



Workshop 5

Target Marketing











Workshop style class

- **Workshop style** – meaning that you should **ask questions** and **proactively participate**. Interact, network and learn.
- **Ask questions**
- **Proactively participate** – draw from examples in your own life and don't be afraid to question what you are learning.
- Remember to **justify and explain** what you say.
- Please be **courteous to students and the lecturer** when they are speaking.



Activity Icon

Icon	Meaning	Activity
	Take notes	These are important points and you should take notes. You will be required to know this information.
	Individual Activity	Students complete an individual task.
	Group Activity	Students discuss/ complete activities in groups and report back to the class.
	Research required	You will need to research this and do some reading before the next class.
	Important Concept	You MUST understand this concept to successfully complete the subject. Seek help if you don't understand.
	Practice Questions	Students will complete these questions as practice.



Week	Lecture topic
1	Course overview and marketing planning
2	Marketing environments
3	Market research
4	Consumer behaviour
5	Segmentation, targeting and positioning
6	Product & Services Strategy
7	Pricing Strategy
	Mid-semester break
8	Place Strategy
9	Promotion - IMC
10	Evaluation, budgeting and implementation
11	Contemporary issues in marketing
12	Marketing mix review
13	Course review



Today's Big Idea

- 有些战役可能还没开始就已经输了。



Key and Difficult Points

Key Points

- 1. Explain what is meant by market segmentation and positioning and what bases on which we can choose to segment a market
- 2. Evaluate how to target a market --- strategies
- 3. Offer examples to clarify how to position to gain competitive edge

Difficult Points

- 1. Segment the cosmetic market
- 2. what targeting strategies your company uses and explain the reasons
- 3. what' s the position for your company?



Lead-in: Case Discussion

阅读《我们的生活被这11个公司控制了》
(公众号: 沪江商务英语)





Critical Thinking:
这11家公司通过什么办法
把大部分日常生活的需求
包围了？





Market Segmentation

1. Identify bases for segmenting the market
2. Develop segment profiles

Critical Thinking:

“市场细分是现代营销的重要基石，没有市场细分就没有目标市场的选择，也就不存在目标市场营销。”

Market Targeting

3. Develop measure of segment attractiveness
4. Select target segments

Market positioning

5. Develop positioning for target segments
6. Develop a marketing mix for each segment

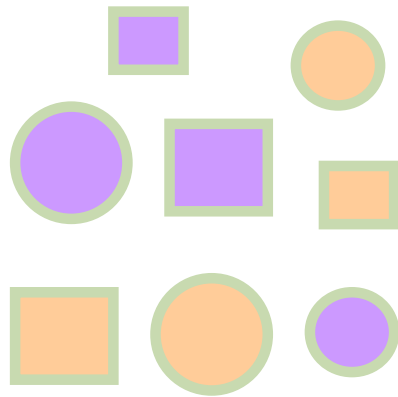


Critical Thinking

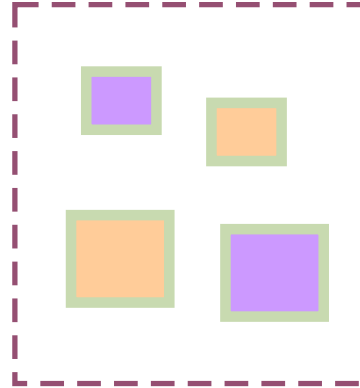
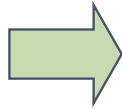
- What may be the bases for following products' market segmentation?
 - Children's shoes
 - Health care products
 - Books
 - TV sets
 - Winter Clothing



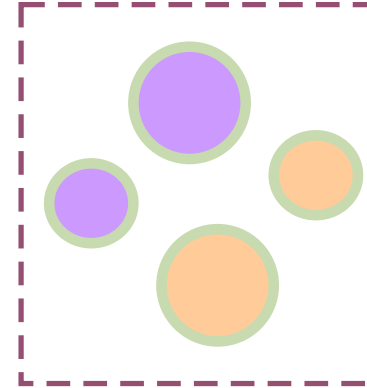
Market Segmentation



Market for Dog-owners



Dog owners
viewing dogs
as servants



Dog owners
viewing dogs
as family



Market Segmentation



WHY:

- Market segmentation is to adapt a company's offerings so they more closely match the needs of one or more segments.

