



The Importance of STP MK 312 Brand Management

PART 1

By Ajarn Suwalya K.
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Figure 1.6 - An Expanded Model of the Marketing Process

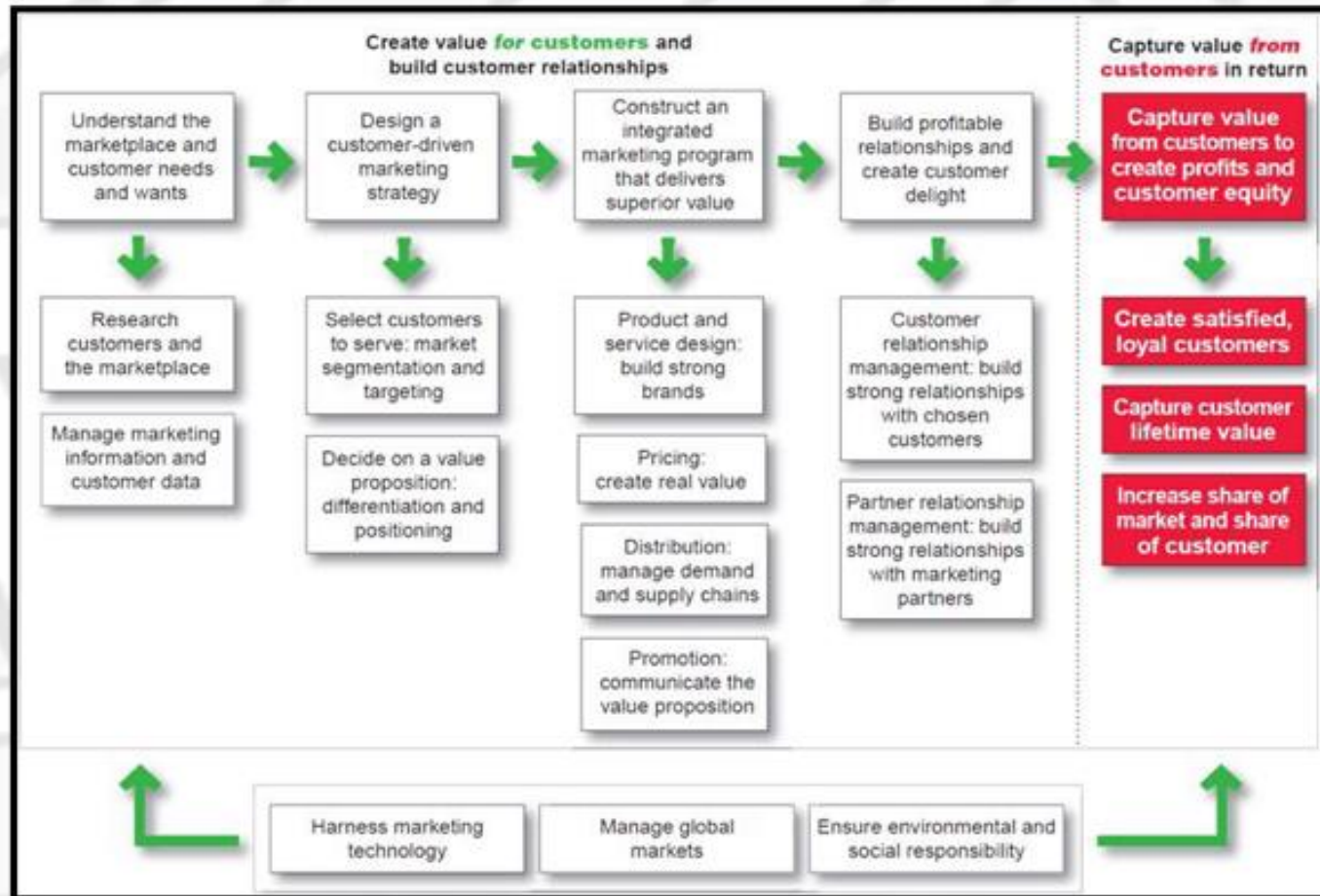


Figure 1.6 - An Expanded Model of the Marketing Process

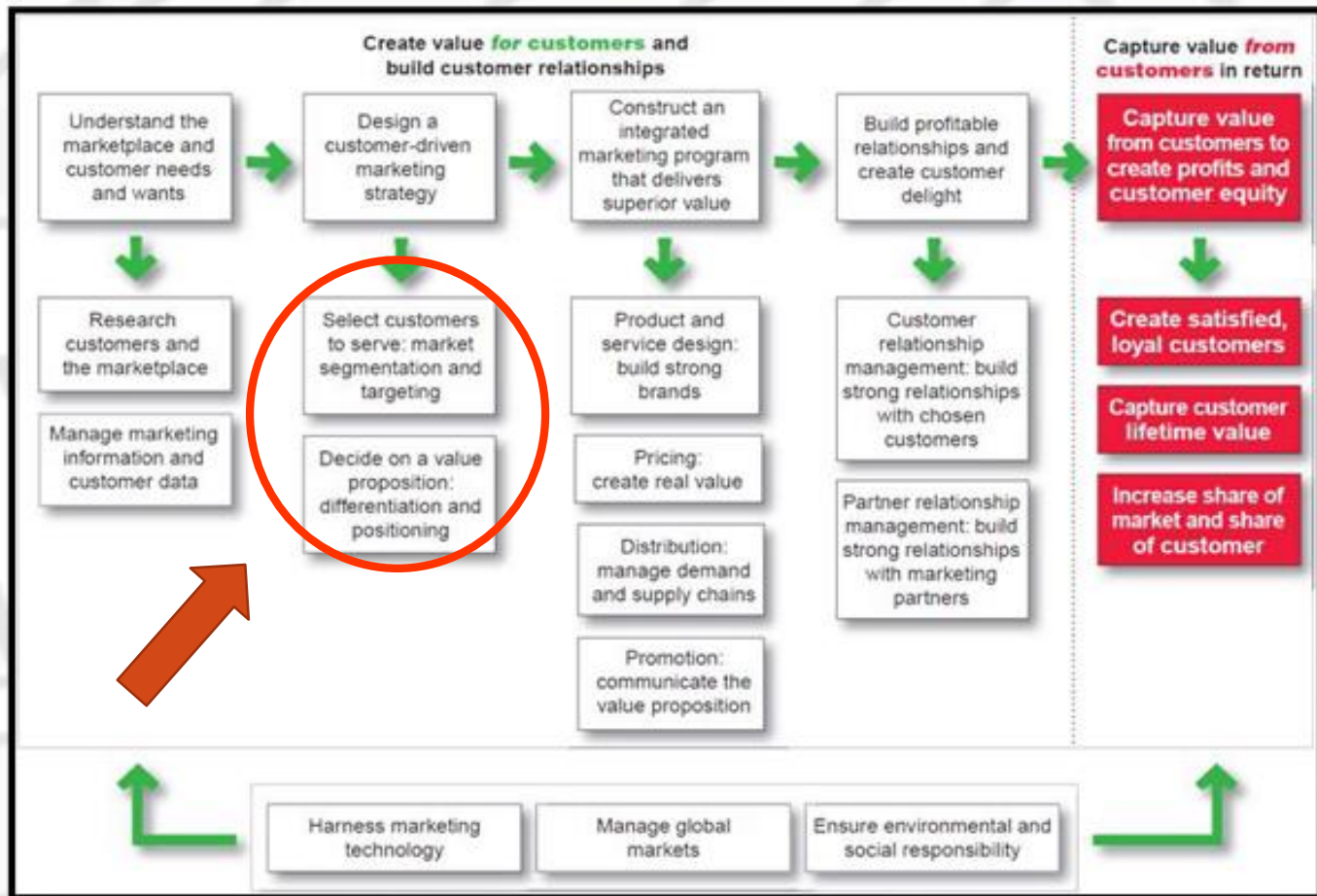


