

# MARKETING MANAGEMENT

- **MARKETING SEGMENTATION,  
TARGETING AND POSITIONING**

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# INTRODUCTION

MARKET COMPRISES DIVERSE CATEGORIES OF CUSTOMERS WHO CAN BE OFFERED VARIED PRODUCTS AND SERVICES. IT IS NOT POSSIBLE FOR ANY COMPANY TO SATISFY ALL CUSTOMERS IN LARGE AND DIVERSE MARKET. IN ORDER TO COMPETE, IT HAS BECOME ESSENTIAL FOR ALL THE COMPANIES TO EMBRACE TARGET MARKETING. A TARGET MARKET REFERS TO A GROUP OF BUYERS WHO DIFFER IN THEIR NEEDS THAT CAN BE IDENTIFIED THROUGH EXTENSIVE MARKETING RESEARCH.

EFFECTIVE TARGET MARKETING REQUIRES BASIC THREE STEPS-

- MARKET SEGMENTATION
- MARKET TARGETING
- MARKET POSITIONING



# MARKET SEGMENTATION

MARKET SEGMENTATION IMPLIES IDENTIFYING AND UNDERSTANDING GROUP OF CUSTOMERS WHO DIFFER IN THEIR DESIRES AND NEEDS FOR THE PRODUCTS. EVOLUTION IS INHERENT FEATURE OF ALL MARKETS; THEREFORE, MANAGERS NEED TO BE DILIGENT AND SMART TO IDENTIFY GROUPS OF CUSTOMERS WITH SIMILAR NEEDS THAT ARE UNIQUE AND DIFFERENT. MARKETING SUCCESS LIES IN THE ABILITY OF THE COMPANY IN FOCUSING ON THE RIGHT MARKET SEGMENTS WHERE IT HAS GREATEST CHANCE OF SATISFYING BETTER THAN THE COMPETITION.

**For example –The introduction of big, small, family, luxury, sports, without gear, petrol, diesel some of the different models of cars with a variety of different features to satisfy different groups of customers sharing unique needs, tastes and preferences.**

**Importance of  
market  
segmentation**

**01**

**Key to decide target markets**

**02**

**Designing marketing mix**

**03**

**Expansion with differentiation**

**04**

**To counter the challenges of market dynamics**

### KEY TO DECIDE TARGET MARKETS

MARKET SEGMENTATION HELPS THE MARKETERS TO IDENTIFY AND SELECT ONE OR MORE MARKET SEGMENTS TO TARGET. A TARGET MARKET, IS A GROUP OF CUSTOMERS THAT A MARKETER HAS CHOSEN TO SERVE THROUGH ITS BEST MARKETING PLAN. SELECTING THE RIGHT MARKET SEGMENT IS THE ULTIMATE KEY TO SUCCESSFUL MARKETING.

### DESIGNING MARKETING MIX

A UNIQUE MARKETING MIX, THUS, CAN BE DESIGNED TO SERVE THE NEEDS OF CUSTOMERS OF A PARTICULAR SEGMENT. A MARKETER HAS TO ASSESS THE POSSIBILITY TO CLUB THE BUYERS WITH SIMILAR SET OF NEEDS BEFORE DESIGNING BEST MARKETING MIX. SEGMENTATION HELPS IN SERVING THE TARGET MARKETS THROUGH DISTINCTIVE MARKETING MIX, THAT TOO AT A REASONABLE COST TO THE COMPANY.

### EXPANSION WITH DIFFERENTIATION

THE DIFFERENTIATED MARKETING STRATEGY ALLOWS A COMPANY TO CONNECT ITSELF WITH THE CUSTOMERS IN AN EFFICIENT AND EFFECTIVE MANNER IN COMPARISON WITH OTHER COMPETITORS. THEREFORE, SEGMENTATION ENABLES A COMPANY TO EXPAND THE MARKET WITH DIFFERENTIATED PRODUCT THROUGH MARKETING MIX THAT SERVES THE NEEDS OF ITS TARGET MARKET.

### TO COUNTER THE CHALLENGES OF MARKET DYNAMICS

THE ECONOMIC CONDITIONS OF EVERY STATE KEEP ON CHANGING AND HENCE THE INCOME OF CUSTOMERS. THIS LEADS TO CHANGES IN THE NEEDS AND ASPIRATIONS OF THE BUYERS. SEGMENTATION ALLOWS FOR UNDERSTANDING EMERGING NEEDS OF BUYERS, THEREBY, IDENTIFYING DIFFERENTIATED CUSTOMER PROFILE. THE SUCCESS OF MARKETERS LIES IN SENSING EMERGING NEEDS AND DESIGNING NEW MARKETING MIX TO EXPLOIT SUCH OPPORTUNITIES.



