

Principles of Marketing

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Session 7

Market Segmentation, Targeting and Positioning

Text: Chapter 7



Outline

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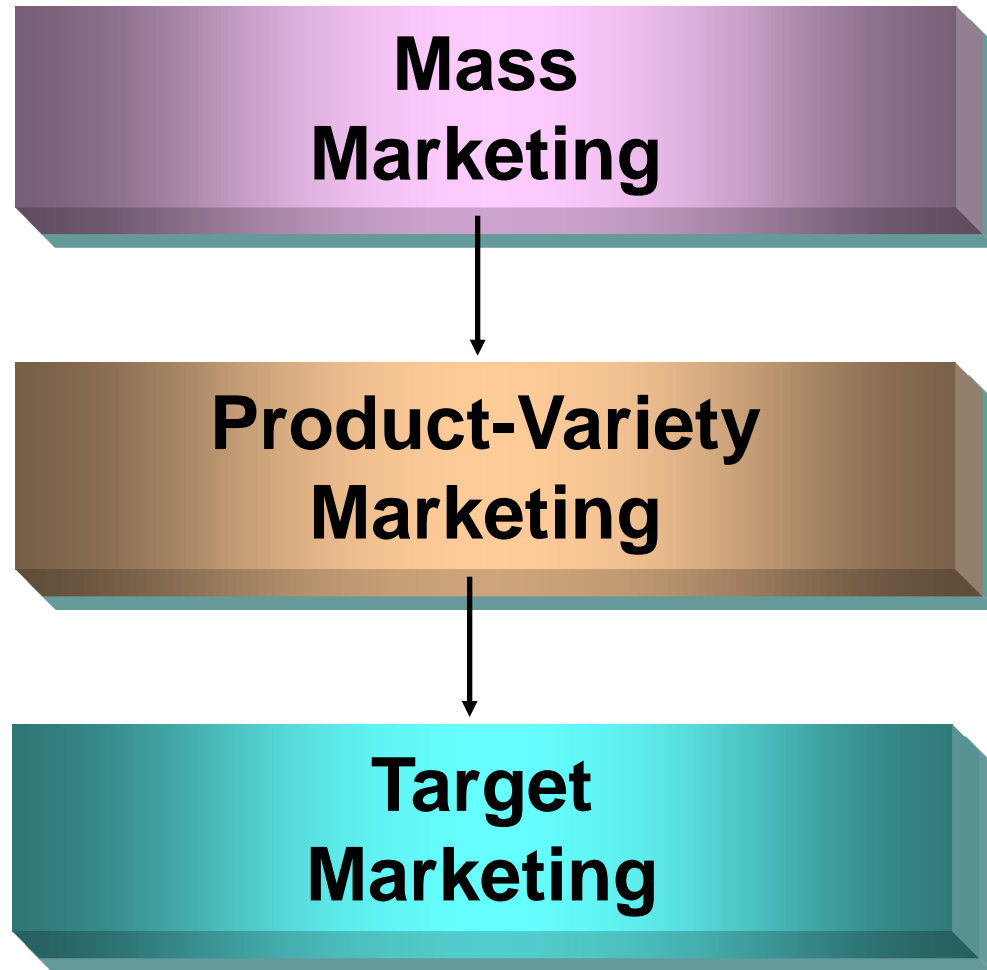
- I. Stages in Market Orientation**
- II. Segmenting Markets**
- III. Market Targeting**
- IV. Positioning**



