

Feb	4	B2B Buying Behaviour <b>(Exam 2)</b>	Ch 6
	11	<b>GUEST SPEAKER</b> (attendance mandatory) Market Segmentation & Target Marketing	Ch 7
	18	READING BREAK (no classes)	
	25	Product Strategy / Product Management <b>(Exam 3)</b>	Ch 8/Ch 9
Mar.	4	Distribution and Supply Chain Management Services & Not-for-Profit Marketing <b>Project Part 1 (Product/Placement) Due</b>	Ch 12 Ch 10

READING BREAK  
WRITING QUIZZES

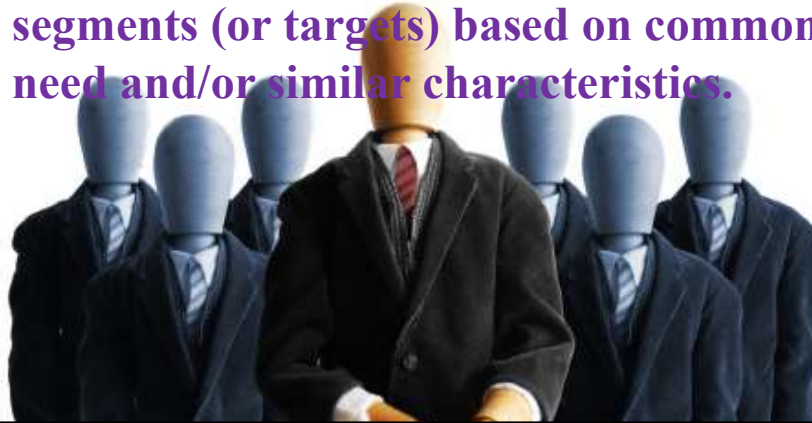
NEXT EXAM (3): Thursday after Reading Break  
Chapters 7, 8/9 (Tuesday)

## Market Segmentation and Target Marketing

CH 07

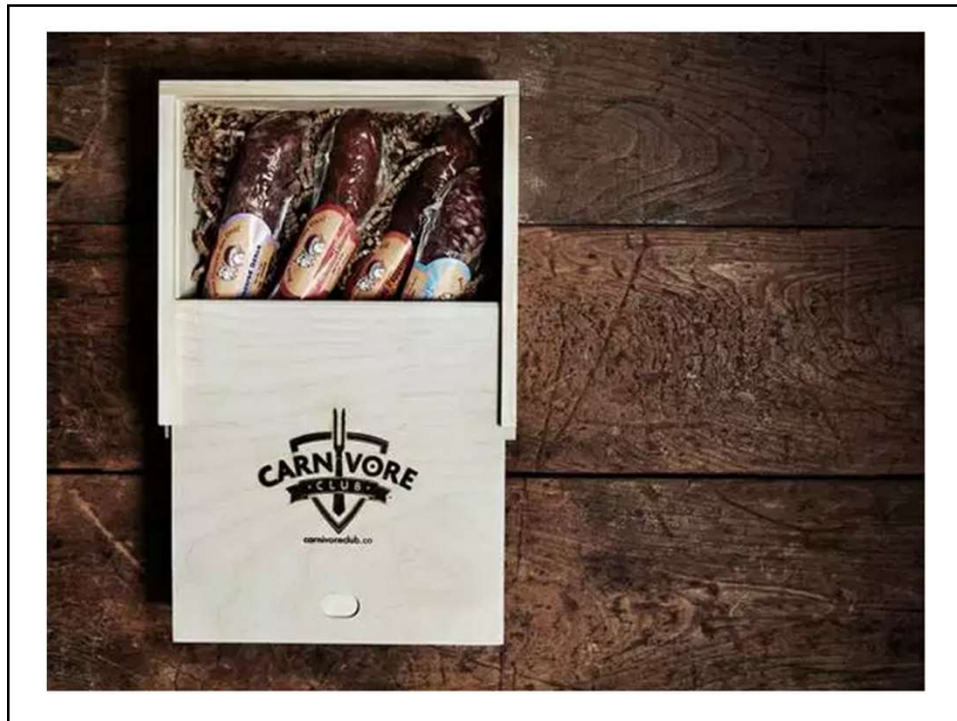


**What does it mean to ‘segment’ a market?**  
**To divide a large market into smaller segments (or targets) based on common need and/or similar characteristics.**



