

# Marketing Management

Session 4



# Last Session Summary

- Marketing Research
  - Classification
    - Problem Identification
    - Problem Solving
  - MR Process
  - Role of MR
- Marketing Environment
  - Macro Environment
  - Markets
- Analysing Consumer Markets
  - Culture
  - Social Class



## Session Goals

- Ch 4- Segmenting, Positioning and Targeting

# What is a Market Segment?

- A market segment consists of a group of customers who share a similar set of needs and wants.

## Market Segmentation



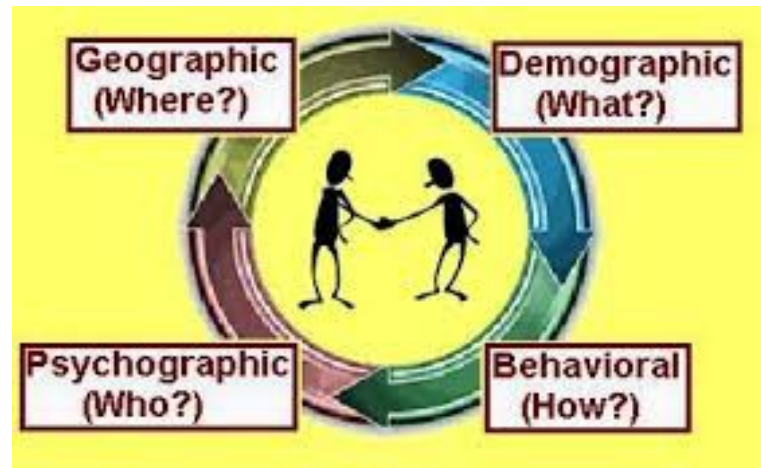
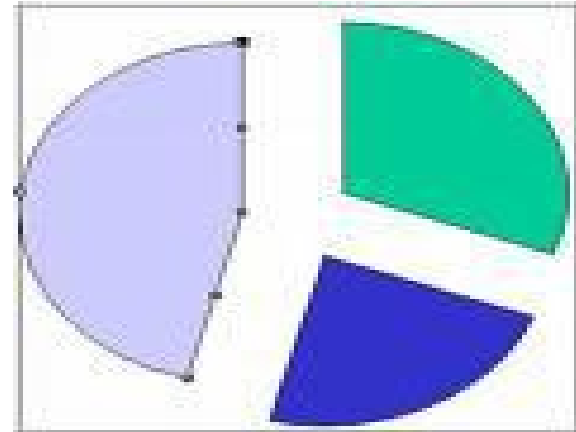
# Individual Marketing

- Customer design their own products and are taking individual initiative in deciding what to buy....



