

Recap

- What is market segmentation and why it is done?
- What are the different levels of market segmentation? Four – Segments, Niche, Local, Individual
- How can a company divide a market into segments? Four Bases – Geographic, Demographic, Psychographic and Behavioural.

Objectives

- How should a company choose the most attractive target markets? Targeting.
- What is positioning?
- Identify Differentiating Attributes
- Choosing & Communicating Effective Positioning

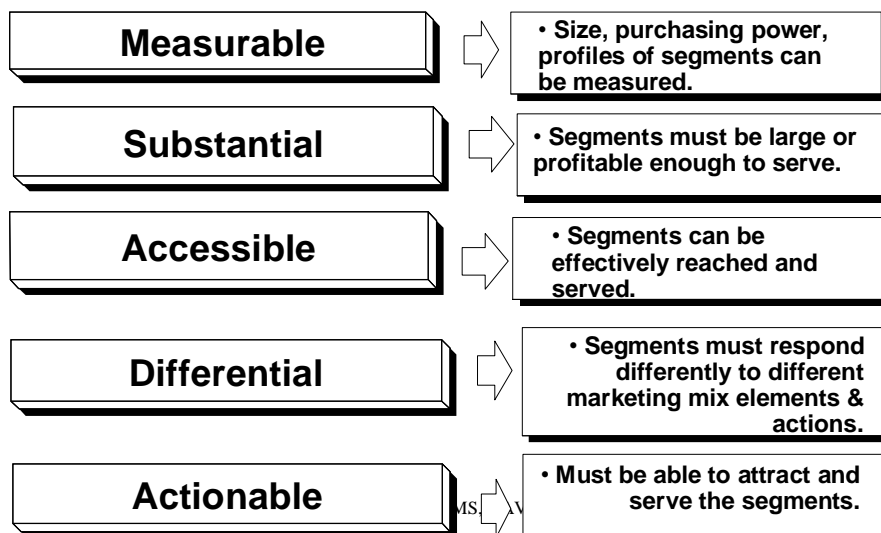
Market Targeting

- Deciding which segments and how many segments to enter.
- Identify and profile distinct groups of buyers who differ in their needs and preferences.
- Select one or more market segments to enter.
- Establish and communicate the distinctive benefits of the market offering.

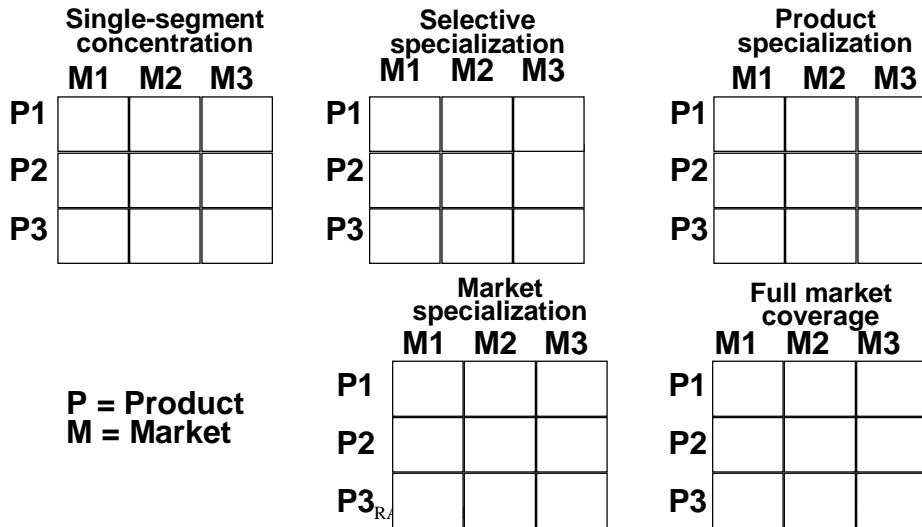
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Evaluation Criteria



Five Patterns of Target Market Selection



Positioning

Act of designing the company's offering and image to occupy a distinctive place in the mind of the target market.

It is the art of shaping customer perceptions.

