

Targeting, Positioning and Market Segmentation

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ABSTRACT

Successful marketing strategy must include targeting, positioning, and market segmentation. An overview of these ideas is given in this abstract, emphasizing their importance in developing a distinctive market position, identifying and targeting the correct client groups, and clearly expressing value propositions. Market segmentation entails separating discrete groups of customers with comparable traits, requirements, or preferences out of a diverse market. Marketers may customize their offers, communications, and marketing tactics to fit the particular wants and preferences of their target audience by recognizing the distinctive qualities of each segment. Market segmentation enables businesses to properly allocate their resources and provide customers individualized experiences that are memorable. Targeting is the process of deciding which particular market segments a business should target. When choosing a target market, companies must assess the attractiveness of various segments based on a variety of criteria, including the segment's size, growth potential, profitability, level of competition, and compatibility with their resources and skills. Companies may efficiently manage their marketing resources and efforts by determining the most promising sectors, increasing their chances of success. Targeting, positioning, and market segmentation are all related processes. Market segmentation serves as the basis for targeting by assisting in the identification of the groups that are most appropriate for a company's product offerings. By concentrating resources and efforts on certain market niches, organizations are more likely to succeed in their marketing goals. Once a compelling value proposition has been established, positioning aids in differentiating the company's products within the chosen categories and creating a competitive advantage.

KEYWORDS

Marketing, Positioning, Product, Sale, Targeting.

I. INTRODUCTION

Establishing a unique and appealing picture of a product or brand in the minds of customers within a target market is the process of positioning. Unique selling features, competitive advantages, and value propositions that set a product or brand apart from rivals must be identified and emphasized for effective positioning. Through positioning, businesses seek to hold a distinctive and favorable place in customers' thoughts, influencing their views and buying behaviour. A thorough grasp of the requirements, preferences, and behaviour of the target market is necessary for effective targeting, positioning, and market segmentation. Companies use a variety of strategies, including demographic, psychographic, behavioral, and geographic segmentation, to divide their markets into smaller groups. With the use of these strategies, marketers may generate useful and actionable segments by identifying pertinent factors like age, income, lifestyle, attitudes, purchase behaviour, and geography. Compared to others, certain individuals will be more interested in what you have to give. Not every organization needs to buy vertical lathes or CT scanners, just as not every person requires homeowners' insurance or physical therapy services. Some of those who do will purchase a few, while a select few will buy several. In other words, not every one of your prospective customers is created equal. However, some clients are more equal than others. If your product is reasonably priced, many individuals could be interested in it. If other individuals are just aware that your product even exists, they could get intrigued [1]–[3]. Your objective is to identify these individuals and groups. You will need to categorize them in order to do this. Market segmentation is the division of all consumers into sets of prospective customers that have similar traits. When segmenting markets, the most important question to ask yourself is: What groups of consumers are sufficiently similar that the same product or service will appeal to all of

them? Your marketing budget is going to be constrained, after all. By concentrating on the customers, you have a real chance of selling to and adjusting your offer for them, you may maximize your investment.

Mass Marketing Vs. Targeted Marketing

Targeted marketing, also known as differentiated marketing, refers to the process of selling to certain groups of individuals and businesses. It's a rather recent phenomenon. The first was mass marketing, sometimes known as undifferentiated marketing. It developed in tandem with mass manufacturing and entails marketing the same item to everyone. You may think of mass marketing as a shotgun strategy in which you fire as many promotional messages as you can across every available channel as often as you can afford. Henry Ford, the automaker, excelled at both mass manufacturing and mass marketing. Early in the 20th century, Ford invented the modern assembly line, which enabled him to produce thousands of identical Model T cars at a low cost. They were exclusively available in black. Ford once said, any customer can have a car painted any colour he wants, as long as it is black. Additionally, he had articles about the brand-new, affordable automobiles published in a variety of magazines and ran advertisements in all the major newspapers. Model Ts made over half of all the vehicles on American roadways by 1918.

Benefits of Market Segmentation and Targeting

General Motors' experience highlights a crucial point: segmenting and targeting markets don't always entail skinning down the number of your consumers. In fact, it may assist you in growing your clientele by providing information you can use to effectively modify a certain aspect of your product, such as the offering's pricing, its quality, how you service and promote it, etc. The procedure may especially assist you in doing the following tasks:

1. Steer clear of direct rivalry with other businesses vying for the same clients.
2. Create new goods, grow successful brands, and create new product lines.