I. Stages in Market Orientation

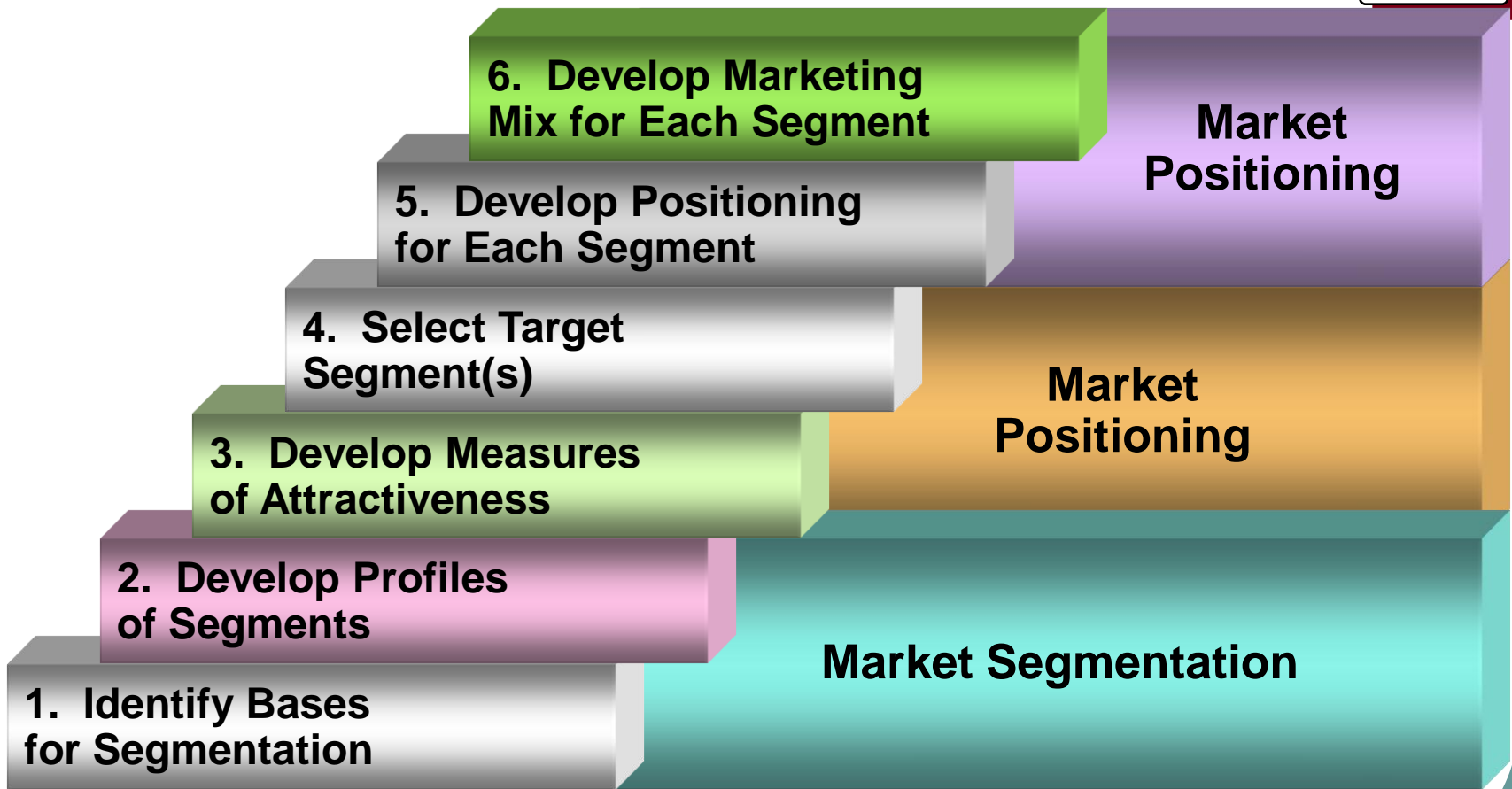
I. Stages in Market Orientation

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Steps in Segmentation, Targeting, and Positioning

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II. Segmenting Markets

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

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Characteristics

- **Demographic**
- **Geographic**
- **Psychographic**
- **Response**



Geodemographics

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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