Unique Selling Proposition

Decisions on Creating differentiation and Communicating differentiation

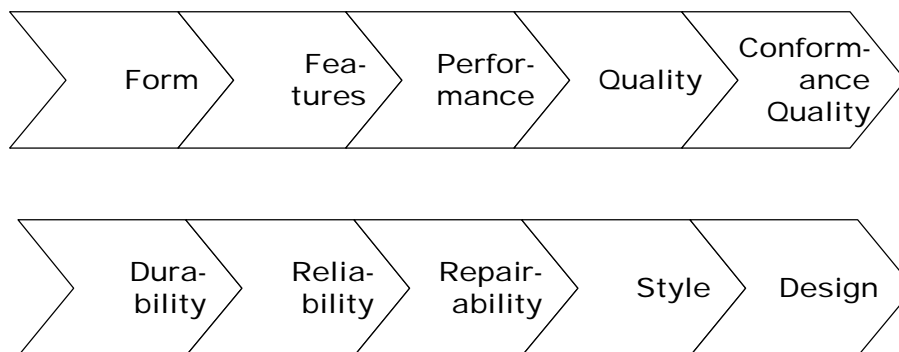
Differentiation Strategies

- Product
- Personnel
- Channel
- Image

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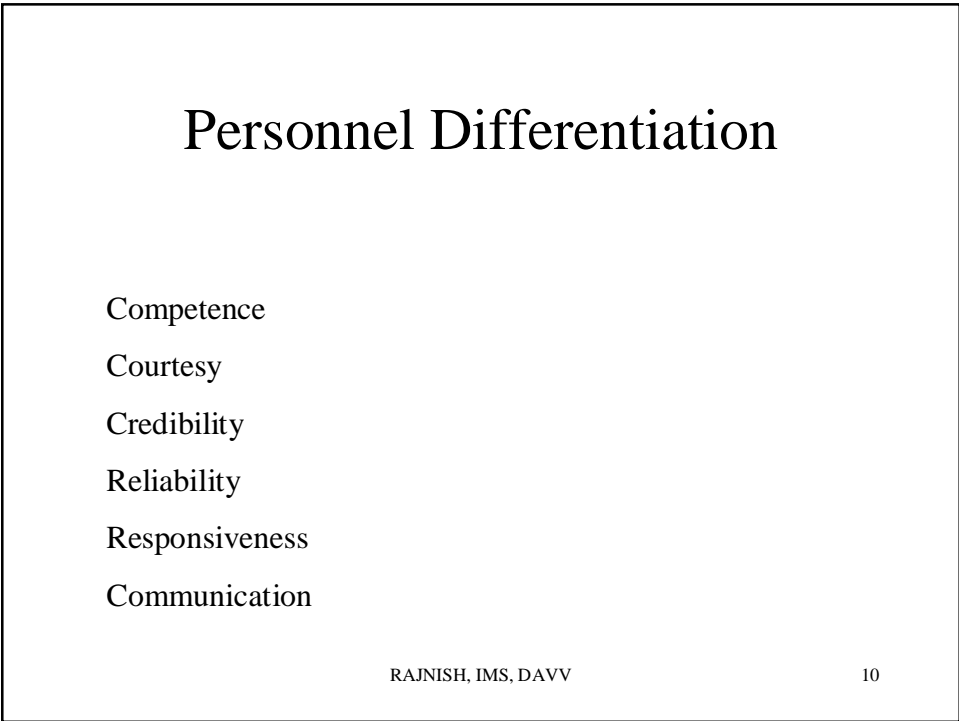
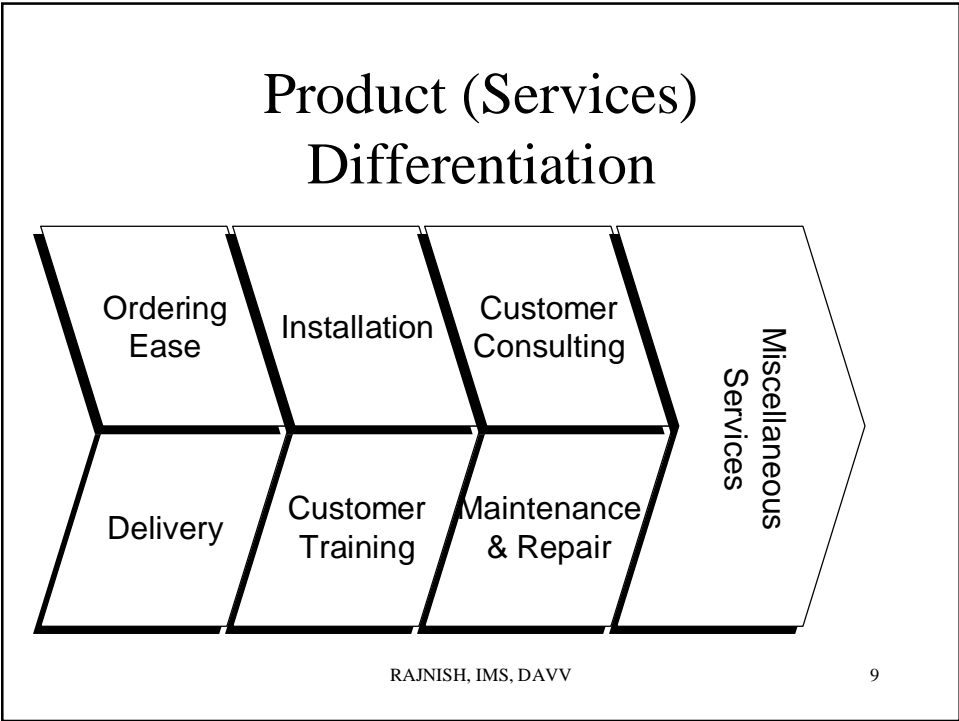
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Product Differentiation



