



# Segmenting, Targeting, and Positioning STP

## MK 312 Brand Management

### **STP WORKSHOP**

By Ajarn Suwalya K.  
Lesson 3

# STP WORKSHOP: today's Happening

- **STP Workshop Briefing**
- **Break out into project teams**

## **SEGMENTATION**

- **STAGE 1**
- **Team brainstorm and discussion**

## **TARGETING**

- **STAGE 2**
- **Team brainstorm and discussion**

## **POSITIONING**

- **STAGE 3**
- **Team brainstorm and discussion**

**-> Team final submission of STP in CEO messenger group- will be counted as project group work.**



**Part I: Let's Review...**

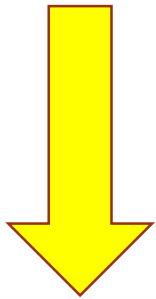
# STP Process



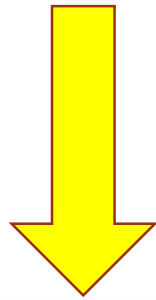
# What is market targeting?



# What is product positioning?



# What is product positioning?



# What is product positioning?






# Step 1: Segmenting

Market Segmentation			
Geographic	Demographics	Psychographic	Behavioural
Grouping customers based on defined geographical boundaries	Grouping customers based on customer personal attributes	Grouping customers according to lifestyles	Grouping customers based on actual customer behaviour toward products and services
For example: <ul style="list-style-type: none"><li>▪ Region</li><li>▪ Country</li><li>▪ Population</li><li>▪ Climate</li></ul>	For example: <ul style="list-style-type: none"><li>▪ Age</li><li>▪ Gender</li><li>▪ Nationality</li><li>▪ Ethnicity</li><li>▪ Occupation</li><li>▪ Income</li><li>▪ Social class</li><li>▪ Family size</li><li>▪ Religion</li><li>▪ Education</li></ul>	For example: <ul style="list-style-type: none"><li>▪ Lifestyle</li><li>▪ Personality</li><li>▪ Values</li><li>▪ Attitudes</li><li>▪ Opinions</li><li>▪ Interests</li></ul>	For example: <ul style="list-style-type: none"><li>▪ Brand loyalty</li><li>▪ Benefits sought</li><li>▪ User status</li><li>▪ Usage rates</li><li>▪ Occasion</li><li>▪ Readiness to buy</li></ul>

# Step 2: Targeting

## 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, neighbourhoods, specific stores	→ 1 person

Targeting broadly

Targeting narrowly

# Step 3: Positioning

How to get here?

- 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.



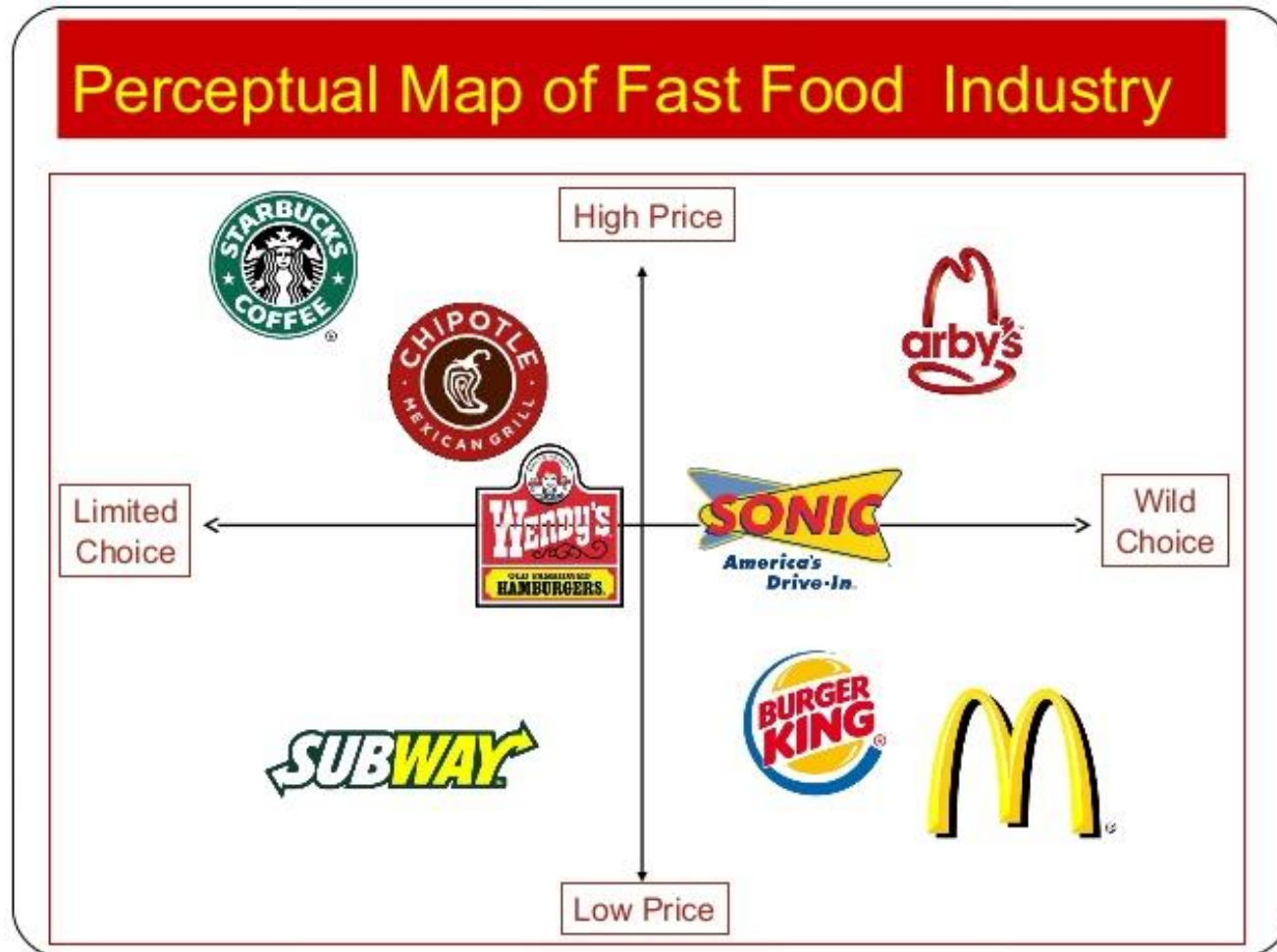
***Points-of-parity associations (POPs)***, on the other hand, are not necessarily unique to the brand but may in fact be shared with other brands.