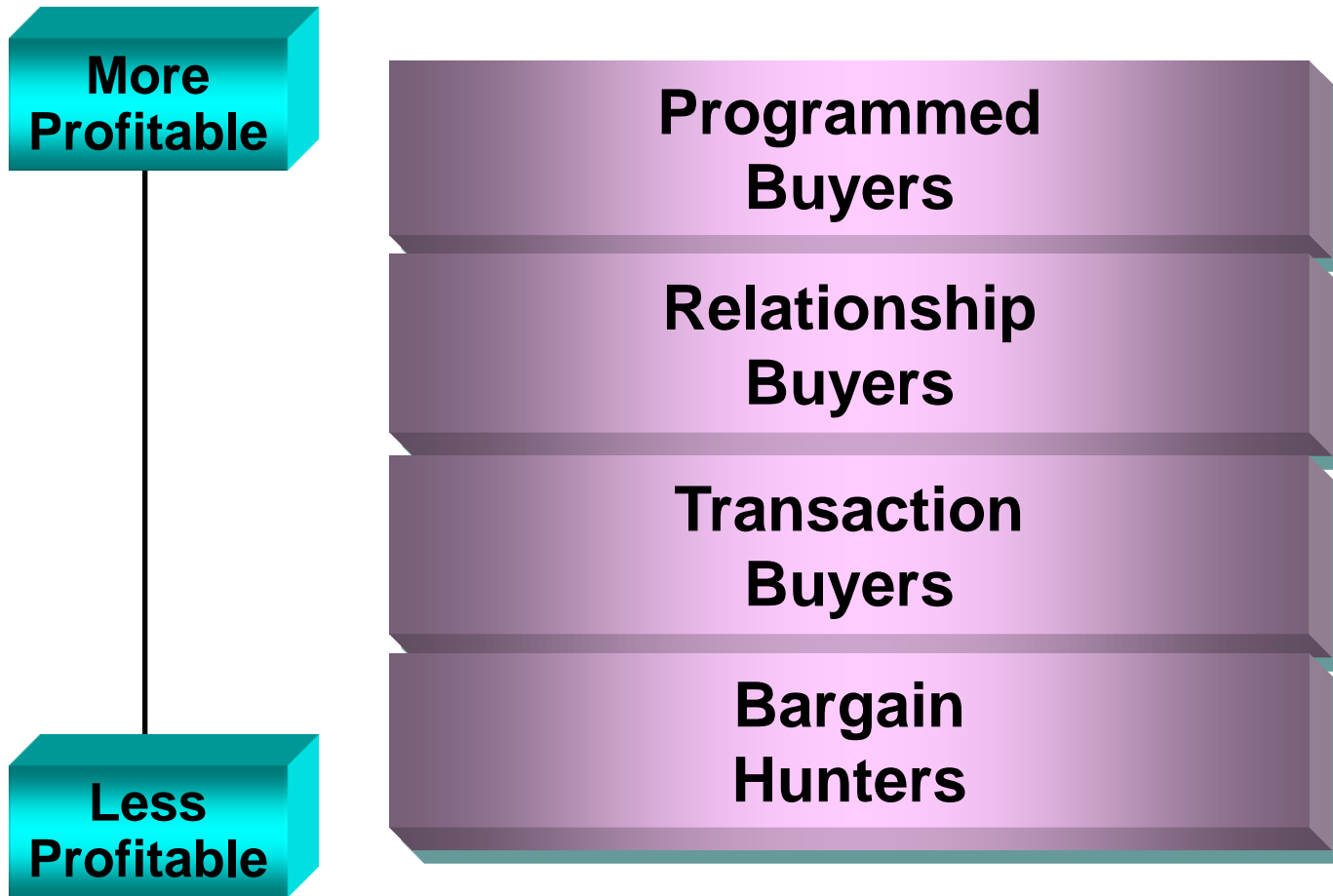
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- **Demographics**
- **Operating Variables**
- **Purchasing Approaches**
- **Situational Factors**
- **Personal Characteristics**



Signode's Segmentation Variables

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Factors for Segmenting International Markets