FIGURE 1.1: The stages of building a marketing plan

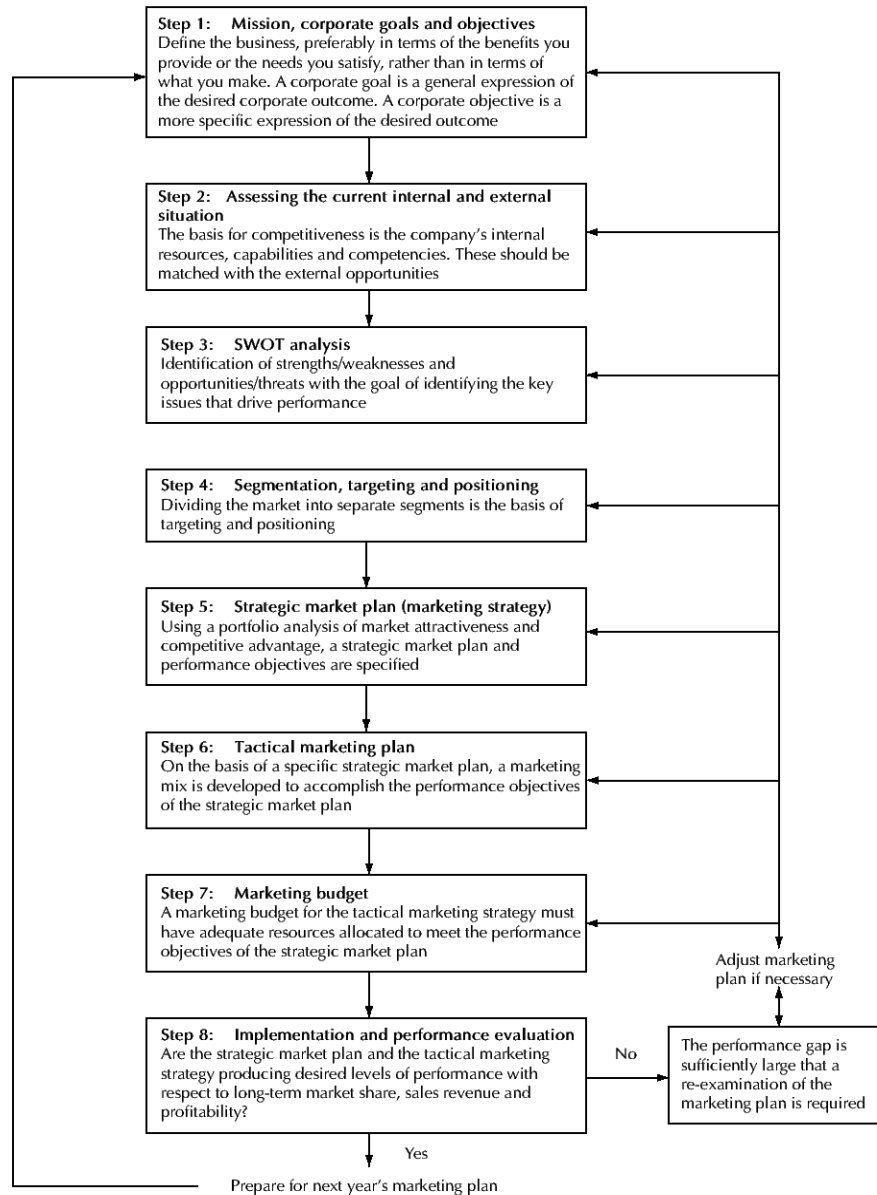
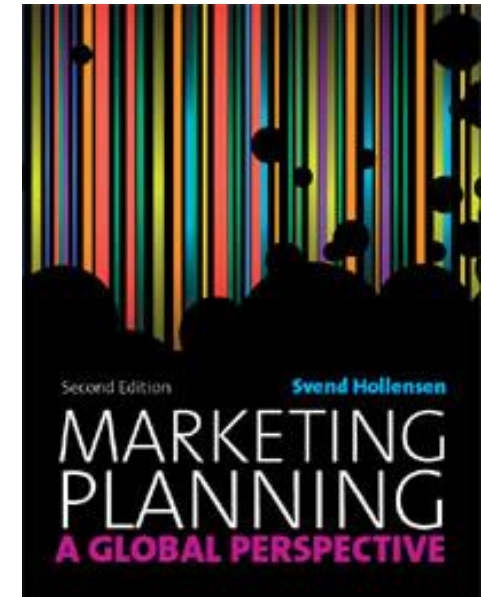


