

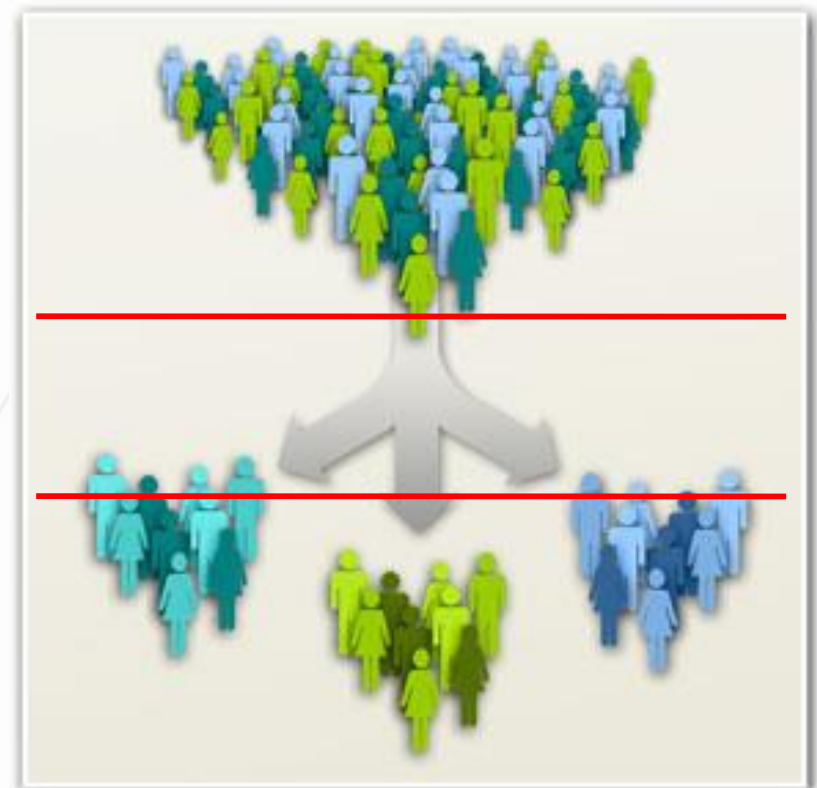
Strategic marketing decisions: segmentation targeting positioning

Segmentation of international markets



Market Segmentation Process

- **1. Total Market:**
Total Amount of buyers, consumers, customers with different wants, behaviors in a Total market
- **2. Market Segmentation:**
A process of dividing the Total market for a good or service into small, „same“ groups.
- **3. Target Market:** A specific Market Segment of (buyers, consumers, customers or organizations) for which the producer designs specific activities (MKT Mix)



Segmenting International Markets

Large companies e.g. Coca Cola, Sony, L'oreal... sell products in many different countries which vary in their economic, cultural and political make up. **International firms need to group their world markets into segments with distinct buying needs and behaviors.**

Several variables can be used to segment international markets:

1. geographic location; grouping countries **by regions** e.g. Europe, Middle East
2. economic factors; grouping by population income levels or by their overall level of economic development. **Mature vs. emerging markets**

Segmenting International Markets

- political and legal factors; grouping by the type of **stability of government**, monetary regulations, and the amount of bureaucracy.
- Such factors can play a crucial role in a company's choice of which countries to enter and how.
- cultural factors; grouping markets according to common **languages, religions, values and attitudes**, customs and behavioral patterns.

