

A spiral-bound notebook with a textured, light brown cover. The metal spiral binding is visible on the left side. The text is centered on the cover in a white, serif font.

# Market Segmentation, Targeting, and Positioning for Competitive Advantage

# Steps in Segmentation, Targeting, and Positioning

**1. Identify Bases  
for Segmenting the Market**

**2. Develop Profiles  
of Resulting Segments**

**3. Develop Measures  
of Segment Attractiveness**

**4. Select Target  
Segment(s)**

**5. Develop Positioning  
for Each Target Segment**

**6. Develop Marketing  
Mix for Each Target Segment**

**Market Segmentation**

**Market  
Targeting**

**Market  
Positioning**

# Step 1. Market Segmentation

## Levels of Market Segmentation

**Mass Marketing**  
*Same product to all consumers*  
(no segmentation)

**Segment Marketing**  
*Different products to one or more segments*  
(some segmentation)

**Niche Marketing**  
*Different products to subgroups within segments*  
(more segmentation)

**Micromarketing**  
*Products to suit the tastes of individuals and locations*  
(complete segmentation)

**Local Marketing**

*Tailoring brands/ promotions  
to local customer groups*

**Individual Marketing**

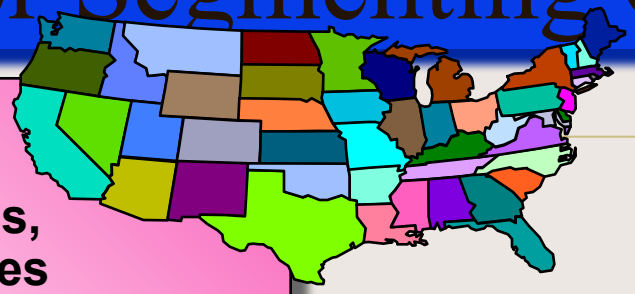
*Tailoring products/ programs  
to individual customers*

