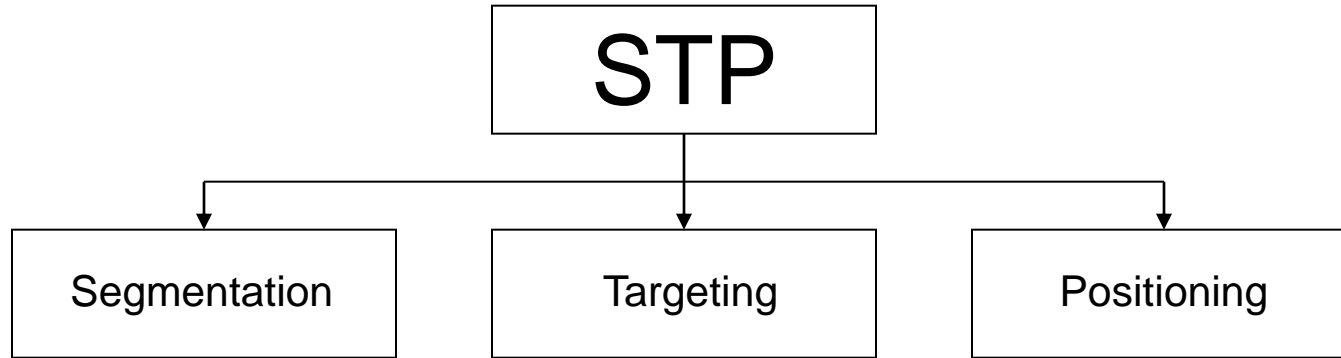


Chapter 3 (Partial): Market Segmentation: Positioning

Outline/ Learning Objectives

Topic	Description
STP	Review segmentation, targeting, and positioning (STP)
Positioning	Explain positioning companies in markets
Tools	Review different positioning tools, such as preference maps
Perceptual	Execute positioning using perceptual maps

STP: Segmentation, Targeting, Positioning



Segmentation:

Subdividing general markets into distinct segments with different needs, and which respond differently to marketing efforts.

- Increased customer satisfaction
- Increased marketing effectiveness

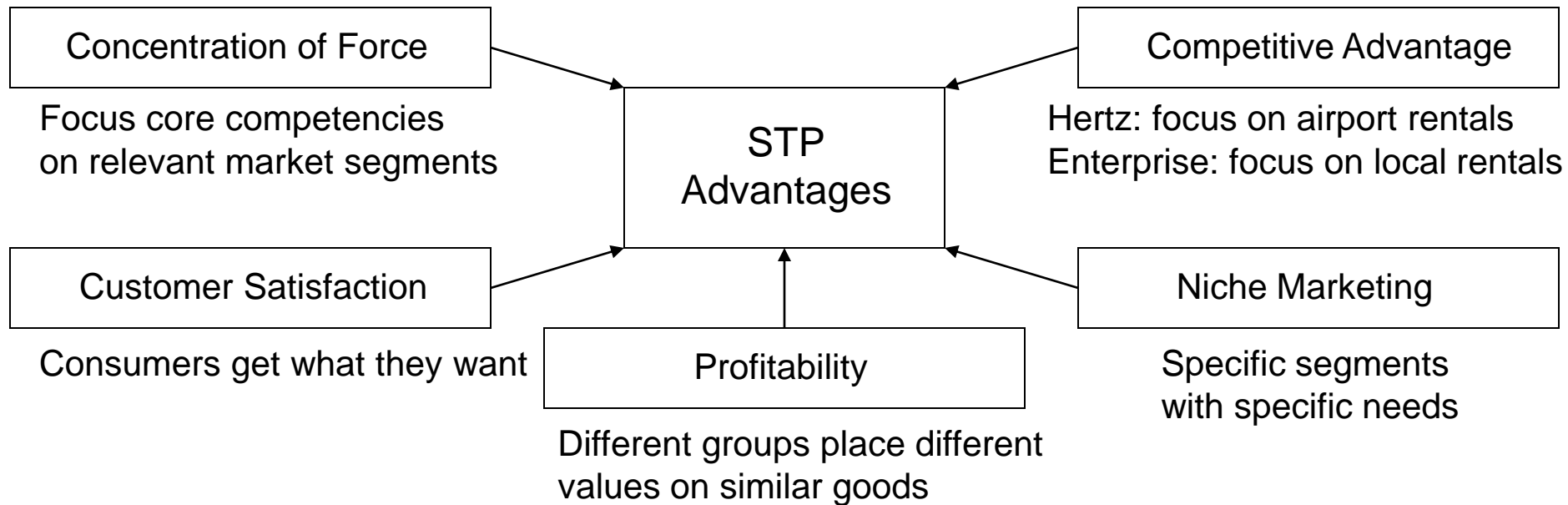
Targeting:

Selection of market segments. Cannot service every possible segment.