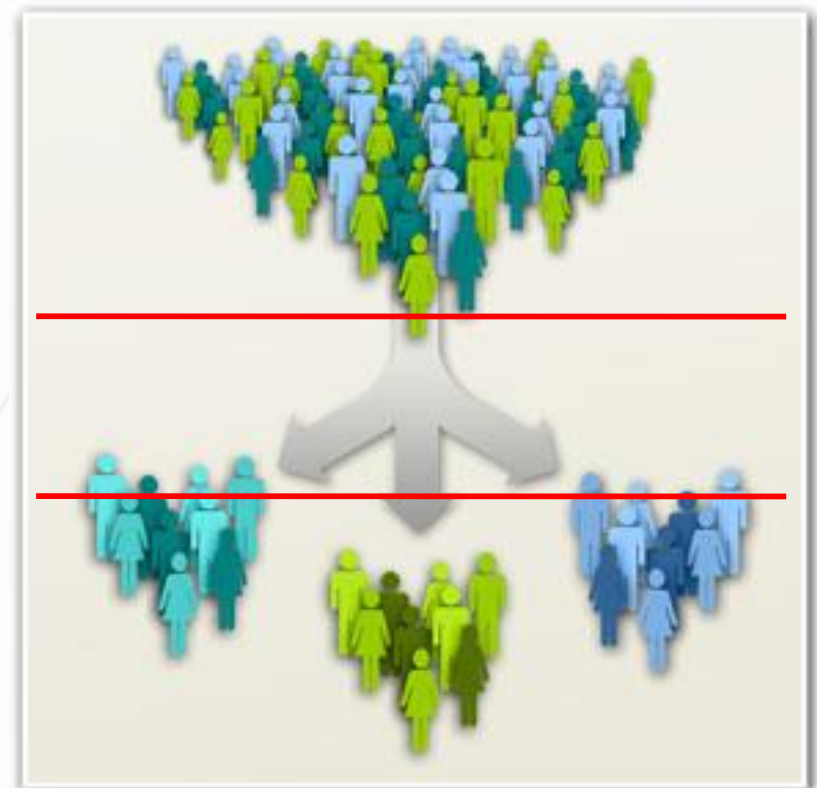


Targeting



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Targeting – choice of target groups/ segments

	T1	T2	T3
P1	Focus strategy		
P2			
P3			

P 1,2,3 = Product 1, 2, 3 (PC, Software, PC Components)

T 1,2,3 = Target 1, 2, 3 (Households, companies, universities)

Targeting – choice of target groups/ segments

	T1	T2	T3
P1	Selective Strategy		
P2			Selective Strategy
P3		Selective Strategy	

P 1,2,3 = Product 1, 2, 3 (PC, Software, PC Components)

T 1,2,3 = Target 1, 2, 3 (Households, companies, universities)

Targeting – choice of target groups/ segments

	T1	T2	T3
P1	Product Strategy		
P2			
P3			

P 1,2,3 = Product 1, 2, 3 (PC, Software, PC Components)

T 1,2,3 = Target 1, 2, 3 (Households, companies, universities)

Targeting – choice of target groups/ segments

	T1	T2	T3
P1			Market
P2			Strategy
P3			

P 1,2,3 = Product 1, 2, 3 (PC, Software, PC Components)

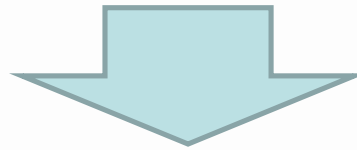
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Positioning

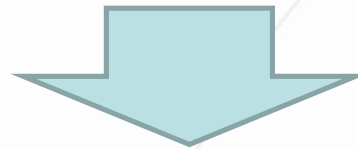


Positioning: 3rd step in strategic marketing decision process

1. Segmentation: identify variables that allow segment the market



2. Targeting: Evaluate attractiveness of each segment and choose a target segment



3. **Positioning: Identify positioning concepts, test it, choose the best and use it for creating detailed marketing mix**

Positioning – identifying brand's/ product's uniqueness towards competition

Positioning has to identify:

1. Target Group – WHO will buy it?
2. The area you want to occupy – WHERE/WHEN my consumer will use it?
3. Point of difference vs. competition – WHY to buy exactly my product?
4. Reason to believe – WHAT convinces my consumer?



Positioning – identifying brand's/ product's uniqueness towards competition (BDF example)

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„The new female (1) **NIVEA Double Effect ‘Shower & Shave’** is suited exceptionally well for shaving under the shower (2). It enables wonderfully smooth shaving and delicately scented shower (3) thanks to its smoothing avocado, creamy foam with passion fruit extract (4) “.



Brand Values

- The things that can **differentiate** a company and make it seem in some way **special and better than its competitors**.
- The things which **cause people to buy** one company's product or service rather than another.
- The **associations** which people have with a brand.
 - They can relate to the products, pricing, the delivery or other aspect of service.
- **The values which are not perceived by consumer - they do not exist!**

Strategic decisions always come FIRST

1. STRATEGIC MARKETING DECISIONS

SEGMENTATION; TARGETING; POSITIONING



2. TACTICAL MARKETING DECISIONS

4P's = Marketing MIX