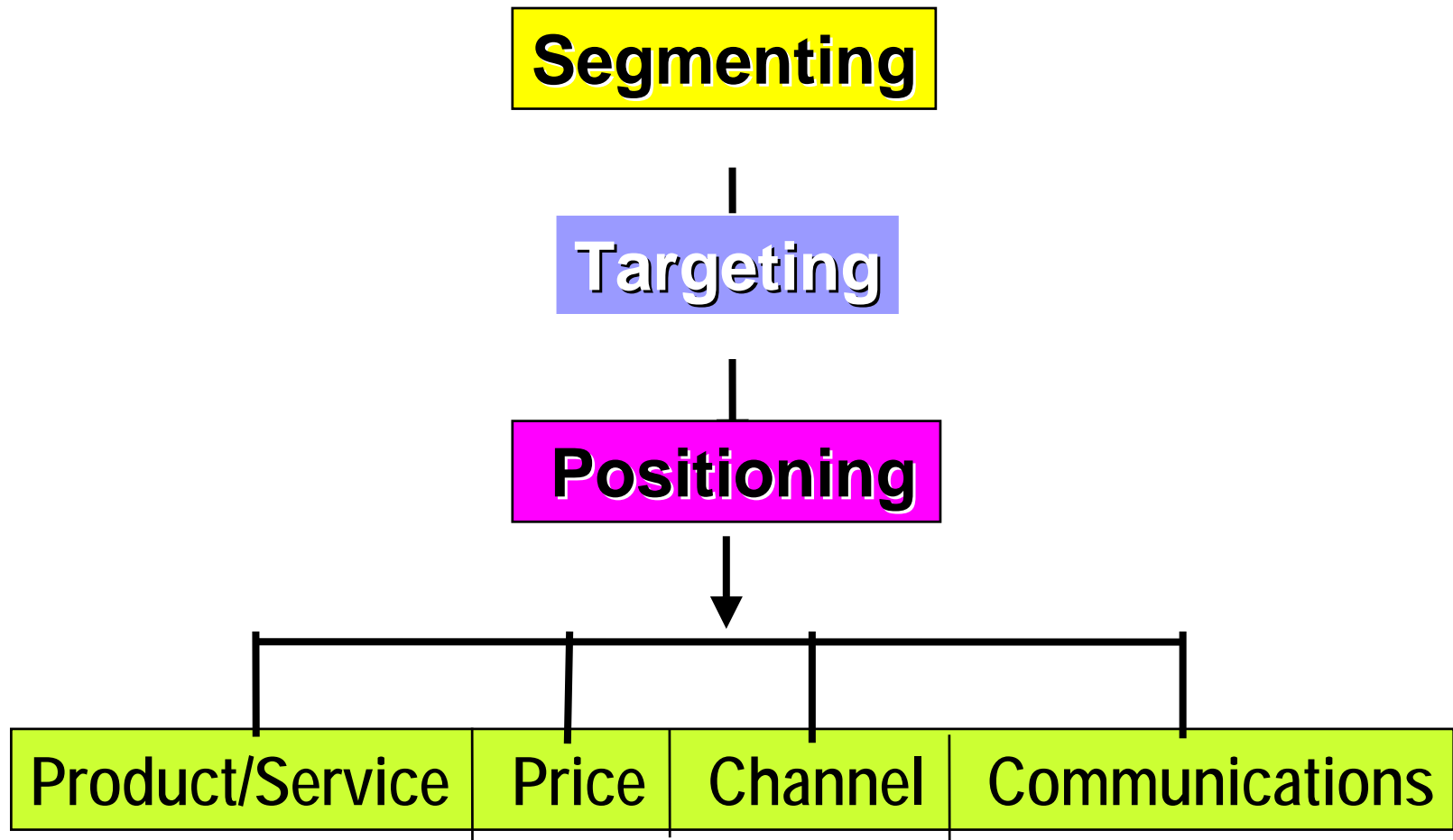
IV. Positioning

8-16

1. Why do we need to position?
2. Who created the concept, and When?
3. What is Positioning?
4. Position Strategies
5. Steps for Positioning



What is the position of positioning?



1. Why do we need to position?

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In the era of information, communication itself is a problem. Why?

The society is overcommunicated,
e.g U.S Ad consumption, 1980:
\$376.62 per capita

Though \$7.72, 2002, China, the lower ad rate.
How many messages does each person receive daily?

