

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

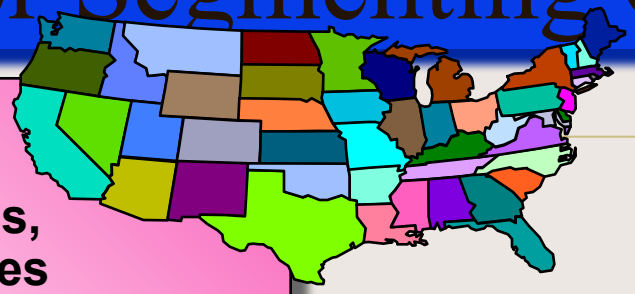
*Tailoring products/ programs
to individual customers*

Step 1. Market Segmentation

Bases for Segmenting Consumer Markets

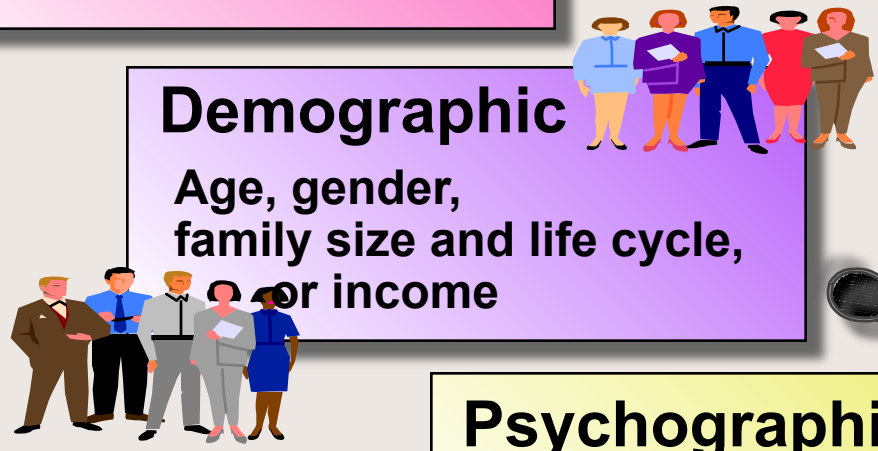
Geographic

Nations, states, regions or cities



Demographic

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



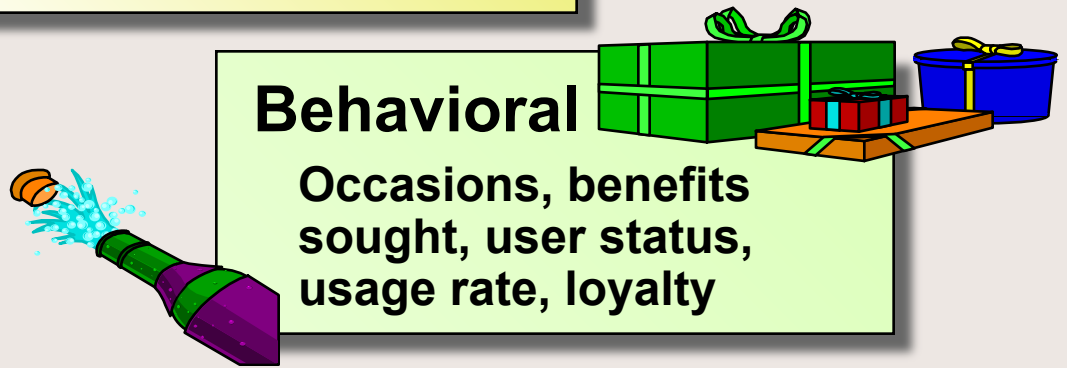
Psychographic

Social class, lifestyle, or personality



