

MARKET SEGMENTATION, TARGETING AND POSITIONING

CHAPTER-5

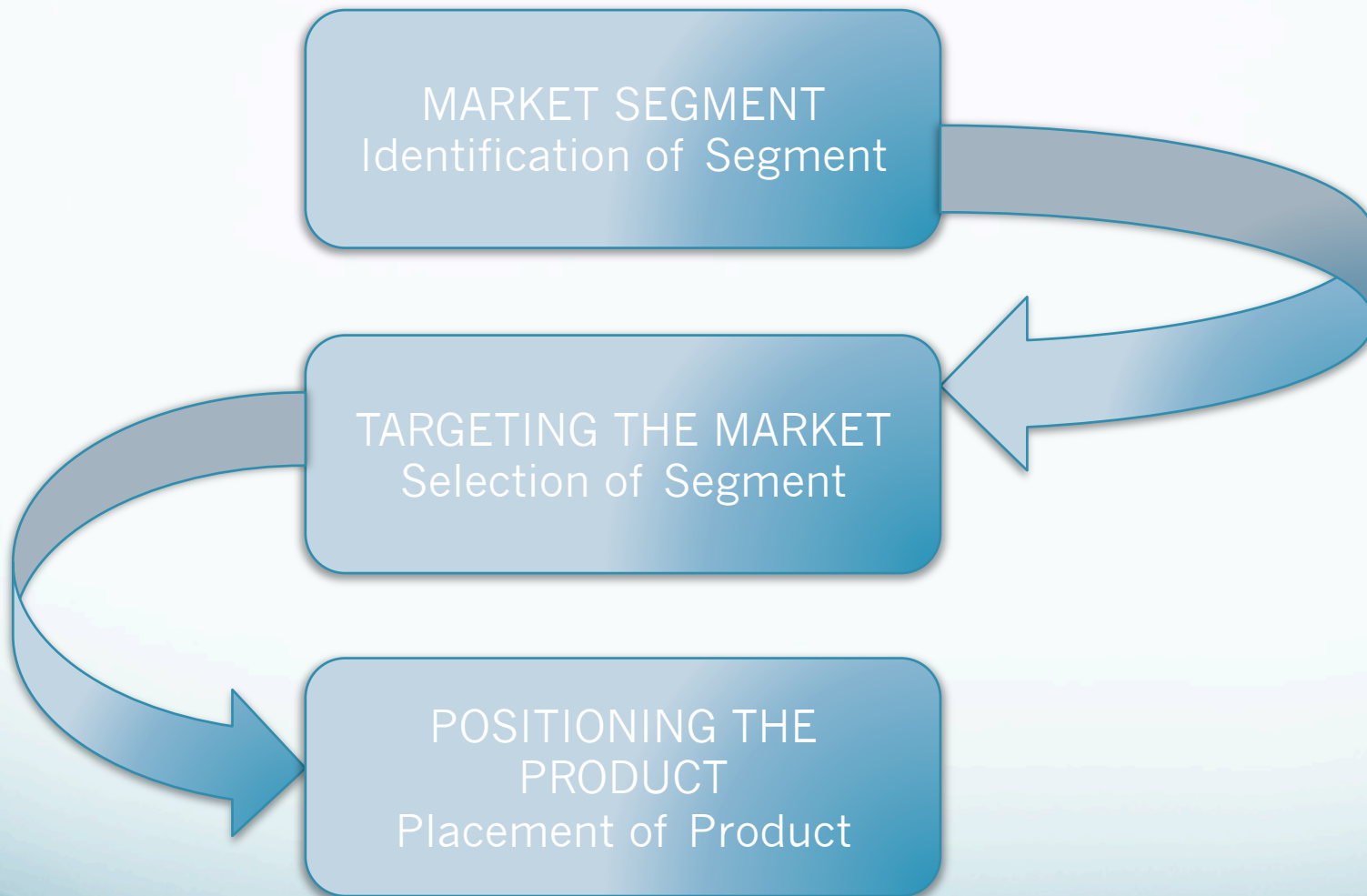
Supriya Kamna

Assistant Professor

Department of Commerce

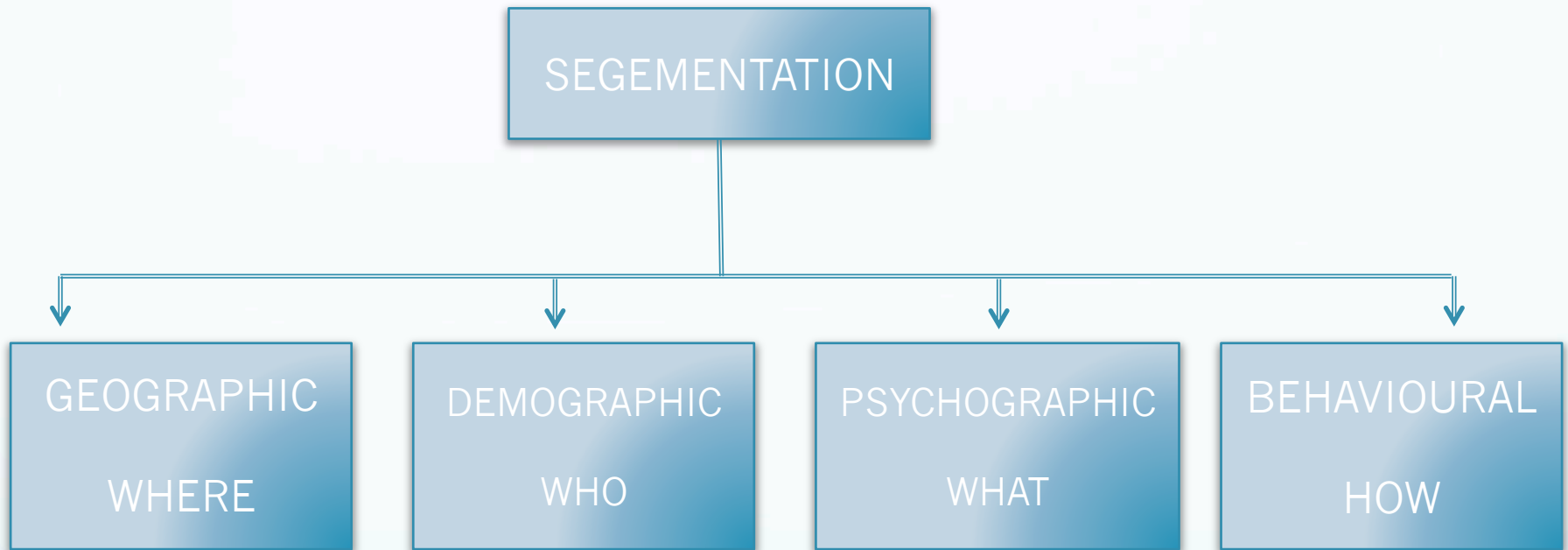
Shivaji College, University of Delhi

INTRODUCTION



- <https://youtu.be/kmyZ1ytxknw> <https://youtu.be/zek1PqGSII0>
<https://youtu.be/FnrvjYeY3Vk> <https://youtu.be/W2Fa06Rzl7g>

