



Targeting & Positioning

MK 312 Marketing Planning

PART 3

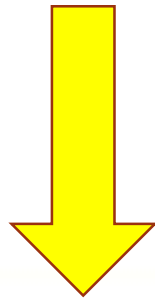
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Online Lesson : October 15, 2020

STP Process



What is market targeting?



We may not want to serve everyone

Market segmentation

- **Geographic** segmentation (countries, regions, cities, urban/rural, postcode)
- **Demographic** segmentation (age, gender, family size, income, occupation)
- **Psychographic** segmentation (social class, lifestyle, personality)
- **Behavioural** segmentation (consumer knowledge, attitudes, product usage)

Target market

Undifferentiat
ed (mass)
marketing

Targeting
broadly

Differentiate
d (segmented)
marketing

Concentrate
d (niche)
marketing

Micromarke
ting (local or
individual
marketing)

Targeting
narrowly

Criteria

Market Targeting Strategies

Undifferentiated (Mass) Marketing	Differentiated (Segmented) Marketing	Concentrated (Niche) Marketing	Micromarketing	
			Local Marketing	Individual Marketing
Whole market with one offer → Ignore segments	Decide to target several different market segments, separate offers for each	Concentrate on one or a few segments or niches	→ cities, neighbour- hoods, specific stores	→ 1 person

Targeting broadly

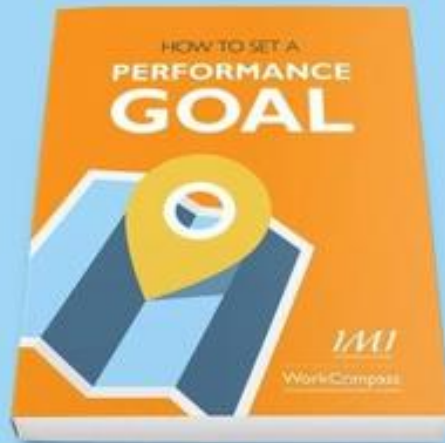
Targeting narrowly

Micro-Marketing...



Empowers Person-to-Person Communication
with the **Individuals** and **Small Groups**
Important to Success
for Relationship Building and Fund Raising

One month - Micro marketing plan



Subscribe

@alanorourke

- Publish ebook
 - Email subscribers (Ask to share)
 - PPC promotions
 - Tweet quotes from ebook daily x2
 - Weekly blog post excerpts
 - LinkedIn groups
 - Use content to answer questions on Quora
 - Track mentions and questions
 - Post images under Creative Commons
 - Press release
 - Do webinar
 - Post presentation on slideshare
 - Post recording on Youtube
- Automate with CoSchedule
Report results

WorkCompass
HELPING MANAGERS BECOME GREAT MANAGERS

Total Available Market, Served Available Market, Target Market



Market Size



Total Available Market

- Sports nutrition market

Served Available Market

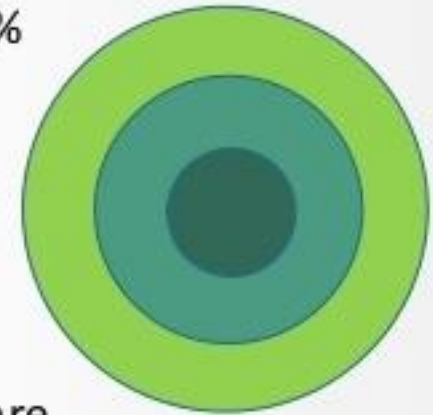
- Energy bar market

Target Market

- Endurance athletes

TAM, SAM, Target Market?

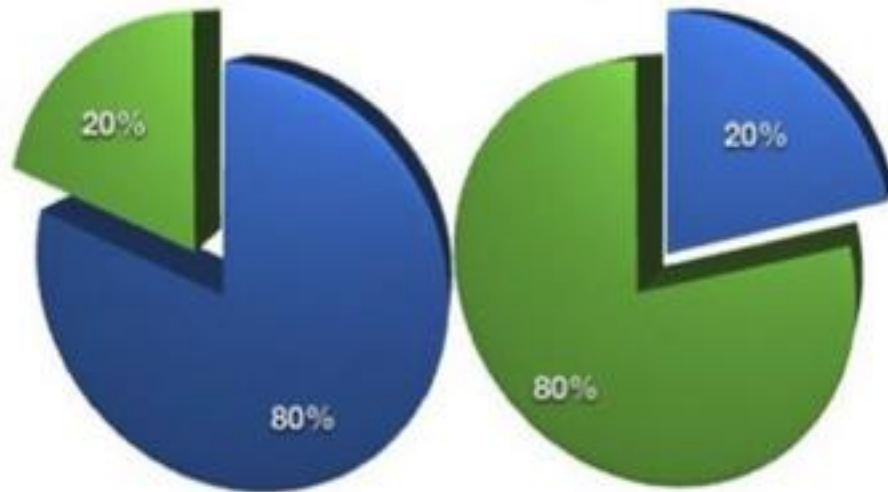
- **TAM** (Total Available Market) ~ When you get 100% of the market share (Pet Food / Mobile Apps / Elearning)
- **SAM** (Served Addressable Market) ~ Part of TAM which receives your main VP. (Dog Food / Healthcare Mobile Apps / Mobile Learning)
- **Target Market** ~ Where do you start? Demographic? Geographic? (Puppy Food / Healthcare mobile App for Elder Female / Mobile Learning for Engineers)