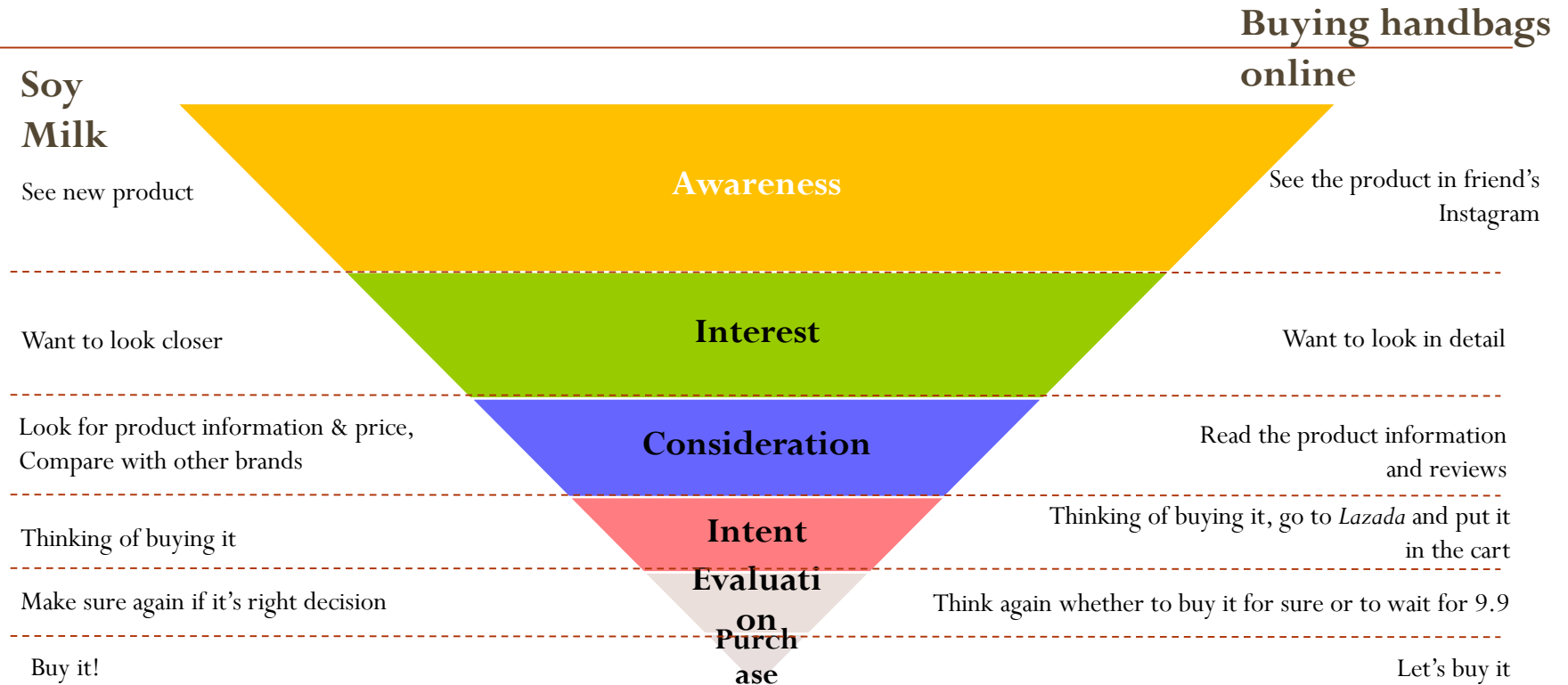
Figure 1.1: The stages of building a marketing plan



The 10 Most Valuable Brands of 2020



Customer Journey



How your marketing activities stimulate customers in each stage?

Brand Building

➤ **The 4 steps to strengthen brand creation**

The Four Steps of Brand Building



Ensure identification of the brand with customers and an association of the brand in customers' minds

TARGET GROUP

Establish the totality of brand meaning in the minds of consumers

Position

Elicit the proper customer responses to the brand identification and brand meaning

Communicate

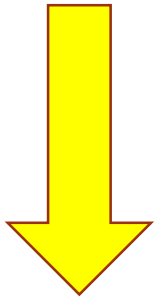
Convert brand response to create an intense, active loyalty relationship between customers and the brand

Customer Relations

What is market segmentation?



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Step 1: Segmenting, Targeting and Positioning (STP)



THE BIG MEAL. IT'S A GREAT DEAL FOR DINNER.