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

Requirements for Effective Segmentation

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



Evaluating Market Segments

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



III. Target Marketing



III. Target Marketing

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

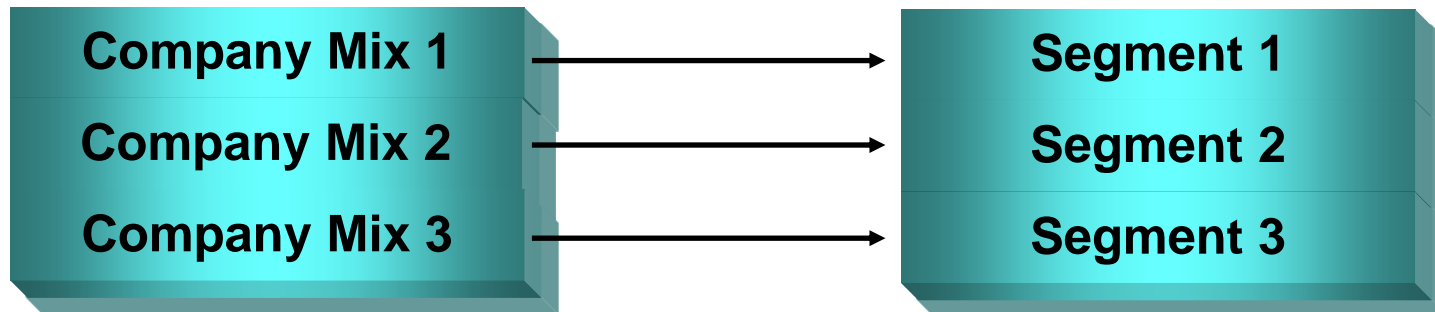


Market Coverage Strategies

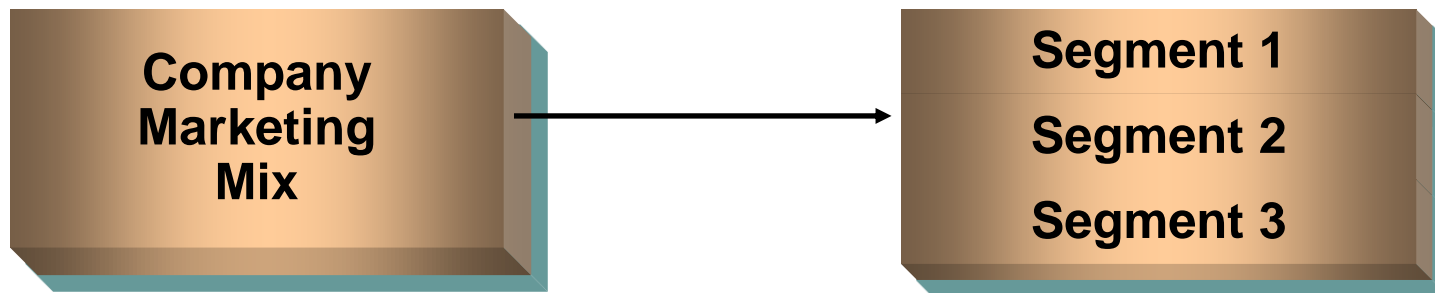
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A. Undifferentiated Marketing



B. Differentiated Marketing



C. Concentrated Marketing

Choosing A Market-Coverage Strategy

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Factors Affecting Strategy Decisions

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



IV. Positioning

IV. Positioning

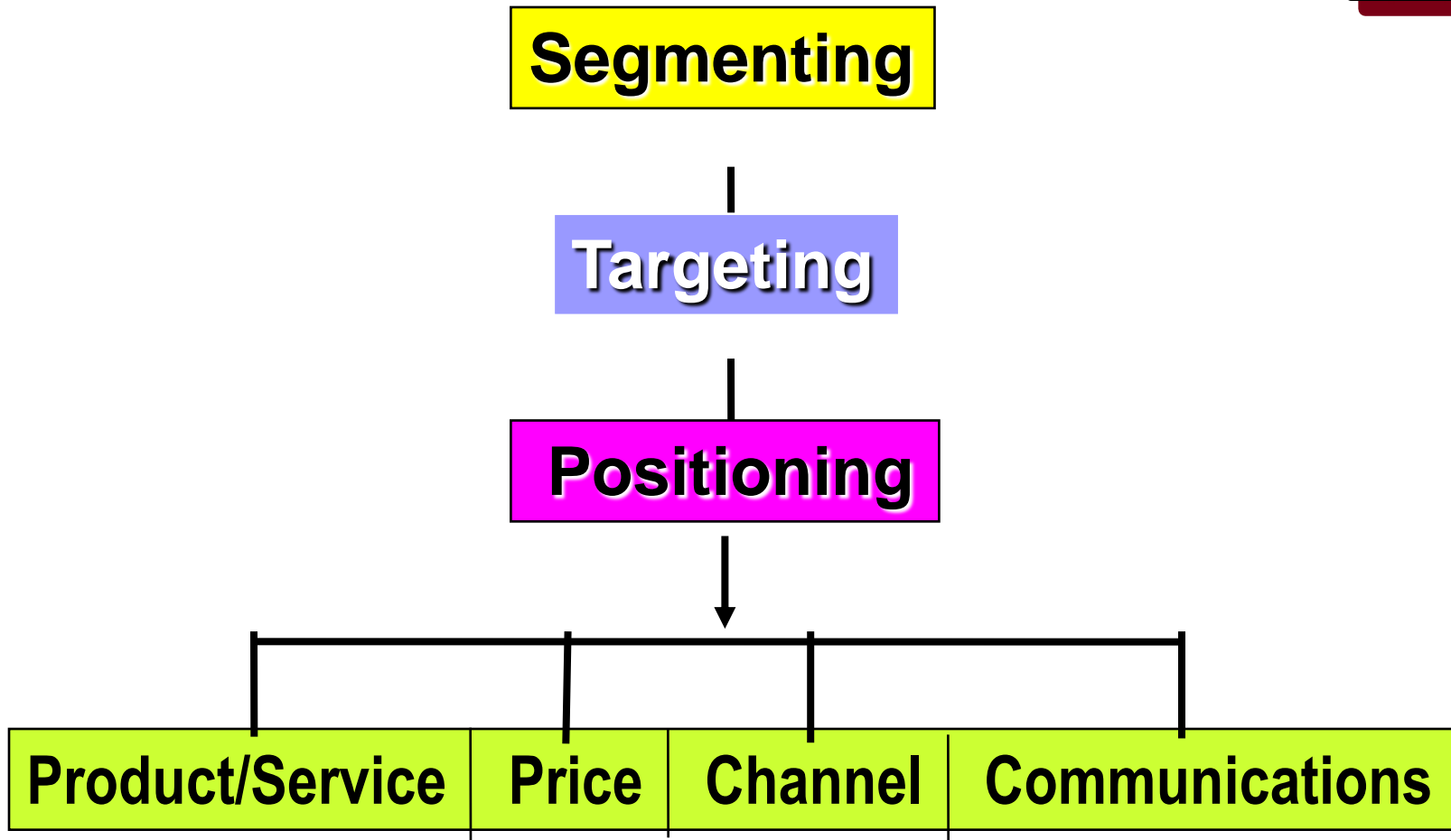
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1. Why do we need to position?
2. Who created the concept, and When?
3. What is Positioning?
4. Position Strategies
5. Steps for Positioning