# PRODUCT DIFFERENTIATION VS MARKET SEGMENTATION

<b>Product differentiation</b>	<b>Market segmentation</b>
<p>PRODUCT DIFFERENTIATION REFERS TO DESIGNING PRODUCT-RELATED QUALITIES THAT CREATE ITS UNIQUENESS IN THE MINDS OF THE BUYERS AND HELP IN DISTINGUISHING THE BRAND FROM THE COMPETITORS.</p>	<p>MARKET SEGMENTATION IMPLIES IDENTIFYING AND UNDERSTANDING GROUP OF CUSTOMERS WHO DIFFER IN THEIR DESIRES AND NEEDS FOR THE PRODUCTS. MARKET SEGMENTATION ALLOWS BUSINESSES TO TAKE A SEGMENT OF CONSUMERS AND GROUP THEM BASED ON SIMILARITIES TO OFFER VALUE PROPOSITION THAT IS REQUIRED BY SPECIFIC GROUP OF INDIVIDUALS.</p>
<p>PRODUCT DIFFERENTIATION HIGHLIGHTS A PRODUCTS UNIQUE FEATURES BASED ON INNOVATION, MARKETING, CUSTOMIZED DESIGNS AND USE OF ECO FRIENDLY OR ORGANIC MATERIALS THAT DISTINGUISHES THEIR PRODUCT FROM COMPETITORS.</p>	<p>MARKET SEGMENTATION ALLOWS BUSINESS TO TAKE A SEGMENT OF CONSUMERS AND GROUPS OF CONSUMERS BASED ON AGE, GENDER, INCOME, EDUCATION, REGION, HOBBIES AND INTEREST OF THE CUSTOMERS.</p>

**Example of Product differentiation :**  
Savlon was introduced with its unique quality feature- ' it doesn't sting' this feature has made them strong while competing with another brand like Dettol



**Example Of market segmentation:**  
Horlicks was introduced on the basis of age groups or gender like horlicks lite for elder people, junior horlicks for children, women horlicks etc. and different flavours like elaichi, chocolate, Vanilla on the basis of taste.

# **Approaches for the segmentation of consumer Market**

**A company can use different criteria comprising any number of variables in order to segment a market. The purpose of market segmentation is to divide a market into well-defined categories. Each category thus consists of a group of customers who share a similar set of needs and wants.**

**The underlying truth of segmentation of markets can be highlighted as:**

- . There is always scope for the segmentation of each market.**
- . The criteria to divide a market into various segments are based upon certain identifiable variables.**
- . The criteria formulated for segmentation should predict differences in consumer behaviour effectively and efficiently.**



# 1. Geographic segmentation

**It organizes your audience into groups based on their physical location, such as country or postal code. This type of segmentation can provide valuable insights into the buying trends and preferences of different regions, allowing for more targeted and effective marketing efforts.**

# 2. Demographic segmentation

**It is a precise form of audience identification based on data points like age, gender, marital status, family size, income, education, race, occupation, nationality, and/or region.**



# Psychographic segmentation

**It is how marketers learn to position their products so that compatible customers can “discover” them. It's how brands find the right customer match based on customer attitudes and lifestyles. You may not realise it, but psychographic segmentation is the primary driving factor in your life.**

# Behavioral segmentation

**It is the process of sorting and grouping customers based on the behaviors they exhibit. These behaviors include the types of products and content they consume, and the cadence of their interactions with an app, website, or business.**



# **APPROACHES FOR THE SEGMENTATION OF BUSINESS MARKETS**

- THE MARKETERS CAN GROUP CONSUMERS ON THE BASIS OF PURCHASE CRITERIA LIKE GOVERNMENT ORGANIZATIONS, CONTRACTORS, INDUSTRIAL LABS ETC. THE SEQUENTIAL PROCESS FOLLOWED BY A COMPANY STARTING WITH MACRO SEGMENTATION (ORGANIZATIONAL SIZE, INDUSTRY) GOING TO THE SECOND STAGE OF MICRO SEGMENTATION (DISTINGUISHING CUSTOMERS GROUPS ON THE BASIS OF PRICE, SERVICE, QUALITY) CAN HELP MARKETERS IDENTIFY SEGMENTS. DIFFERENT BUSINESS BUYERS CAN BE SEGMENTED ON THE BASIS OF USAGE .FOR EXAMPLE, A LAPTOP COMPANY MAY OFFER SAME MODEL WITH DIFFERENT CONFIGURATIONS OR WITH OPTIONS OF DIFFERENT FEATURES TO MEET THE DEMANDS OF SAME SEGMENT MEMBERS.