Grab the Big Meal at McDonald's.
And you'll have yourself a Big Mac, a very large
order of fries and a great big drink.
All of which should make your stomach very happy.
Not to mention your wallet.



© 1971 McDonald's Corporation

You deserve a break today. 

Purpose and Definition of Segmentation

- Segmentation is really a ***process of aggregation***. The idea is to pull together groups of customers who resemble each other on some meaningful dimensions.
- Segmentation is the strategy of ***developing different marketing programmes for different customer groups or segments***. It recognizes heterogeneity in the market.



STP Process



In segmentation, you need to **identify** the best ways to segment a market and then pin down the characteristics of each group -this second step is called **profiling**.

Next, you must **evaluate** the attractiveness of the segments and select the most appropriate target markets.

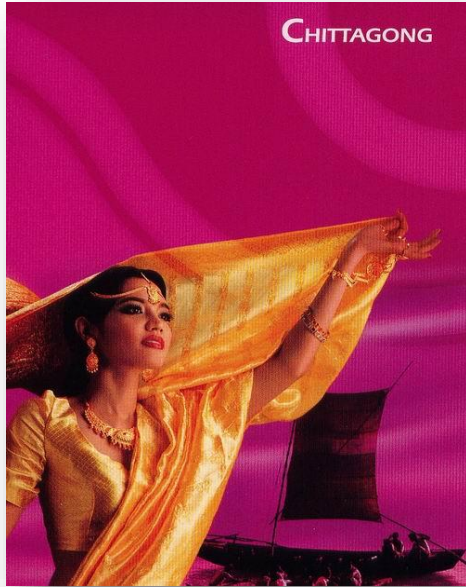
Finally, you need to **position** your product or service relative to competitive offerings within the chosen market segments.

Benefits of Segmentation



- Segmentation is a particularly useful approach to marketing for smaller company. It allows **target markets to be matched to the company competencies** and makes it more likely that the smaller company can create a defensible niche in the market.
- It helps to **identify gaps in the market** ie. unserved or underserved segments. These can act as targets for new product development or the extension of the existing product or service range.

Benefits of Segmentation



- In mature or declining markets it may be possible to identify specific segments that are still in growth. **Concentrating on growth segments when the overall market is declining is a major strategy in the later stages of the product life cycle.**
- Segmentation enables the **marketer to match the product or service** more closely to the needs of the target market. In this way a stronger competitive position can be built.

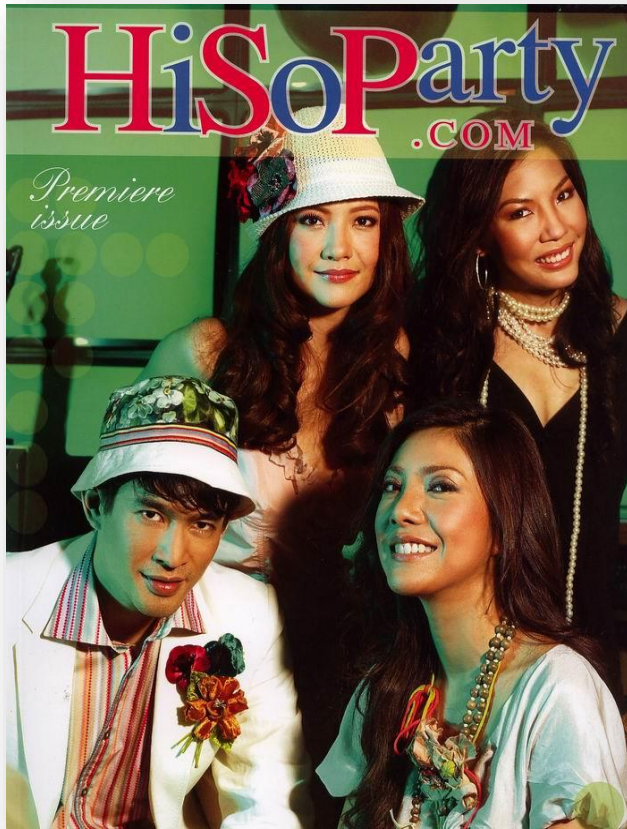
Benefits of Segmentation

- The **dangers** of not segmenting the market when competitors do so should also be emphasized. The competitive advantage noted above can be lost to competitors if the company fails to take advantage of them.
- A company practicing a mass marketing strategy in a clearly segmented market against competitors operating a focused strategy can find itself falling between many stools.

