

UNIT 4: MARKETING PRINCIPLES

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WEEK FIVE
LECTURER: N. QUARRIE

Learning Outcome One (1)

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- LO2 Be able to use the concepts of segmentation, targeting and positioning

Objective

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- By the end of this lesson you should be able to:
- 2.3 choose a targeting strategy for a selected product/service



Overview

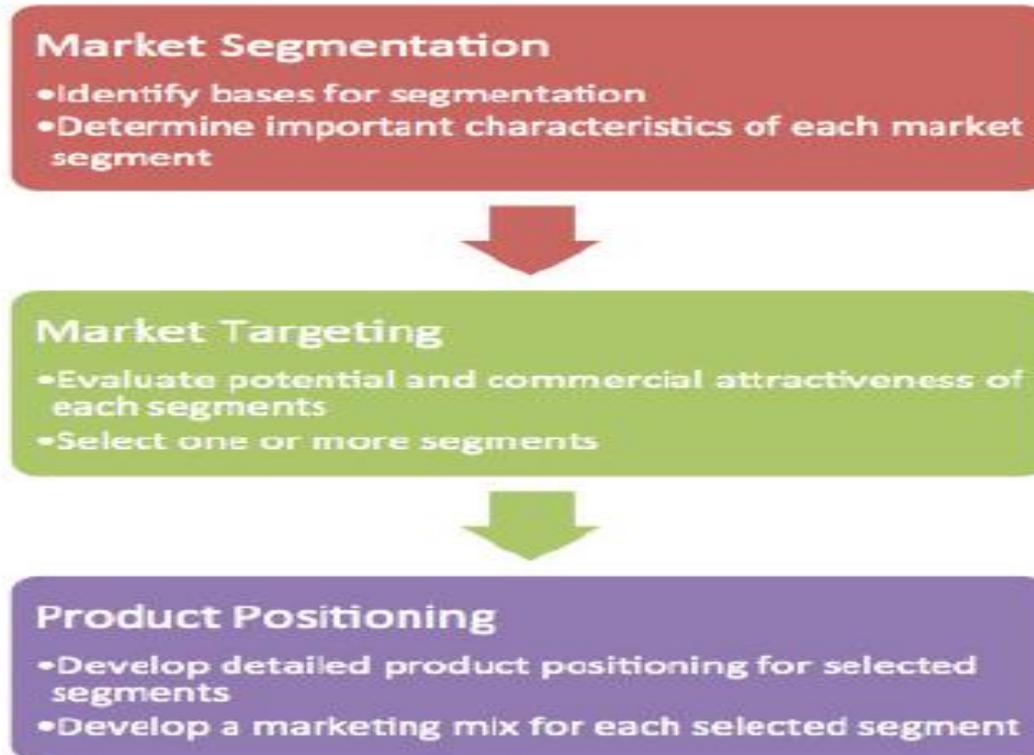
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- As discussed last week, after segmenting the market the next thing to do is to target the market.
- For the duration of this session we will be discussing how to choose a targeting strategy for a selected product/service.

RECALL: Evaluation of segments and targeting strategies

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- “Segmentation, Targeting and Positioning (STP) model, (Smart Insights, 2013)”:



Types of Target Marketing

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- The types of target marketing used by a company for a product is based segmentation.
- Some types of segmentation includes the following:
- “Age Target Marketing-Targeting a product to a particular age group or generational cohort is a way to concentrate your marketing efforts and generate product interest within that particular group. According to "Entrepreneur"'s website, extensive research is necessary for age or generational marketing to determine the status and living situations of consumers in your potential target group. For example, a middle-aged woman in the modern era may still be on the dating circuit and not looking to settle down any time soon just as easily as a woman in the same age group could have a family (Jonathan, n.d.).”

Types of Target Marketing

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- Income-Sensitive Marketing
- “Income-sensitive marketing seeks to target your small business's services or products to consumers of particular income and economic status. This strategy also shapes the prices you charge for your goods and services as well as the marketing campaign itself. For example, products marketed to consumers with higher incomes will usually have higher prices while those products marketed to consumers with lower incomes will usually have correspondingly lower prices. This allows more consumers in your target market group to afford your products (Jonathan, n.d.)”

Types of Target Marketing

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- Gender-Specific Marketing
- “Gender-specific marketing shapes an advertising campaign toward one gender or specific group within that gender. For example, target marketing toward pregnant women seeks to generate more interest in your small business's goods and services within that particular group. How your small business accomplishes this task depends on the outcome of your market research and gender needs within your local marketplace. This research may influence the types of images, colors and language you use in your marketing campaign to attract your target gender or gender group to your company's products or services (Jonathan, n.d.)”

Types of Target Marketing

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- Geographic Target Marketing
- “Geographic areas across the country have different product needs. Targeting a marketing campaign to meet the signature geographic demands of consumers in your marketplace can boost your company's importance and necessity in the minds of consumers. This strategy also works with seasonal marketing campaigns to take advantage of shifting consumer moods as the weather turns hot or cold. For example, many beverage companies roll out pumpkin-flavored hot drinks during the fall to catch consumers turning attention toward Thanksgiving and colder weather. (Jonathan, n.d.)”

Market targeting strategies

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- **Recall: Criteria used to decide which market to target:**
- **“Criteria Size:** The market must be large enough to justify segmenting. If the market is small, it may make it smaller.
- **Difference:** Measurable differences must exist between segments.
- **Money:** Anticipated profits must exceed the costs of additional marketing plans and other changes.
- **Accessible:** Each segment must be accessible to your team and the segment must be able to receive your marketing messages
- **Focus on different benefits:** Different segments must need different benefits (Smart Insights, 2013)”

Discussion of content/Examples available via link:

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- (2012books.lardbucket.org, 2016):
2012books.lardbucket.org. (2016). *Selecting Target Markets and Target-Market Strategies*. [online]
Available at:
<http://2012books.lardbucket.org/books/marketing-principles-v2.0/s08-03-selecting-target-markets-and-t.html> [Accessed 30 Sep. 2016].

Videos

12

- Rivera, A. (2016). *Market Targeting Strategies*. [video] Available at: <https://www.youtube.com/watch?v=RDgaJFXv1Rk&spfreload=10> [Accessed 30 Sep. 2016].
- 2012books.lardbucket.org. (2016). *Selecting Target Markets and Target-Market Strategies*. [online] Available at: <http://2012books.lardbucket.org/books/marketing-principles-v2.0/s08-03-selecting-target-markets-and-t.html> [Accessed 30 Sep. 2016].

References/Additional Reading List

- Jonathan, L. (n.d.). *The Four Types of Target Marketing*. [online] Smallbusiness.chron.com. Available at: <http://smallbusiness.chron.com/four-types-target-marketing-30472.html> [Accessed 30 Sep. 2016].
- Smart Insights. (2013). *The Segmentation, Targeting and Positioning model*. [online] Available at: <http://www.smartinsights.com/digital-marketing-strategy/customer-segmentation-targeting/segmentation-targeting-and-positioning/> [Accessed 22 Sep. 2016].
- 2012books.lardbucket.org. (2016). *Selecting Target Markets and Target-Market Strategies*. [online] Available at: <http://2012books.lardbucket.org/books/marketing-principles-v2.0/s08-03-selecting-target-markets-and-t.html> [Accessed 30 Sep. 2016].