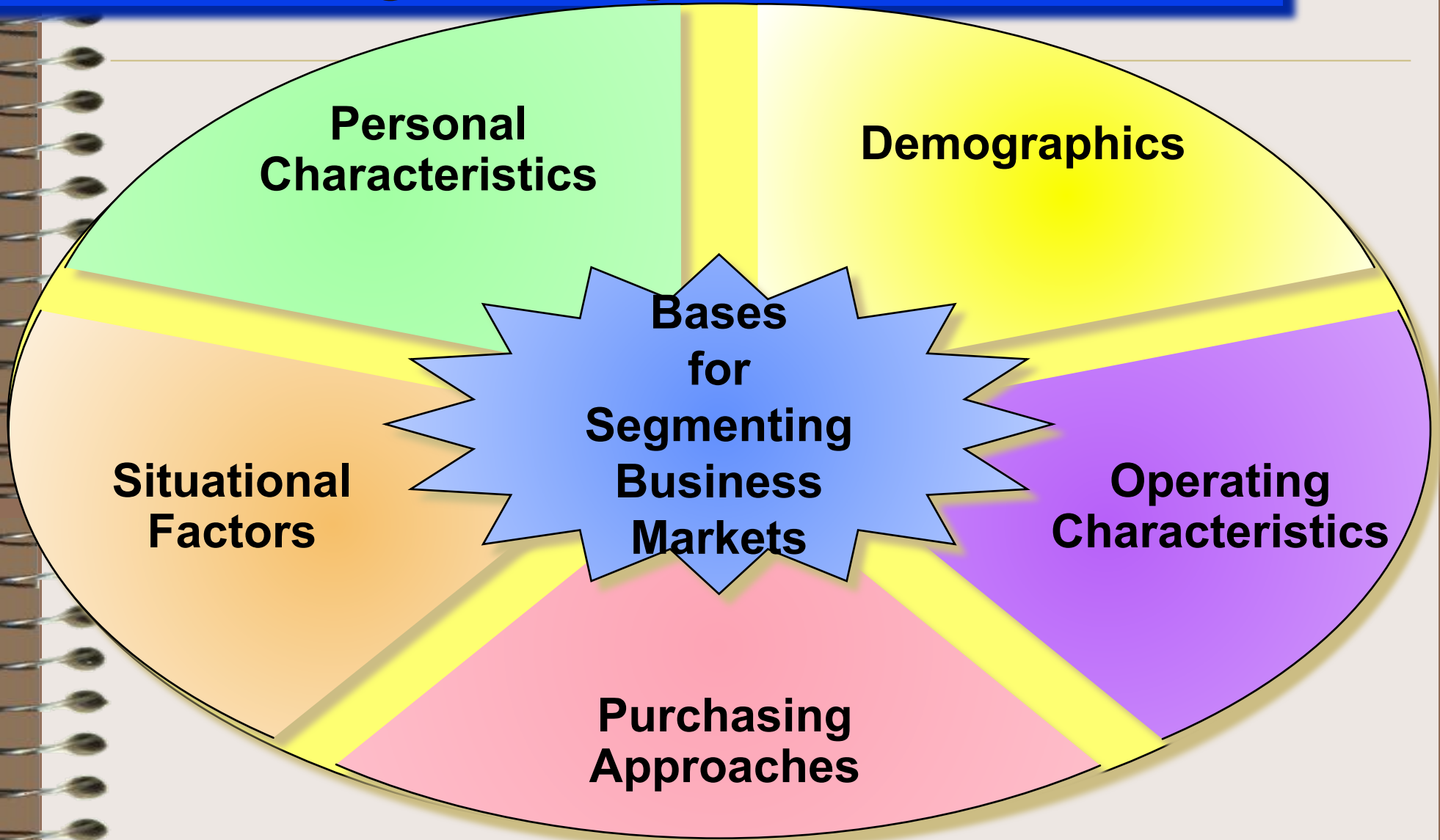
Behavioral

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

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

- **Segment Size and Growth**

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

- **Segment Structural Attractiveness**

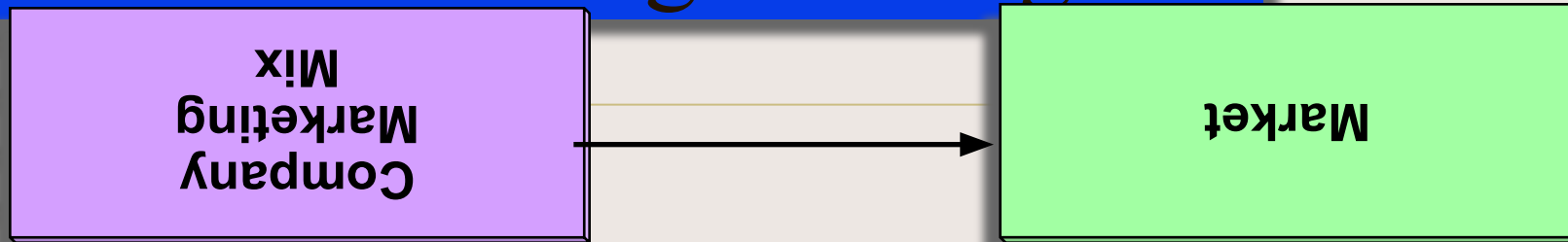
- Consider effects of: Competitors, Availability of Substitute Products and, the Power of Buyers & Suppliers.