# Step 1. Market Segmentation

## Bases for Segmenting Consumer Markets

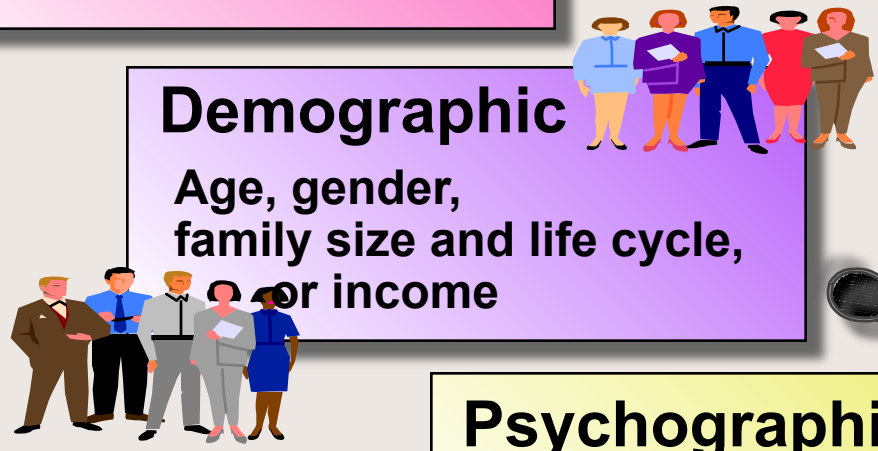
### Geographic

Nations, states, regions or cities



### Demographic

Age, gender, family size and life cycle, or income



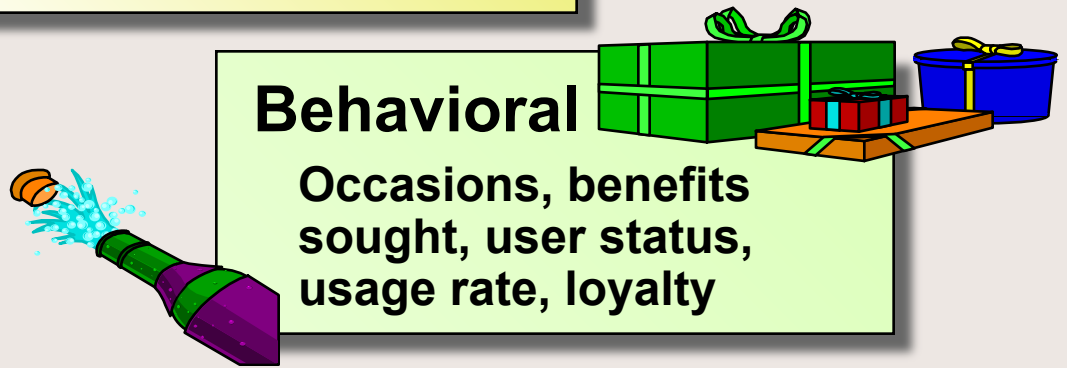
### Psychographic

Social class, lifestyle, or personality



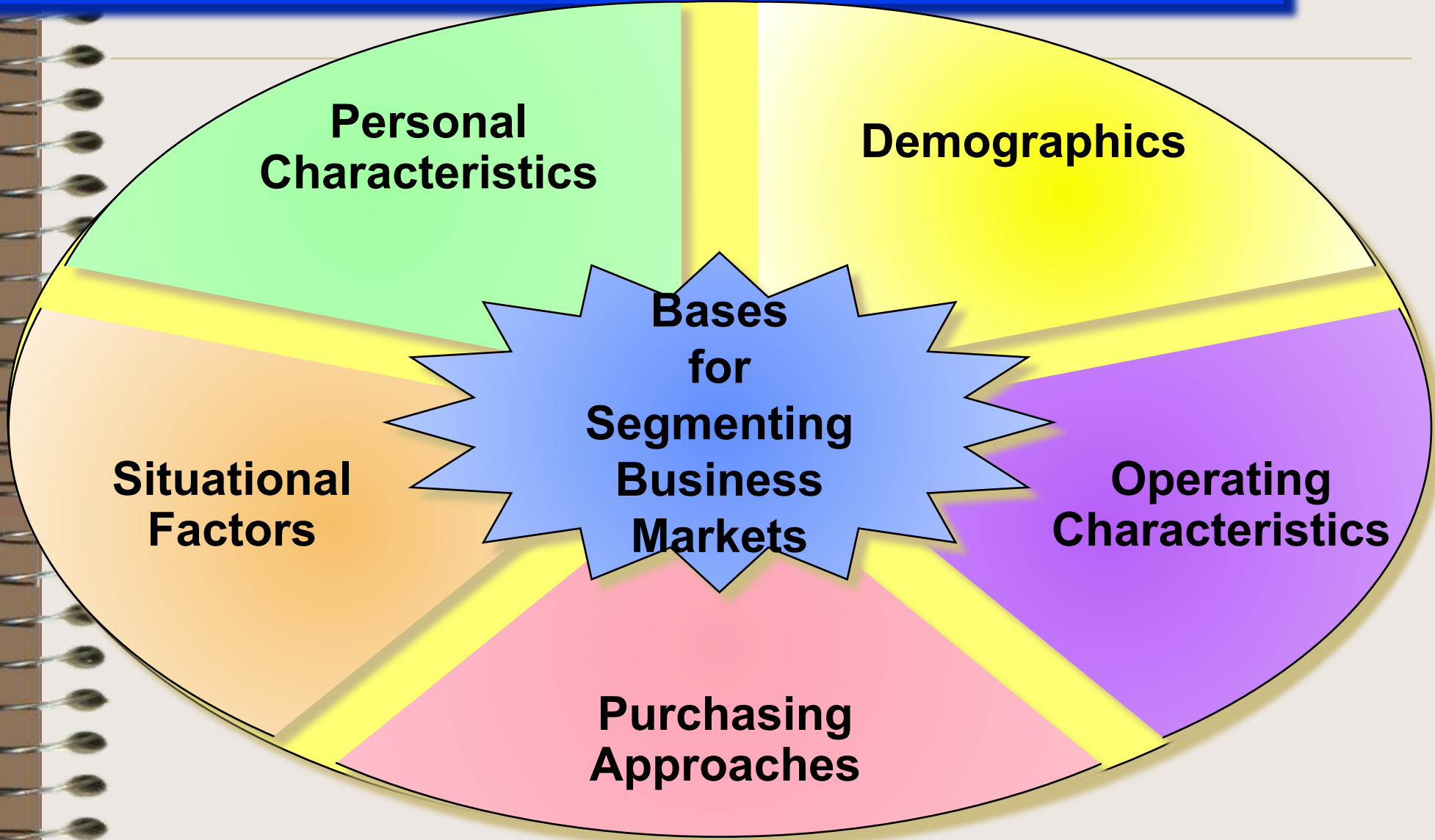
### Behavioral

Occasions, benefits sought, user status, usage rate, loyalty



# Step 1. Market Segmentation

## Bases for Segmenting Business Markets



# Step 1. Market Segmentation

## Bases for Segmenting International Markets

**Industrial Markets**

```
graph TD; A[Industrial Markets] --> B[Geographic]; A --> C[Economic]; A --> D[Political/Legal]; E[Cultural]; F[Intermarket];
```

**Geographic**

**Economic**

**Political/  
Legal**