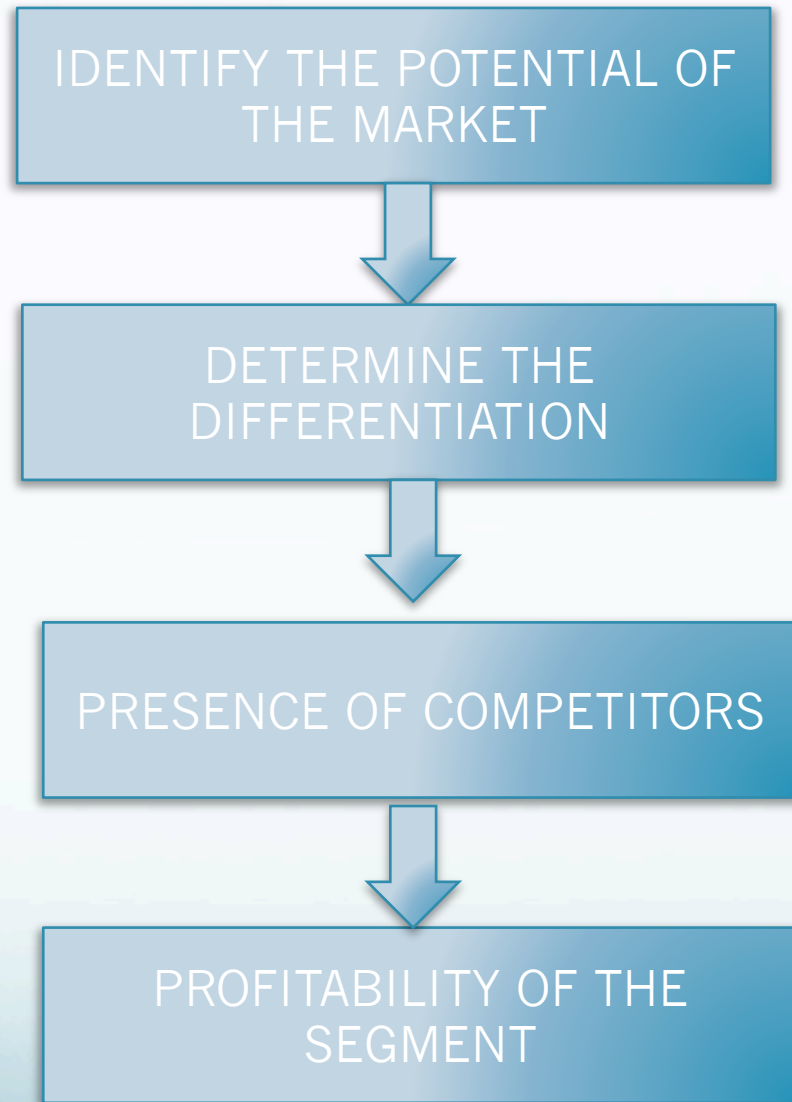
SEGMENTING THE MARKET- Consumer



1. GEOGRAPHIC SEGEMENTATION- It focuses on dividing markets into different geographic units based on region, states, rural, climate conditions etc.
2. DEMOGRAPHIC- **Age group** like infant, children, teenagers, young adults, Senior adults. **Income level**- Lower income group, Middle income group and Upper income group. **Gender, Social Class, Occupation, Education, Religion.**
3. PSYCHOGRAPHIC SEGMENTATION- Based on Social Class, Personality and Lifestyle.
4. BEHAVIOURAL SEGMENTATION- Marketers divide the buyers on the basis of their knowledge about the product, attitude towards product and their response to a product.

MULTIPLE BASIS OF SEGMENTATION

PROCESS OF SEGMENTATION



REQUIREMENTS FOR EFFECTIVE SEGMENTATION

1. MEASURABLE
2. ACCESSIBLE
3. SIZE
4. VIABLE
5. DIFFERENTIABLE
6. COMPETITIVE

MARKET TARGETING

Decide on which segment to serve.

STRATEGIES-

1. UNDIFFERENTIATED STRATEGY- Whole market is one.

Advantages- EOS, Maximum utilisation of resources, cost effective and specialisation. **Disadvantages-** Ignores consumer concerns.

2. DIFFERENTIATION STRATEGY- targets different segments differently.

Advantages- Varied coverage, Efficient use of resources, increased sale.

Disadvantages- Multiple marketing mix, increased cost.

3. NICHE/CONCENTRATED MARKETING- Here marketers targets large share of one or few segments (niche).

Advantages- Useful for small firms, Specialisation, cost effective.

Disadvantages- Risk, Competition.