What is the position of positioning?

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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?

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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?

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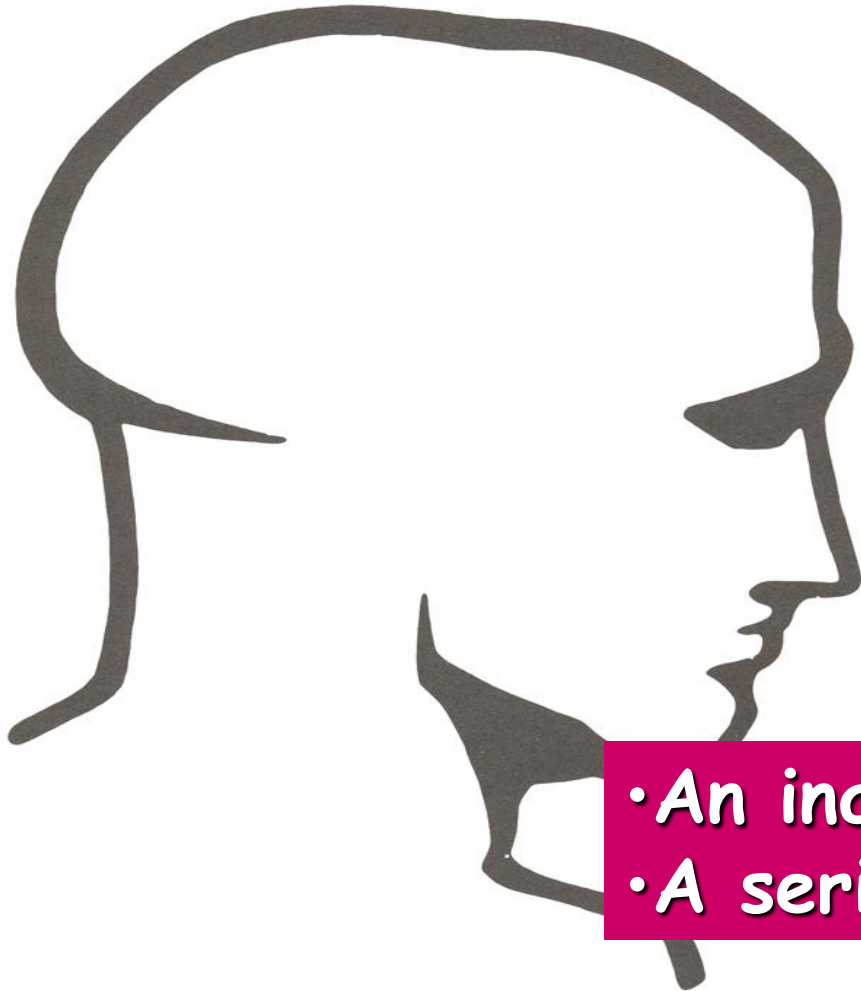
*Positioning starts with
a product/service,
a company/ institution/a person....
... what you do to the mind of the prospect.
..., you position the product in the mind of the
prospect.*

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



3. What is Positioning?

7-25



- An inadequate container
- A series of product ladders



3. What is positioning?

7-26

" ... 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”