WHAT:

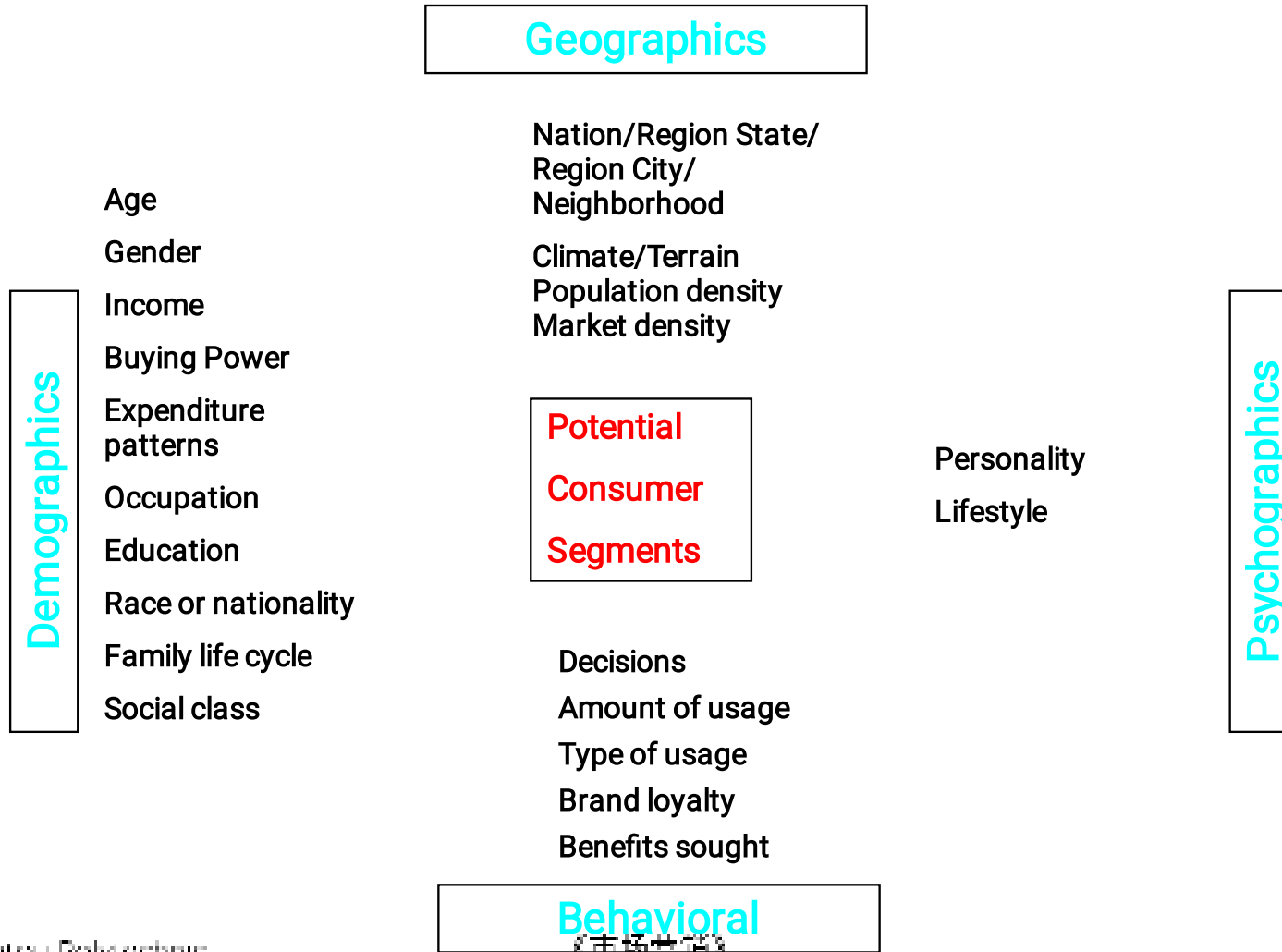
- Market segmentation refers to dividing a market into distinctive groups of buyers with different needs, characteristics or behavior, who might require separate products or marketing mixes.

HOW?

- Bases for segmenting consumer markets: geographics, demographics, psychographics and behavioural



Bases of Market Segmentation (Variables)



MARKETING · 案例《ZARA的STP策略》（云班课）

Geographic Segmentation




World region or country	North America, Western Europe, Middle East, Pacific Rim, China, India, Canada, Mexico
Country region	Central, South East Coastal, Eastern, Western, South Western, etc.
City or metro size	Under 1 million, 500,000 – 1,000,000, etc.
Density	Urban, suburban, rural
Climate	Northern, southern



• 案例《ZARA的STP策略》（云班课）

Demographic Segmentation

Age	Under 6, 6-11, 12-19, 20-34, 35-49, 50-64, 65+
Gender	Male, female 
Family size	1-2, 3-4, 5+
Family life-cycle	Young, single; young, married, no children; young, married with children; older, married with children; older, married, no children under 18; older, single; other
Income	Under 10,000; 10,000 – 20,000, 20,000 – 30,000; 30,000 – 50,000; 50,000 – 100,000; 100,000 and over



Demographic Segmentation

Occupation	Professional and technical; managers, officials, and proprietors; clerical; sales; craftspeople; supervisors; operatives; farmers; retired; students; homemakers; unemployed
Education	Grade school or less; some high school; high school graduate; some college; college graduate
Religion	Christian, Muslim, Buddhist, etc.
Race	Asian, black, etc.
Generation	Baby boomer, Generation X, Generation Y
Nationality	Chinese, African, Indian, etc.