Pareto 80/20



Pareto Principle



20% of the input (time, resources, effort)
accounts for 80% of the output (results, rewards)

Example of the toothpaste market

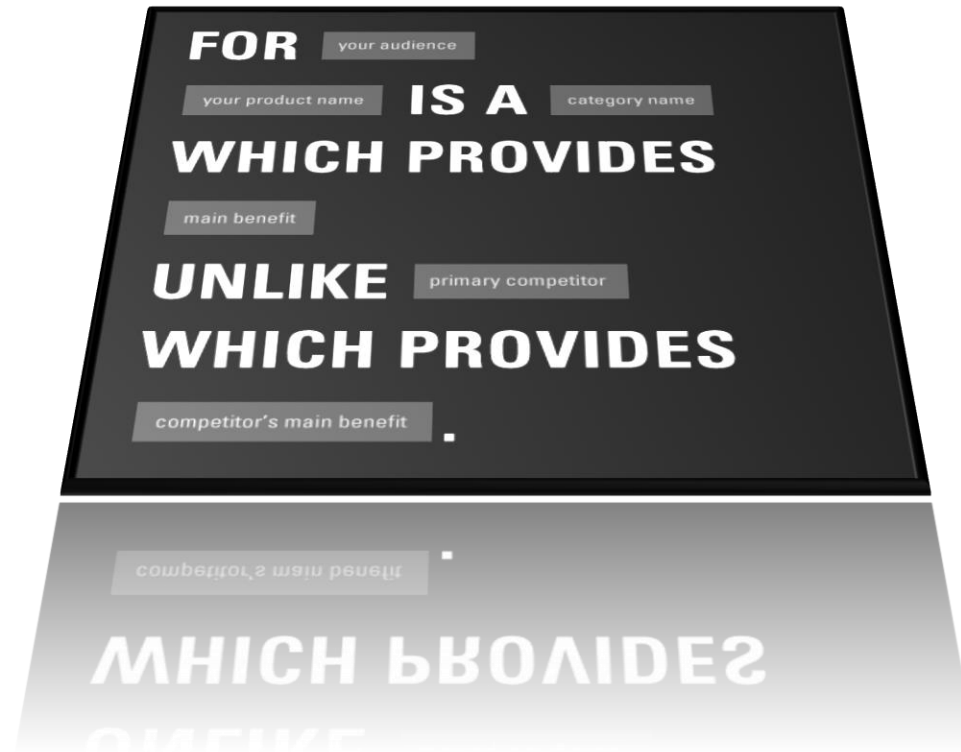
Four main segments:



What is product positioning?



Positioning: How to get here?



Step 3: Positioning

- Is at the **heart of the marketing strategy**
- “. . . the act of designing the company’s offer and image so that it occupies a distinct and valued place in the target customer’s minds.”

Philip Kotler

Determining a frame of reference

Marketers need to know:



Who the target consumer is



Who the main competitors are



How the brand is similar to these competitors



How the brand is different from them

Determining a frame of reference



What are the ideal points-of-parity and points-of-difference brand associations vis-à-vis the competition?

Points-of-Parity and Points-of-Difference



Points-of-difference (PODs) are attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand.