# 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 แต่ไม่จำเป็นจะต้องแข่งขันตลอดเวลา

การเสนอขายในตลาดนี้ให้ประโยชน์ที่ตอบสนองความต้องการของผู้บริโภคในการดับกระหายด้วยวิธีที่ดีที่สุดต่อสุขภาพ(แต่ไม่น่าเบื่อหน่าย) การเสนอขายของเราโดดเด่นดึงดูดผู้บริโภคเป้าหมายของเรา เพราะมันถูกดูดซึมเข้าสู่ร่างกายได้เร็วกว่าน้ำ12เท่าและได้รับการส่งเสริมอย่างมากโดยใช้ภาพของนักกีฬาในชีวิตประจำวันที่เสียเหงื่อ ผลประโยชน์ของเราต่างจากผลประโยชน์คู่แข่งดังต่อไปนี้; ความสนุก, มีหลักฐานทางวิทยาศาสตร์ว่าช่วยให้หายกระหายน้ำ



## Segmentation, Targeting and Positioning - Learn Customer Analytics



365 Data Science · 124K views · 1 year ago



## Global RTD Tea Market

OPPORTUNITIES AND FORECAST,  
2021-2027

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Global RTD Tea Market is  
expected to reach **\$38.96  
Billion** by 2027.

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Growing at a **CAGR of 5.5%**  
(2021-2027)



Allied  
Market  
Research

# Part II: RTD Market Ready to Drink

# Definition of RTD

- **Ready to drink (often known as RTD)** packaged beverages are those sold in a prepared form, ready for consumption. Examples include iced tea (prepared using tea leaves and fruit juice) and alcopops (prepared by mixing alcoholic beverages with fruit juices or soft drinks).

# Definition of RTD



# Definition of RTD- Alcopops

- Alcopops are mainly ready made alcoholic cocktails that are carbonated and bottled under various brand names. **Alcopops are the most commonly consumed type of RTD** in the world after iced tea. It is also important to note that Alcopops are banned in some countries due to religious and cultural reasons, which do not permit the consumption of alcohol. A number of studies have linked the marketing of alcopops to increased incidences of underage drinking
- The industry term for this range of products is flavored malt beverage or progressive adult beverage. The majority sold in the US, are essentially flavored beer.
- Alcopops can be based on different types of spirits and liquors, such as vodka-based or rum-based.

# Alcopops



# Alcopops



# Alcopops





# Definition of RTD – Non-alcohol

- Non-alcoholic RTDs can be further separated into **dairy and non-dairy drinks**. **Iced Tea and coffee** are sold in many countries in both dairy-added and non-dairy versions.
- Other non-alcoholic non-dairy drinks **include herbal energy drinks**.
- Other non-alcoholic dairy-based drinks include **protein supplements and yogurt-based drinks**.

# Non-alcohol

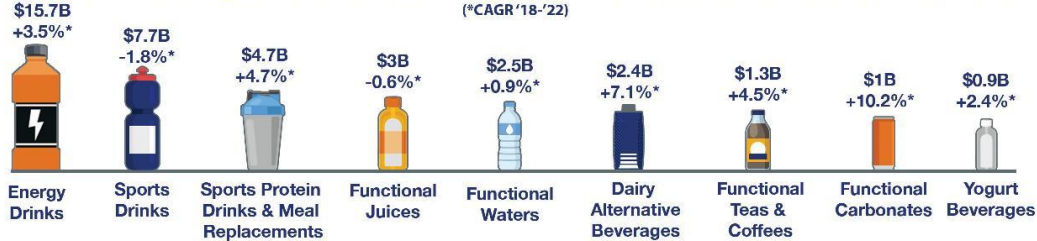


# OUR VIEW ON THE US FUNCTIONAL BEVERAGE MARKET

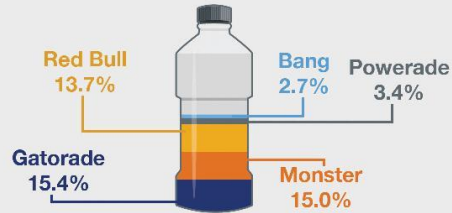
## US Functional Beverage Market Summary

Functional Beverages Reached \$39B in 2018 and Are Expected to Reach \$46B by 2023<sup>1</sup>

(\*CAGR '18-'22)



### The Top 5 Brands Account for 51% of the Functional Beverage Market<sup>1</sup>



### Preferred Protein Source in Functional Beverages



Dairy Protein Source

### Driver to Purchase Sports, Nutrition & Performance Drinks



High Protein

### Consumers Purchase Functional Beverages to Satisfy a Need State First<sup>2</sup> Top Need States & Beverages Chosen



### High-Protein Functional Beverages are Found in Practically Every Category of Functional Beverages



Sources: 1. Euromonitor Jan 2020 - Data ending 2019.  
2. Mintel Nutrition & Performance Drinks-US-March 2018.  
202301 InfoBV