• 案例《ZARA的STP策略》（云班课）

Psychographic Segmentation

Social class

Lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers

Lifestyle

Achievers, strivers, strugglers, etc.

Personality

Compulsive, gregarious, authoritarian, ambitious



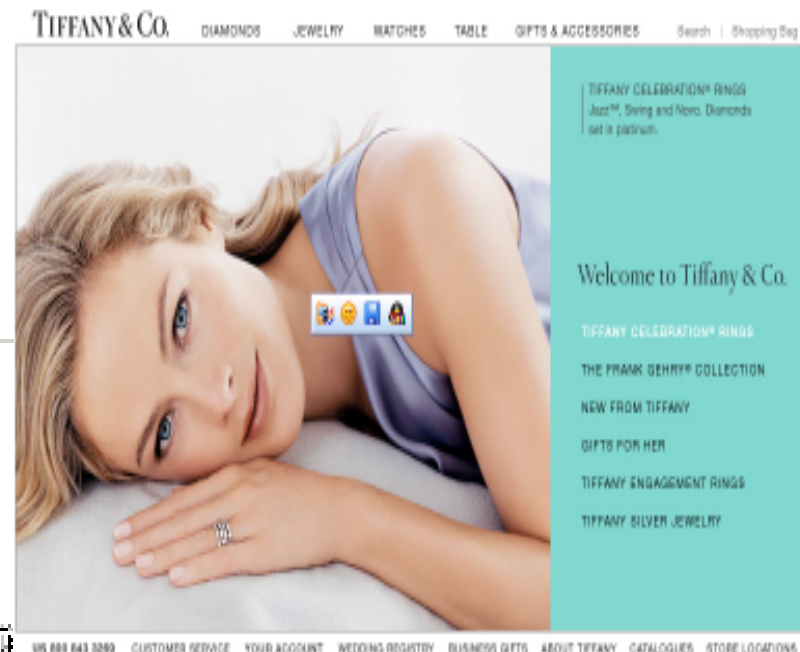
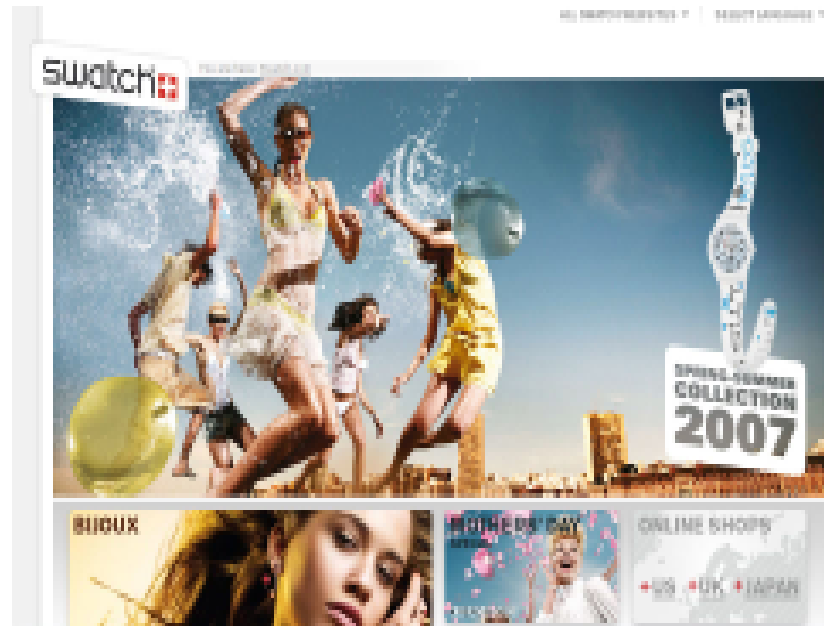
· 案例《ZARA的STP策略》（云班课）

Behavioral Segmentation

Occasions	Regular occasions; special occasion
Benefits	Quality, service, economy, convenience, speed
User status	Nonuser, ex-user, potential user, first-time user, regular user
Use rates	Light user, medium user, heavy user
Loyalty status	None, medium, strong, absolute
Readiness stage	Unaware, aware, informed, interested, desirous, intending to buy
Attitude toward product	Enthusiastic, positive, indifferent, negative, hostile



Case in Point: Swatch vs. Tiffany





Requirements for Effective Segmentation

- Substantial
 - Segment large and profitable
- Durable
 - Effective programs can be designed for attracting & serving the segments.