# **B. MARKET TARGETING**

## Target Market:

*Definition, Purpose, Examples, Types, & Segments*



- THERE ARE VARIOUS APPROACHES FOR DEVELOPING MARKET SEGMENTS. SEGMENTATION PROVIDES THE KEY TO TARGET MARKETING. ONCE AN ORGANIZATION SUCCESSFULLY IDENTIFIES ITS MARKET - SEGMENT OPPORTUNITIES, IT HAS TO SELECT HOW MANY AND WHICH PARTICULAR ONES CAN BE EFFECTIVELY TARGETED.
- THE COMMON APPROACH FOLLOWED BY MARKETERS TO EVALUATE IDENTIFIED MARKET SEGMENTS INVOLVES THE DETAILED EXAMINATION OF TWO BROAD ISSUES:
  - 1. COMPARATIVE STUDY AS TO THE ATTRACTIVENESS OF THE IDENTIFIED MARKET SEGMENTS.
  - 2. ORGANISATION'S POSITION AND ABILITY TO COMPETE IN SUCH MARKET SEGMENTS.

# AS ALL SEGMENTATION SCHEMES MAY NOT PROVE USEFUL, IT IS VERY IMPORTANT TO RATE THE EFFECTIVENESS OF EVERY SEGMENT. THE CRITERIA USUALLY FOLLOWED FOR THIS INVOLVES A CAREFUL EXAMINATION OF THE ISSUES DISCUSSED BELOW:

## 1. ATTRACTIVENESS OF THE MARKET SEGMENT

IT IS VERY PERTINENT TO ASSESS THE PROFITABILITY OF ANY MARKET SEGMENT. THE PROSPECTIVE TARGET MARKET NEEDS TO BE EVALUATED IN TERMS OF PROFITS AS HUGE INVESTMENT IS REQUIRED TO DEVELOP A MARKETING MIX TO ACHIEVE THE DESIRED RESULTS. IMPORTANT FACTORS THAT CONTRIBUTE TOWARDS AN EFFECTIVE CRITERION TO DETERMINE THE ATTRACTIVENESS OF A MARKET SEGMENT CAN BE STUDIED UNDER THREE BROAD CATEGORIES:

- (I) GENERAL MARKET FACTORS
- (II) INTENSITY OF COMPETITIVE FACTORS
- III) OTHER ENVIRONMENTAL FACTORS

- GENERAL MARKET FACTOR

AN EXAMINATION OF THE FOLLOWING FACTORS IS GENERALLY MADE IN THIS REGARD:

- a) **SIZE OF THE SEGMENT:** THE SELECTION OF ANY SEGMENT DEPENDS LARGELY UPON ITS POSSIBILITY TO MEASURE THE SIZE, ASSESS THE PURCHASING POWER AND OTHER CHARACTERISTICS. USUALLY COMPANIES PREFER LARGE SEGMENTS. AT THE SAME TIME, IT IS EQUALLY IMPORTANT TO ASSESS THE CAPABILITY OF THE ORGANIZATION TO FIGHT COMPETITION AS LARGE SEGMENTS ARE LIKELY TO HAVE THREAT FROM OTHER MAJOR PLAYERS. SMALL ORGANIZATIONS SHOULD TARGET SMALLER SEGMENTS AS USUALLY BIG PLAYERS DO NOT ENTER SUCH MARKETS.
- b) **SUBSTANTIAL GROWTH RATE:** THE LARGE SEGMENTS WITH SCOPE FOR ENOUGH PROFITS AND GOOD GROWTH RATE WOULD ATTRACT ALL COMPANIES SEEKING EXPANSIONS. HIGH RISK PROFILE COMPANIES LAY EMPHASIS ON GROWTH RATE THAN SIZE; WHICH IS THE PREFERRED CHOICE OF LOW RISK PROFILE COMPANIES.



- **(C) PRICE ELASTICITY**: THE MARKET SEGMENTS COMPRISING PRICE SENSITIVE CONSUMERS ARE GENERALLY THE ONES WHERE MARKETERS CAN NOT SUBSTANTIALLY DIFFERENTIATE THEIR OFFERING. THUS, IN ORDER TO CAPTURE BETTER MARKET SHARE PRICE CUTTING IS THE ONLY WAY OUT. THE SMALL PLAYERS ARE FORCED TO EXIT AS THEY CAN NOT COMPETE WITH BIG PLAYERS. THE SURVIVAL DEPENDS UPON CAPABILITY OF AN ORGANIZATION TO OFFER ITS PRODUCT WITH A COMBINATION OF BENEFITS AND PRICE.
- **(D) BARGAINING POWER OF BUYERS**: THREATS FROM THE BARGAINING POWER OF END USERS OR INTERMEDIARIES CAN AFFECT THE PROFITS OF MARKETERS AS THEY ARE FORCED TO GIVE HEAVY DISCOUNTS, ELSE THE BUYERS WOULD SWITCH-OVER TO OTHER SUPPLIERS. THE SENSITIVITY OF THIS FACTOR IS DIRECTLY INFLUENCED IF THERE ARE SMALL NUMBERS OF BUYERS WITH LARGE BUYING CAPACITY
- **(E) BARGAINING POWER OF SUPPLIERS**: A MARKET SEGMENT ALREADY CAPTURED BY A FEW SUPPLIERS IS REALLY HARD TO HIT. THE EXISTING SUPPLIERS WILL ALWAYS HAVE AN EDGE DUE TO THEIR ESTABLISHED STRONG RELATIONSHIPS WITH MAIN BUYERS OF LARGE SCALE.
- **(F) ACCESSIBILITY**: THE SEGMENTS THAT CAN BE EFFECTIVELY APPROACHED AND EASILY SERVED BECOME THE PREFERRED CHOICE. MAJOR FACTORS THAT MAY RESULT IN BARRIERS TO ENTRY INCLUDE HUGE CAPITAL INVESTMENT TO BUILD MARKETING INFRASTRUCTURE.