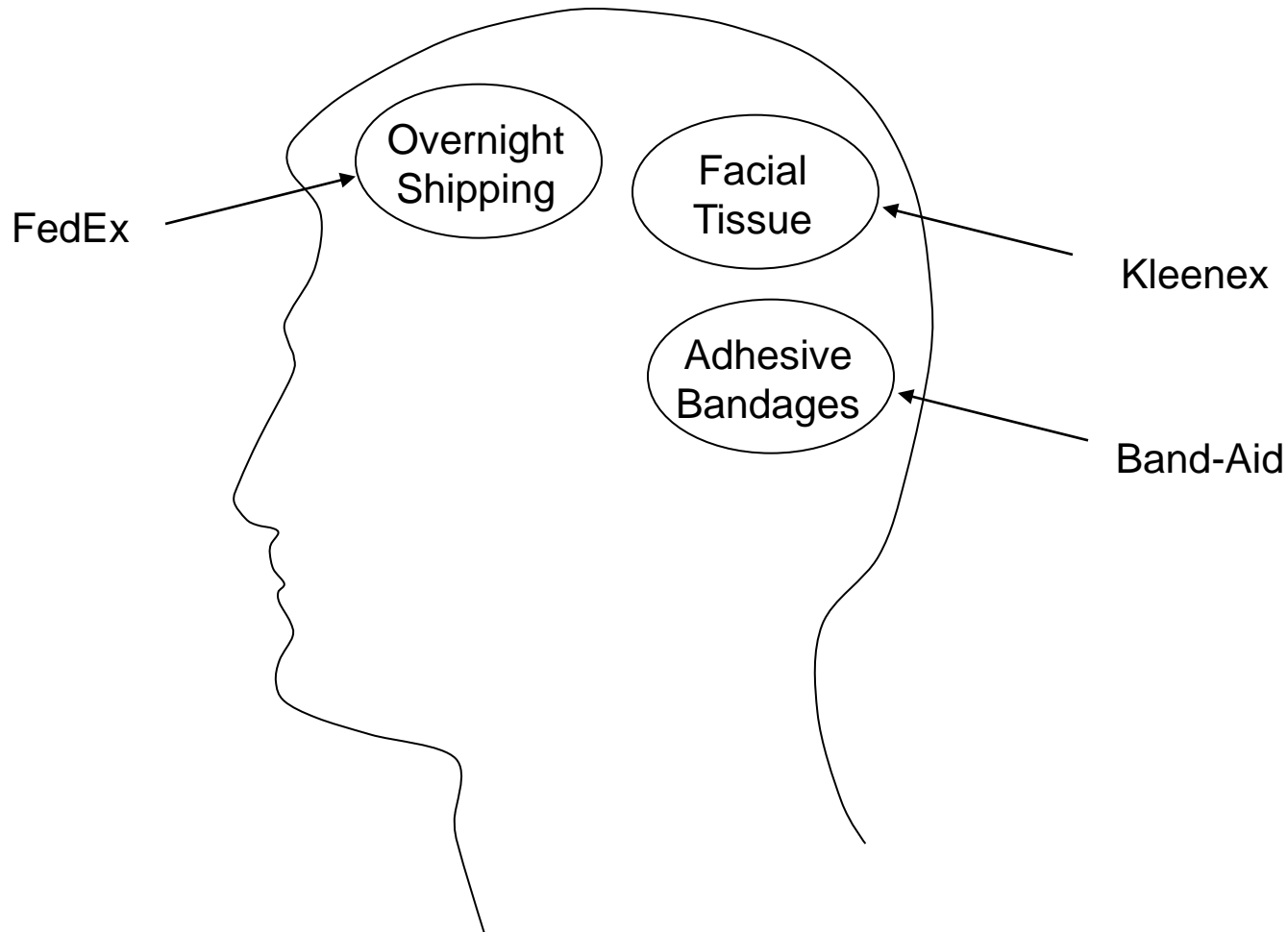
Positioning:

Activities to make consumers perceive that a brand occupies a distinct position relative to competing brands.