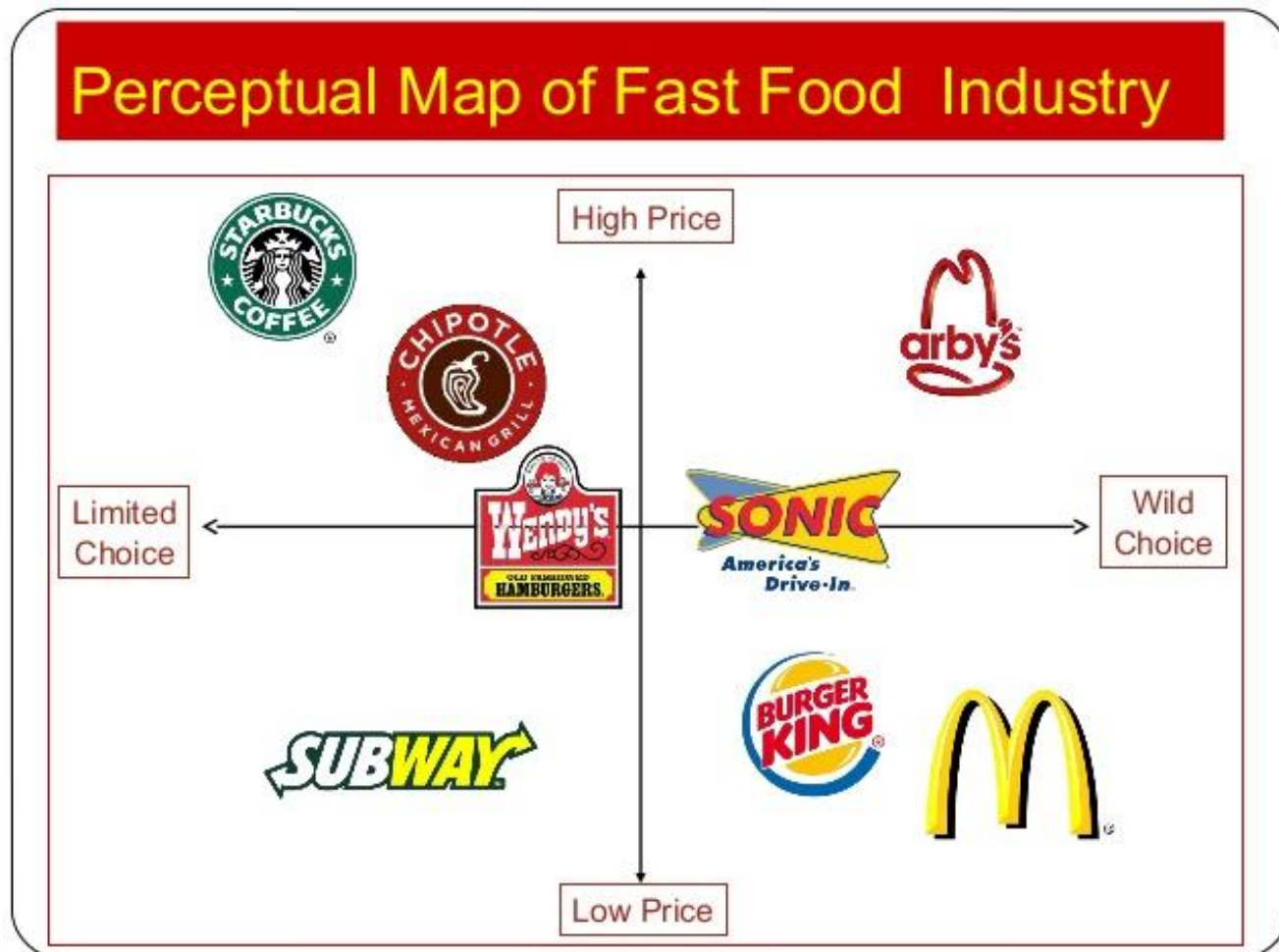
Points-of-parity associations (POPs), on the other hand, are not necessarily unique to the brand but may in fact be shared with other brands.

Nature of Competition

- Deciding to target a certain type of consumer often defines the nature of competition
- **Do not define competition too narrowly**
 - Ex: a luxury good with a strong hedonic benefit like stereo equipment may compete as much with a vacation as with other durable goods like furniture

Brand Positioning: Perceptual Map

A perceptual map provides a visual picture of how customers see different competitors.



Positioning & differentiation

Positioning Statement:

We are *(name of brand)*.

We produce *(type of offering)* for *(target consumer)*

This market offering provides benefits that satisfy *(consumer needs)*

Our offering uniquely attracts our target consumer

Because *(source of competitive uniqueness)*.

Our benefits differ from competitors' benefits in the following
Way(s): *(points of differentiation)*.