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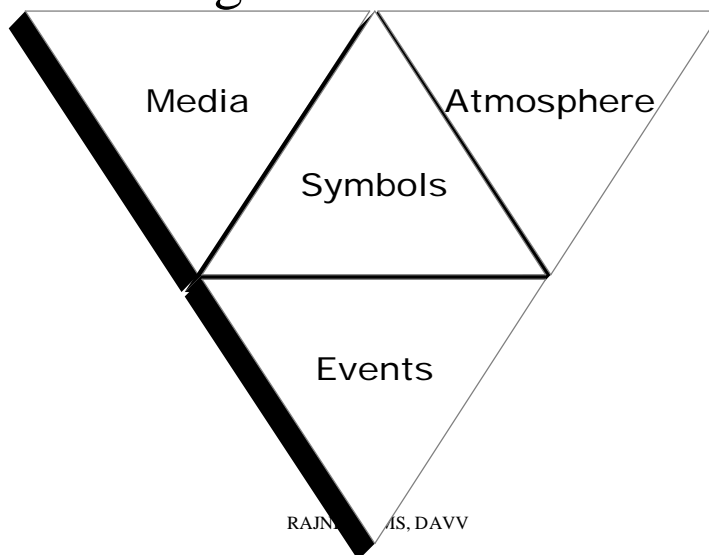
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Channel Differentiation