**Cultural**

**Intermarket**

# Step 1. Market Segmentation

## Requirements for Effective Segmentation

Measurable

- Size, purchasing power, 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 must respond differently to different marketing mix elements & programs.

Actionable

- Effective programs can be designed to attract and serve the segments.

# Step 2. Market Targeting

## Evaluating Market Segments

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- **Segment Size and Growth**

- Analyze sales, growth rates and expected profitability for various segments.

- **Segment Structural Attractiveness**

- Consider effects of: Competitors, Availability of Substitute Products and, the Power of Buyers & Suppliers.

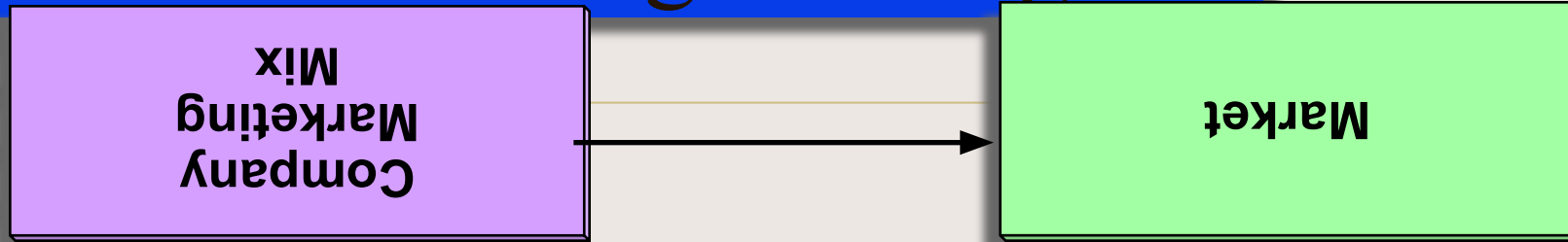
- **Company Objectives and Resources**

- Company skills & resources relative to the segment(s).
  - Look for Competitive Advantages.