New, effective approach of communication is needed



2. Who & When?

8-18

Al Ries & Jack Trout

First presented in 1969;

Published 1. *Positioning*, 1981;

2. *Marketing Warfare*, 1986;

3. *Bottom-Up Marketing*, 1989;

Partially updated *Positioning*, 2001

Jack Trout & Steve Rivkin,

Published *The New Positioning*, 1996



3. What is Positioning?

8-19

*Positioning starts with
a product/service,
a company/ institution/a person....
... what you do to the mind of the prospect.
..., you position the product in the mind of
the prospect.*

*by Al Ries and Jack Trout,
Positioning: The Battle for your mind, McGraw-Hill, Inc., 1981*



3. What is Positioning?

8-20



- An inadequate container
- A series of product ladders



3. What is positioning?

8-21

" ... how you differentiate yourself in the mind of your prospect. "

by Al Ries, Jack Trout

Positioning: The Battle for your mind,
McGraw-Hill, Inc., 2001

“你如何在潜在顾客心目中独树一帜”

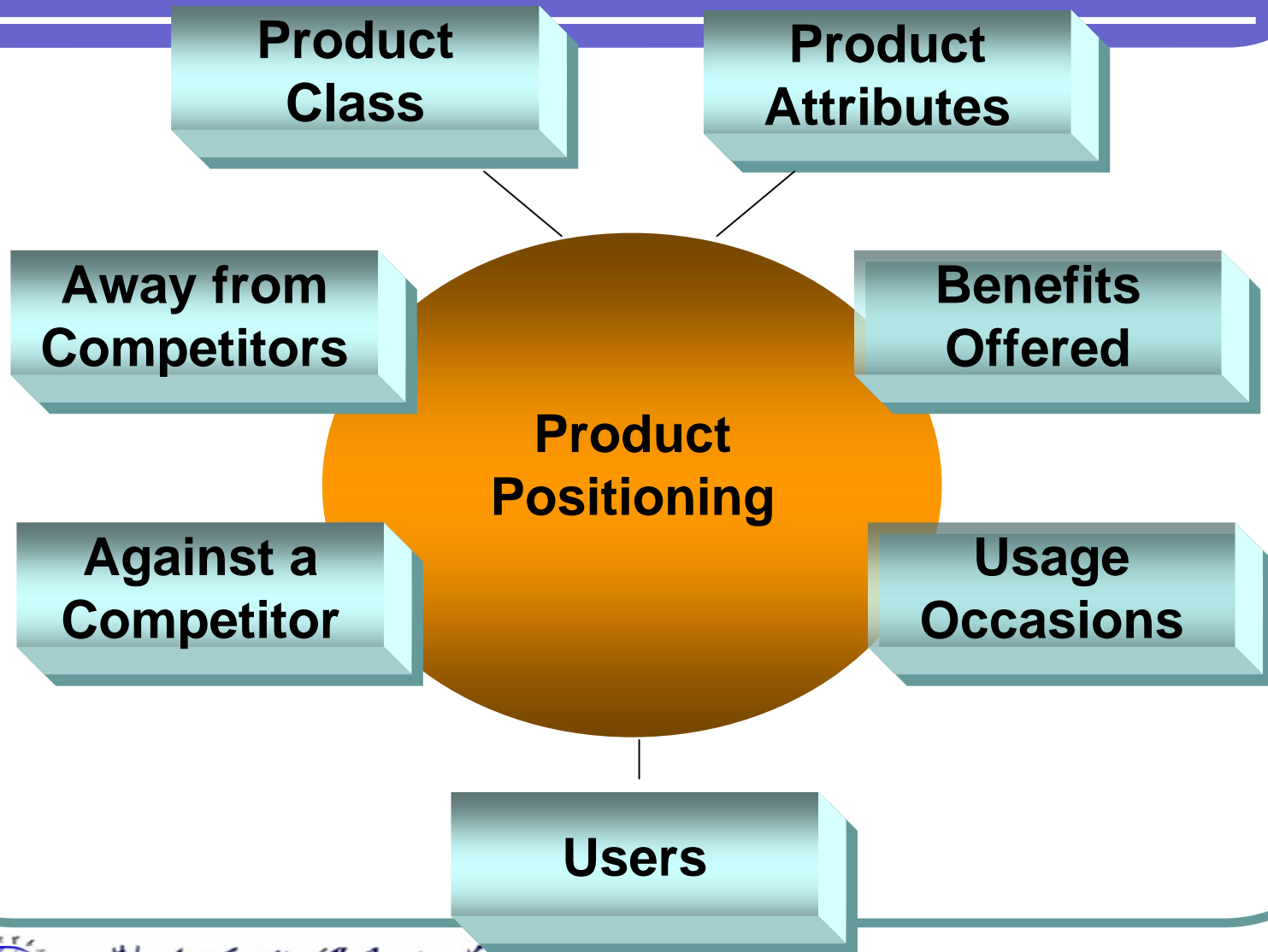


Areas for Competitive Differentiation

- **Product**
- **Service**
- **Image**
- **Personnel**

Product Positioning

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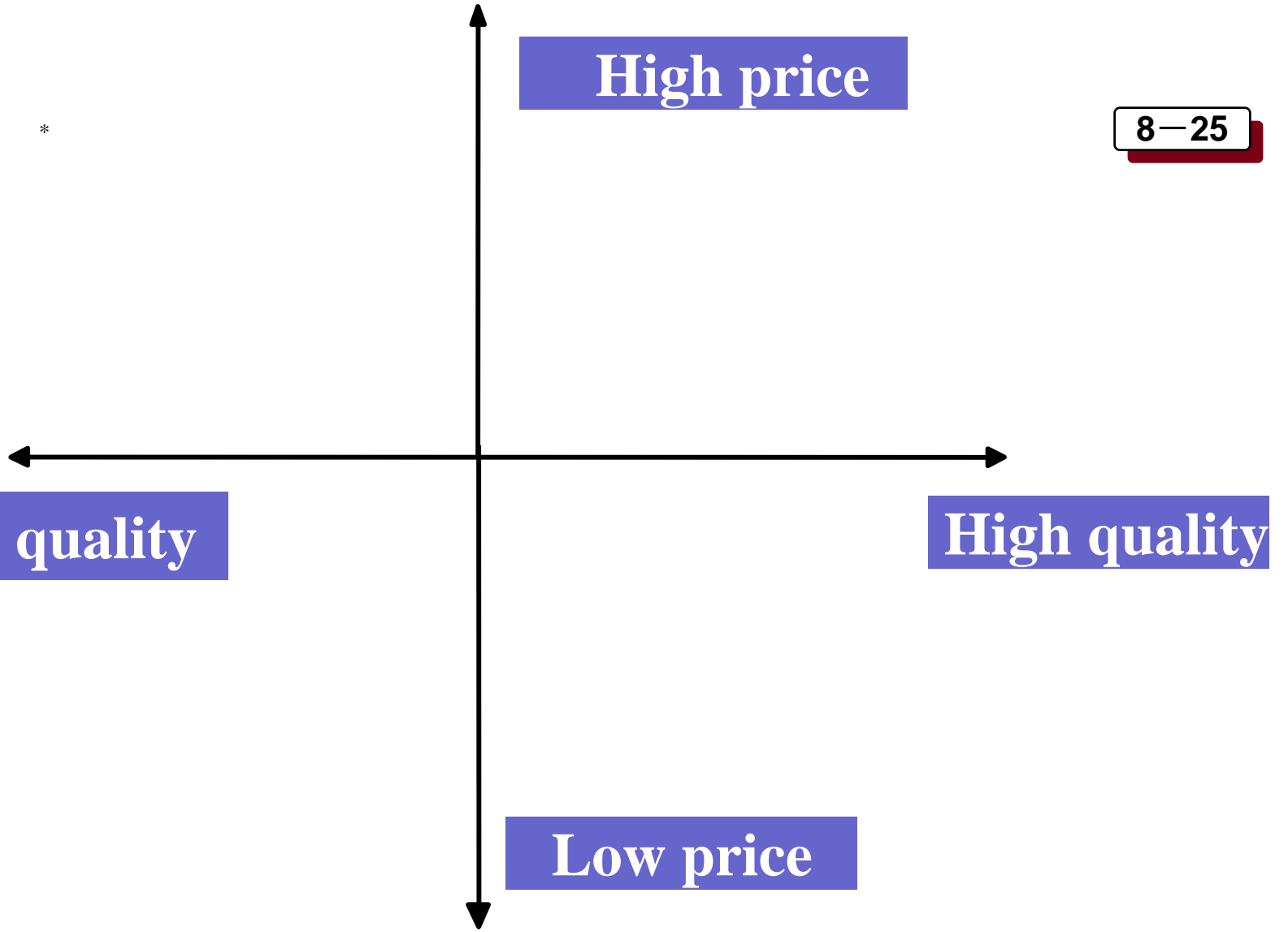
5. Steps for Positioning

8-24

- Identify the benefits desired by target market-**to find the important attributes**;
- Discover your **present position** vs.your major competitors in the customers' mind;
- **Find the discriminative attribute(s)** by competitive analysis (Product, service, personnel, channel,image);
- **Communicate and deliver** the chosen position by marketing-mix efforts.