## Behavioral Targeting and Advertising





## Segmentation and Targeting Process



### Identify Segments (Target) Based on

- Demographics
- Psychographics
- Geographics
- Behaviour response



### Select Target(s) with Greatest Potential (Profit)

- Accurately describe the characteristics of the target



### Devise Positioning Strategy



### Devise Marketing Strategy

- Product
- Price
- Marketing communications
- Distribution

## The 4 Basic Segmentation Alternatives

<p><b>1. Mass Marketing</b> One marketing strategy appeals to a broad range of consumers.</p> <p>Distinct <b>characteristics of consumers are not considered</b> when devising strategies.</p>	<p><b>2. Market Segmentation</b> Unique marketing strategies are devised <b>based on the unique characteristics of specified customer groups.</b></p>	<p><b>3. Niche Marketing</b> Unique strategies are devised for <b>a particular segment of a bigger market.</b></p> <p>All marketing strategies are dedicated to this one particular segment.</p>	<p><b>4. Direct or One-to-One Segmentation</b> Unique marketing strategies are devised for the <b>unique needs and preferences of individual customers.</b></p>
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## Direct Segmentation

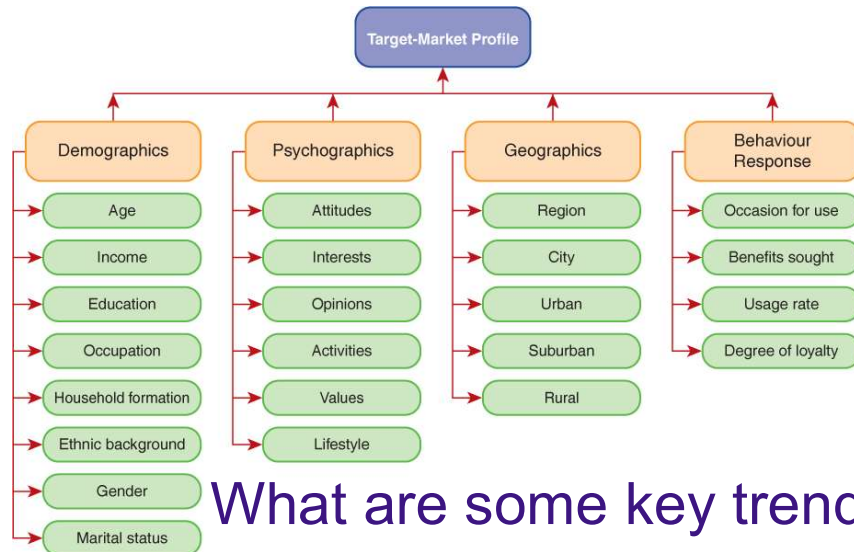
**Geo-targeting** - customizing an ad based on the geographic location of potential buyers (country, province, city, or postal code).

**Location-based Targeting** - an effort to integrate consumers' location information into their marketing strategy

**Mass Customization** - produce products and personalize messages to a target audience of one.

**Brand Democratization** - customer can interact with a brand, giving customer control over the marketing of a brand.

## Identifying Target Markets: Variables



## Gender Segmentation

### Within the context of the average Canadian family:

- Women drive an estimated 70-80% of consumer spending
- About 75% of women identify themselves as the primary shopper in the household
- Women influence about 85% of consumer spending
- 91% of women felt advertisers didn't understand them

Gabe Rosenberg, "Study: 91 percent of women feel misunderstood by advertisers," <https://contently.com>

## Ethnic Segmentation

1. Visible minorities represent 20% of Canadian population; by 2031 this figure will reach 30%
2. In Toronto, visible minorities make up 49.1% of the population; in some surrounding cities such as Markham and Brampton, this number exceeds 65%
3. This is an emerging trend in urban areas across Canada making ethnic marketing a smart strategy for many companies

## Psychographic Segmentation

Market segmentation based on the activities, interests, and opinions of consumers.

## Lifestyle Marketing



Figure 7.11 A message that appeals to Canadians wanting to live healthier, active lifestyles.

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## Geographic Segmentation

The division of a large geographic market into smaller geographic or regional units

**Geodemographic segmentation** – a combination of geographic and demographic information

**Micro-marketing** – based on a regional or local basis, giving consideration to the unique needs of a small group of highly targeted customers

## Positioning

“The place a brand occupies in the customer’s mind in relation to competing products.”

- In a marketing plan, how a brand is positioned is described in a **positioning strategy statement**.

**Brand Leadership**      Focus on consumer acceptance

**Technical Innovation**      Focus on continuous technical leadership

**Product Differentiation**      Focus on unique attributes / benefits

**Lifestyle**      Focus used in crowded markets with similar brands.