# Step 2. Market Targeting

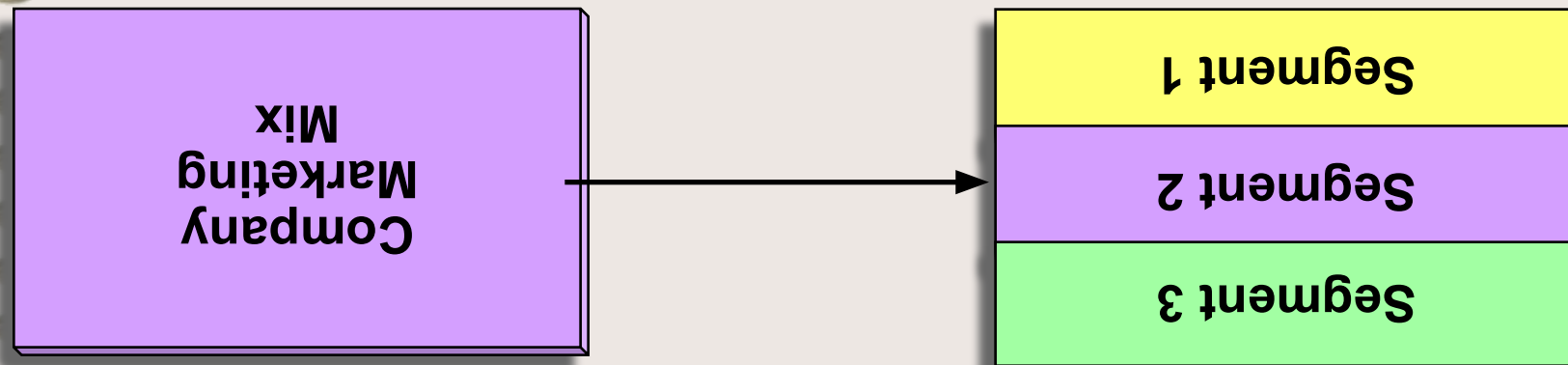
## Market Coverage Strategies



A. Undifferentiated Marketing



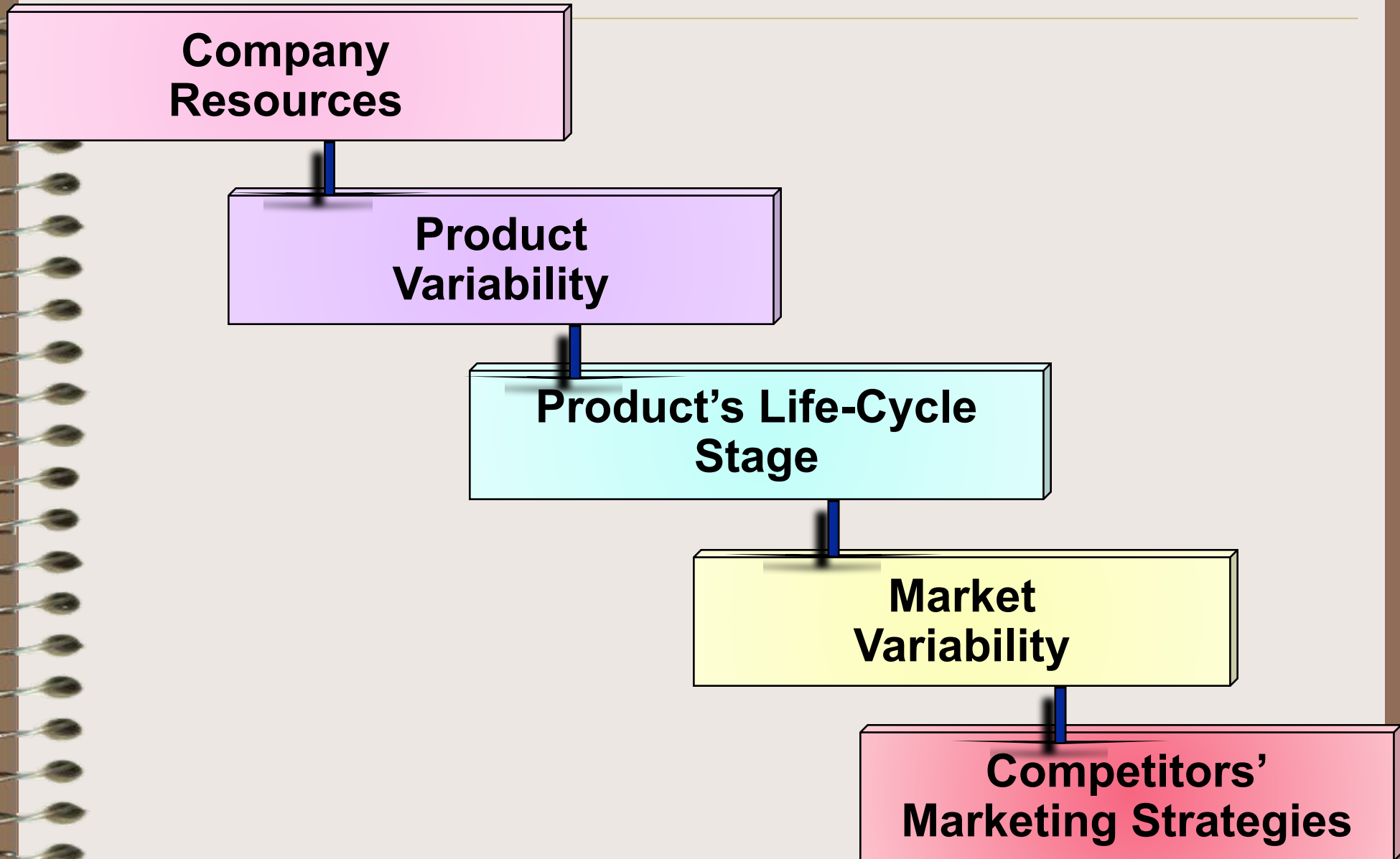
B. Differentiated Marketing



C. Concentrated Marketing

# Step 2. Market Targeting

## Choosing a Market-Coverage Strategy

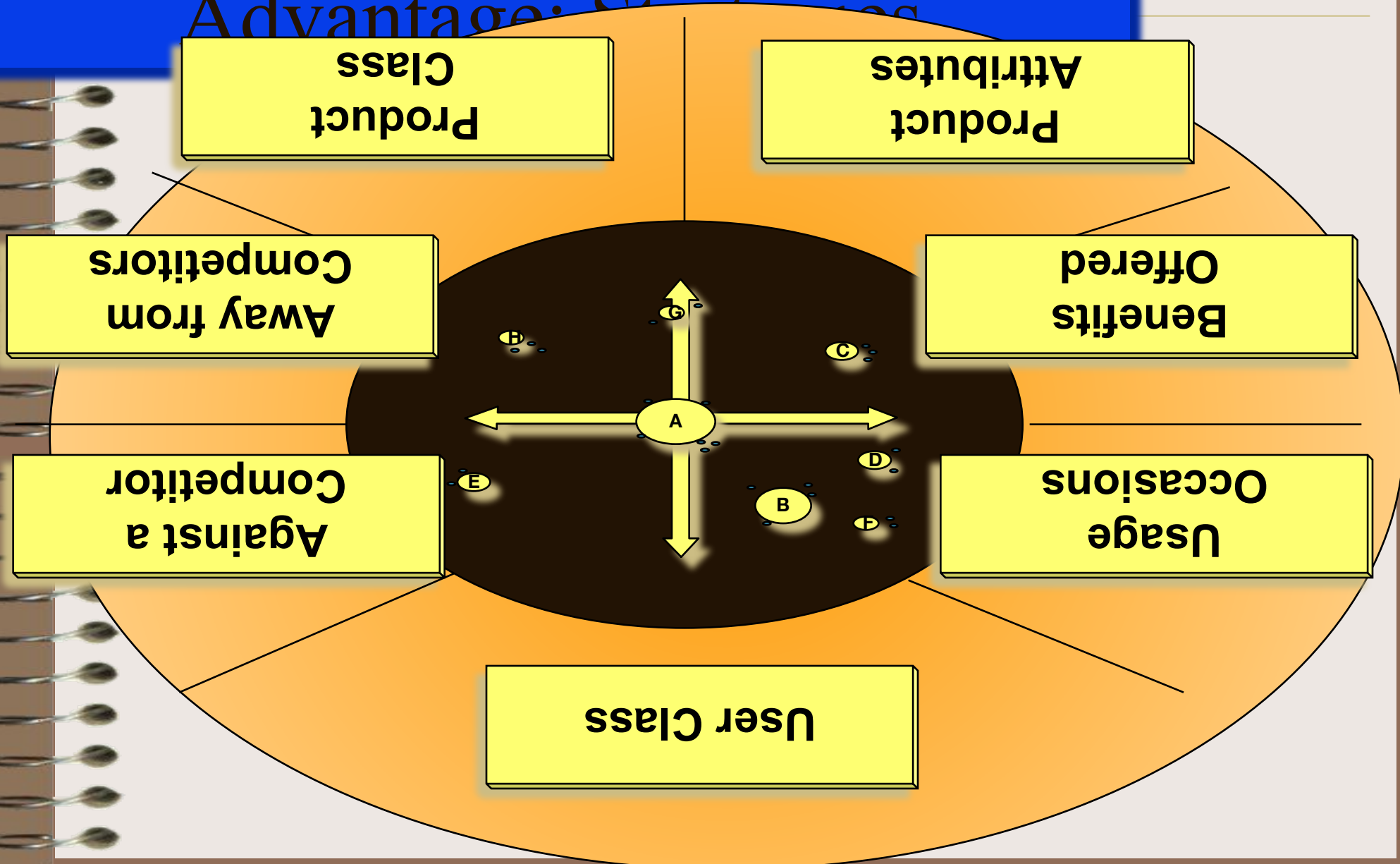


# Step 3. Positioning for Competitive Advantage

- **Product's Position** - the