Segmentation and Targeting

**Segmentation**: breaking down the population of potential customers into smaller groups with similar needs and tailoring an organization's offerings to appeal to these customer groups.

**Segmentation** enables organizations to choose how best way to direct their efforts.

**Targeting** involves deciding which customers segment(s) to serve.

Then the offering is positioned to appeal to the chosen target segment(s) in a way that will distinguish it from competitors: its positioning.

**Positioning**: how an organization will present what it offers compared with other providers.

**Segmentation Basis**:

There are many bases on which a market can be segmented. Consumer markets can be segmented using the following variables:
Block 1 Session 5: Focusing an offering – segmentation, targeting and positioning

التركيز على (العرض، تجزئة السوق، الاستهداف، تحديد المواقع)

1. **Demographic** – age, gender, ethnicity, religion, education, income, occupation, social class, life stage, family size
2. **Geographic** – country, region, county/state/province, city, neighborhood, population/market density, urban/suburban/rural, climate
3. **Psychographic** – personality, lifestyle, motives
4. **Behavioristic** – usage (volume rate), benefits, price sensitivity, loyalty.

**أساسيات التجزئة:**

هناك العديد من الفوائد التي يمكن بها تقسيم السوق. يمكن تقسيم أسواق المستهلك باستخدام المتغيرات التالية:

1. **الديموغرافية:** العمر، الجنس، العرق، الدين، التعليم، الدخل، المهنة، الطبقة الاجتماعية، مرحلة الحياة، حجم الأسرة
2. **الجغرافية:** البلد، المنطقة، المحافظة / الولاية / المقاطعة، المدينة، الحي، كثافة السوق، السكان، المناطق الحضرية / الضواحي / المناطق الريفية، المناخ.
3. **النفسية:** شخصية ونمط الحياة، والدواقع.
4. **السلوكية - الاستخدام** (معدل حجم)، الفوائد، حساسية الأسعار، الولاء.

Although a market may be segmented in many ways, to be effective, segmentation variables need to be:

* **Measurable** – can measure segments’ size, buying power and profiles.
* **Assessable** – can be reached and served.
* **Substantial** – are large and profitable to serve.
* **Differentiable** – are distinguishable.
* **Actionable** – can be targeted through tailored marketing programmes.
What is the target market?

A target market is a particular portion of the total population which is identified (i.e. targeted) by the marketer to be the most likely to purchase its products or services.

ما هو السوق المستهدف:

السوق المستهدف هو جزء معين من إجمالي السكان يتم تحديده (أي استهدافه) بواسطة السوق ليكون الأكثر احتمالًا لشراء منتجاته أو خدماته.
Determining which segment(s) to target will draw on an organization's marketing research and analyses of the marketing environment, including consideration of:

- Customers’ needs and wants: of different segments
- Competitors: to help identify a suitable competitive advantage in relation to different segments.
- Organization's competencies and resources: to assess strategic windows (the fit with key market requirements)

Targeting Strategies:

There are four types of targeting strategies:

1. **Undifferentiated**: Making the same offer to the whole market (e.g. Coca Cola).
2. **Differentiated**: making different offers to separate market segments (e.g. BMW)
3. **Concentrated**: Focusing on one or a few market segments(niche) (e.g. Mercedes)
4. **Customized**: One-to-one marketing, often in a combination with a segment strategy (e.g. Apple customized laptops).
Block 1 Session 5: Focusing an offering – segmentation, targeting and positioning

Positioning:

Positioning is arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers.

A slightly elaborated version of the standard positioning formula you may have met before is:

* For … (target consumers)
* Brand X is … (competitive set and subjective category)
* Which gives the most … (promise or consumer benefit)
* Because of … (reason to believe)

A slightly elaborated version of the standard positioning formula you may have met before is:

* For … (target consumers)
* Brand X is … (competitive set and subjective category)
* Which gives the most … (promise or consumer benefit)
* Because of … (reason to believe)
Block 1 Session 5: Focusing an offering – segmentation, targeting and positioning

Example for Institute ads. مثال لإعلان عن معهد تعليمي

For Business administrations’ students, we offer all courses for you, better than any other place in Kuwait. We provide to you best teachers and effective abstracts. Based on our experience with AOU’s students.

لجميع طلاب إدارة الأعمال، نحن نقدم لكم جميع الكورسات، أفضل من أي مكان آخر في الكويت، حيث أننا نوفر لكم أفضل المدرسين وأفضل الملخصات الدراسية، معتمدين على خبراتنا الكبيرة في التعامل مع طلاب الجامعة المفتوحة.
Block 1 Session 5: Focusing an offering – segmentation, targeting and positioning

Successful positioning depends on four factors:

1. Clarity: The positioning statement should be clear and identify the targeted segment and the differential advantage offered.
2. Consistency: The positioning statement should be enduring so it becomes associated with an organization's offering.
3. Credibility: The positioning should be believable.
4. Competitiveness: The positioning should include a differential advantage over competitors.

Example for Positioning:

When Toyota wanted to move into the luxury car market, it created a new luxury vehicle division under the brand name (Lexus), as Toyota had not previously been known as a luxury car brand.