Remarket older, less lucrative goods and brands find early adopters redistribute funds and sales efforts to concentrate on your most lucrative clients and retain at-risk clients who could migrate to rivals. More specific, focused marketing is the current trend. But it takes some detective work often market research to identify who's who among your consumers. Market segmentation may be done using a wide range of instruments and research methods. Governmental organizations, like the U.S. Census Bureau, gather and publish a great quantity of economic and demographic data that may be used to identify shifting consumer trends. Even small businesses and entrepreneurs are finding it simpler thanks to technology to acquire data on prospective clients. For instance, the online gaming startup GamePUMA.com first felt that clients from the United States made up its target market. However, the business discovered that users were coming from all over the world when it looked more carefully at who was downloading games from its website [4]–[6].

II. DISCUSSION

Companies are increasingly utilizing the Internet to monitor people's Web surfing habits and classify them into groups that can be sold to. See Consumer Behaviour: How People Make Buying Decisions. Due to the fact that they no longer need their own software and programmes, even small enterprises may accomplish this successfully and affordably. Simple online registration is available for services like Google's AdSense and AdWords programmes. By browsing blog sites and discussion forums on the Internet, you might find new consumers. You may search through Big-Broadcom's tens of thousands of discussion forums to identify prospective clients who might be interested in your product. Have you had a blog? Visit BlogPoll.com to integrate a poll so you can find out what readers think of your concept. You may download an iPhone application that will provide you with the most recent data and statistics about the users of your website if you own a website. But using technology isn't required to gain a sense of possible target audiences.

Speaking with potential customers and drawing on your own experience are crucial pieces of the jigsaw. Visit the eateries, shops, gyms, subways, grocery stores, nursery facilities and workplaces where you believe potential customers frequent. What do they do throughout the day, ask them? What do they discuss? Which goods or services do you see them utilizing? Are they enjoying utilizing such things, or are they becoming frustrated? A heart attack sufferer founded the Healthy Choice brand of frozen meals. Frozen meals from Healthy Choice were created as a consequence of talking to prospective consumers. ConAgra, a food manufacturer, introduced the meals in the late 1980s after the heart attack of Charlie Harper, its CEO. A coworker once praised Harper for his wife's delicious low-fat turkey stew. When Harper discovered that others shared his need for convenient, healthful meals, he started conversing with them about their needs. The Healthy Choice line has 10% market share of frozen dinners two years after its introduction [7]–[9].

Targeting and Segmenting a Company's Current Clientele

It is often far harder to find and attract new clients than it is to keep your present ones. People are routine-driven animals. Even when you are purchasing something as basic as a haircut, consider how much time and effort you invest when you change your business from one company to another. If you don't like your hair and want to choose a new hairstylist, you should first chat to others whose hairstyles you prefer or check salon reviews. Once you've made the decision to visit a certain salon, you'll need to hunt it up online or with your GPS and cross your fingers that you won't get lost. When you arrive at the salon, you must make an effort to describe your desired hair cut to the new hairdresser and cross your fingers that he or she gets it properly. When you pay the bill, there may be additional requirements that you must meet. Your American Express card could not be accepted at the new salon, or they might not let you to place the tip on your card. But once you get the hang of the new salon, conducting business there becomes lot simpler. The same is true for businesses when trying to attract new clients. It's a challenging process that involves much trial and error to find consumers, get to know them, and determine what they actually want. Because of this, building strong ties with your present clients is crucial.

In general, you want to conduct as much business with each of them as you can. Making the most of one's present consumers was underscored by the most recent economic slump. New consumers were difficult to come by during the recession, and businesses decreased their spending on advertising and marketing. It was not acceptable to conduct costly, impersonal, shotgun-style marketing initiatives that would most likely provide erratic outcomes. As a result, many businesses decided to concentrate their marketing efforts on their present clientele. Backroads, a company focused on adventure travel, was in this scenario in 2009. The California-based firm raised its sales by developing a tailored marketing campaign for customers who had previously done business with Backroads. The company examined data on prior purchases made by consumers, the seasons in which they travelled, the amount of exercise involved, and whether or not they often travelled with kids. Based on the data, the business then produced three relevant vacation options for each client. Customers received the information through postcards and emails that included links to tailored Web sites that reminded them of the excursions they had previously planned with Backroads and suggested new ones. Vice President of Backroads' sales and marketing division Massimo Pioreschi adds, in terms of past customers, it was like off-the-charts better.