# Basis of Segmenting Markets

- Geographic
- Demographic
- Psychographic
- Behavioural



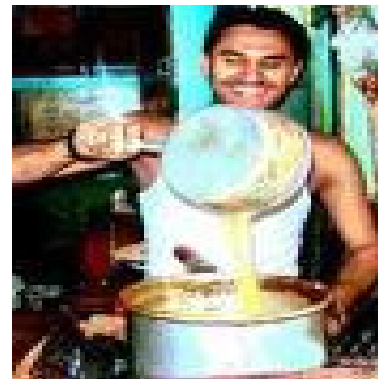
# Geographic Segmentation



Division of market into different geographic regions

# India

- More than 5000 towns
- 87% villages with population less than 2000





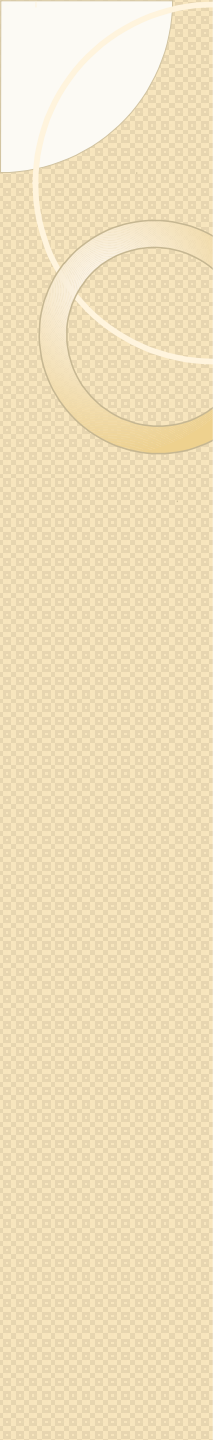


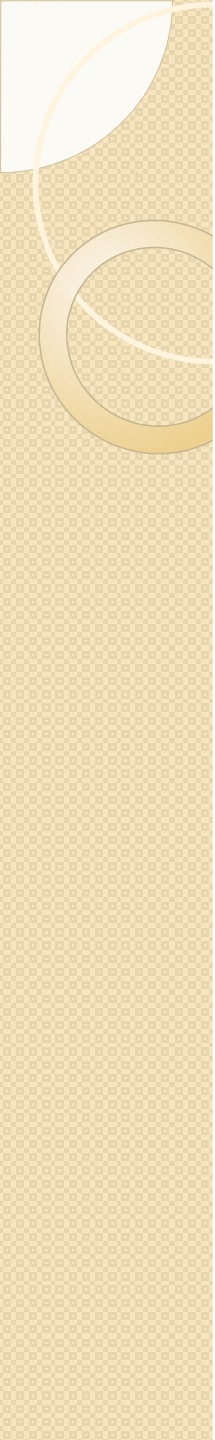
# Demographic Segmentation

- Most popular method of segmentation used
- Age and Life Cycle
- Life Stage
- Gender
- Income
- Generation
- Social Class

## Some Gender Facts

- South Asia, women usually shop for food, groceries, household goods
- 51% women buy hair-wash products based on what they think is best
- 52% buy freshening products like talcum powder
- 55% decide for personal care products like soaps
- 60% have a say in tooth paste

- 
- 75% of women with the title of vice-president or higher at Fortune 500 companies out earn their husbands, bringing home on average 68% of household income

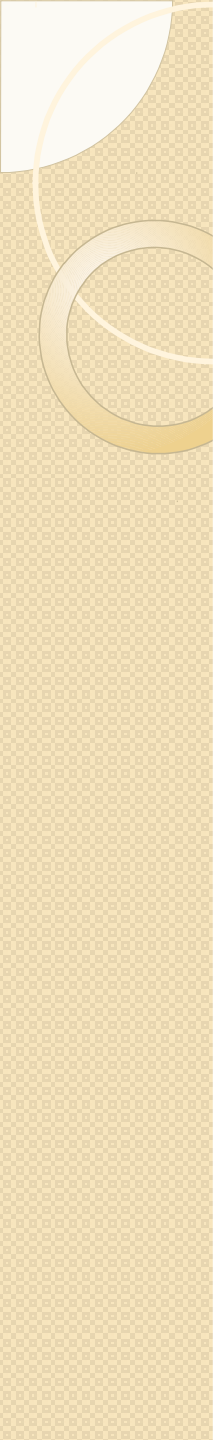
- 
- **Women's decision-making authority** has grown in part because more households are headed by women -- 27% at last count, a fourfold increase since 1950. Their **buying power** has grown, too. In the past three decades, men's median income has barely budged -- up just 0.6% -- while women's has soared 63%. Some 30% of working women out earn their husbands.

# Income

- Companies serve different income classes...



BOTTOM OF PYRAMID

- 
- 93% information children get is from TV
  - 40% is from print media
  - 76% are able to influence telephone purchase decision
  - 43% influence buying of cars
  - 63% (years age) are involved in decisions of computers, bicycles, clothes, TV's, cars

## Social Class

- Influenced in India by caste system
- Strong influence on cars, clothing, furnishings, reading habits, leisure activities, retailers visited.....
- Consumption pattern influenced by socio-economic factors, education....