4. Positioning Strategies

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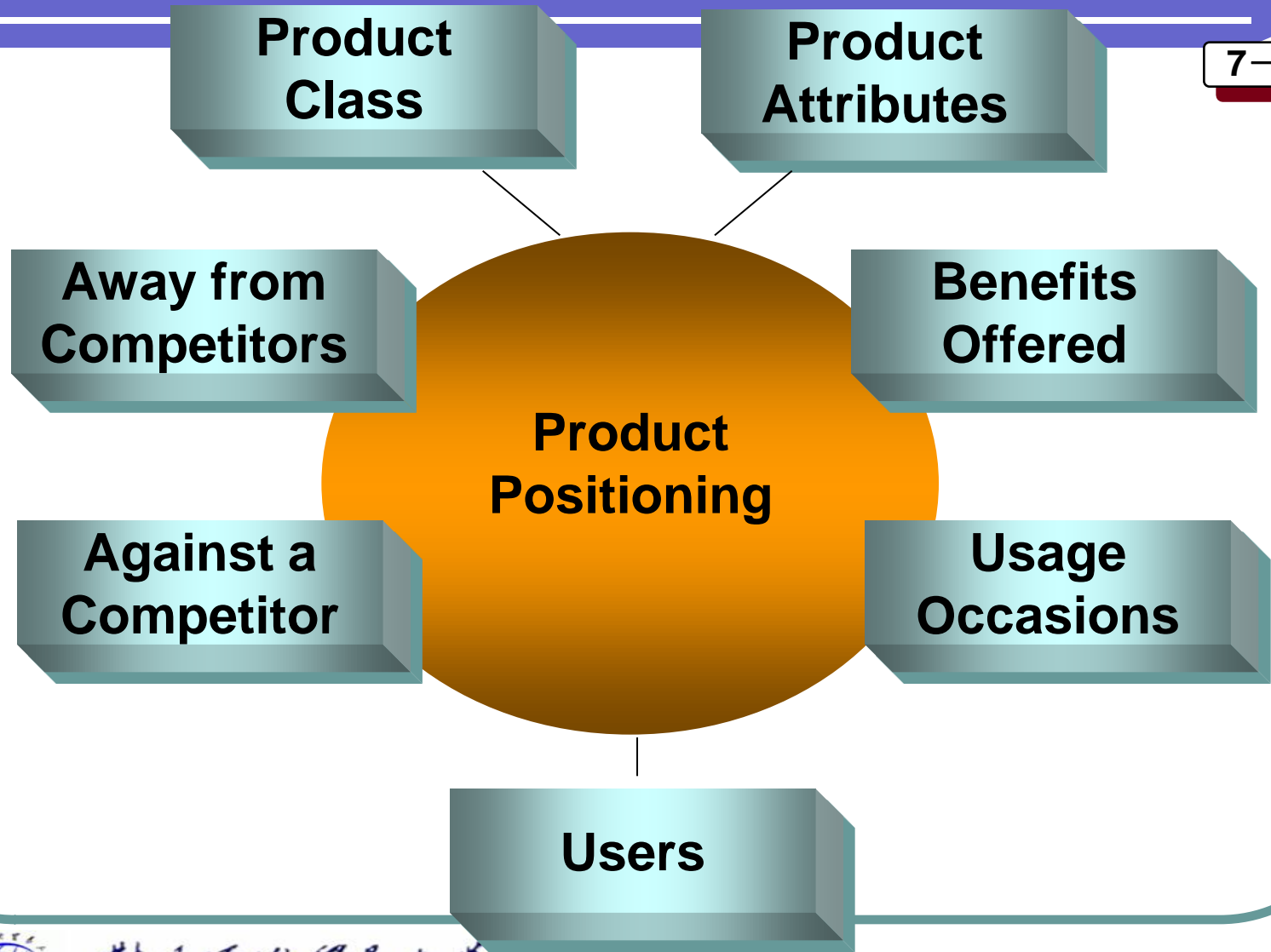
Areas for Competitive Differentiation