Businesses aim to understand their consumers better by polling them or engaging marketing research companies to do so, in addition to looking at their purchasing habits. Loyalty programmes are another tool used by businesses to learn more about their clients. For instance, if you apply to become a frequent traveler with a certain airline, the airline would probably ask you many questions about your preferences. Following the entry of this data into a customer relationship management system, you could get emails with special offers tailored to the routes you often travel. British Airways goes so far as to keep track of the magazines that its most affluent travelers like reading so that they may access the publications while flying. Even small businesses are embracing Facebook to forge tighter connections with their clientele. The Facebook page of Beverly Hills bakery Hansen Cakes receives roughly 2000 visits every day. Employee Suzi Finer updates the website with cakes updates and pictures of the baked goods she's working on during her downtime at the bakery. Finer provides consumers with information about the cakes as well as special discounts and any local celebrity rumors she may have heard.

Sales at Hansen Cakes increased by 15-20% when the bakery started its Facebook profile. And that's during the recession, adds Finer, who is undoubtedly pleased with her accomplishments. Twitter is another tool business use to connect with consumers and increase sales. For instance, the homemaking guru Martha Stewart tweets her followers when she plans a book signing, and voila! Many of them show up to the shop she will be speaking at to purchase copies. The secret to building connections with clients is to find methods to engage with them that they enjoy whether it's meeting or tweeting them, or hosting events and tradeshow they want to attend. Some clients are quite lucrative, while others aren't. Still others will ultimately result in financial loss for your company. As a result, some of them will warrant more interaction from you than others. Unbelievably, some businesses untargeted unproductive clients on purpose. What Best Buy did was that. In 2004, it was found that Best Buy had divided their customer base into personas, or categories of customers, and had developed unique sales strategies for each. For instance, a lady from the upper middle class was called Jill. A Buzz was the name given to a young urban male. And those annoying, price-conscious clients from whom Best Buy couldn't generate any revenue? They were called devils and removed from the business' mailing lists.

But the knife slices both ways. Consumers will opt to conduct business with certain companies over others because they see some businesses as being more equal than others. Market segmentation, in the eyes of customers, implies meet my needs give me what I want. Steps in One-to-One Marketing describes the actions businesses may take to identify their best clients, develop deep, personal connections with them, and provide what they need. This process is known as one-to-one marketing. You may think of one-to-one marketing as the rifle strategy in our shotgun vs.

rifle comparison, with the additional benefit that your weapon now has a scope. In their book *The One-to-One Future* from 1994, authors Don Peppers and Martha Rogers put out the concept of one-to-one marketing. What life might be like after mass marketing was portrayed in the novel. Sellers would be able to provide us with precisely what we need, and we would all have cooperative rather than competitive relationships with them. Are we already there? Not exactly. However, it seems to be going in that direction given the tendency towards more focused marketing.

One-to-One Marketing Process Steps

1. Create short-term metrics to gauge your progress. Choose a method for evaluating your effort. Will you, for instance, utilised greater customer satisfaction scores, higher revenues per client, the quantity of items supplied to consumers, lower transaction costs, or some other metric?
2. Identify your target market. Obtain as much information as you can about your present clients, such as their purchasing habits and preferences. Include a opt in question that allows you to lawfully collect and utilised their phone numbers and email addresses when doing business with them in order to stay in touch with them.
3. Set yourself out from your clients. Find out who your top clients are in terms of how much they already spend, how much they want to spend in the future, and how simple or difficult it is to service them. Find and target the clients that make minor purchases from you but big ones from your rivals.
4. Interact with your clients, concentrating on the better ones. Find methods and platforms to converse with clients about subjects they are interested in and like. Engage with your top customers the most using your resources. Spend as little time and money as possible on consumers with poor growth prospects.
5. Tailor your marketing materials and goods to their demands. Give your consumers precisely what they want with your marketing materials, whether it's the product itself, its packaging, delivery, or the services that go along with it.