Positioning & differentiation

คำชี้แจงตำแหน่ง:

เราคือ(ชื่อสินค้า)

เราผลิต(ประเภทของการเสนอขาย)สำหรับ(เป้าหมายผู้บริโภค)

การเสนอขายในตลาดนี้ให้ผลประโยชน์ที่ตอบสนองความต้องการ (ความต้องการของผู้บริโภค)

การนำเสนอของเราโดดเด่นดึงดูดผู้บริโภคเป้าหมายของเราเนื่องจาก (แหล่งที่มาของความเป็นเอกลักษณ์ในการแข่งขัน)

ผลประโยชน์ของเราแตกต่างจากผลประโยชน์ของคู่แข่งโดยวิธีต่าง ๆ (จุดแตกต่าง)

Positioning & differentiation

Gatorade



We are Gatorade. We produce sports drinks for physical activity enthusiasts who consider themselves to be accomplished, but not necessarily competitive, athletes.

This market offering provides benefits that satisfy our Consumer's need to quench thirst in a healthy and fun (but not frivolous) way.

Our offering uniquely attracts Our target consumer because it is absorbed in the body 12 times faster than water and because it is heavily promoted

Using imagery of everyday athletes working up a sweat.

Our benefits differ from competitors' benefits in the following ways: fun, scientifically-backed quenching.

Positioning & differentiation



เราเป็น Gatorade เราผลิตเครื่องดื่มกีฬาสําหรับผู้ที่ชื่นชอบการออกกำลังกายที่คิดว่าตัวเองจะประสบความสำเร็จ แต่ไม่จำเป็นต้องแข่งขันตลอดเวลา

การเสนอขายในตลาดนี้ให้ประโยชน์ที่ตอบสนองความต้องการของผู้บริโภคในการดับกระหายด้วยวิธีที่ดีต่อสุขภาพ(แต่น่าเบื่อหน่าย) การเสนอขายของเราโดดเด่นดึงดูดผู้บริโภคเป้าหมายของเรา เพราะมันถูกดูดซึมเข้าสู่ร่างกายได้เร็วกว่าน้ำ12เท่าและได้รับการส่งเสริมอย่างมากโดยใช้ภาพของนักกีฬาในชีวิตประจำวันที่เสียเหงื่อ ผลประโยชน์ของเราต่างจากผลประโยชน์คู่แข่งดังต่อไปนี้; ความสนุก, มีหลักฐานทางวิทยาศาสตร์ว่าช่วยให้หายกระหายน้ำ



Gatorade | Messi | Don't Go Down

1,309,453 views



Gatorade India

8,133 subscribers



STP Process



Nike Example of STP



FIGURE 1.1: The stages of building a marketing plan

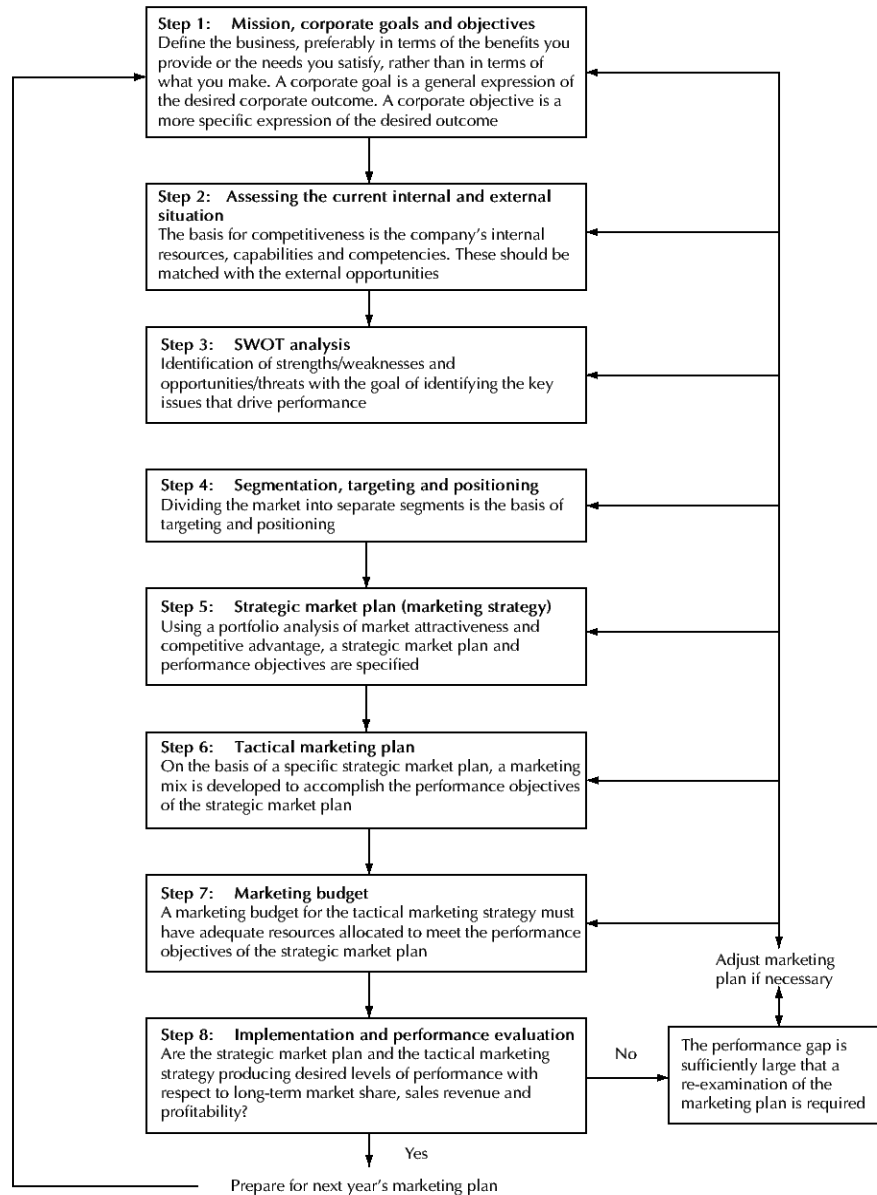
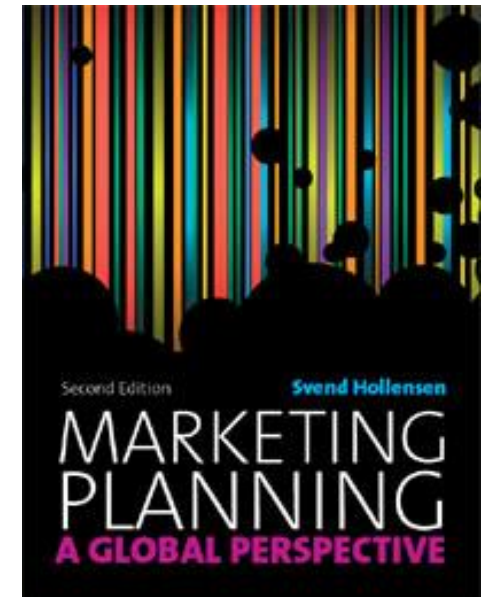