4. MICRO MARKETING- Products suited to specific needs of specific individuals or local customer group.

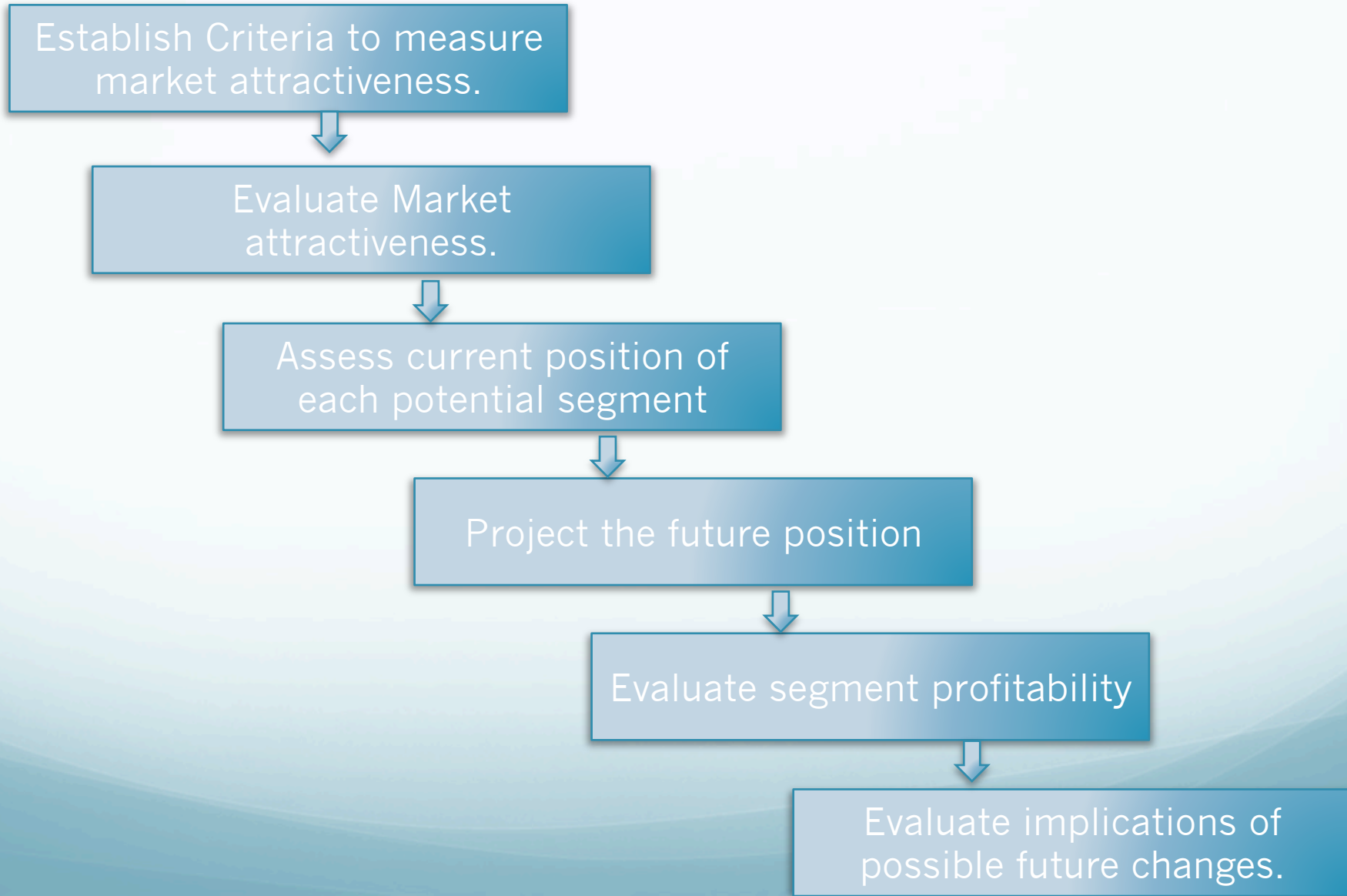
a. Local marketing- Delhi Milk Scheme

b. Individual marketing- One to one marketing. E.g- building villas, customised suit etc.

Advantages- Higher customer satisfaction, efficiency etc.

Disadvantages- Costly and time consuming.

PROCESS OF TARGETING MARKET SEGMENTS



POSITIONING

- The way in which a firm's product is perceived by the customers in relation to competitors product.

POSITIONING STRATEGY

1. On the basis of product characteristics- Shampoos claim smooth and silky hair, Car company talks about economic aspect in fuel etc.
2. Basis of Price
3. Basis of Quality
4. Basis of User- Sachin- Boost, Aishwarya- L'Oreal etc.
5. Basis of Use- Thanda Matlab.....?, Zindagi ke saath bhi Zindagi ke baad bhi.....?
6. Basis of Product Class – Milano is premium product of Parle.