How to Segment Markets

Sellers have a choice as to whether they want to target consumer markets, business-to-business markets, or both. As a result, dividing markets into these two categories is a natural place to start the segmentation process. Next, we focus particularly on the various consumer market segmentation strategies. You may segment clients using many of the same variables. In order to get a more complete understanding of its consumers and provide them with genuine value, a company often uses numerous segmentation bases, or criteria, to categories purchasers. Each variable adds a new level of detail. Consider it as being comparable to how your lecturer builds up information on a PowerPoint presentation until you are able to grasp what is being given. You may break down a market using a variety of features. Some of these may not come to mind right away for you. What about people's actual sizes? Big-and-tall retailers serve the larger-sized demographic group. What about those with large or small feet, those with ailments, those who like certain pastimes, or those who have diverse sexual orientations? Instead of, instance, the breadth of their feet, which may be something you could consider depending on your product, we'll now look at some of the more typical traits market researchers look at when segmenting customers.

Segmentation Base Types

Common Ways of Segmenting Buyers illustrates a few of the several buyer traits that are used to divide markets into subgroups. You'll see that the traits may be divided into behavioral, demographic, regional, or psychographic segmentations. Each of these categories will be covered later. For the time being, you may obtain a general notion of what the categories include by considering how marketing experts could respond to the following inquiries:

1. Segmenting based on behaviour. How do consumers utilised our product, and what advantages do they seek?
2. Segmenting by demographics. What impact do our clients' ages, races, and ethnicities have on the things they purchase?
3. Segmentation by location. How can we find our customers and where are they located?
4. According to where they are, what things do they purchase?
5. Psychological grouping. What do our clients believe in and value? What kind of lifestyle do they lead?

Behavioral Segmentation

According to how they interact with or act towards items, individuals and organizations are divided into categories via behavioral segmentation. Segmenting customers based on the advantages they expect from items is a widespread practise. Consider toothpaste as an example. When purchasing toothpaste, what factor is most important

to youth cost, the product's capacity to whiten teeth, prevent tooth decay, and/or freshen breath? Maybe it combines two or more advantages. Marketing experts may personalize various toothpaste products to you if they are aware of these advantages. Colgate 2-in-1 Toothpaste & Mouthwash, Whitening, as an illustration People who seek the advantages of whiter teeth and fresher breath can use Icy Blast. By their utilization rates that is, how often, if at all customers are divided into different groups by companies. For instance, the gambling and entertainment business Harrah's compiles data on the patrons of its casinos. High rollers or big spenders are referred to as VIPs. VIPs are given special attention, including a dedicated host who attends to their needs while they are at the casino. Businesses are drawn to regular users because they want to connect with like consumers. They are also very curious about nonusers and how to get them to utilise the items.

Product use patterns may also serve as a segmentation basis. Initially, Avon Skin So Soft was a cosmetic. However, Avon started promoting it for that use after learning that some individuals were using it as a mosquito repellent. In order to compete with repellents like Off Avon eventually developed a different product called Skin So Soft Bug Guard. Similar to this, Glad, a manufacturer of plastic wrap and bags, discovered that their Press 'n Seal wrap was being used by consumers in unexpected ways. Following this, the marketing team at Glad created the website 1000uses.com, which offers both business and consumer use advice. The following remark on the website demonstrates how some users utilised the gadget in somewhat unconventional ways: I have a hedgehog that loves to gallop on his wheel a lot. After washing a filthy wheel every morning for a long, I finally learned to utilise Press 'n Seal wrap to make cleanup much simpler. I don't have to worry about cleaning up after my hedge he may run as much as he wants. Glad has undoubtedly received a lot of useful customer data about the product and PR through its 1000uses.com Web site, even if we suspect the company would ever go to great efforts to split the Press 'n Seal market into hedgehog owners [10]–[12].

III. CONCLUSION

Technology and data analytics are essential for targeting, positioning, and market segmentation in the fast-paced corporate world of today. Utilizing cutting-edge analytics technologies, businesses can collect and analyse enormous volumes of customer data to get insightful knowledge about consumer behaviour, preferences, and purchasing habits. This data-driven strategy helps businesses to customize their positioning strategies to fit changing customer expectations while improving the accuracy and efficacy of targeted efforts. In conclusion, market segmentation, positioning, and targeting are essential tactics for effective marketing. Companies may create focused marketing strategies, efficiently manage resources, and provide experiences that connect with customers by recognizing and understanding certain client groups. Companies may set themselves apart from rivals and secure a distinct place in the market by strategically positioning themselves. Companies may maximize their marketing efforts and achieve sustained development in cutthroat marketplaces by including these tactics into the marketing planning process.

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