# Non-alcohol





# Non-alcohol



# Non-alcohol



# Non-alcohol



# RTD Soft Drink



Devtec  
Asia 2015



# DRINK TRENDS



RTD ...Ready-to-Drink

THAILAND

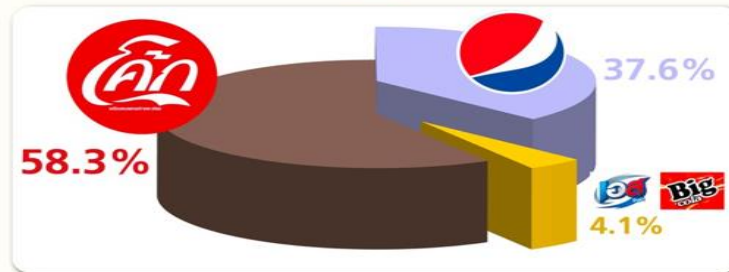
# RTD market in Thailand



**57.7%**  
ดื่มน้ำดำ เช่น  
คิก เปปซี่ และ  
เอส เป็นต้น



**41.8%**  
ดื่มน้ำสี เช่น แพนด้า  
สไปรท์ มรินด้า และ  
เอส เป็นต้น



## ทำไมคนไทยดื่มน้ำอัดลม

- 38.6%** ดื่มเพื่อความสดชื่น คลายร้อน
- 31.5%** ดื่มเพราะรสชาติ ความซ่า
- 19.1%** ดื่มเพราะติด อยากรดดื่ม
- 5.3%** ดื่มเพราะพรีเซ็นเตอร์ การโฆษณา โปรโมชั่นและราคา
- 2.0%** ดื่มเพราะยี่ห้อ สังกัดบริษัท ของน้ำอัดลม
- 3.5%** ดื่มเพราะอื่นๆ เช่น ดื่มแก้เบื่อ หาดื่มง่าย สีสัน ชื่อดังให้เพื่อน เป็นต้น

## ดื่มน้ำอัดลม กันตอนไหน

- 43.0%** ดื่มตอนอากาศร้อน กระจาย
- 40.4%** ดื่มตอนเหนื่อย
- 33.2%** ดื่มตอนรับประทานอาหาร ที่ร้านฟาสต์ฟู้ด
- 27.2%** ดื่มตอนงานเลี้ยง
- 27.0%** ดื่มตอนกินส้มตำ แซ่บๆ เผ็ดๆ

ที่มา : สำนักวิจัย ซูเปอร์โพล (SUPER POLL)

**POSITIONING**

# RTD market in Thailand

## INSIGHTS AND OPPORTUNITIES IN 100% JUICE

Tetra Pak sees growth opportunities despite the economic slowdown and recent sugar debate.



63%

rate eating healthy/nutritious food as very important, rising to 71% in emerging markets

80%

of consumers globally see 100% juice as healthy, natural and tasty

51%

say they pay high attention to ingredients used in their food and drink

42%

of consumers say they drink 100% juice every day or more

The top three product trends with fast paced growth:



**Vegetable Nutrition** – New products with vegetables as an ingredient have seen 43% CAGR between 2012 and 2015



**All Natural** – 67% of consumers rated “all natural” as the most interesting product attribute



**Speciality 100% Juice** – 60% globally say they are interested in products with proven health benefits



# RTD market in Thailand



# RTD market in Thailand

## A CHANGING FLAVOUR PALETTE

Orange still king, but declining while vegetables on the rise

OTHERS 11%

CRANBERRY 1%

MANGO 1%

COCONUT 1%

MIXED BERRY 1%

VEGETABLE 1%

PEACH 1%

TROPICAL FRUIT 1%

GRAPEFRUIT 2%

PINEAPPLE 2%

TOMATO 3%

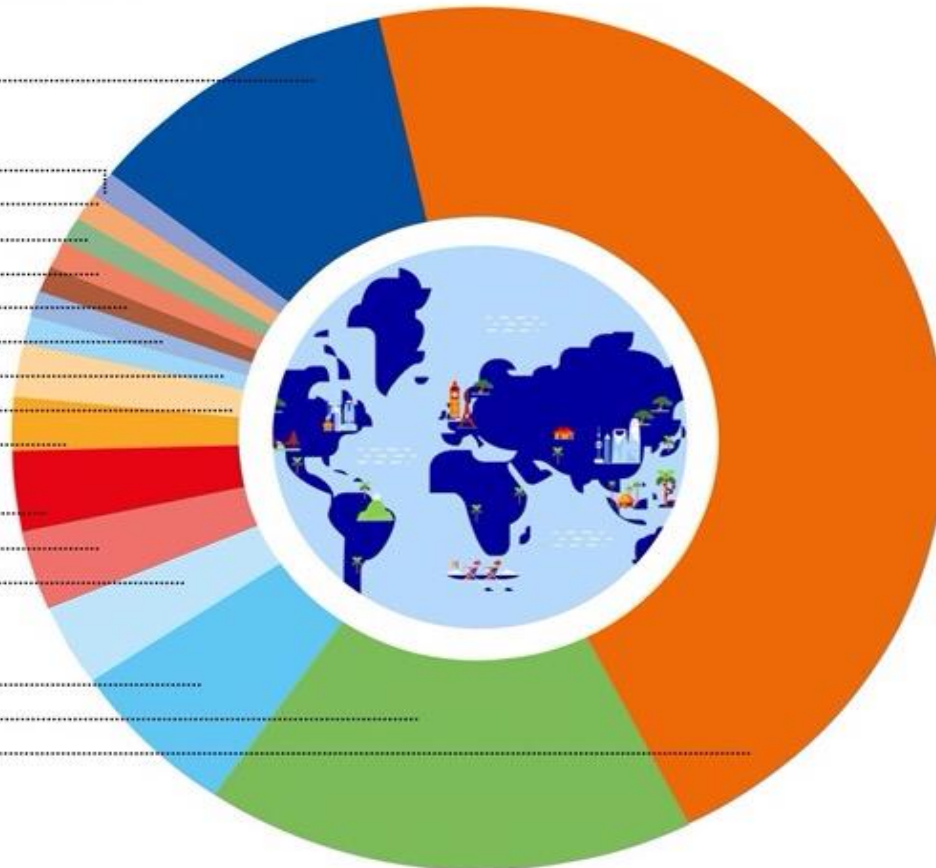
GRAPE 3%

MIXED VEGETABLES 3%

MIXED FRUITS 6%

APPLE 17%

ORANGE 46%



# RTD market in Thailand

## TOP TEN 100% JUICE MARKETS IN 2015 AND 2018

Forecast shows slowing decline  
in established markets, while  
China and Brazil grow

Figures show  
consumption  
in million litres



# Drink It In

## Breaking Down Gen Z's Thirst

### Bottle Royale

**Back to the basics:** Bottled water topped coffee and fresh-brewed tea as the beverage they consume most frequently (7+ times a week). With a bevy of choices at their disposal, sometimes less is ultimately more.



**SOURCE:** Beverage Marketing Corporation/Fluent 2016 research. This survey was conducted for industry consultants Beverage Marketing Corporation by college marketing and insights agency Fluent (fluentgrp.com) between March 15-17, 2016, and drew 1,010 college respondents between the ages of 17-24 from across the country.

Infographic Design by Scott Jacobs

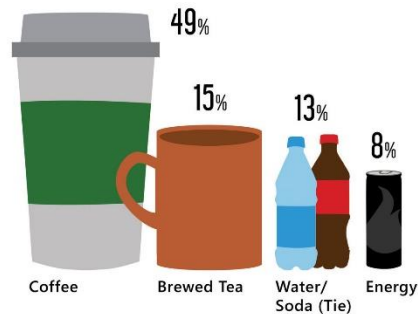
### Futures Market

**Here's the plan:** Our respondents intend to drink more water, tea and wine. They'll be consuming less soda, energy drinks and sports drinks.



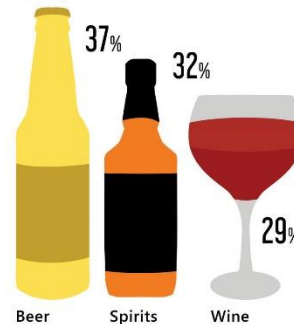
### Cuppa Jolt

**When they need a boost, they turn to the tried and true:** Nearly 50% look for a cup of coffee when they need a pick-me-up, with brewed tea a distant second. At 8% energy drinks failed to make the Top 3.