STP Advantages



Positioning



“Positioning Brands in the Mind of the Prospect”

Positioning

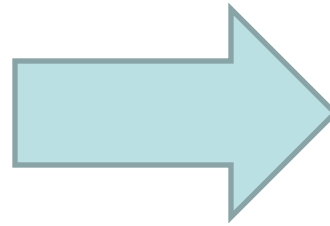
Rental Car Positioning

Positioning	Example
Airport business travelers	Hertz offers its rental cars in many airports
Consumers with auto repairs	Enterprise offers its rental cars locally
Relocated employees	Thrifty offers multi-month rental program
Price-conscious renters	Budget offers rentals at a discount
Exotic car aficionados	Xotic Dream Cars rents Ferraris in Miami

Positioning

Office Supply Re-Positioning: Staples

“Yeah, We’ve Got That”

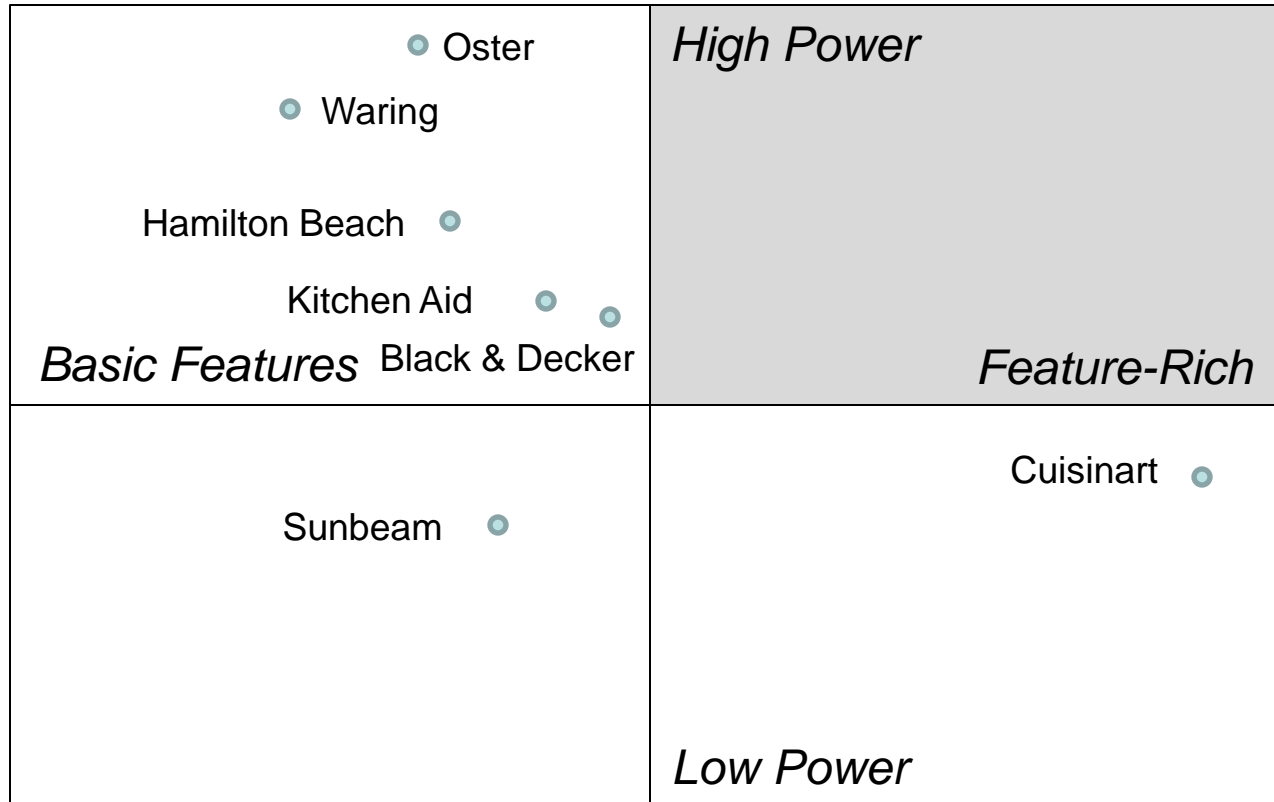


“That Was Easy”