- **Company Objectives and Resources**

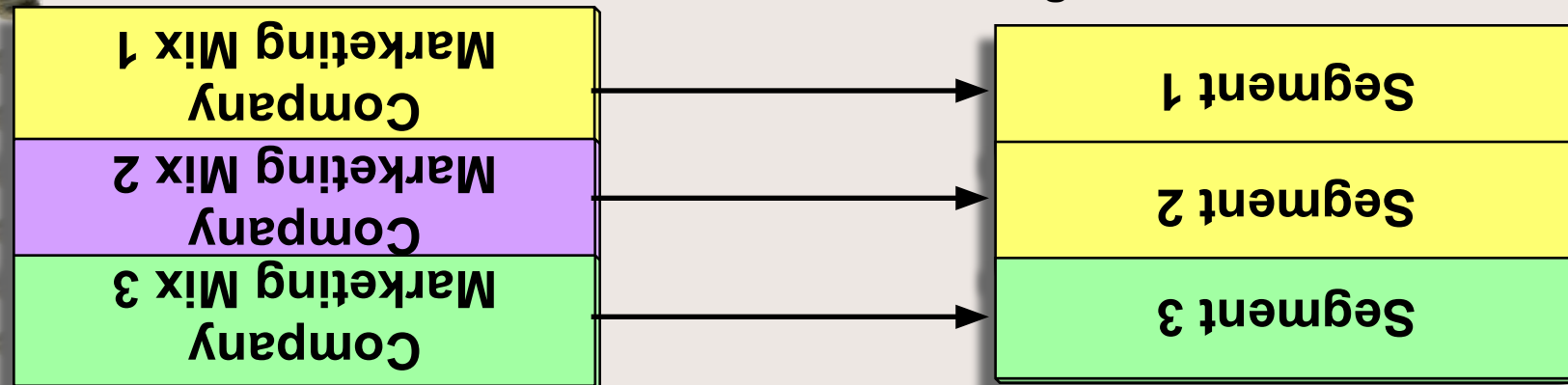
- Company skills & resources relative to the segment(s).
 - Look for Competitive Advantages.