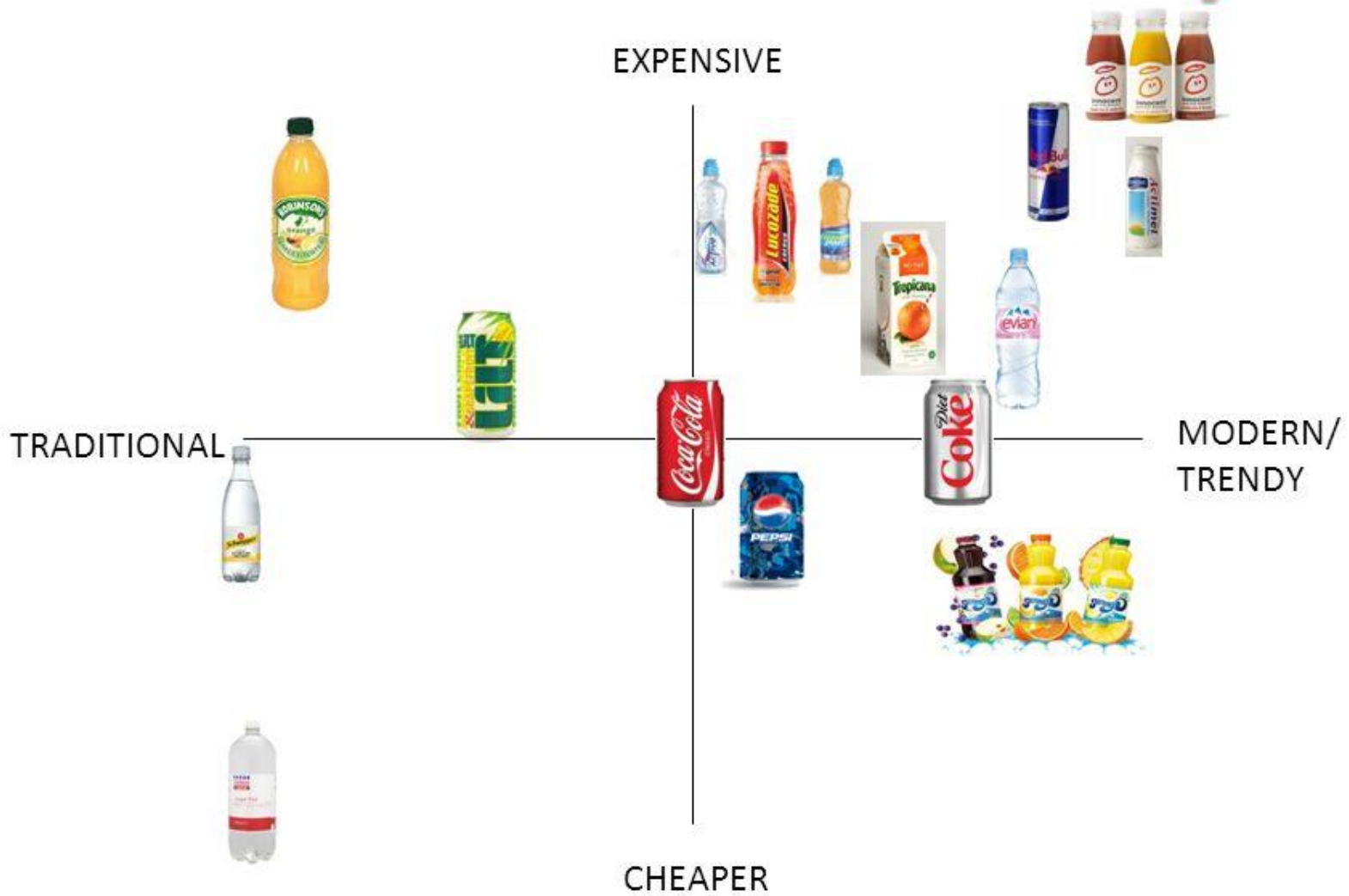


### Cold Beer Here!

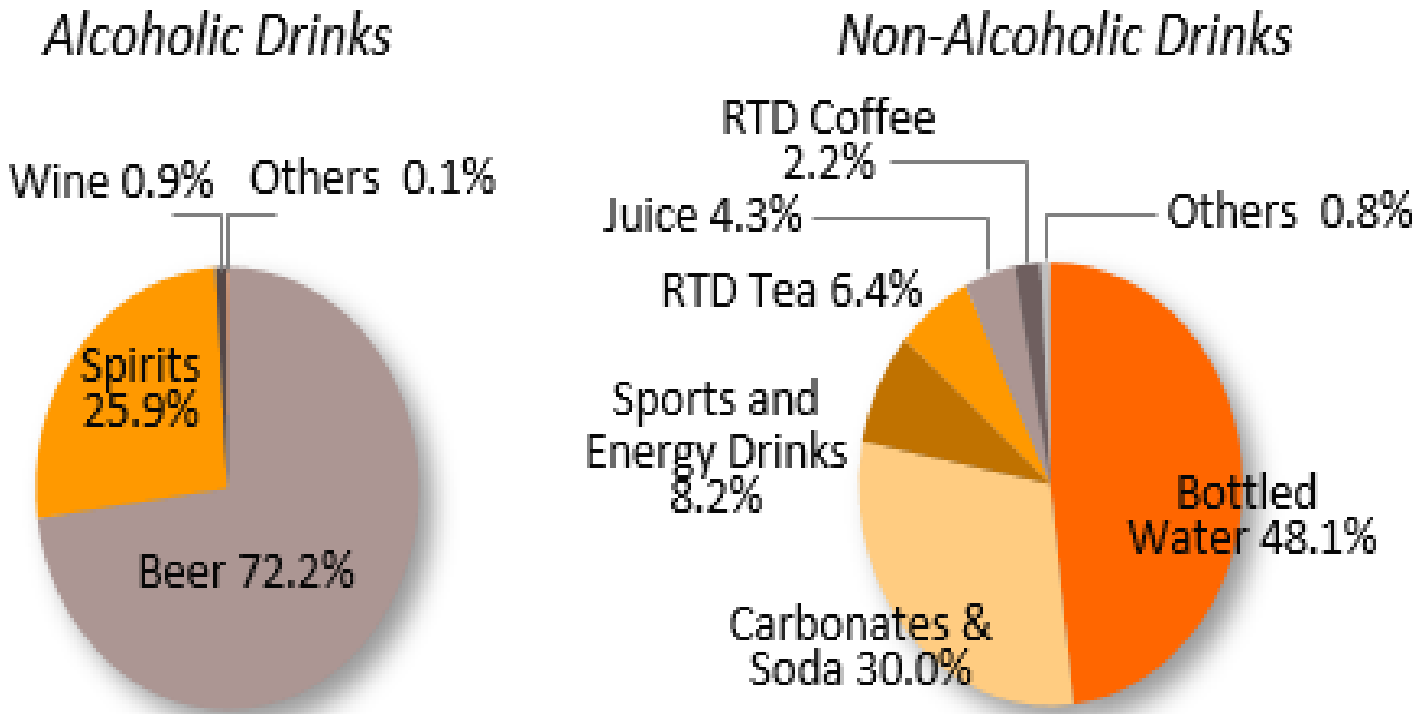
**Beer run:** They drink beer more than any other alcohol beverage. However, spirits and wine gave brewskis a run for their money.