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



Product Positioning

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5. Steps for Positioning

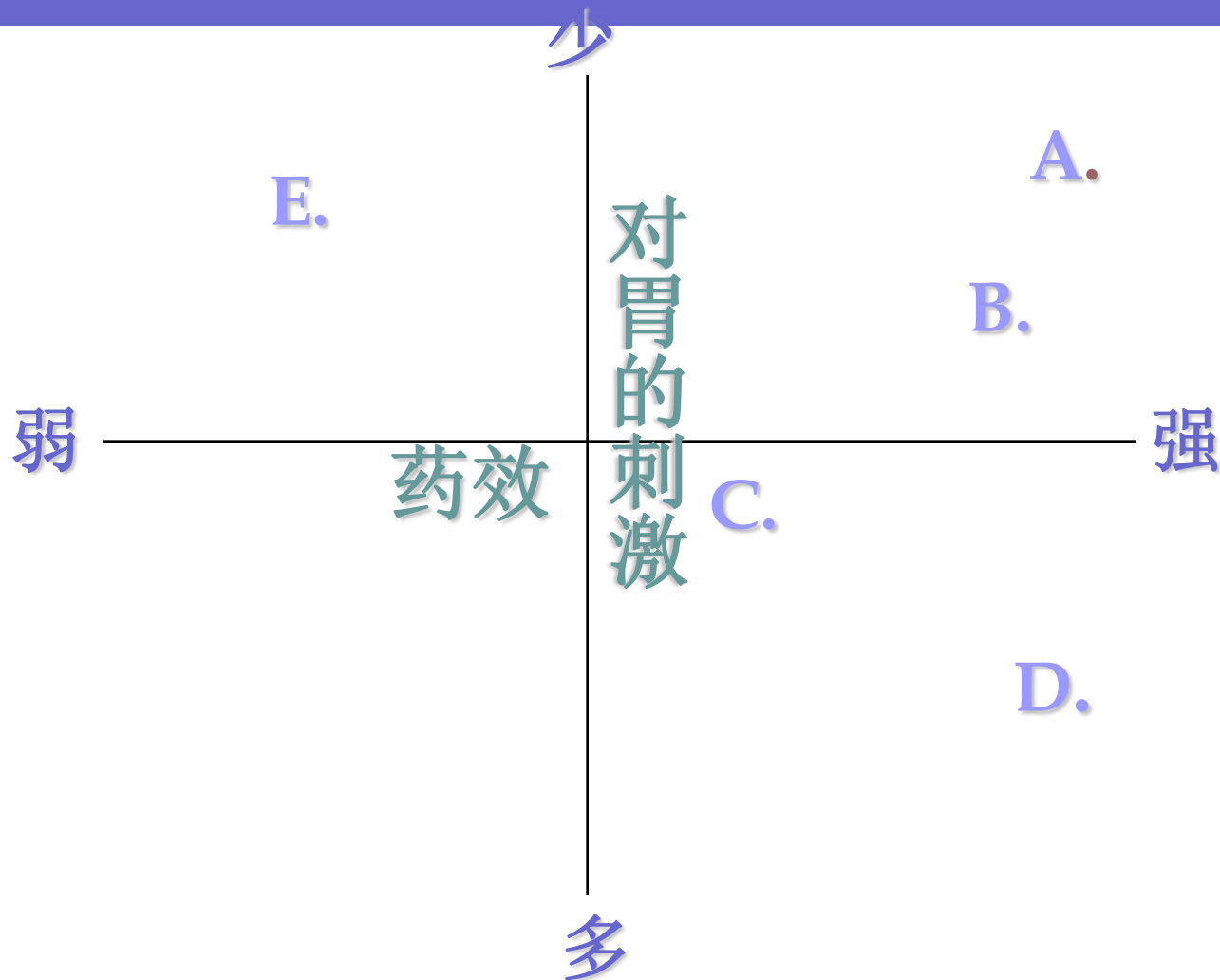
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- Identify the benefits desired by target market—to find the important attributes;
- Discover your present position vs. your major competitors in the customers' mind;
- Find the discriminative attribute(s) by competitive analysis (Product, service,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