# Psychographic Segmentation

- Use of *Psychology and Demographics* to understand customer.
- Buyers divided on basis of psychological traits, personality traits, lifestyle, values.
- People within same demographic group can exhibit different psychographic profiles.
- Religion significant influencer in values/lifestyle



## Behavioral Segmentation

- *Buyers divided into groups on basis of knowledge of, attitude towards, use of or response to a product*
- ***Decision Roles:** Initiator, Influencer, Decider, Buyer, User.....*

## Market Segmentation

Geographic

Demographic

Psychographic

Behavioural

Countries  
Nations  
States  
Regions  
Cities  
Neighbourhoods

Age  
Gender  
Sex  
Family  
Education  
Income

Life Style  
Social Class  
Personality

User status  
Usage rate  
Benefits sought  
Occasions  
Loyalty  
Attitude

# Examples

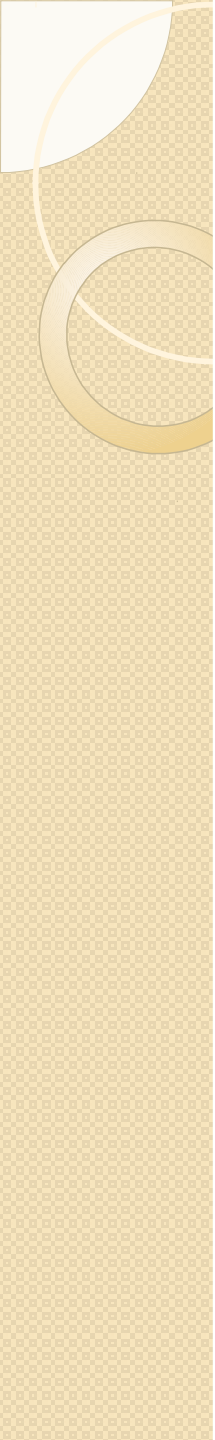


## DABUR VATIKA FAIRNESS FACE PACK

- Made From
- \* Sandal Wood
  - \* Milk
  - \* Turmeric (Curcumin)
  - \* Fullers Earth
  - \* Saffron
  - \* Herbal Extract

USA Wholesale & Retail Store







Replacing adhesive labels with PETG shrink sleeves lets the brand owner fit more information on the same size bottle.







## *Buyer Readiness Stage*

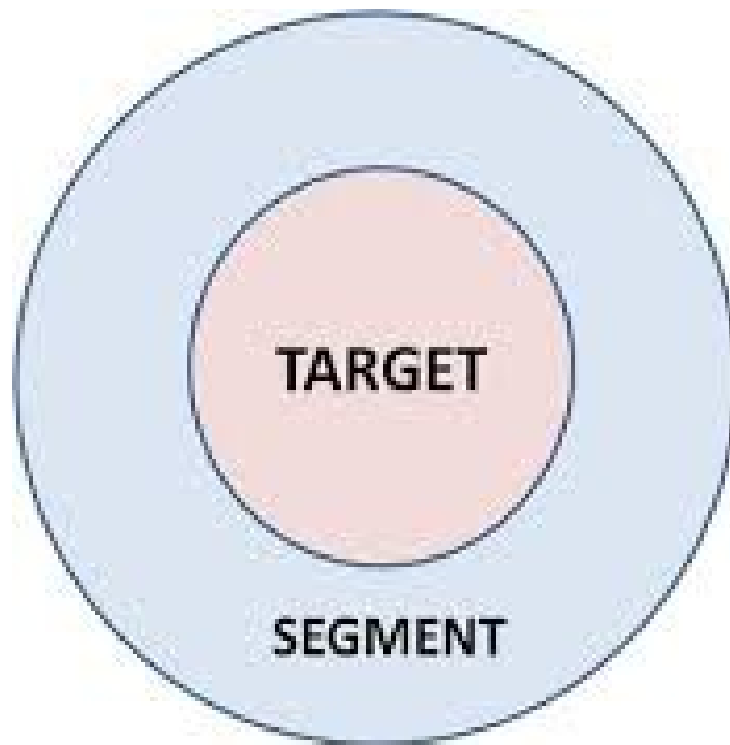
- Informed
- Little interested
- Some desire
- Interested to buy