# Soft drinks market map



**Figure 4: Market Share of Thai Beverage by Volume (2017)**



Source: NFI, Euromonitor, Local Press

# SNAPSHOT OF THAILAND'S SOFT DRINK MARKET



Mixers

5%



Ready-to-drink  
coffee

8%



Ready-to-drink  
tea

8%



Energy drinks

15%

Sports drinks

3%



Carbonated  
soft drinks

36%



Drinking  
water

25%



# — ส่วนแบ่งตลาด — Functional Drink

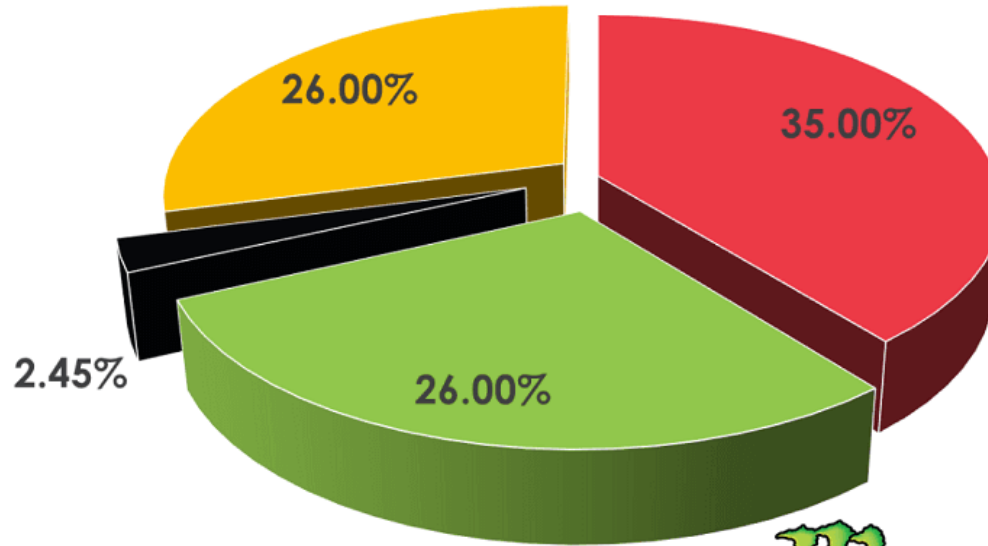


ตลาดรวม

1,900 ล้านบาท

ที่มา : เซ็ปเป่ อดิศ อดิวงค์ & อดิวงค์

# Leading Energy Drink Companies in U.S.



- Red Bull
- Monster Beverage
- Rockstar
- Others



**Disclaimer :** All product names, logos, and brands are property of their respective owners. Infographic data is sourced from company's annual reports.



**Part III: Let's get started!**

# Workshop guidelines – Let's Practice!

- Each Team will choose a RTD Brand in Thailand
- Each team will have 30 mins++ to discuss each stage ( total 3 stages)
- By the end submit PPT slides to me, then start working on next topic
- I will be visiting you in your break out rooms
- By the end of class, CEOs will submit final ppt slides to me via CEO messenger group with final STP

# Workshop guidelines

Consists of 3 stages

## Stage 1- SEGMENTING (45 mins)

- Define the existing target markets for your brand
- Explore 2 new segments for your new product (totally new and should not exist in the market)
- \* please refer to criteria for segmentation - quantifiable

## Stage 2 – TARGETING (30 mins)

- Choose one new target market you would want to focus on
- \*please refer to criteria for targeting) - quantifiable

## Stage 3 – POSITIONING (30 mins)

- Create perceptual map and positioning Statement for your new target market
- \* feel free to create and visualize your new product

# Tips:

- Please remember, you are launching a new product for your company, so you have to revisit the company , **it's vision, mission**, product line, SWOT ,competitor, etc.
- Make sure the existing and market segments and targets are **quantifiable**...have figures and fact to support the market and credible information source.
- Then you are to **explore a new STP for your new brand**...use consumer insights, trends, and creativity
- Please review my PPT handout lessons for detailing the work

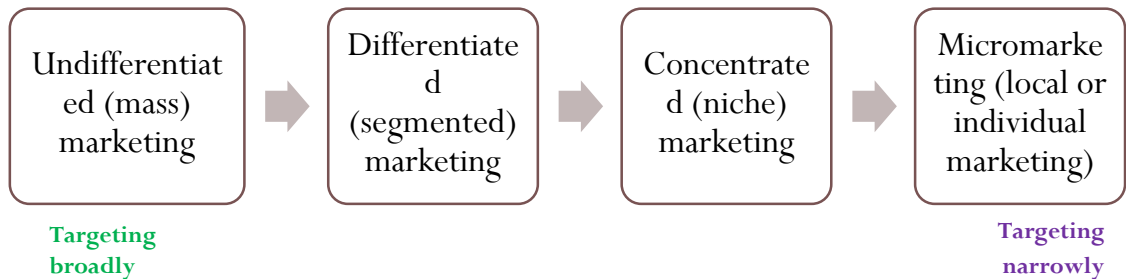
**Don't forget to HAVE FUN na ka ....**

# 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



# Market Segmentation

<b>Geographic</b>	<b>Demographics</b>	<b>Psychographic</b>	<b>Behavioural</b>
Grouping customers based on defined geographical boundaries	Grouping customers based on customer personal attributes	Grouping customers according to lifestyles	Grouping customers based on actual customer behaviour toward products and services
For example: <ul style="list-style-type: none"><li>▪ Region</li><li>▪ Country</li><li>▪ Population</li><li>▪ Climate</li></ul>	For example: <ul style="list-style-type: none"><li>▪ Age</li><li>▪ Gender</li><li>▪ Nationality</li><li>▪ Ethnicity</li><li>▪ Occupation</li><li>▪ Income</li><li>▪ Social class</li><li>▪ Family size</li><li>▪ Religion</li><li>▪ Education</li></ul>	For example: <ul style="list-style-type: none"><li>▪ Lifestyle</li><li>▪ Personality</li><li>▪ Values</li><li>▪ Attitudes</li><li>▪ Opinions</li><li>▪ Interests</li></ul>	For example: <ul style="list-style-type: none"><li>▪ Brand loyalty</li><li>▪ Benefits sought</li><li>▪ User status</li><li>▪ Usage rates</li><li>▪ Occasion</li><li>▪ Readiness to buy</li></ul>

# Examples

## AMAZON CONSUMER SEGMENTATION

### DEMOGRAPHIC SEGMENTATION



- People with Internet access
- Age group of 25 to 50 years, as 45% of online buyers belong to the 35-49 age group
- Focusing on a younger audience

### SITUATIONAL SEGMENTATION



- Convenience as a major reason for online purchases
- Interest in new categories
- New lucrative deals every day, every hour
- Low pricing as a major factor for purchasing online

