Chapter 3
Target Marketing and Market Segmentation

Search for an SCA
- Sustainable
- Competitive
- Advantage

Marketing Planning Overview

Growth Strategies

<table>
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<tr>
<th>Markets</th>
<th>Products</th>
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</thead>
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<tr>
<td>Current</td>
<td>Current</td>
<td>New</td>
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<tr>
<td></td>
<td>Market Penetration</td>
<td>Product Development</td>
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<tr>
<td>New</td>
<td>Market Development</td>
<td>Diversification</td>
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Considering International Opportunities

Market includes potential buyers who have:
- ability to purchase
- willingness to purchase
- authority to purchase
Market Definitions

- Customer needs
- Customer types
- Customer location

Generic Market Definition

Market Definitions

- Customer needs
- Customer types
- Customer location
- Product type

Product Market Definition

STP Marketing

- Segmentation
- Targeting (Target Marketing)
- Positioning

Meaningful segments:

- Substantial size

Meaningful segments:

- Substantial size
- Operational
- Homogeneous within
Meaningful segments:
- Substantial size
- Operational
- Homogeneous within
- Heterogeneous between

Segmentation Bases
- Geographic Segmentation
- Demographic Segmentation
  - Geodemographic segmentation
- Lifestyle & Psychographic Segmentation
- Socioeconomic
- Behavior (Benefit) Segmentation

Target Marketing
- Undifferentiated Marketing
- Concentrated Marketing
- Differentiated Marketing

Target Marketing
- Undifferentiated Marketing
- Concentrated Marketing
- Differentiated Marketing
- Custom Marketing
Positioning

Positioning/Repositioning Examples

- Kleenex
  - first mostly for makeup/cold cream removal
  - later as substitute for cloth handkerchief
- Marlboro Cigarettes
  - first targeted at women
  - later targeted at men
- Sprite
  - first positioned as adult soft drink
  - later as a general soft drink

Positioning of Different Bar Soaps

- Zest
- Lever 2000
- Safeguard
- Dial
- Lifebuoy
- Tone
- Dove
- Lux
- Lava
- Lux

Nondeodorant

Deodorant

High moisturizing

Low moisturizing