Components of useful Segmentation

1. For segmentation to be useful customers must ***differ from one another*** in some important respect, and this can be used to divide the total market. If they were not different in some significant way, if they were totally homogeneous, then there would be no need or basis on which to segment the market.
2. The operational use of segmentation usually requires that segment targets can be ***identified by measurable characteristics*** to enable their potential value as a target market to be estimated and for the segment to be identified.

Components of useful Segmentation



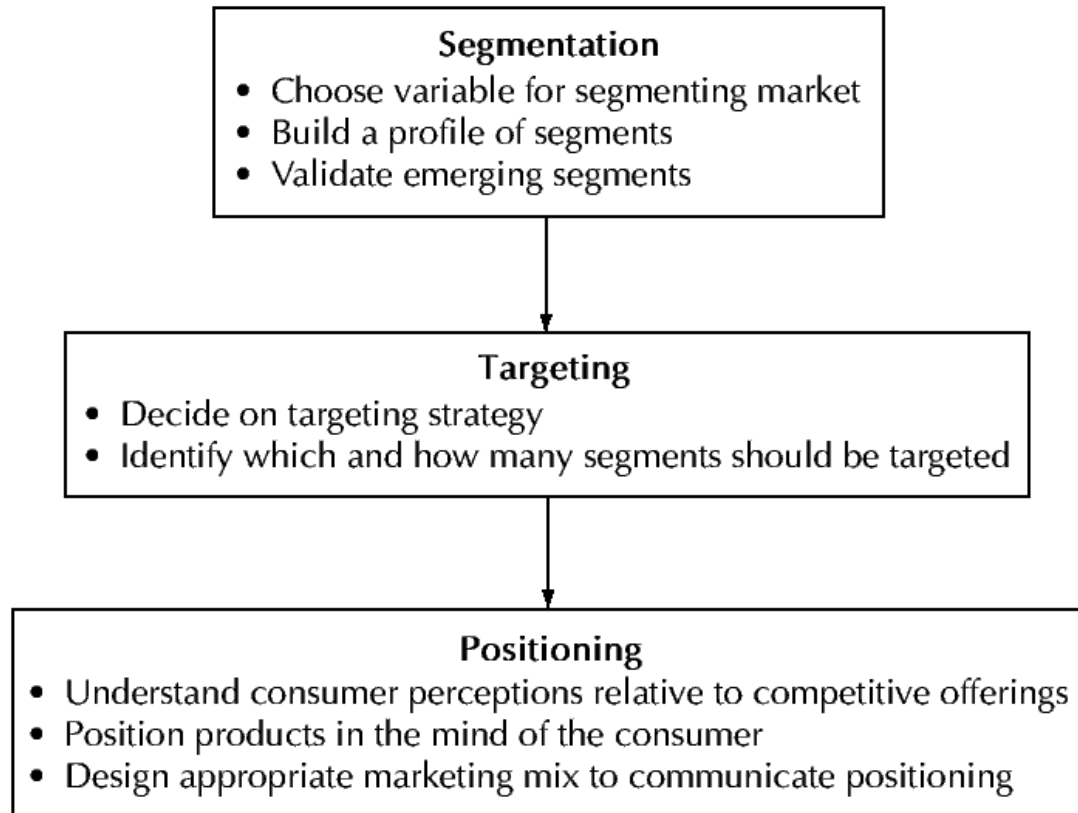
The effective application of segmentation strategy also requires that selected segment be ***isolated*** from the remainder of the market, enabling them to be targeted with a distinct market offering. Where segments are not distinct they do not form a clear target for the company's marketing efforts.

STP Process

- **Segmentation is the first part of the STP Process which consists of:**
 - **Segmentation:** identifying the most productive bases for dividing a market, identifying the customers in different segments and developing segment descriptions.
 - **Targeting markets:** evaluating the attractiveness of different market segments, parts of segments(niches) or groups of segments, and choosing which should be targets for marketing.
 - **Positioning:** identifying the positioning of competitors(in the market and the target segments or niches), to develop the firm's won positioning strategy.

The STP approach to segmentation

FIGURE 6.1: The STP of market segmentation



STP Process