Figure 1.1: The stages of building a marketing plan



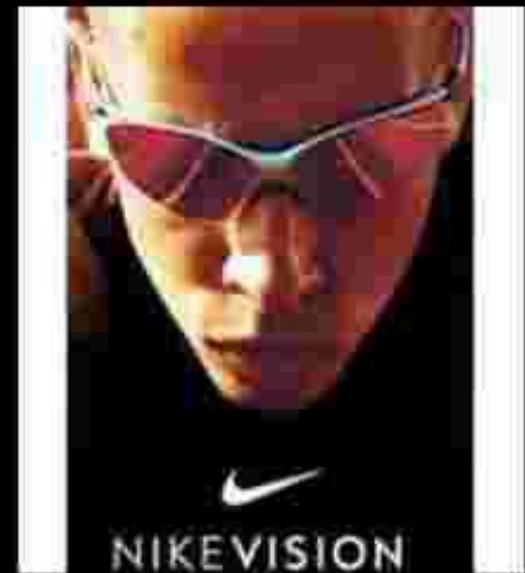


Vision Statement

“To bring inspiration and innovation to every athlete* in the world”

(* *“If you have a body, you are an athlete”*

Bill Bowerman, co-founder)





Mission Statement

Nike is the "largest seller of athletic footwear and athletic apparel in the world. Performance and reliability of shoes, apparel, and equipment, new product development, price, product identity through marketing and promotion, and customer support and service are important aspects of competition in the athletic footwear, apparel, and equipment industry. We believe we are competitive in all of these areas."

The company aims to "lead in corporate citizenship through proactive programs that reflect caring for the world family of Nike, our teammates, our consumers, and those who provide services to Nike."