way the product is *defined by consumers* on important attributes - the place the product occupies in consumers' minds relative to competing products.
- Marketers must:
  - *Plan* positions to give their products the greatest advantage in selected target markets,

# Step 3. Positioning for Competitive Advantage: Strategies

Advantage: Strategies



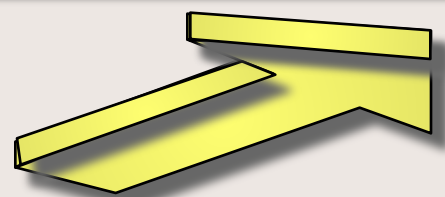
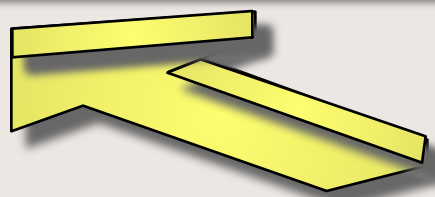
# Steps to Choosing and Implementing a Positioning Strategy

- Step 1. Identifying Possible Competitive Advantages: Competitive Differentiation.
- Step 2. Selecting the Right Competitive Advantage: Unique Selling Proposition (USP).
- Step 3. Communicating and Delivering the Chosen Position.

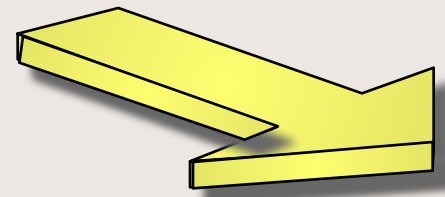
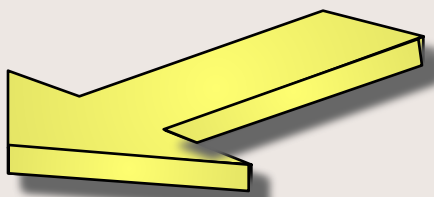
# Developing Competitive Differentiation

