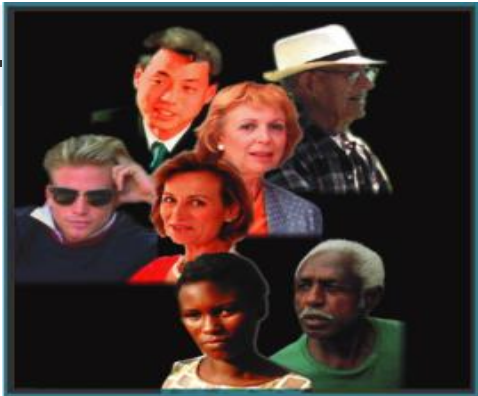




# TARGETING

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# Market Segmentation



No market segmentation



Fully segmented market



Market segmentation  
by gender: M,F



Market segmentation  
by age group: 1,2,3



Market segmentation  
by gender and age group

# Ford's Model T Followed a Mass Market Approach



# Requirements for Effective Segmentation

## Measurable

- Size, purchasing power, profiles of segments can be measured.

## Accessible

- Segments must be effectively reached and served.

## Substantial

- Segments must be large or profitable enough to serve.

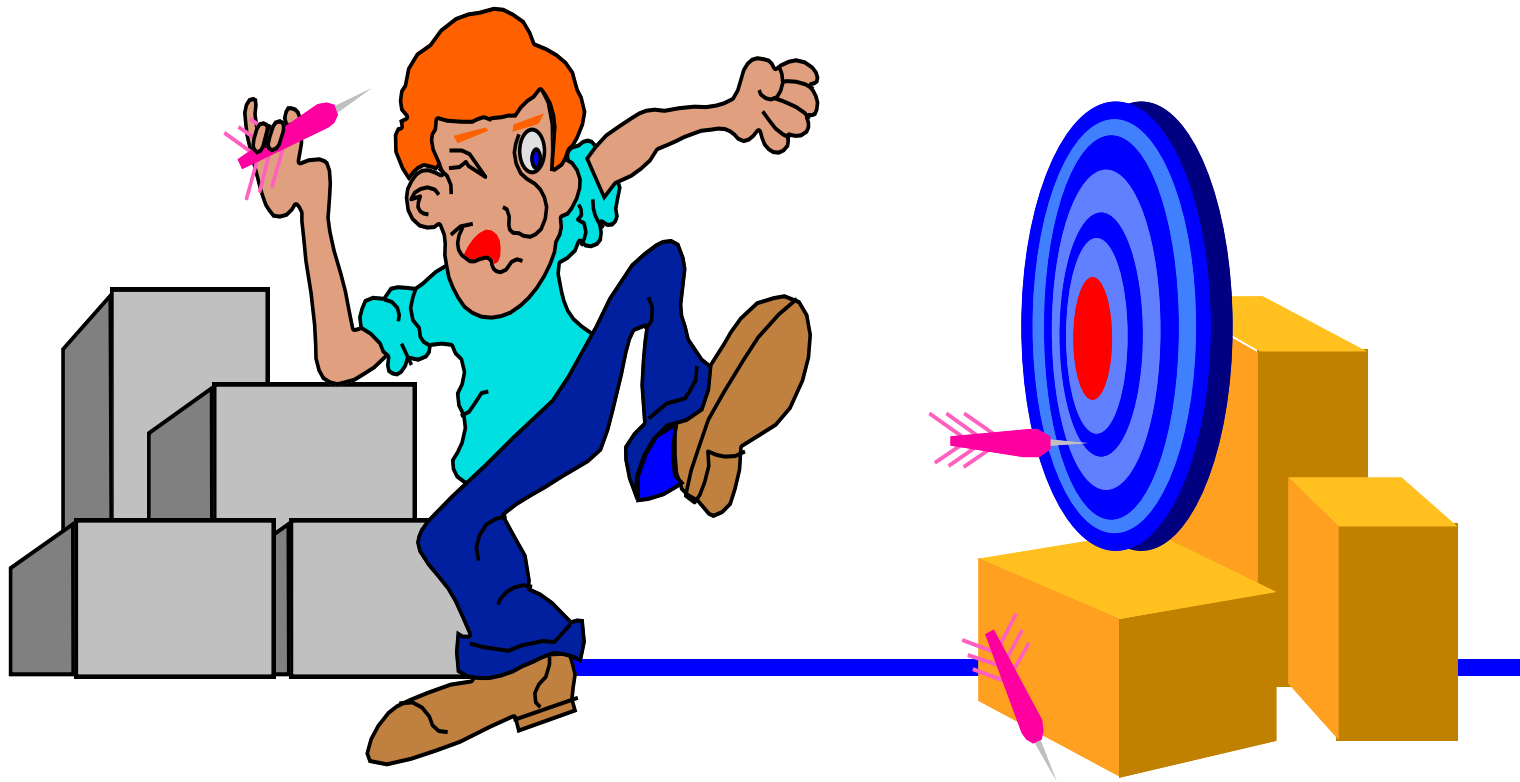
## Differential

- Segments must respond differently to different marketing mix elements & actions.

## Actionable

- Must be able to attract and serve the segments.