STRATEGIC RECOMMENDATIONS: TOWS MATRIX

		Strengths	Weaknesses
		- Tagline "Just Do It" reverberates with athletes and competitors (SOG) - High differentiation in products allows Nike to reach a wide variety of consumers and "athletes" (Strategy) - Global positioning makes manufacturing and delivery fast and efficient (Strategy) - Nike's financial resources, global supply chain, and established vendor relations make the firm incredibly efficient (VRIO) - High global brand recognition (VRIO) - Extensive R&D program allows Nike to stay at the forefront of their industry consistently releasing innovative and technologically advanced products (VRIO) - Strong, cut-like company culture (OCA) - Nike gives employees the flexibility to move, within specific guidelines (CSA) - SOG & Position II: reaching every athlete everywhere made possible through broad differentiation (SS) - Skills & Position III: excellent core and end products teamed with a top notch distribution and manufacturing network add to satisfying company goals of innovation and product excellence (SS) - Nike is in excellent financial positioning, efficiently using assets and capital to produce industry-leading returns to investors (SS)	- Nike VMPGs is too geared toward athlete and less toward average consumer (SOG) - Very broad mission statement (SOG) - Still several CSR complaints keeping Nike from being inspirational (SOG) - High product prices can lead to consumers switching brand allegiance (Strategy) - Continued allegations of abuse and mistreatment of employees at manufacturing facilities (VRIO) - Income heavily dependent on Nike's share of the footwear market (VRIO) - Sometimes bureaucratic decision making (OCA) - Structure & SOG: organizational structure features little representation from lower-level workers, blocking significant progress in CSR and manufacturing facility conditions (SS) - Style & SOG: often bureaucratic decision-making means innovative ideas from front-line sales staff centered with extensive consumer preference knowledge may not be reaching key decision makers in the company (SS)
Opportunities	SO Strategies	WO Strategies	
- Footwear industry up 25.94% from YAGO (5F) - Athletic footwear sales have grown 8.6% annually, on average, for the last three years (5F) - High psychological/bond differentiation (5F) - Nike's younger market dominates premium shoe sales worldwide (5F) - Low toll barriers because of subcontracted manufacturing (5F) - Large manufacturing and distribution economies of scale (5F) - Subcontracted manufacturing gives Nike great flexibility in meeting higher demands (5F) - Thousands of patents on fabrics and designs (5F) - Low buyer price sensitivity (5F) - Nike's average shoe price of \$70-75 is double the average price of tennis shoes (\$39.97 in 2013) (5F) - Average consumer, especially athletic participants, are more fashion-oriented than ever (5F) - Emerging markets (Brazil, Mexico, Argentina, etc.) up 30% in footwear sales (MEA) - Household median income is on the rise (MEA)	<u>Nike Showcase</u> Strengths: Extensive R&D program allows Nike to stay at the forefront of their industry, consistently releasing innovative and technologically advanced products (VRIO) - High global brand recognition (VRIO) Opportunities: Emerging markets (Brazil, Mexico, Argentina, etc.) up 30% in footwear sales (MEA) - Average consumer, especially athletic participants, are more fashion-oriented than ever (5F)	<u>Nike Parks</u> Weaknesses: Still several CSR complaints keeping Nike from being inspirational (SOG) Opportunities: Nike's younger market dominates premium shoe sales worldwide (5F)	
Threats	ST Strategies	WT Strategies	
- Four firm strategic group featuring oligopoly; price-war in marketing and advertising (5F) - Under Armour's market share growth is higher than all industry firms, including Nike (5F) - Low functional product differentiation (5F) - Constantly decreasing switching costs due to online distribution and increasing product knowledge (5F) - High emotional commitment to legacy due to senior executives and Bowman's powerful past (5F) - High threat of retaliation for athlete marketing contracts (5F) - Substitution possible in high-performance niches (running, hiking, etc.) (5F) - Increasing digital content and high-performance video game consoles could take away from physical activity, creating less demand for athletic apparel (MEA) - Under Armour making the move to a more internal company model (MEA) - International design patent prices have been increasing in recent years (MEA) - Aging population doesn't cater to Nike's hold on youth market (MEA) - Baby boomers moving spending habits from clothing and entertainment to healthcare as they age (MEA)	<u>NBA Penetration</u> Strengths: Tagline "Just Do It" reverberates with athletes and competitors (SOG) - Reaching every athlete everywhere made possible through broad differentiation (SS) Threats: Under Armour's market share growth is higher than all industry firms, including Nike (5F) - Four firm strategic group featuring oligopoly; price-war in marketing and advertising (5F)	<u>Redefining The Athlete</u> Weaknesses: Nike VMPGs too geared toward athlete and less toward average consumer (SOG) Threats: Aging population doesn't cater to Nike's hold on youth market (MEA) - Baby boomers moving spending habits from clothing and entertainment to healthcare as they age (MEA)	

Market Segmentation

GEOGRAPHIC SEGMENTATION:

divided the market into different units of location

- neighborhood,
- states,
- regions
- cities
- countries.
- Adidas Bold 2009 have operated in urban and semi-urban cities of India.