Positioning: Selection

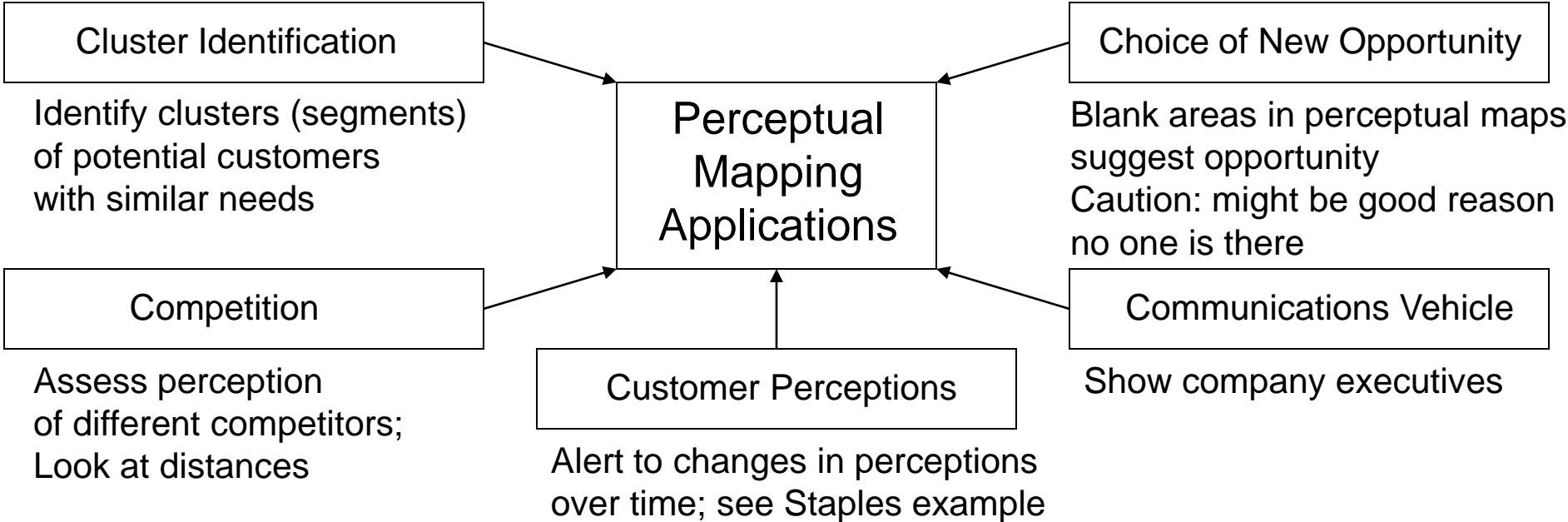
Positioning: Convenience

Sample Perceptual Map



Sample Perceptual Map for Household Blenders

Perceptual Mapping Applications



Mapping Methods

Map Type	Description
Perceptual Maps	Show consumer perception
Preference Maps	Show consumer preference
Joint Space Maps	Show multiple elements

Mapping Methods

Map Type	Description
Perceptual Maps	Show consumer perception Attribute-based: Good for tangible descriptors, e.g., weight Similarity-based: Good for intangible descriptors, e.g. luxury
Preference Maps	Show consumer preference
Joint Space Maps	Show multiple elements

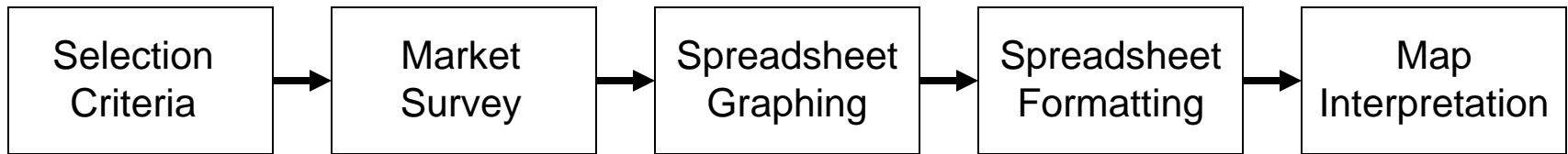
Mapping Methods

Map Type	Description
Perceptual Maps	Show consumer perception
Preference Maps	Show consumer preference Ideal Point: Adds “most preferred point”, e.g. spiciness Vector Model: Adds preference vector for attributes, e.g. reliability
Joint Space Maps	Show multiple elements

Mapping Methods

Map Type	Description
Perceptual Maps	Show consumer perception
Preference Maps	Show consumer preference
Joint Space Maps	Show multiple elements Joint Space: Combines perceptions and preferences on one map External Analysis: Leverages analytical power of external programs