# Targeting





# Customerization

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



# Target Marketing Strategies

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- Undifferentiated (mass) marketing
  - Ignores segmentation opportunities
- Differentiated (segmented) marketing
  - Targets several segments and designs separate offers for each
- Concentrated (niche) marketing
  - Targets one or a couple small segments
- Micromarketing (local or individual marketing)



# Undifferentiated Marketing

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- Single product addressing all segments with a single marketing program.
- Mass production is possible giving scale economies
- Pushes price downwards enabling to attract price sensitive segments





# Differentiated Marketing

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- A separate market offering for every segment
- Marketing programs for every segment could be different
- Pushes up costs at various levels, necessitating sufficient volumes for viability
- Generates inter-segment rivalry

# Market Targeting

## Market Coverage Strategies



**Company  
Marketing  
Mix**

**Market**

**A. Undifferentiated Marketing**

**Company  
Marketing Mix 1**

**Company  
Marketing Mix 2**

**Company  
Marketing Mix 3**

**Segment 1**

**Segment 2**

**Segment 3**

**B. Differentiated Marketing**

**Company  
Marketing  
Mix**

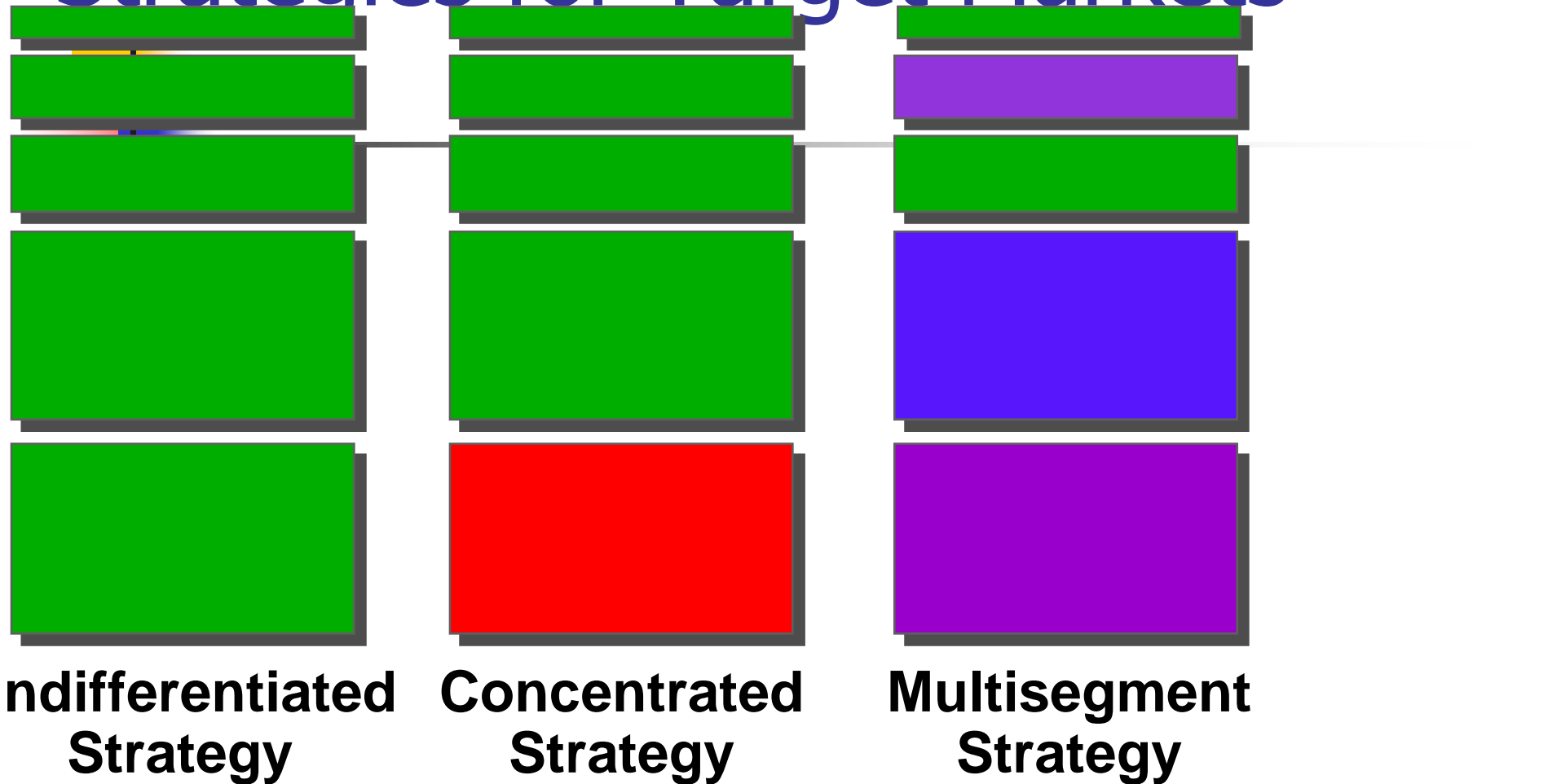
**Segment 1**

**Segment 2**

**Segment 3**

**C. Concentrated Marketing**

# Strategies for Target Markets



# Five Patterns of Target Market Selection

Single-segment  
concentration

	M1	M2	M3
P1			
P2			
P3			

Selective  
specialization

	M1	M2	M3
P1			
P2			
P3			

Product  
specialization

	M1	M2	M3
P1			
P2			
P3			

Market  
specialization

	M1	M2	M3
P1			
P2			
P3			

Full market  
coverage

	M1	M2	M3
P1			
P2			
P3			

P = Product  
M = Market



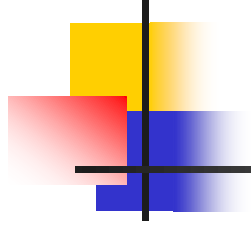
# Mega marketing

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- **Mega marketing** is a term coined by U.S. marketing academic, Philip Kotler, to describe the type of marketing activity required when it is necessary to manage elements of the firm's external environment (governments, the media, pressure groups, etc) as well as the marketing variables; Kotler suggests that two more Ps must be added to the marketing mix: public relations and power.

# Pepsi used megamarketing in India





Thank you for your attention!

*Any questions please?*