## ● (II) INTENSITY OF COMPETITIVE FACTORS

- A DETAILED EXAMINATION OF THE FOLLOWING FACTORS BECOMES ESSENTIAL TO TARGET ANY MARKET SEGMENT :-
- (A) NATURE AND INTENSITY OF COMPETITION: ANY SEGMENT THAT ALREADY HAS MANY ESTABLISHED COMPETITORS SHALL BE LEAST ATTRACTIVE AS HAVING STRONG BARRIERS TO ENTRY DUE TO FORTIFICATION BY THE AGGRESSIVE COMPETITORS. FIRMS WITH STRONG CULTURE OF INNOVATION TO SERVE THEIR CUSTOMER BETTER, WILL TOO HAVE INTENSE COMPETITION. HOWEVER, INNOVATION AND DIFFERENTIATED OFFERINGS WITH MORE VALUE CAN BE THE KEY TO ENTER OR SURVIVAL IN SUCH SEGMENTS. MOBILE PHONE MARKET IS A GOOD EXAMPLE IN THIS REGARD.
- (B) THREAT OF NEW ENTRANTS: SMART COMPANIES ALWAYS LOOK FOR SEGMENTS THAT HAVE STRONG BARRIERS TO ENTRY AND AT THE SAME TIME HAVE LOW EXIT BARRIERS. GENERALLY, THE MARKETS SERVED BY TECHNOLOGIES ARE MORE PRONE TO RISK AS COMPETITORS OR NEW ENTRANTS, CAN POSE THREAT WITH SUPERIOR TECHNOLOGIES.
- (C) COMPETITION OF SUBSTITUTE PRODUCTS: A SEGMENT THAT ALREADY HAS LARGE NUMBER OF PLAYERS WITH CLOSE SUBSTITUTES OF THE PRODUCT IS GENERALLY LESS ATTRACTIVE TO TARGET. PRICE AND PROFITS IN THIS SITUATION BECOME VERY CHALLENGING. HOWEVER, SERVING THE INTERESTS OF THE TARGET CONSUMERS WITH DIFFERENTIATED OFFERING CAN ONLY MAKE THE SEGMENT ATTRACTIVE.