Perceptual Map Process



5-step process

Perceptual Map: Step 1: Selection Criteria

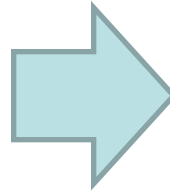
Selection Criterion	Rating of 1 (1-10 Scale)	Rating of 10
Style	Traditional style	Fashionable style
Ruggedness	Delicate; Fine	Rugged; Durable
Size	Compact size	Full size
Economic Orientation	Economy-oriented	Luxury-oriented
Comfort Orientation	Comfort-oriented	Sportiness-oriented

Perceptual Map: Step 1: Selection Criteria

Research to understand evaluation and selection criteria

Secondary research:

- Terminology used
- Typical purchasing behavior
- Existing reviews: J.D. Powers...



Primary research

- Customer interviews
- Focus groups
- Behavioral tests, etc.

Perceptual Map: Step 2. Market Survey

Blender	Features: 1-10 Scale	Effective Power: 1-10 Scale
Black & Decker BL 1900	4.6	6.1
Cuisinart BFP-703CH	9.2	4.2
Hamilton Beach 56221	3.4	7.2
KitchenAid KSB560	4.1	6.2
Oster 4093 Beehive	3.1	9.4
Sunbeam 3350W	3.8	3.6
Waring WPB80BC	2.1	8.6