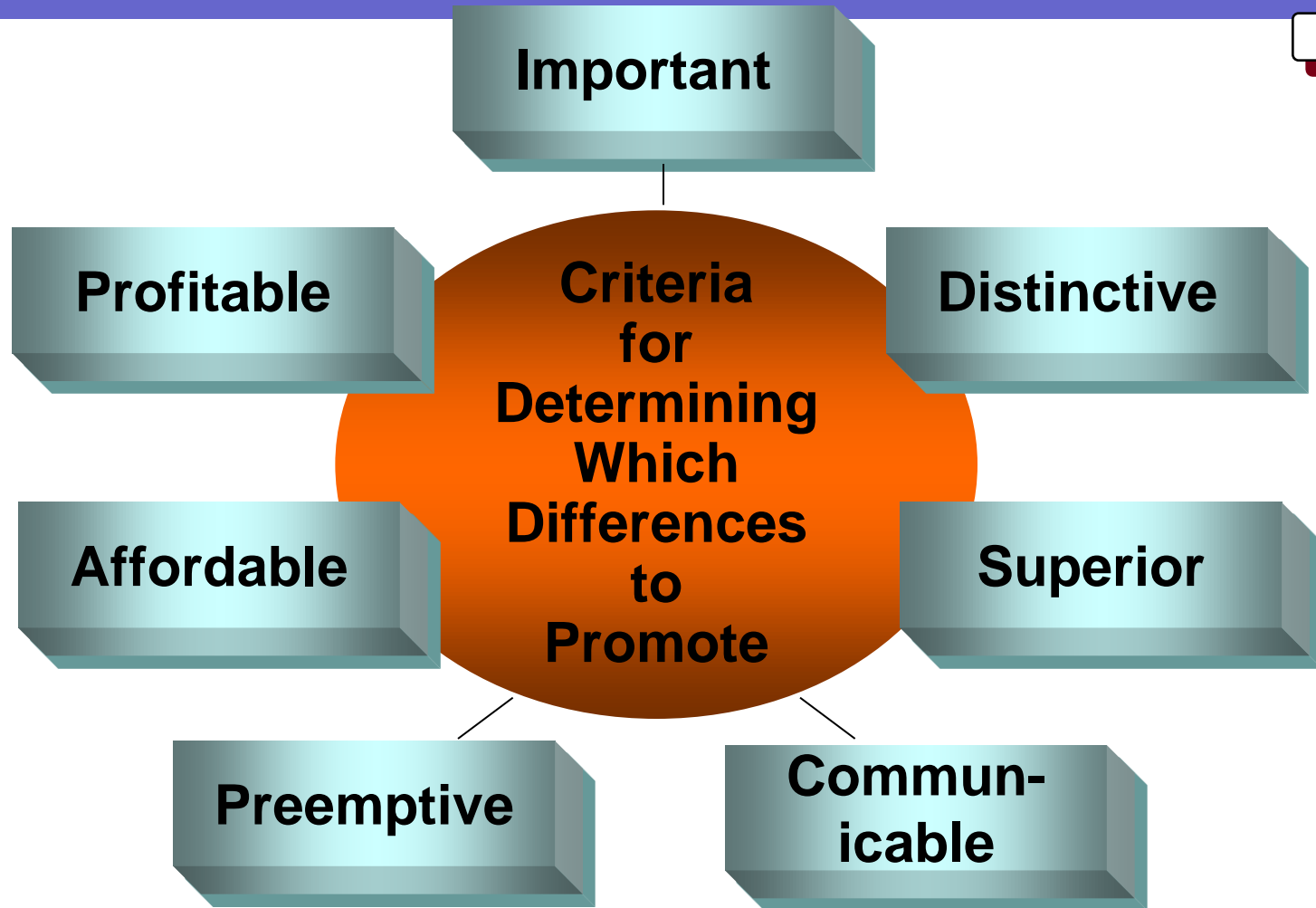
不同止痛药品牌的感知定位图

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Promoting Differences

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案例：动感地带(M-Zone)

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- 动感地带(M-Zone),中国移动旗下三大核心业务品牌之一
- 2001年11月21日,在广州地区小规模试行“动感地带”品牌
- 2002年3月,推向全国。“我的地盘我做主”成为豪情宣言,用户数从200万已增至5500万
- 自2003年3月上市以来,用户数从200万已增至5500万



M-Zone的目标消费者

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- 消费者：
- 年龄在**15岁—25岁**以上的**青少年**用户
- 追求**时尚**，崇尚**个性**，乐于接受**新事物**，容易相互影响，尝试新事物，有成长性
- 动感地带：
- **时尚、好玩、探索，创新、个性、归属感**



- Idol
- Humor



周杰伦广告效果

7-35

- **2003年**
- 短信流量增长超过**63%**;
- 点对点短信业务收入增长超过**30%**;
- 短信增值业务收入增长超过**45%**

- 在对外经济贸易大学**BBS**上通过帖子形式进行的调查显示:回帖人数**83**人,其中动感地带用户为**75**人,非动感地带用户为**8**人.
- 动感地带用户占到**92%**左右.



Questions

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1. Applying the relevant principles, please evaluate the targeting and positioning strategies of 王老吉、荣威汽车 for their major products.

2. Case Analysis

- “GM: Downsizing the Hummer,” *Principles of Marketing* 11th ed.
- “辣沙司进入美国餐饮市场”，《市场营销学案例与实践》，p. 110.
- “浙江天正集团”，《中欧案例经典》，pp. 286-292.