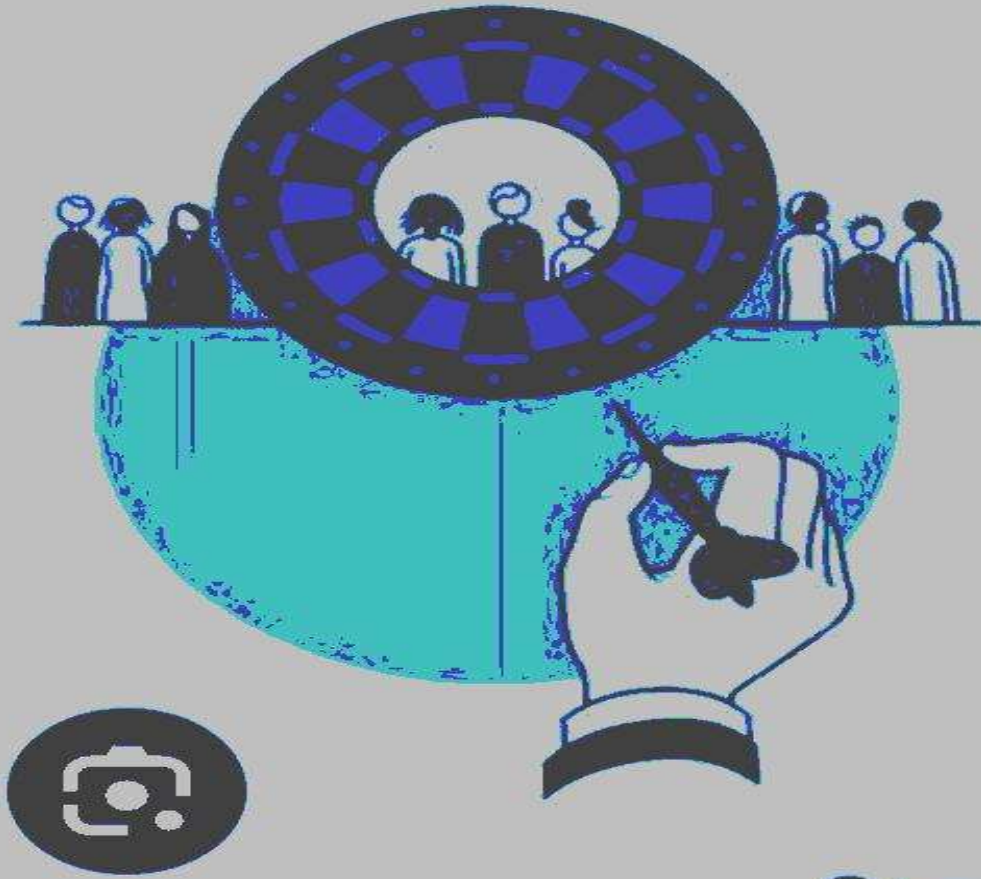
# **(III) OTHER ENVIRONMENTAL FACTORS**

- MANY EXTERNAL ENVIRONMENT FACTORS INCLUDING REGULATORY FRAMEWORK, SOCIAL, POLITICAL MAY HAVE STRONG IMPLICATIONS ON THE ATTRACTIVENESS OF MARKET SEGMENTS AS DISCUSSED BELOW:
- **(A) POLITICAL FACTORS:** THE POLICIES OF THE GOVERNMENT TO ALLOW OR RESTRICT HAVE DIRECT INFLUENCE ON THE SELECTION OF MARKET SEGMENTS.
- **(B) SOCIAL FACTORS:** THE BUYING BEHAVIOUR KEEPS ON CHANGING WITH THE EVOLUTION OF THE SOCIETIES OVER TIME. SMART MARKETERS IDENTIFY SUCH CHANGES EARLY AND TARGET MARKETS WITH NEW OFFERINGS. THE TREND OF WORKING WOMEN, FOR EXAMPLE, HAS OPENED UP MANY NEW SEGMENTS THAT CAN BE TARGETED. THE CHANGING LIFE STYLES DUE TO CONSUMER GROUPS WITH DUAL-INCOME FAMILIES PROVIDE AMPLE NEW OPPORTUNITIES WITH NEW MARKET SEGMENTS
- **(C) GENERAL ENVIRONMENTAL FACTORS:** THE ETHICAL ISSUES AND AWARENESS TOWARDS PROTECTING AND PRESERVING ENVIRONMENT HAS EVOLVED TRENDS TOWARDS GREEN PRODUCTS OR ENVIRONMENT-FRIENDLY PRODUCTS, ENTRY INTO ANY SUCH SEGMENT MAY REQUIRE SPECIAL INFRASTRUCTURE INCLUDING TECHNOLOGY INVOLVING HUGE CAPITAL INVESTMENT.

# 2. COMPETENCY OF THE COMPANY

- THE IMPORTANT ISSUES IN DETERMINING THE CAPABILITIES OF A COMPANY TO ENTER ANY MARKET SEGMENT INCLUDE THE FOLLOWING
- **(1) OBJECTIVES AND MANAGERIAL COMPETENCIES:** AN ORGANIZATION HAVING A TEAM OF SMART MANAGERS WITH COMPETENCY TO UNDERSTAND THE CUSTOMERS PROFILE AND DESIGN OFFERINGS TO SERVE NEEDS WITH IMPROVED METHODS CAN EASILY TARGET NEW SEGMENTS.
- **(2) COST EDGE:** BIG MARKET PLAYERS WITH ESTABLISHED INFRASTRUCTURE USUALLY ENJOY COST EDGE AS THEY CAN ALWAYS EXPLOIT ECONOMIES OF LARGE SCALE. HOWEVER, TECHNOLOGY IS VITAL TO COST REDUCTION THAT HELPS ANY COMPANY TO TARGET SEGMENTS THAT COMPETE ON PRICE OR HAVE LARGE CHOICE OF SUBSTITUTES.
- **(3) ADVANCEMENT OF TECHNOLOGY:** DIFFERENTIATED OFFERINGS IN TERMS OF SUPERIOR TECHNOLOGY CAN PROVIDE GOOD OPPORTUNITIES TO ANY COMPANY TO SERVE THE CONSUMER GROUPS WILLING TO PAY PREMIUMS FOR SUCH PRODUCTS
- **(4) MARKETING INFRASTRUCTURE:** THIS REFERS TO THE AVAILABILITY OF TRANSPORTATION BY LAND, RAIL, WATERWAYS, OR AIR ESSENTIAL FOR DISTRIBUTION. FURTHER, COMMUNICATION SYSTEMS FOR MARKETING INCLUDE TELEPHONES, COMPUTERS, BROADCAST MEDIA, PRINT MEDIA, INTERNET AND WIRELESS TECHNOLOGY.