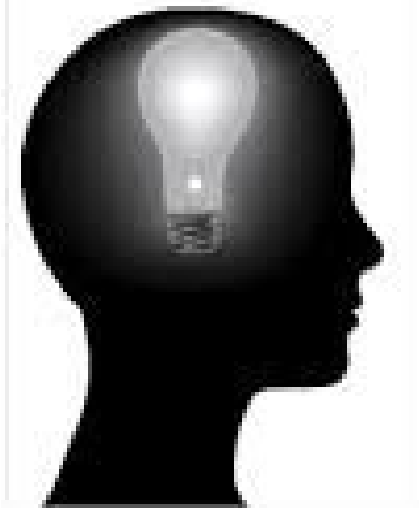
## *Loyalty Status*

- Hard coreloyals
- Splitloyals
- Shiftingloyals
- Switchers





**POSITIONING**



**SEGMENTATION**  
IDENTIFYING  
MEANINGFULLY  
DIFFERENT GROUPS  
OF CUSTOMERS

**TARGETING**  
SELECTING WHICH  
SEGMENT(S) TO  
SERVE

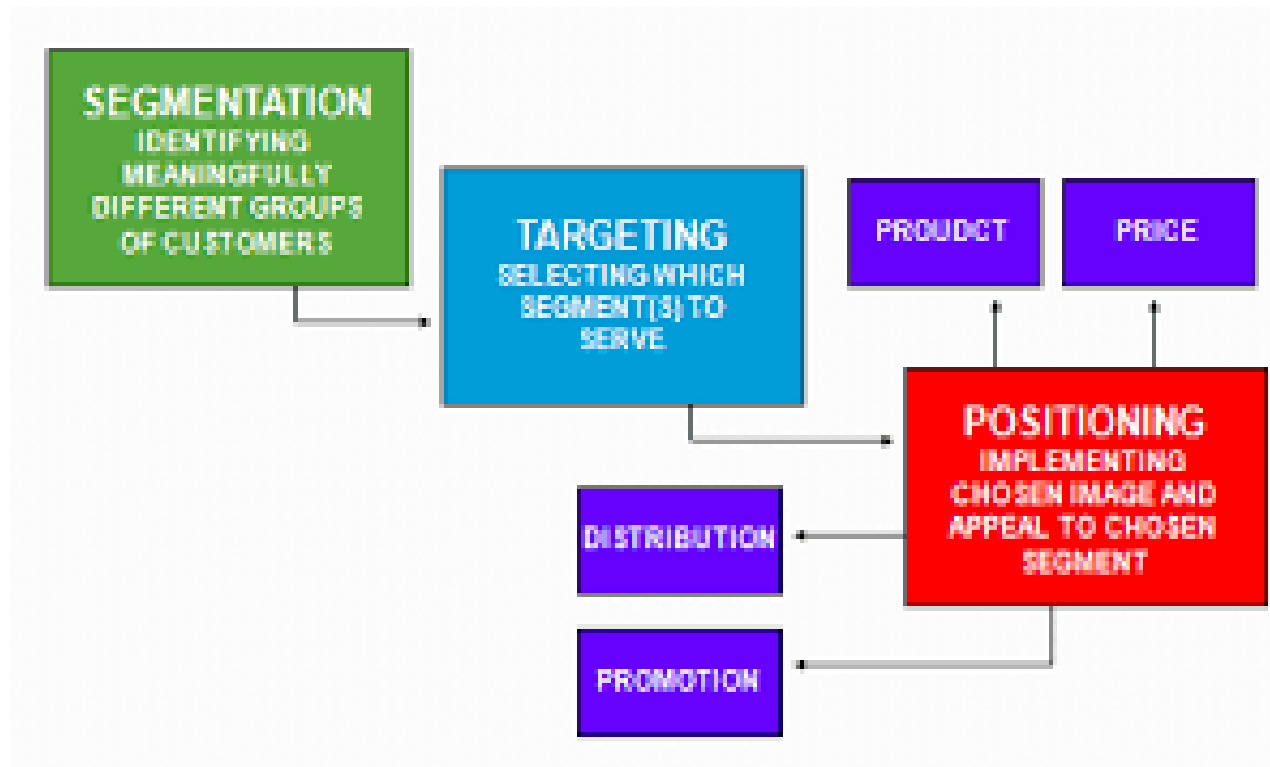
**PRODUCT**

**PRICE**

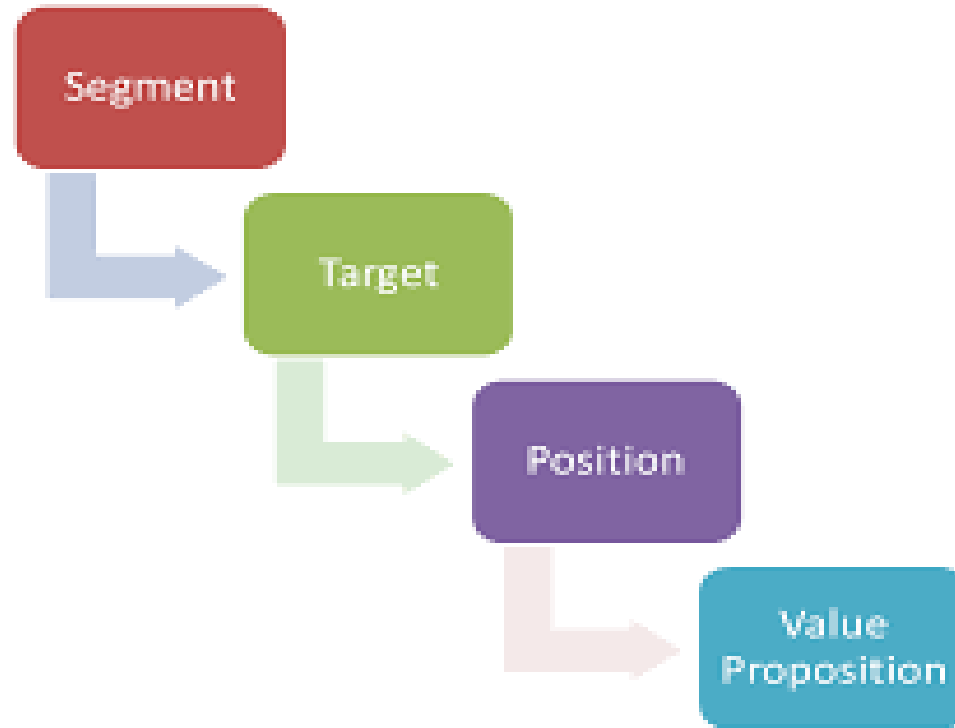
**POSITIONING**  
IMPLEMENTING  
CHOSEN IMAGE AND  
APPEAL TO CHOSEN  
SEGMENT

**DISTRIBUTION**

**PROMOTION**



# STP Process



# Market Targeting

- *Segmentation Criteria*

1. *Measurable*

2. *Substantial*

3. *Accessible*

4. *Differentiable*

5. *Actionable*





## Classactivity:

Think of a product or service that you have purchased recently in the market.

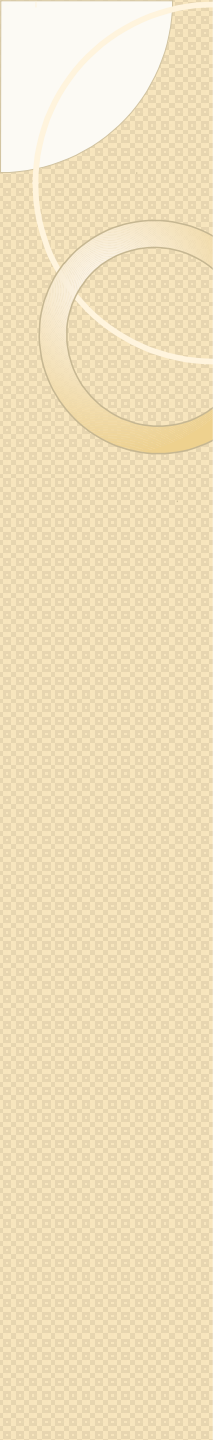
How will you go about developing a customer profile for the product? List the sources you would use.

## What is Positioning?

- **Positioning** is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market.









## Value Propositions

- **Scorpio, Mahindra and Mahindra**

A vehicle that provides the luxury and comfort of a car, and the adventure and thrills of an SUV

- **Domino's**

A good hot pizza, delivered to your door within 30 minutes of ordering, at a moderate price

# Defining Associations

- **Points-of-difference  
(PODs)**

Attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand

# Defining Associations

- **Points-of-parity**

- (POPs)**

Associations that are not necessarily unique to the brand but may be shared with other brands



Thank You