Positioning Map



High price

8-25

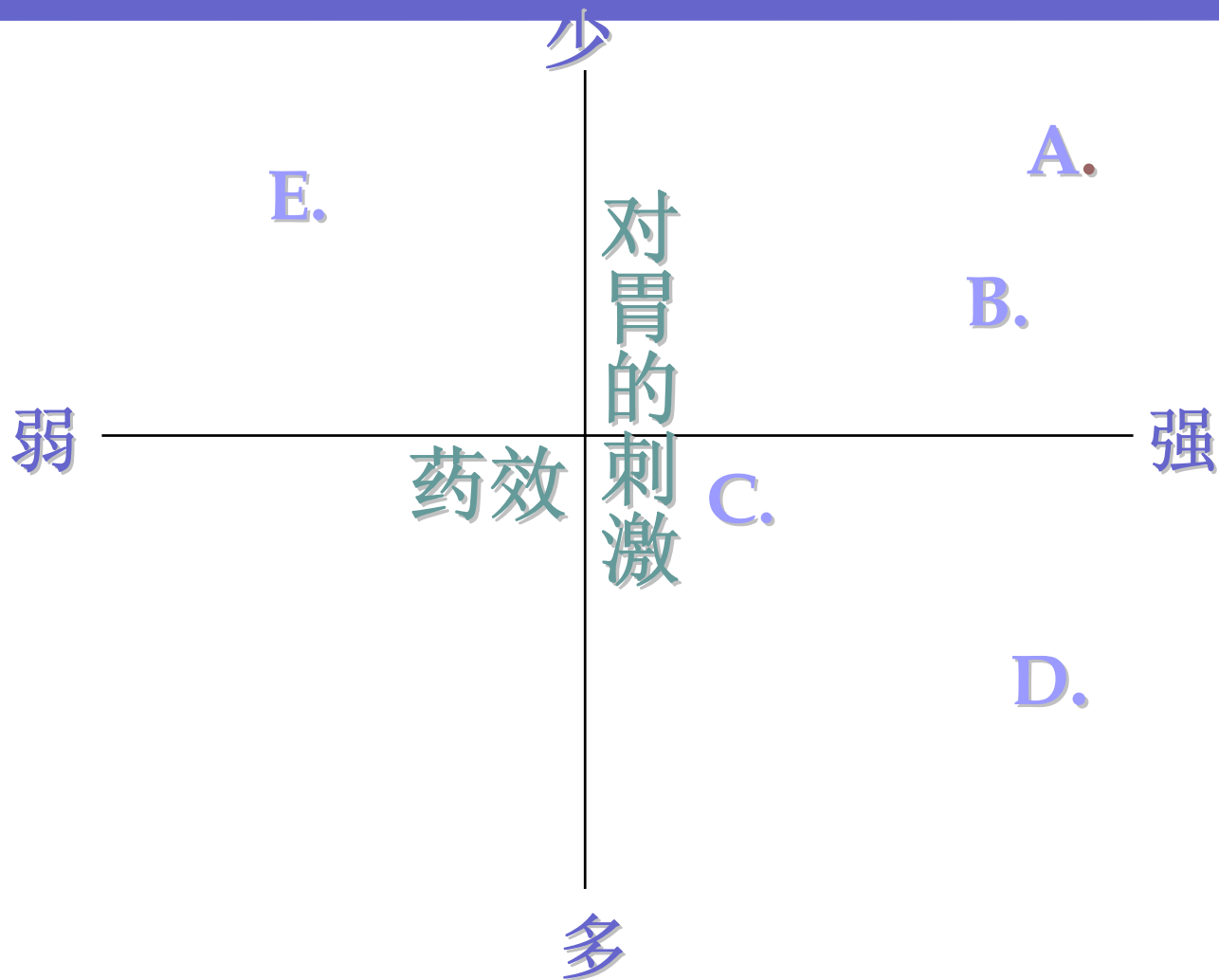
Low quality

High quality

Low price

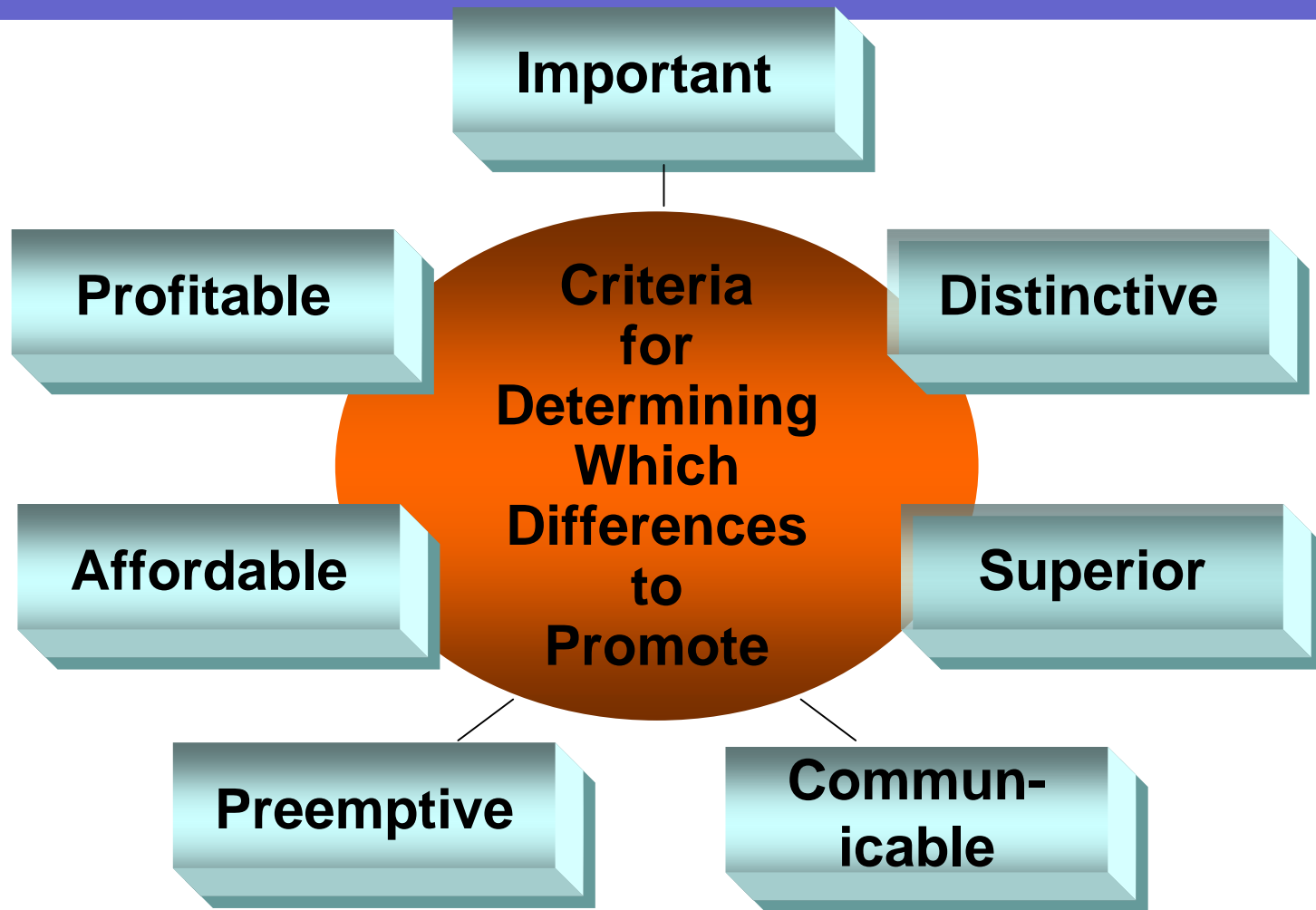
不同止痛药品牌的感知定位图

8-26



Promoting Differences

8-27



Questions

8—28

- 1. Applying the relevant principles, please evaluate the targeting and positioning strategies of Haier, TCL, Lenovo for their major products.***
- 2. What do you think of the positioning strategy of “Brain Platina”(脑白金)?***