### PSYCHOGRAPHIC SEGMENTATION



- Customers segmented by loyalty
- Customers who like innovations and changes to the website
- Those who value customer care first
- People who click on recommended and suggested products the most

### GEOGRAPHIC SEGMENTATION



- International appeal
- Digital sales over 'real-world' sales
- Focuses on developed areas
- For rural areas - smartphone use crucial

# Example

## Market Segmentation:

SEGMENT	Starbucks	Cafe Day Express (CDX)	Costa Coffee	Barista
GEOGRAPHIC	Metro cities and Tier I cities, Urban	Metro cities, Tier I & Tier II cities, Urban, Semi-Urban	Metro cities, Urban	Metro cities, Tier I cities, Urban, Semi-urban
DEMOGRAPHIC	24 to 60+ years, Single, Married	16 to 34 years, Single, Married	18 to 49 years, Single, Married	18 to 49 years, Single, Married
PSYCHOGRAPHIC	Employees of corporate houses, Busy office goers, coffee lovers, coffee addicts	College students, Busy office goers, coffee lovers, coffee addicts	Frequent shoppers at malls, frequent flyers at airports, coffee lovers	Frequent shoppers at malls, frequent flyers at airports, coffee lovers
BEHAVIOURAL	Loyal customer, Positive attitude	Regular customer, Quick service, economy	Regular customer, medium loyalty	Regular customer, positive attitude

# Effective Segmentation Criteria



Measurable

- Size, purchasing power, profiles of segments can be measured.

Accessible

- Segments can be effectively reached and served.

Substantial

- Segments are large or profitable enough to serve.

Differential




- Segments must respond differently to different marketing mix elements & programs.

Actionable

- Effective programs can be designed to attract and serve the segments.

# 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, neighbourhoods, specific stores	→ 1 person

Targeting broadly

Targeting narrowly

# Criteria for Effective Targeting

## Target market should be:

- **Identifiable:** marketer must be able to see or find the characteristic they have chosen for segmentation. Demographics are easy to be identified, but lifestyles and benefits sought are more difficult.
- **Sizeable:** large enough to be profitable to the marketer.
- **Stable:** consumers are not “fickle” and likely to change very quickly in lifestyles or consumption patterns because a segment should be predictable.
- **Accessible:** marketer must be able to reach that market in an economical way. (media advances made in easier).
- **Congruent:** with the company’s objectives and resources.

# Who is Starbucks Target Market?

## Demographics

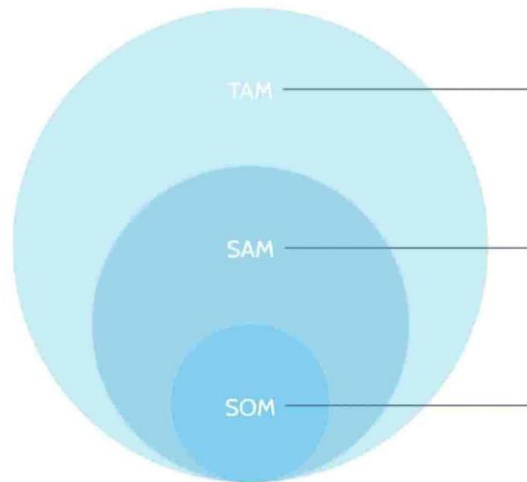
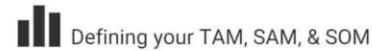
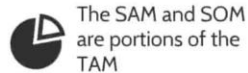
- Gender: equally divided
- Age: consumers 35 years and older tend to consumer coffee more often than the 18 - 25 age group
- Income Level: mid-income levels were frequent buyers, grew substantially after \$75K was reached
- Education level: majority of consumers had some level of higher education experience
- Starbucks does not choose their locations based on the demographic profiles of the area (clusters stores)



## IDENTIFYING YOUR MARKET

# TAM, SAM, & SOM

## Markets, defined



### Total Addressable Market

The TAM is the value of the entire market, or the total possible demand for your product or service.



### Serviceable Addressable Market

The SAM is the portion of the TAM that you can actually reach with your product or service. Typically limited by geography and demographics.



### Share of Market

Also called the Serviceable Obtainable Market, the SOM is the portion of the SAM that you will acquire with your product or service. THIS is your short-term target.

## Here's an example



Say you're introducing a new type of organic, fair-trade coffee. Your **TAM** is everyone who drinks coffee everywhere in the world. In other words, the total coffee market.

Total Coffee Market :: TAM

You're starting your distribution in a limited region, say the U.S., and selling to people who like higher-end coffee and are willing to pay a little more. That's your **SAM**.

High-end coffee drinkers located in the U.S. :: SAM

You have some competition, and you're not likely to obtain a monopoly in the high-end coffee market. The market share you reasonably expect to acquire is your **SOM**.

Your share of those high-end coffee drinkers :: SOM

# Market Size



## Total Available Market

- Sports nutrition market

## Served Available Market

- Energy bar market

## Target Market

- Endurance athletes

## Example: Market for Coffins

Current Target Market: Coffins in the US

**PAM** = Everyone in the World who dies  
 $55\text{m people} * \$2500/\text{coffin} = \$138\text{B PAM}$   
Yes, I know we are not yet targeting the entire world and I know not everyone is buried (most are cremated), but when it comes to PAM, we are not limited to the here and now

**TAM** = Those who are buried in the US \* cost/coffin  
 $1.1\text{m people} * \$2,500/\text{year in craft beer} = \$2.7\text{b TAM}$