# Target Market

*['tär-gət 'mär-kət]*

A group of people that have been identified as the most likely potential customers for a product because of their shared characteristics such as age, income, and lifestyle.



# SINGLE SEGMENT TARGETING

- **ORGANISATIONS PREFERING SINGLE SEGMENT TARGETING ARE GENERALLY OF THE VIEW THAT THERE IS NO DIFFERENCE IN CONSUMER CHARACTERISTICS CONCERNING THEIR PRODUCTS OR SERVICES. THIS IS ALSO KNOWN AS UNDIFFERENTIATED TARGETING STRATEGY.**
- **FOR EXAMPLE: A COMPANY THAT HAS ESTABLISHED STRONG MARKET PRESENCE ON THE SMALL CAR MARKET LIKE MARUTI SUZUKI MAY NOT BE CAPABLE TO FORRAY INTO THE LARGE CAR MARKET WITH SIMILAR SUCCESS.**

# MULTI SEGMENT TARGETING

- **WHEN A COMPANY CHOOSES TO MORE THAN ONE SEGMENT IT NEEDS TO DESIGN ITS MARKETING MIX .**
  - **THE COMAPNY NEEDS TO HAVE THROUGH UNDERSTANDING OF THE CONSUMER PROFILE TO HAVE SEPARATE BRANDS THAT CAN BE DEVELOPED TO SERVE EACH OF SEGMENTS.**
  - **MULTISEGMENT STRATEGIES ARE ALWAYS PREFERRED AS THEY RESULT IN HIGHER SALES VOLUME , MARKET SHARE AND PROFITS.**
  - **FOR EXAMPLE: FACE CREAMS WITH DIFFERENT BRANDS FOR OILY, DRY, ROUGH ,PIMPLE CARE ETC. CAN BE COVERED UNDER ONE MARKETING MIX TO SERVE**
- THE DIFFERENT CONSUMER SEGMENT.**



# CUSTOMIZED MARKETING

- **CUSTOMIZED OR INDIVIDUAL MARKETING IS ALSO KNOWN AS ONE TO ONE MARKETING . EVERY COMPANY CAN NOT IMPLEMENT CUSTOMIZED MARKETING . THE APPROACH CAN BE FOLLOWED ONLY IF THE COMPANY IS CAPABLE OF RESPONDING TO THE INDIVIDUAL NEEDS OF THE CUSTOMERS FOR ITS PRODUCT, SERVICES. CORPORATE FOLLOWING SUCH MARKETING STRATEGIES ARE NOT REQUIRED FOR MARKETING PURPOSE REGARDING POTENTIAL CONSUMERS .FOR EXAMPLE:DELL CAME UP WITH THE IDEA OF DESIGNING LAPTOPS AS PER THE DEMAND OF THE CUSTOMERS TO SERVE THE INDIVIDUAL NEEDS. RAYMONDS ALSO CAME UP WITH **MADE TO MEASURE** SERVICE.**



# CONCENTRATED TARGETING

- **A FOCUSED MARKETING APPROACH MAY BE TO SERVE ONLY ONE MARKET SEGMENT WITH SINGLE MARKETING MIX. UNDERLYING PHILOSOPHY OF FOCUSED TARGETING IS TO SERVE WELL THE NEEDS OF A NARROWLY DEFINED MARKET SEGMENT INSTEAD OF DIVIDING RESOURCES OVER SEVERAL DIFFERENT SEGMENTS. SOMETIMES COMPANIES OWN LIMITATIONS OF BUSINESS STRENGTHS MAY FORCE IT TO REJECT THE IDEA OF ENTERING SEVERAL SEGMENTS. THE BRAND IMAGE OF THE COMPANY GETS STRONGLY LINKED WITH ITS PRODUCT RESTRICTING CUSTOMER'S IMAGINATION ABOUT THE COMPANY DOING SOMETHING ELSE.**
- **FOR EXAMPLE: LAMBORGHINI CARS ARE THE PREMIUM CARS TARGETED TO SERVE THE INTEREST OF THE UPPER SEGMENT OF THE MARKET ONLY.**