**Product**

**Service**



**Areas for Competitive Differentiation**

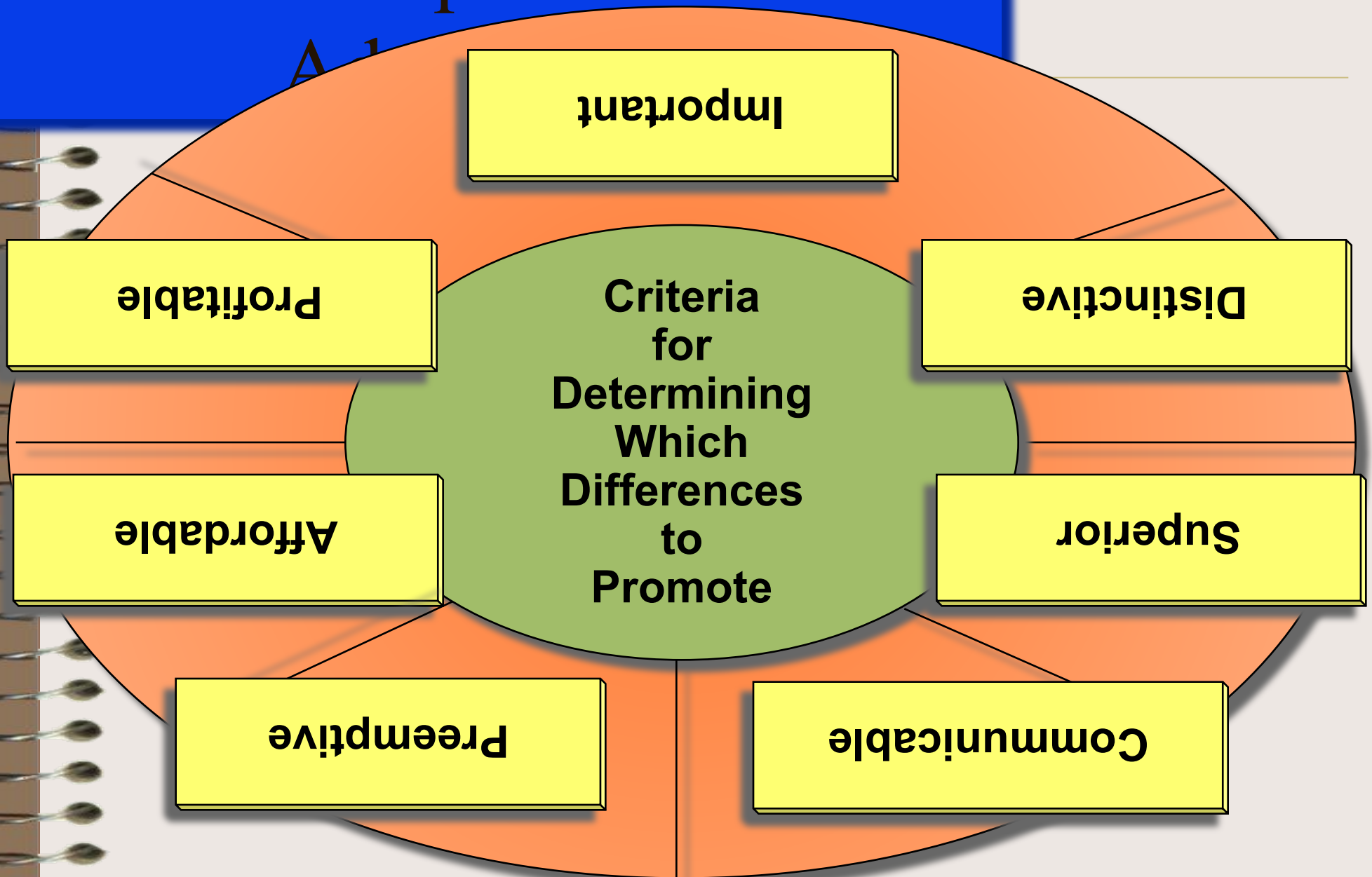


**Image**

**People**

# Selecting the Right Competitive

A 1





# Rest Stop: Reviewing the Concepts

- Define the three steps of target marketing: market segmentation, market targeting, and market positioning.
- List and discuss the major levels of market segmentation and bases for segmenting consumer and business markets.
- Explain how companies identify attractive market segments and choose a market coverage strategy.
- Discuss how companies position their products for maximum competitive advantage in the marketplace.