Coverage
Expertise
Performance

Image Differentiation



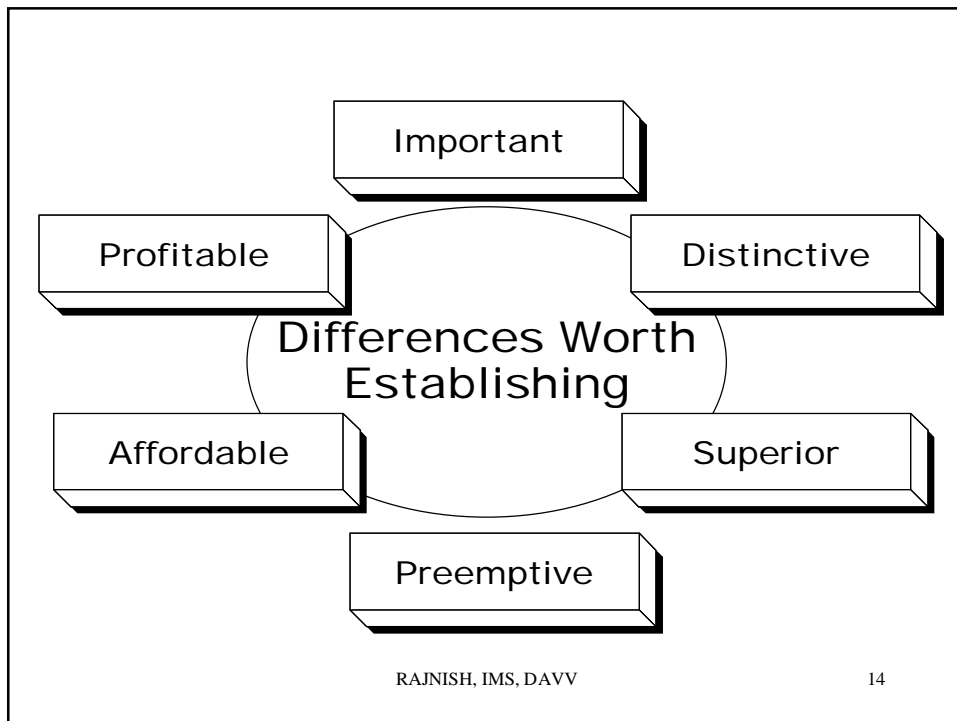
Identity and Image

Identity:

The way a company aims to identify or position itself

Image:

The way the public perceives the company or its products



Value Propositions

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

Writing a Positioning Statement

Mountain Dew: To young, active soft-drink consumers who have little time for sleep, Mountain Dew is the soft drink that gives you more energy than any other brand because it has the highest level of caffeine.

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

Points-of-parity (POPs)

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

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Consumer Desirability Criteria for PODs

- Relevance
- Distinctiveness
- Believability

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Deliverability Criteria for PODs

- Feasibility
- Communicability
- Sustainability

Examples of Negatively Correlated Attributes and Benefits

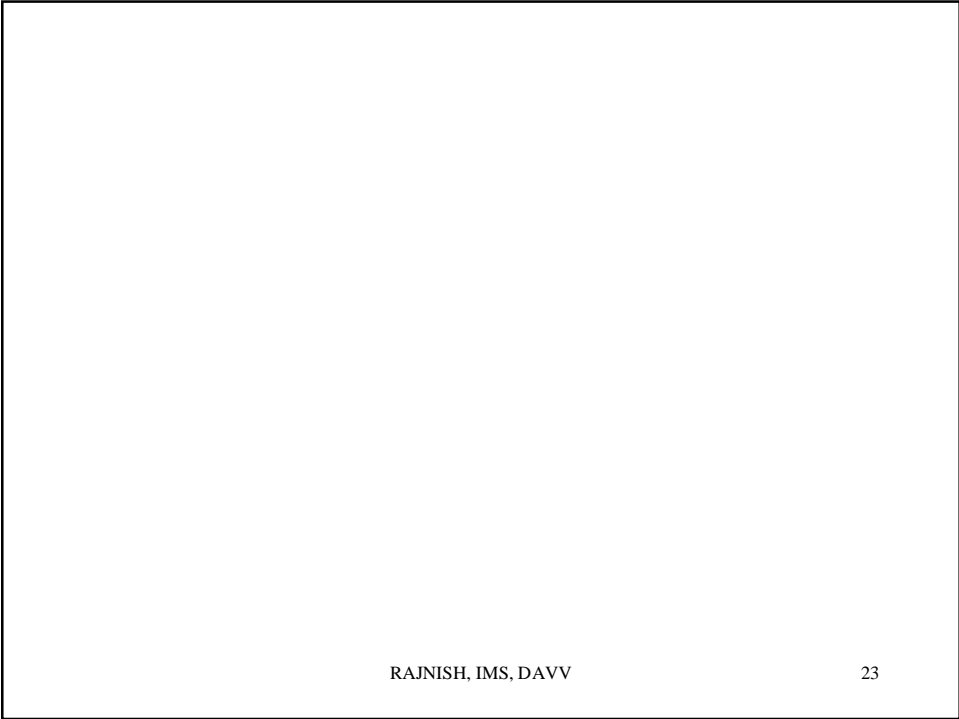
- Low-price vs. High quality
- Taste vs. Low calories
- Nutritious vs. Good tasting
- Efficacious vs. Mild
- Powerful vs. Safe
- Strong vs. Refined
- Ubiquitous vs. Exclusive
- Varied vs. Simple

Addressing Negatively Correlated PODs and POPs

- Present separately
- Leverage equity of another entity
- Redefine the relationship

Positioning

- How many differences to promote?
- How to promote?
- Effective marketing communication strategy.



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