BEHAVIORAL SEGMENTATION:

This segment divided the consumers according to their attitude, knowledge, response and use of the product. Below are the behavioral segmentation for Adidas:

- Benefits
- Gym regular users
- Sports lovers
- Athletes
- Image seekers
- Brand freaks

PSYCHOGRAPHIC SEGMENTATION:

the analysis of the different personalities of each consumers. The only key is to be different.

- Achievers
- Well-experienced
- Hard workers
- Goal achievers

DEMOGRAPHIC SEGMENTATION:

divided into different segments based on the variables of family size, family life cycle, income, gender, age and etc

The demographic segmentation of Adidas as follows:

- Age 15-36
- Income level: \$15,000
- Social Class: Upper middle, upper class and lower upper.
- Gender: Both male and female

Positioning: Target Market

Women

- Expanding Women's apparels
- Women in 20s and 30s driving the 'athleisure trend'

Athletes

- Kids are growing part of Nike's business
- Young athletes wear products through sponsorship with clubs and federations
- Professional athletes such as NFL wear Nike Gear

Runners

- Running is heritage and largest performance category
- Nike's innovation efforts are focused in running category



Positioning



To bring inspiration and innovation to every athlete in the world



Ubiquitous brand



You have a body, you are an athlete



Shifted from Product Focus to Attitude Focus



Fashionable