# MARKET POSITIONING



- **THE TERM POSITIONING IMPLIES DEVELOPING A COMPANY'S OFFERINGS WITH UNIQUE CHARACTERISTICS AND DISTINCTIVE ORIENTATION AS TO CUSTOMER BELIEF IN THE PRODUCT OF THE COMPANY. THESE MAY INCLUDE STYLE, HIGH QUALITY, HOW PRICE, DURABILITY ETC. THE OBJECTIVE IS TO CREATE DISTINCTIVE IMAGE AND OCCUPY A SPECIFIC PLACE IN THE MINDS OF THE TARGET CONSUMER GROUPS. THE POSITIVE PERCEPTION THUS CREATED, DIRECTLY INFLUENCES CUSTOMERS ATTITUDE AND RESPONSE TOWARDS THE COMPANY'S PRODUCTS.**
- **SMART MARKETERS IDENTIFY THE NEEDS OF CONSUMER GROUPS, UNDERSTAND AND PROFILE THEIR NEEDS, AND TARGET THOSE THAT CAN BE SATISFIED IN A SUPERIOR WAY. IT IS VERY IMPORTANT TO DEVELOP IMAGES CONCERNING THE COMPANY OFFERINGS AND CREATE DESIRED POSITIVE PERCEPTIONS IN THE MINDS OF THE TARGET CONSUMERS.**



# CHARACTERISTICS OF POSITIONING

## **•Target market segment:**

**the process of market segmentation may provide a company with one or more choices of differentiated consumers groups . However a careful selection of target market needs to be assessed in terms of company's competencies or business strenghts too.**

## **•Differentiated values or advantages**

**it is very esential that the company should come up with some superior value or differential advantage to win the attraction of the target customers . The clarity of the unique values to serve the interests of the consumers.**

## **COMMUNICATION OF THE DIFFERENTIATED VALUE TO THE CUSTOMERS:**

**IT IS VERY IMPORTANT TO FACILITATE ORIENTATION OF THE TARGET CONSUMERS WITH THE DIFFERENTIATED VALUES OF THE COMPANY'S OFFERINGS. ADVERTISING IS THE MOST POPULAR TOOL TO CONNECT WITH CUSTOMERS. THE CUSTOMERS SHOULD KNOW WELL ABOUT THE DISTINCTIVE ADVANTAGES AND THE MESSAGE SHOULD BE CONVERSED UNAMBIGUOUSLY.**



# POSITIONING AND UNIQUE MARKETING MIX

**A DIFFERENTIATED MARKETING MIX MAY HAVE ANY OF THE COMBINATIONS OF THE FOLLOWING:**

- **(A) PRODUCT DIFFERENTIATION**

**PRODUCT DIFFERENTIATION AIMS AT ADDING SOME UNIQUE FEATURES THAT CANNOT BE MATCHED BY COMPETITORS. 'AASHIRWAD ATTA' WITH MULTIGRAIN IS A GOOD EXAMPLE OF PRODUCT DIFFERENTIATION.**

- **(B) PROMOTIONAL DIFFERENTIATION**

**GENERALLY, ADVERTISING WITH UNIQUE MESSAGE COMPRISING EMOTIONS, ENTERTAINMENT OR HUMOUR, CELEBRITIES MAY PROVE BENEFICIAL CONNECTING WITH THE TARGET CUSTOMERS. CUSTOMER RELATIONS, AND SALES PRESENTATIONS FORM AN IMPORTANT PART OF PROMOTIONAL PROGRAMME.**

- **(C) DISTRIBUTION DIFFERENTIATION**

**ADVANCEMENT OF TECHNOLOGY AND TIME COMPRESSED CUSTOMERS HAVE LED TO THE NEW DISTRIBUTION METHODS LIKE INTERNET MARKETING, TELEMARKETING, DEPARTMENTAL MARKET PLACES ETC. AN APPROPRIATE STRATEGY REQUIRES UNDERSTANDING THE NEEDS OF THE TARGET CONSUMERS AND EVOLVE MOST SUITABLE DISTRIBUTION CHANNEL TO SERVE BEST THE INDIVIDUAL NEEDS OF TARGET MARKETS.**

- **(D) PRICE DIFFERENTIATION**

**THE TARGET MARKETS NEED TO BE ASSESSED IN TERMS OF PRICE FACTOR FOR THE OFFERINGS OF ANY COMPANY. 'HIGHLY PRICE SENSITIVE TARGET MARKETS' ALWAYS LOOK FOR THE BETTER PRODUCTS BUT SELDOM READY TO PAY HIGHER PRICES. 'MODERATE PRICE SENSITIVE SEGMENT' IS READY TO PAY HIGHER PRICE FOR ADDITIONAL FEATURES OR ENLARGED BENEFITS LIKE IN CASE OF CELLULAR PHONES OR LAPTOPS.**

