



SNS B-SPINE

Coimbatore-35
An Autonomous Institution

DEPARTMENT OF MANAGEMENT STUDIES

23BAT607 – MARKETING MANAGEMENT

I YEAR I SEM

UNIT 3 – STP AND MARKETING MIX

TOPIC 2 – Segmentation



STP

Segmentation . Targeting . Positioning

Today Many marketers focus less than their products and more on customer needs



Segmentation

Divide market into distinct groups of customers (segments) using segmentation practices.



Targeting

Determine which customer group (segment) to focus your marketing efforts on.



Positioning

Create product positioning and marketing mix that is most likely to appeal to the selected audience.



Market Segmentation



Market segmentation splits up a market into different types (segments) to enable a business to better target its products to the relevant customers.



Customer Segmentation

- Geographic segmentation: Based on geographic location, such as country, region, city, or climate.
- IKEA employs geographic segmentation to adapt its product offerings to different markets. For instance, in countries with smaller living spaces, such as Japan or Hong Kong, IKEA offers compact and multifunctional furniture solutions that cater to the unique spatial challenges of those regions.
- McDonald's employs geographic segmentation to adapt its menu offerings to regional tastes and preferences. For instance, in India, McDonald's offers vegetarian options, such as McAloo Tikki, to cater to the country's predominantly vegetarian population. They also introduce localized items, like the McSpicy Paneer Burger, to resonate with specific regional preferences.



Customer Segmentation

- Demographic segmentation: Based on age, gender, income, education, occupation, marital status, and household size.
- Dove, a personal care brand, employs demographic segmentation to target different genders and age groups with their product lines. They have specific product ranges designed for men, women, and babies, recognizing the distinct needs and preferences of each demographic. For example, they have separate product lines for anti-aging skincare targeted at older women and moisturizers formulated for the delicate skin of babies.
- Pampers, a baby products brand, segments its customers based on age and life stage. They offer different product lines and sizes to cater to newborns, infants, and toddlers. Their marketing campaigns and messaging are directed towards parents, highlighting the unique needs of each age group and addressing the concerns of specific life stages.



Customer Segmentation

- Behavioral segmentation: Based on why, how, and how frequently users interact with your website, apps, or store.
- Spotify utilizes behavioral segmentation to personalize music recommendations for its users. By analyzing users' listening history, playlists, and preferences, Spotify offers personalized playlists, such as "Discover Weekly" and "Release Radar," which are tailored to individual music tastes and listening habits.
- Amazon utilizes behavioral segmentation extensively. They analyze customer browsing and purchase history to provide personalized product recommendations.



Customer Segmentation

- Psychographic segmentation: Based on factors such as lifestyle, habits, hobbies, activities, etc.
- Airbnb employs psychographic segmentation to target different types of travelers. They tailor their messaging and offerings to adventure-seeking individuals by highlighting unique and offbeat accommodations, while also catering to those seeking luxury experiences by featuring upscale vacation rentals and experiences.
- A fitness brand may target health-conscious individuals who value an active lifestyle and sustainability.



Advantages of market segmentation

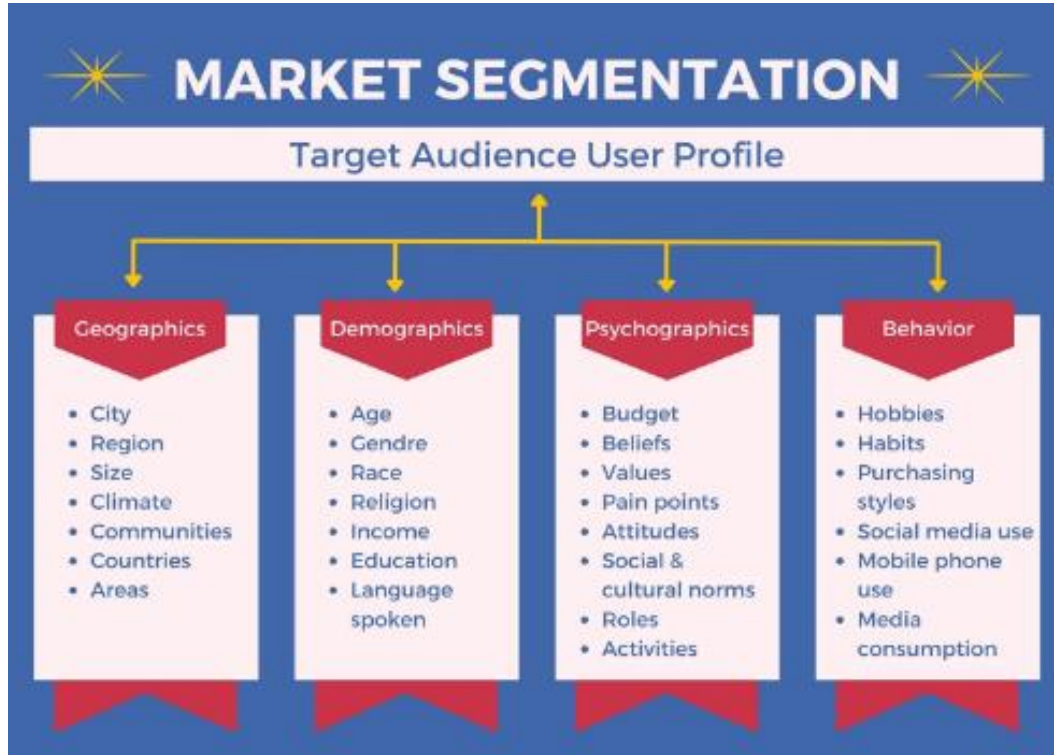
- Create stronger marketing messages
- Find the ideal marketing strategies
- Design-targeted advertising
- Attract potential customers
- Differentiate your brand from the competition
- Identify your niche market
- Focus your efforts
- Create a customer connection



Market Segmentation Objectives

- Product: Creating successful products is one of the main objectives of organizations and one of the reasons why they conduct a market segment. This allows you to add the right features to your product and will also help you reduce costs to meet the needs of your target audience.
- Price: Another market segmentation objective is establishing the right price for your products. Identifying which is the public that will be willing to pay for it.
- Promotion: It helps you target each segment's members and select them in different categories so that you can direct your strategies appropriately.
- Place: The ultimate goal of segmentation is to decide how you offer a product to each group of consumers and make it pleasant to them.

Recap





Refer to case study - Spotify