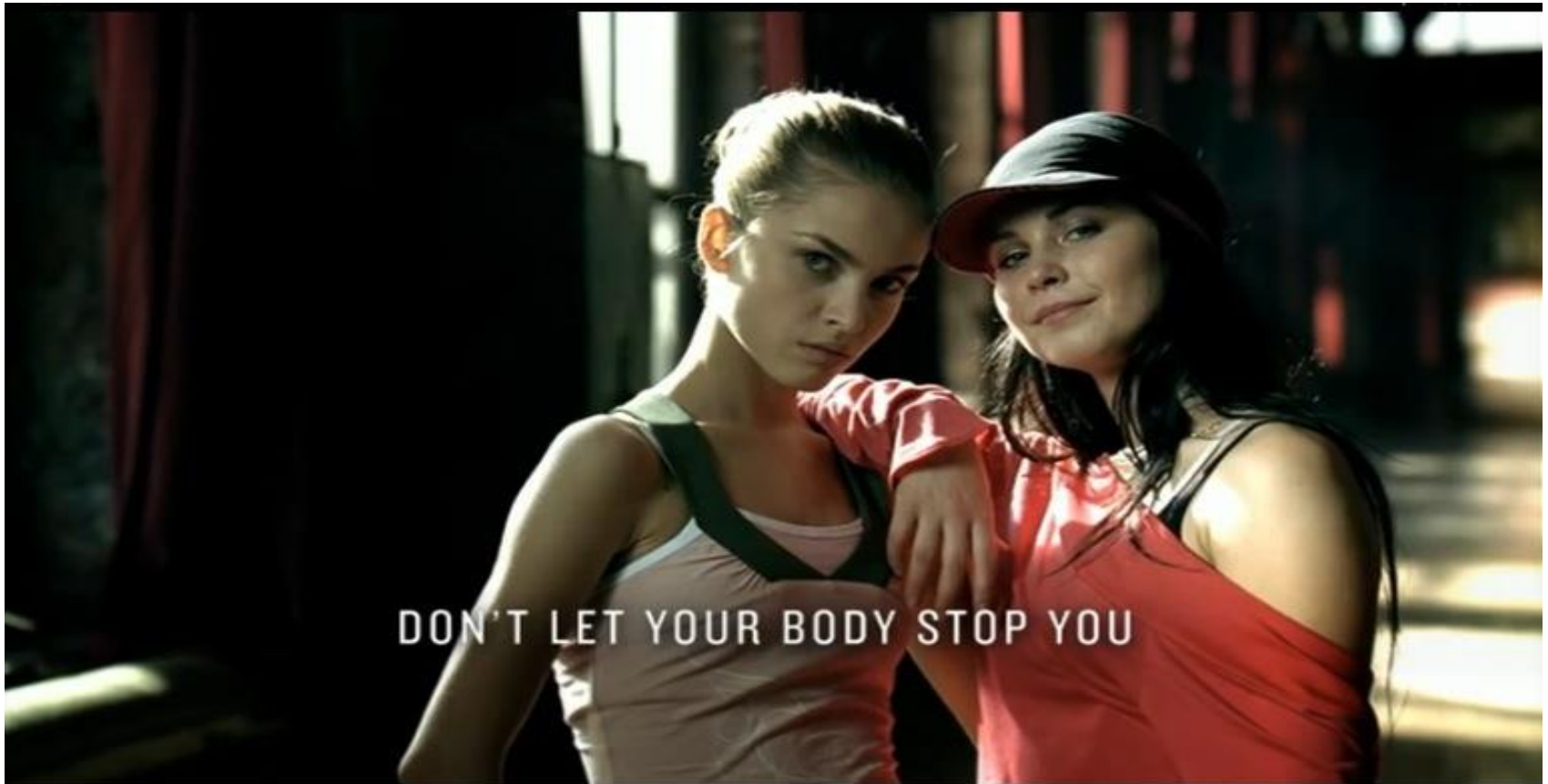


Low
Comfort

High
Comfort



Non -
Fashionable



JUST DO IT (HipHop Vs Ballet), Nike Russia

48,512 views

 726  12 



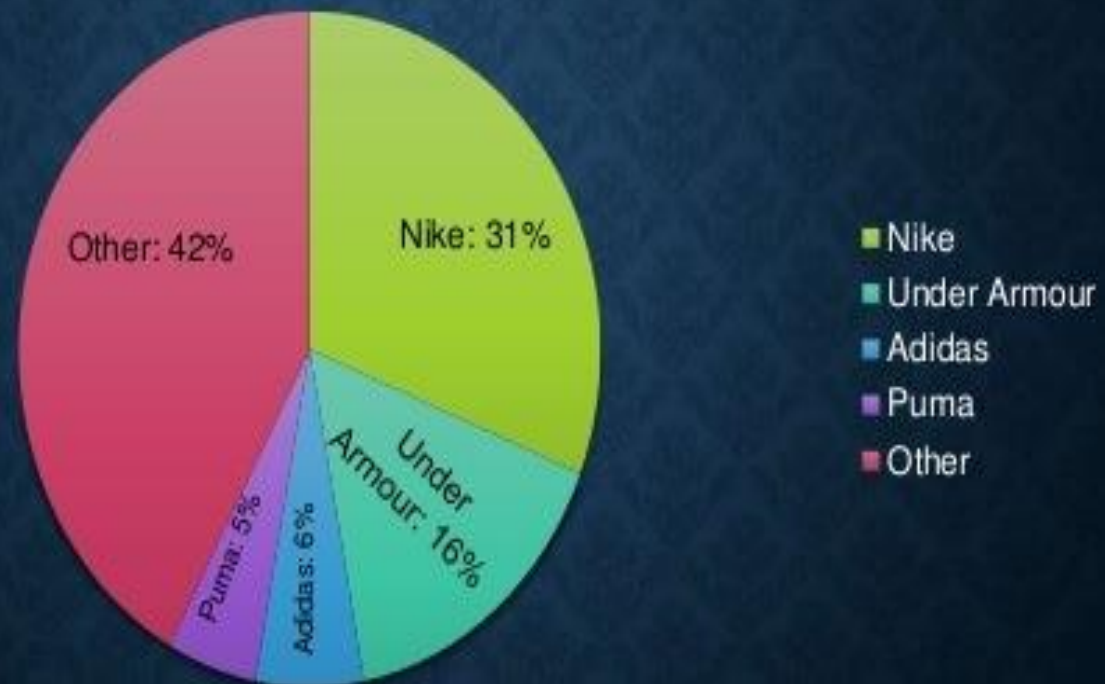
Broadway Dance Magazine

218 subscribers



MARKET SHARE

Nike has the highest market share percentage (31%) when compared to its main competitors.



SOURCE:

"Top Sports Apparel Brands, 2013-2014." **Market Share Reporter**. Ed. Robert S. Lazich and Virgil L. Burton, III. 26th ed. Farmington Hills, Mich.: Gale Group, 2016. 844 pp. 2 vols. *Gale Directory Library*. Gale. University of Pittsburgh Libraries. 18 Apr. 2016 <<http://find.galegroup.com/gdl/start.do?prodId=GDL>>.



Video on STP - Recap



STP Segmentation Target Position

29,022 views

135 0



ชัยชาญ อาษาพล
3,157 subscribers



STP Process



Additional a Tips....

STEP 2

Initiatives are segmented and mktg mix vary

Segment	Price sensitive	Mid market	Up market
Marketing goals	• Keep revenue	• Build loyalty • Attract new customers	• Attract new customers
Initiatives and tactics increasing value for money	1. Strengthening and utilizing EDAP 2. Time limited price offers 3. Events	1. Building service brand 2. Refreshing product lines 3. New ways of couponing 4. Environmental focus/good responsible citizen 5. Loyalty program for kids (only)	1. Building McCafé brand and introducing new “healthy” platform as part of it 2. Piloting new dinner platform 3. My Home Office & Meeting Point