Step 2. Market Targeting

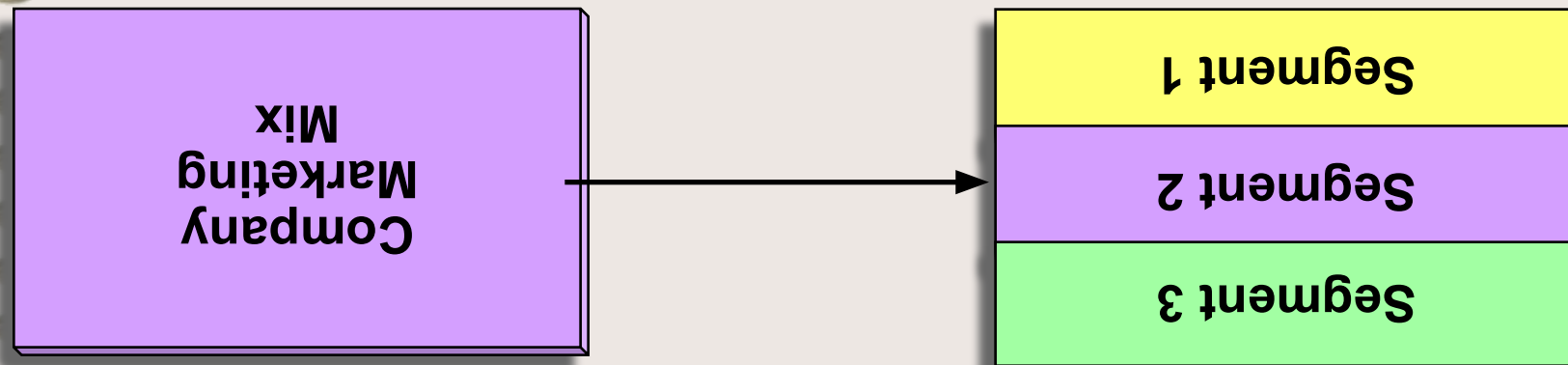
Market Coverage Strategies



A. Undifferentiated Marketing



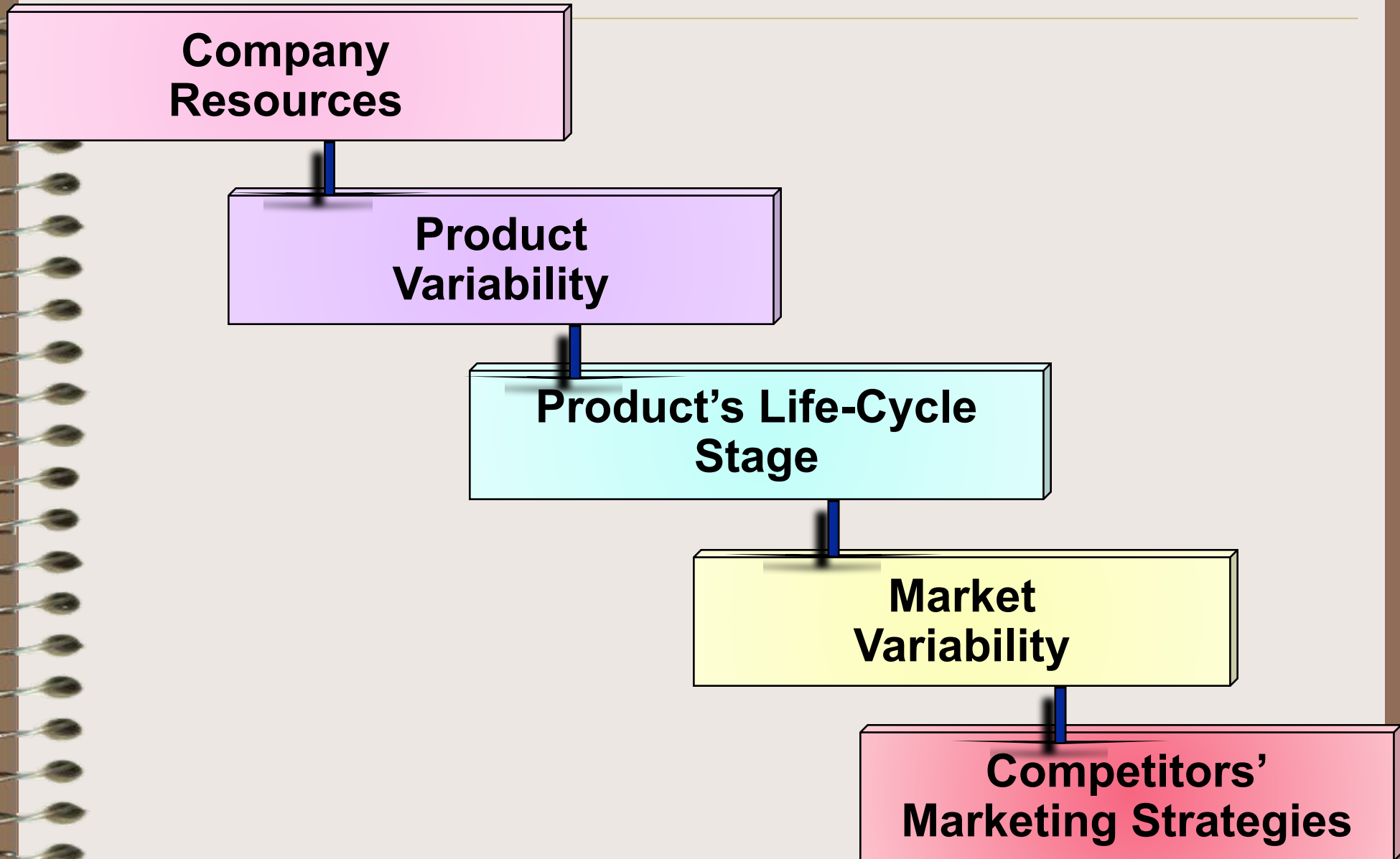
B. Differentiated Marketing



C. Concentrated Marketing

Step 2. Market Targeting

Choosing a Market-Coverage Strategy

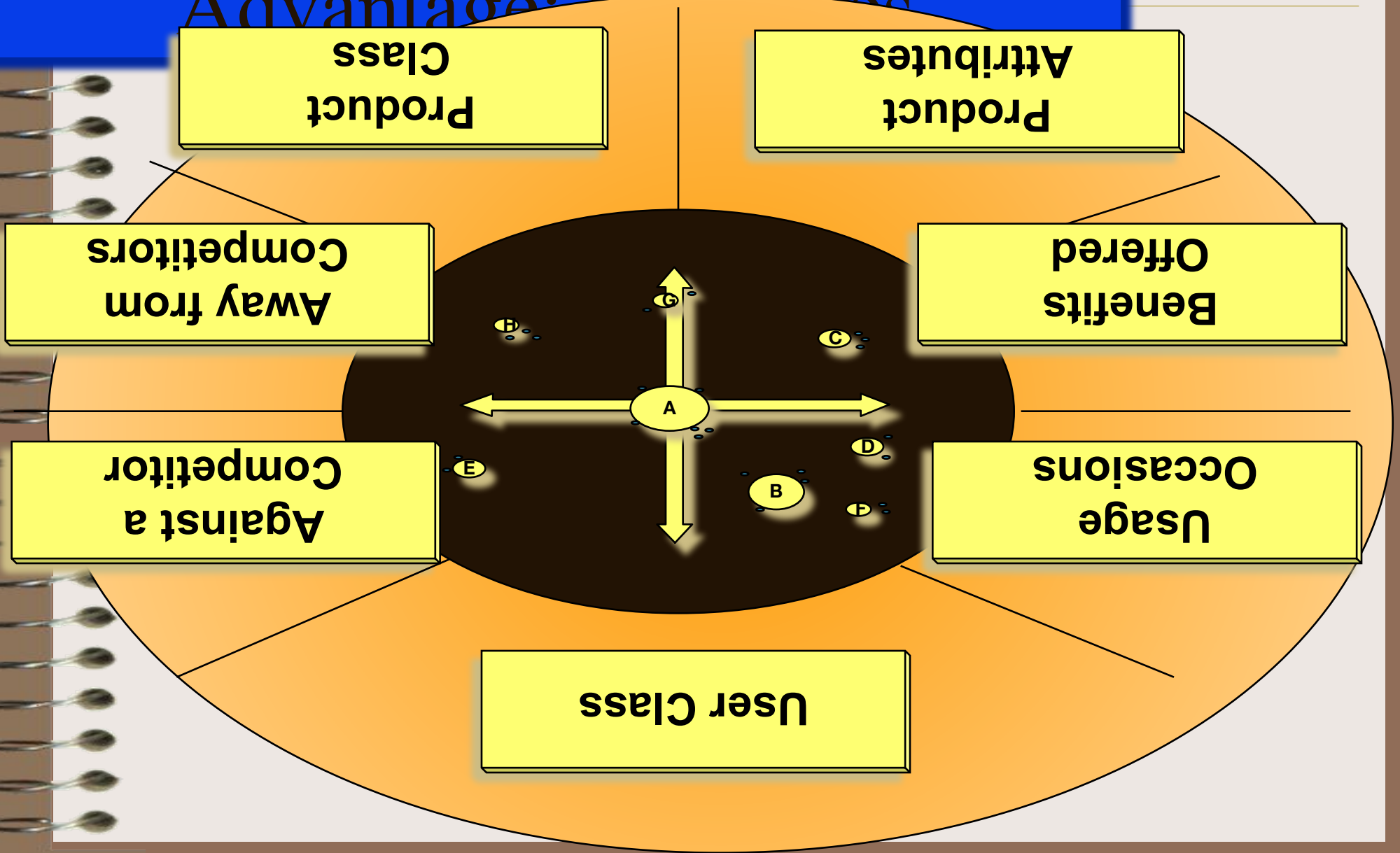


Step 3. Positioning for Competitive Advantage

- **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



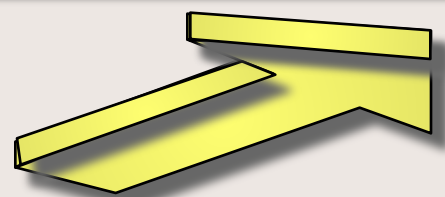
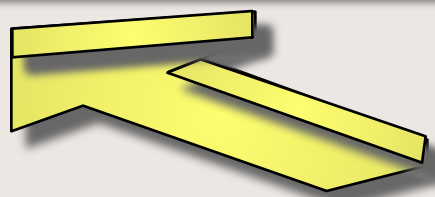
Steps to Choosing and Implementing a Positioning Strategy

- 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.

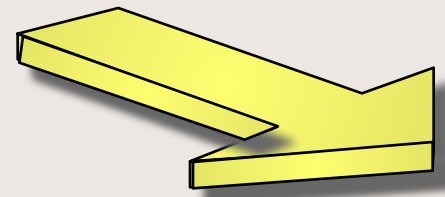
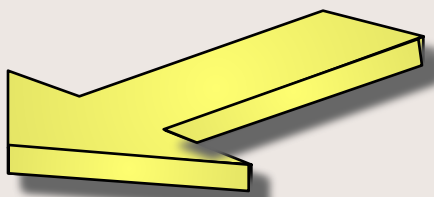
Developing Competitive Differentiation

Product

Service



Areas for Competitive Differentiation



Image

People

Selecting the Right Competitive

A 1

Important

Profitable

Distinctive

**Criteria
for
Determining
Which
Differences
to
Promote**

Affordable

Superior

Preemptive

Communicable



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.