- Measurable
 - Size, purchasing power, profiles of segment
- Accessible
 - Segment can be effectively reached and served
- Differentiable
 - Conceptually distinguishable and respond differently to different marketing mix elements and programs.



- **Case study: The wireless industry**
- The wireless industry is a great example of small businesses succeeding with niche markets and target marketing. The biggest wireless providers—AT&T, Verizon, Sprint—are focused on the biggest markets

MARKETING

- [SIM Shalom](#) targets Israeli-American immigrants by offering Hebrew-language support and cheap calls between the U.S. and Israel.
- [Kajeet](#) targets parents who want to offer restricted phone lines to their young kids, offering the ability to turn off the phone's network during certain periods of the day (like school hours, or bedtime) and to block certain phone numbers or websites, as well as the ability to activate GPS notifications so that parents know when their child has arrived at after-school activities.
- [Consumer Cellular](#) targets senior citizens with simpler plans, a curated selection of phone options, a focus on affordability and reliability, and a partnership with the AARP.
- [GIV Mobile](#) targets community-minded individuals who are looking for ways to “give back” by offering to donate 8 percent of a user's monthly bill to a charity of their choice.
- [Virgin Mobile](#) is after young adults with “back to school” marketing campaigns, pay-as-you-go plans with no credit required, casual website and marketing copy, and a focus on trends.



Market Targeting Strategies

Evaluation of market segments

- Segment Size and Growth
 - Analyze sales, growth rates and expected profitability.
- Segment Structure
 - Consider effects of: Competitors, Availability of Substitutes new entrants and the Power of Buyers & Suppliers.
- Company Objectives and Resources
 - Company skills & resources to compete in the segment(s).
 - It “fits in” with your firm’s mission and objectives



Target Marketing Strategies

Undifferentiated
(Mass) Marketing
大众化营销

Corporate
Marketing
Mix



Differentiated
(Segmented)
Marketing
差异化营销

MM I
MM II
MM III



Market
Segments



A

B

C



Undifferentiated Marketing (Mass Marketing)

- Using almost the same product, promotion and distribution for all consumers.
- Advantages: largest potential market, lowest costs
- Disadvantage: hard to create a single product that appeals to diverse groups.

Differentiated Marketing (Segment Marketing)

- Adapting a company's offerings to match the needs of one or more segments.
- Benefits:
 1. Market more efficiently effectively
 2. Increase sales
 3. Gain a stronger position
 4. Fewer competitors



Concentrated Marketing

- Benefits:
Gain stronger position in the market segment
Have operating economies because of specialization in production, distribution and promotion.
- drawbacks:
The particular market may turn sour
Large competitors may enter the market.

Niche Marketing

- Focus on the subgroups within the market segment
- Benefits:
face few competitors
premium products
- Drawbacks
Risky



Segmenting global market





Positioning for Competitive Advantage

- *“... how you differentiate yourself in the mind of your prospect.”*
- by Al Ries & Jack Trout
- 你如何在顾客心目中独树一帜？
- 怕上火，喝王老吉
- <https://www.zhihu.com/question/27430904>



Positioning for Competitive Advantage

- Product position: the way the product is defined by consumers on important attributes – the place the product occupies in consumers' minds relative to competing products.
- Implant the brand's unique benefits and differentiation in customers' minds.



Steps in Positioning

- Identifying possible competitive advantages
- Differentiation
- Choosing the right competitive advantages
- Selecting an overall positioning strategy

MARKETING



Identifying possible competitive advantages



- How to differentiate?

- Product

- Services

- Channels

- People

- Image

Product Differentiation

- Form
- Features
- Performance
- Conformance
- Quality
- Durability
- Reliability
- Repairability
- Style
- Design

MARKETING

Channel Differentiation

- Channel's coverage, expertise and performance
- Direct
 - Amazon.com, Dell, Amway, etc.





People Differentiation

- Competence
 - Bank of America
- Courtesy
 - Emirates
 - Disney
- Credibility
- Reliability
- Responsiveness
 - IBM
- Communication





Image Differentiation

- Image -- what the public perceive
- Image can be enhanced by usage, symbols, media, atmosphere, events and employee behavior





Positioning strategies

- a. Positioning on product attributes
- b. Positioning on price and quality
- c. Positioning on use or application
- d. Positioning by product user
- e. Positioning on product class
- f. Positioning against competitors
- g. Positioning by benefits, problem solutions, or basic needs



Mind map: summarize all the key points in this chapter according to the following tasks.

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



Thank You.

