

MARKETING MANAGEMENT

12th edition

8

Identifying Market Segments and Targets

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Chapter Questions

- What are the different levels of market segmentation?
- How can a company divide a market into segments?
- How should a company choose the most attractive target markets?
- What are the requirements for effective segmentation?



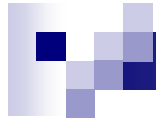
Effective Targeting Requires...

- Identify and profile distinct groups of buyers who differ in their needs and preferences.
- Select one or more market segments to enter.
- Establish and communicate the distinctive benefits of the market offering.



Four Levels of Micromarketing

- Segments
- Niches
- Local areas
- Individuals



Segment Marketing

Targeting a group of customers
who share a similar set of
needs and wants.



Flexible Marketing Offerings

- Naked solution
 - Product and service elements that all segment members value
- Discretionary options
 - Some segment members value
 - Options may carry additional charges



The Experience Economy

- Experience
- Services
- Goods
- Commodity



Customerization

Combines operationally driven mass customization with customized marketing in a way that empowers consumers to design the product and service offering of their choice.



Segmenting Consumer Markets

- Geographic
- Demographic
- Psychographic
- Behavioral



Demographic Segmentation

- Age and Life Cycle
- Life Stage
- Gender
- Income
- Generation
- Social Class



Figure 8.3

Profiling American Generations

- GI Generation
 - 1901–1924
- Silent Generation
 - 1925–1945
- Baby Boomers
 - 1946–1964
- Generation X
 - 1965–1977
- Generation Y
 - 1978–1994
- Millenials
 - 1995–2002



Behavioral Segmentation

- Decision Roles
 - Initiator
 - Influencer
 - Decider
 - Buyer
 - User
- Behavioral Variables
 - Occasions
 - Benefits
 - User Status
 - Usage Rate
 - Buyer-Readiness
 - Loyalty Status
 - Attitude



Segmenting for Business Markets

- Demographic
- Operating Variable
- Purchasing Approaches
- Situational Factors
- Personal Characteristics



Models of Sequential Segmentation

- Stage of decision
- First-time prospects
- Novices
- Sophisticates
- Orientation
- Price-oriented
- Solution-oriented
- Strategic-value



Steps in Segmentation Process

- Needs-based segmentation
- Segment identification
- Segment attractiveness
- Segment profitability
- Segment positioning
- Segment acid test
- Marketing mix strategy



Effective Segmentation Criteria

- Measurable
- Substantial
- Accessible
- Differentiable
- Actionable