**SAM** = We only have distribution partners serving 25% of the US.  
 $\$2.7\text{b} * \frac{1}{4} = \$675\text{m SAM}$

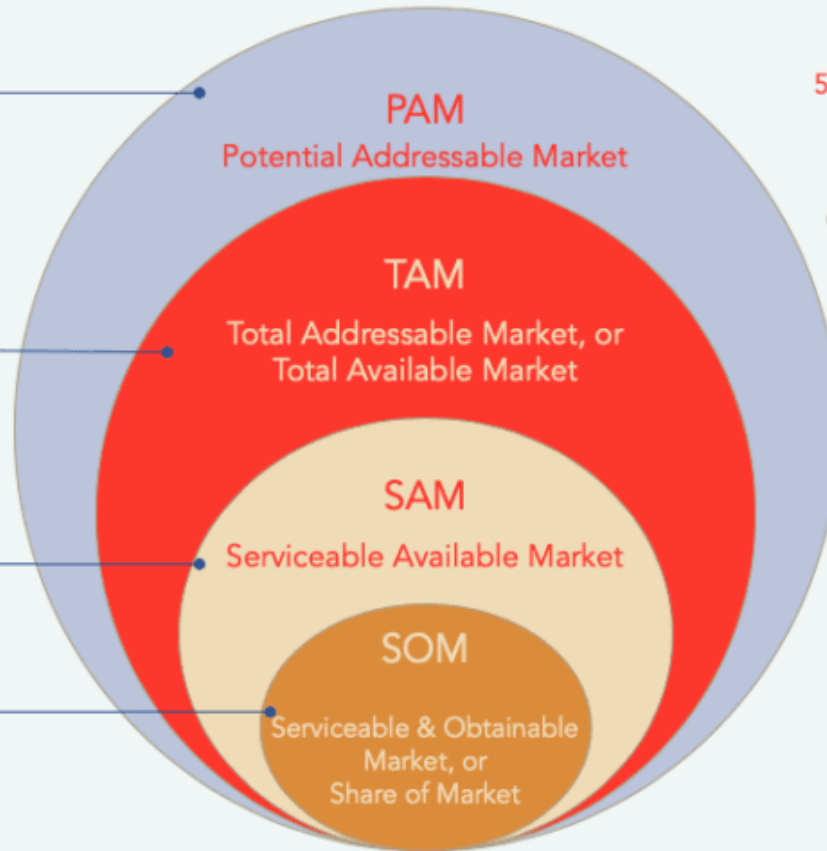
**SOM** = We believe we can win 10% of the market share where we are sold. Competition is tough  
 $\$675\text{m} * 10\% = \$67.5\text{m SOM}$

Includes people not currently included in your target market, but potentially could be in the future

Think of this as the total # of people/transactions in your target market \* price. A good answer to "what's the total market size?"

The people you can actually reach with your sales/distribution channel

The share of your SAM that you will win



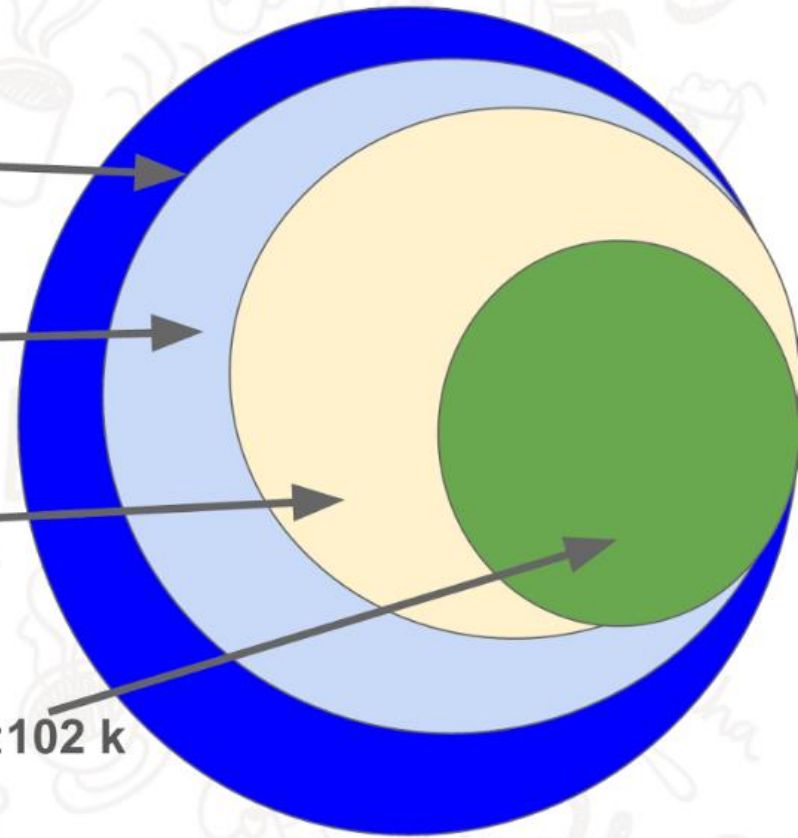
# Market Size

No. of coffee drinkers : **288 m**

Adults who brew coffee at home : **47 m**

Coffee drinkers in the age range 27-60 : **23 m**

Coffee drinking **Austinites** in age range 27-60 : **102 k**

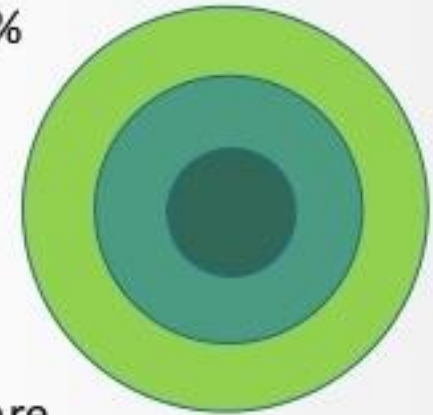


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# TAM, SAM, Target Market?

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- **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)





**GOOD LUCK!**