7. On the basis of symbols.

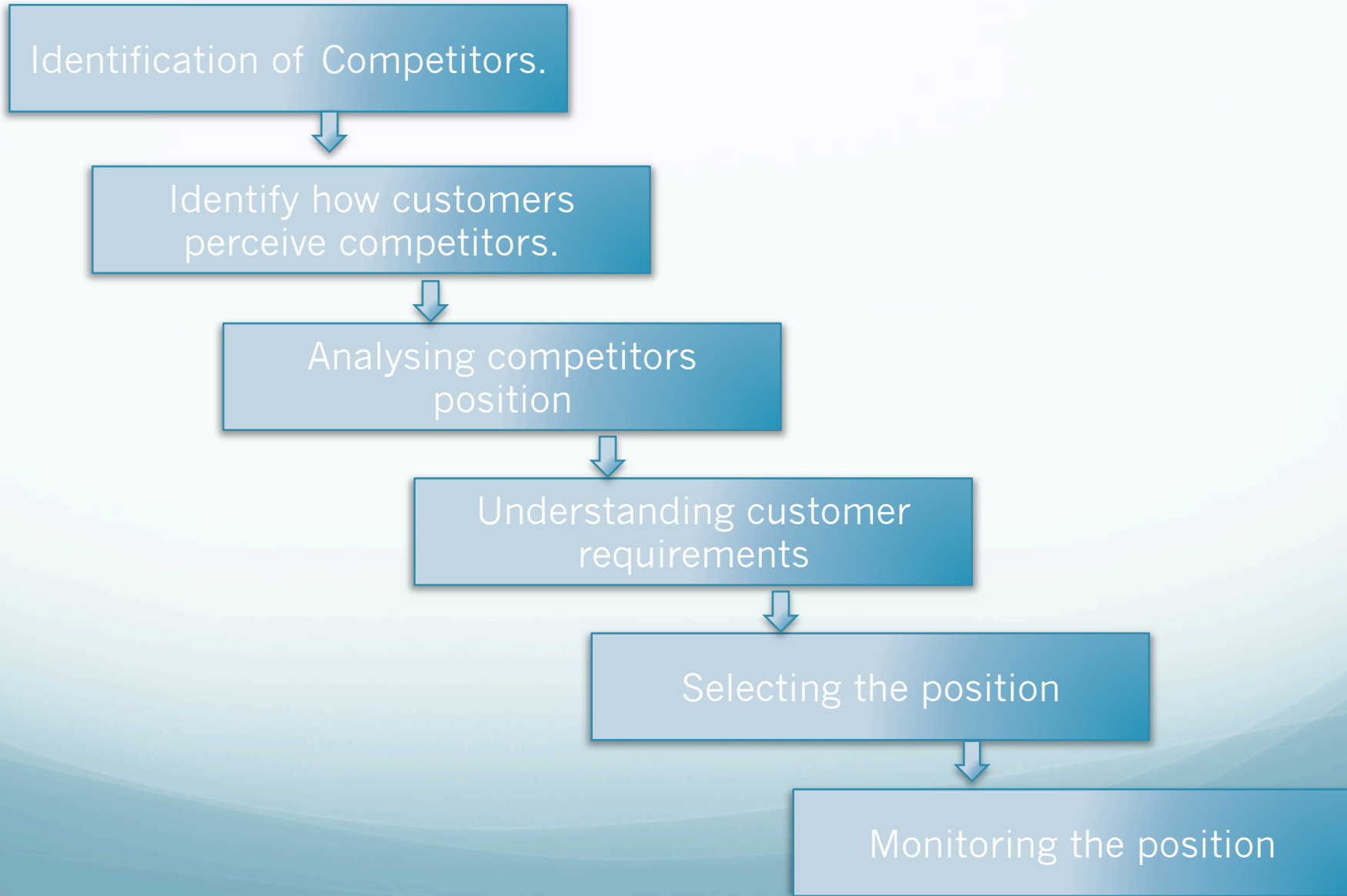


IMPORTANCE OF POSITIONING

Creates distinct image, creates competitive advantage, helps to highlight USP etc.

<https://youtu.be/UKc271fj2ok>

POSITIONING PROCESS



BASIS	PRODUCT DIFFERENTIATION	MARKET SEGMENTATION
CONCEPT	Process of showcasing uniqueness in one's product as compared to other's.	Process of breaking heterogeneous market into homogeneous.
PURPOSE	Create sense of value to customer.	Fulfill unique needs of customer.
CUSTOMER SUPPORT	Helps in creating brand image.	Helps in customisation of Product.

CASE STUDY- SEGMENTATION

- Rahul felt hungry while studying at night. Away from home, he wanted somebody to make something for him to eat as he did not want to go outside to get something to eat. It was 3a.m. at night. He finally went out and found something to eat from roadside vendor. This incident made him aware of a business opportunity. After completing his education, he thought of venturing into food business with the concept of delivering food at night. As a student he always felt the need of midnight snack and found that many youngsters were facing same problem. He finally started a business named “Night Cravings” that intended to deliver food throughout night.
- Questions-
 1. Which segment should Rahul think of?
 2. Can he segment the market on the basis of income?