# **POSITIONING WITH POINTS OF PARITY AND POINTS OF DIFFERENCES :-**

- THE WHOLE PROCESS OF MARKET SEGMENTATION AIMS AT IDENTIFYING THE UNFULFILLED DEMANDS OR CONSUMER GROUPS DESIROUS OF SPECIFIC VALUES. ANY BRAND POSITIONING WHILE TARGETING SUCH MARKETS REQUIRES INTELLIGENT AND EFFECTIVE COMMUNICATION TO THE TARGET CONSUMERS AS TO THE POINTS OF PARITY AND POINTS OF DIFFERENCES.**
- IT IS VERY IMPORTANT TO DIFFERENTIATE A BRAND FROM THE COMPETITORS. THE FOCUS SHOULD BE ON SPECIFIC BENEFITS OR FEATURES PROVIDED BY THE BRAND AND AT THE SAME TIME WITH EFFECTIVE MESSAGE THAT NO OTHER COMPETITOR CAN PROVIDE THE SAME. THE POINTS OF DIFFERENCES ARE EASY TO CAPTURE THE ATTENTION OF TARGET CONSUMERS WHO GENERALLY REMEMBER THE BRAND FOR ITS DIFFERENTIATED FEATURES OF THE PRODUCT.**
- IT IS EQUALLY IMPORTANT FOR THE ESTABLISHED BRANDS TO MONITOR POINTS OF PARITY ON CONTINUOUS BASIS AS THE NEW ENTRANTS WOULD ALWAYS LOOK ON FOR THE POINTS OF DIFFERENCES FROM SUCH BRANDS.**

## **FOR EXAMPLE:**

**SUBWAY IN FAST FOODS CATEGORY HAS CREATED BRAND IN TERMS OF 'TASTE' AND 'HEALTHY FOOD'. IT HAS POINTS OF PARITY FOR TASTE .**

**WHILE COMPETING WITH MCDONALD'S AND AT THE SAME TIME HAVING POINT OF DIFFERENCE AS TO HEALTHY FOOD.**





# ESSENTIAL ELEMENTS OF SUCCESSFUL POSITIONING



- **SUCCESSFUL POSITIONING CAN BE ASSESSED IN TERMS OF ESTABLISHING CONNECTIVITY WITH THE TARGET CUSTOMERS.**
- **FOR EXAMPLE: LIFE STYLE APPAREL HAS POSITIONED WITH UNIQUE TRENDY FASHION ALONG WITH COMFORT AS STRONG DIFFERENTIATED FEATURES TO CONNECT WITH TARGET CONSUMERS. A SUCCESSFUL POSITIONING INCLUDES THE FOLLOWING ELEMENTS:**

- **(I) CLARITY**

**SMART MARKETERS MUST INTELLIGENTLY TARGET THE MARKETS THAT ARE CLEARLY UNDERSTOOD IN TERMS OF CUSTOMER PROFILE WITH CLEAR-CUT DEMARCATION OF THE DIFFERENTIATED VALUE PROPOSITION.**

- **(II) CONSISTENCY**

**FREQUENT SWITCHOVERS IN THE POSITIONING OF A BRAND MAY CREATE CONFUSIONS IN THE MINDS OF THE CUSTOMERS. A COMPANY WITH STRONG POSITIONING OF STATUS AND LUXURY SWITCHING OVER TO PRODUCT PERFORMANCE MAY FAIL TO ALIGN ITSELF WITH THE NEW POSITIONING. THE INITIAL POSITIONING OF A COMPANY MAY CHANGE TO SERVE THE CUSTOMER DEMAND WITH DIFFERENTIATED VALUE PROPOSITION.**

- **(III) HONESTY AND CREDIBILITY**

**THE ULTIMATE SUCCESS OF POSITIONING LIES WITH CLEARING THE TEST TO WIN THE TRUST OF THE TARGET CONSUMERS FOR THE CLAIMED DIFFERENTIATED VALUES. THE TRUSTWORTHINESS OF THE PROMISES MADE IN POSITIONING CAN BE BUILT THROUGH PERSONAL USE OF THE PRODUCT. ADVERTISING AND PUBLIC RELATIONS PLAY AN IMPORTANT ROLE BUT SUCCESSFUL POSITIONING DEPENDS UPON HONESTY WITH WHICH A COMPANY DELIVERS WHAT IT PROMISES.**

- **(IV) COMPETENCY**

**POSITIONING IS AIMED AT OFFERINGS WITH SOMETHING OF UNIQUE VALUE TO SERVE THE INTEREST OF THE CUSTOMERS THAT NO OTHER COMPETITOR IS PROVIDING. A COMPANY MUST POSSESS ALL THE RESOURCES THAT ARE ESSENTIAL TO CREATE AND PROCESS ITS OFFERINGS THAT NO OTHER COMPETITOR CAN DELIVER.**

- **(V) BRIEF AND CATCHY**

- **THE POSITIONING OF A BRAND ESSENTIALLY DEPENDS ON ITS CLARITY AND PRECISENESS. THE APPEAL AND MESSAGE TO THE CUSTOMERS SHOULD BE BRIEF AND CATCHY. IT SHOULD CREATE CLEAR IMAGE IN THE MINDS OF THE CUSTOMERS WITH STRONG REASONS WHY THE COMPANY'S OFFERING IS THE BEST TO SERVE THEIR INTERESTS.**