Survey Data on Perceptions

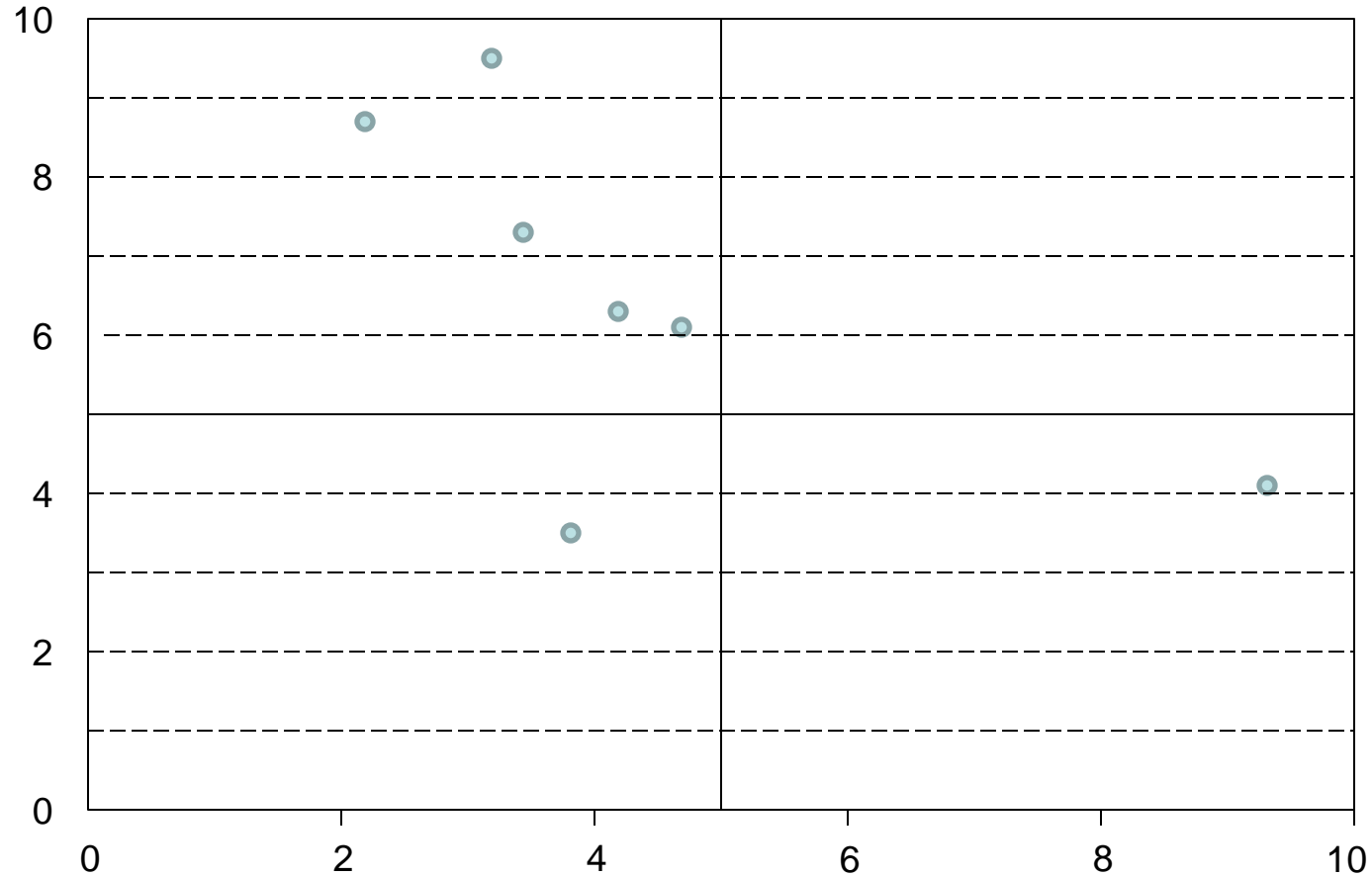
1 = Poor

5 = Expected

10 = Outstanding

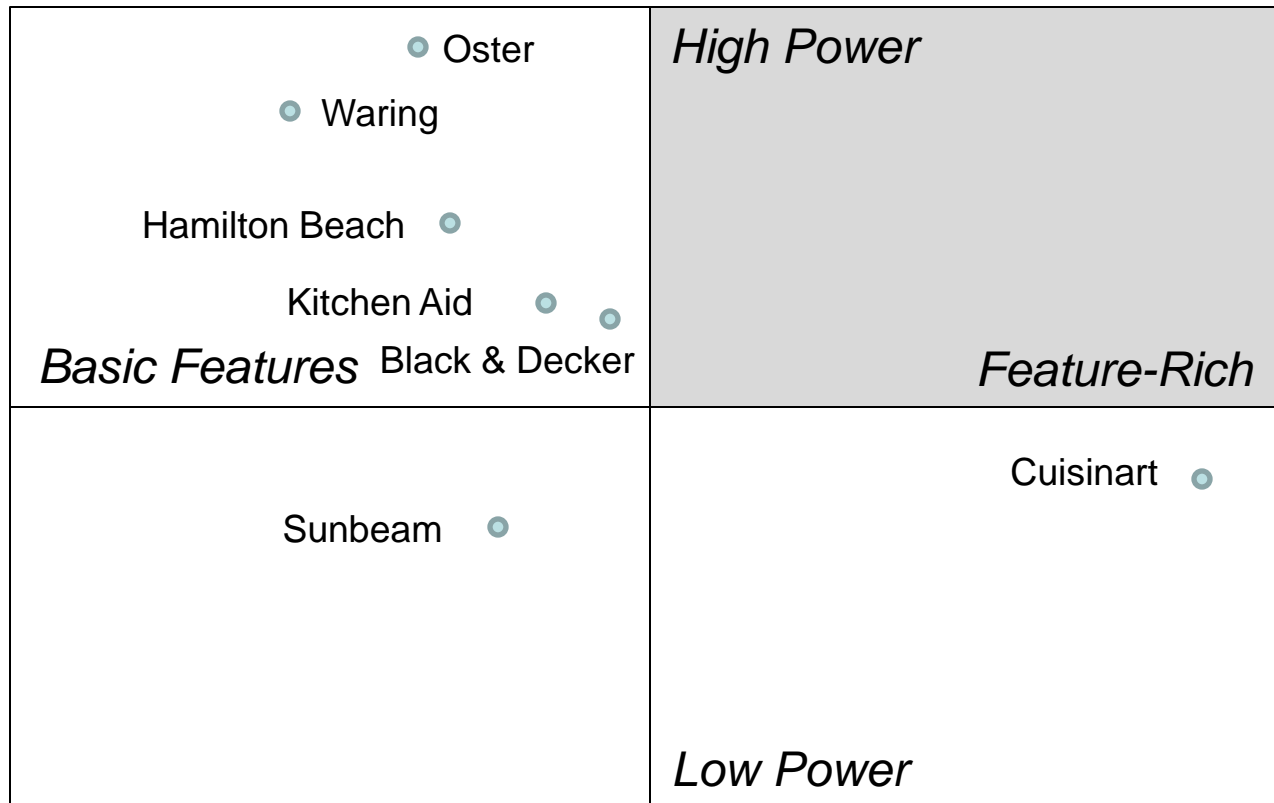
Similar prices

Perceptual Map: Step 3: Spreadsheet Graphing



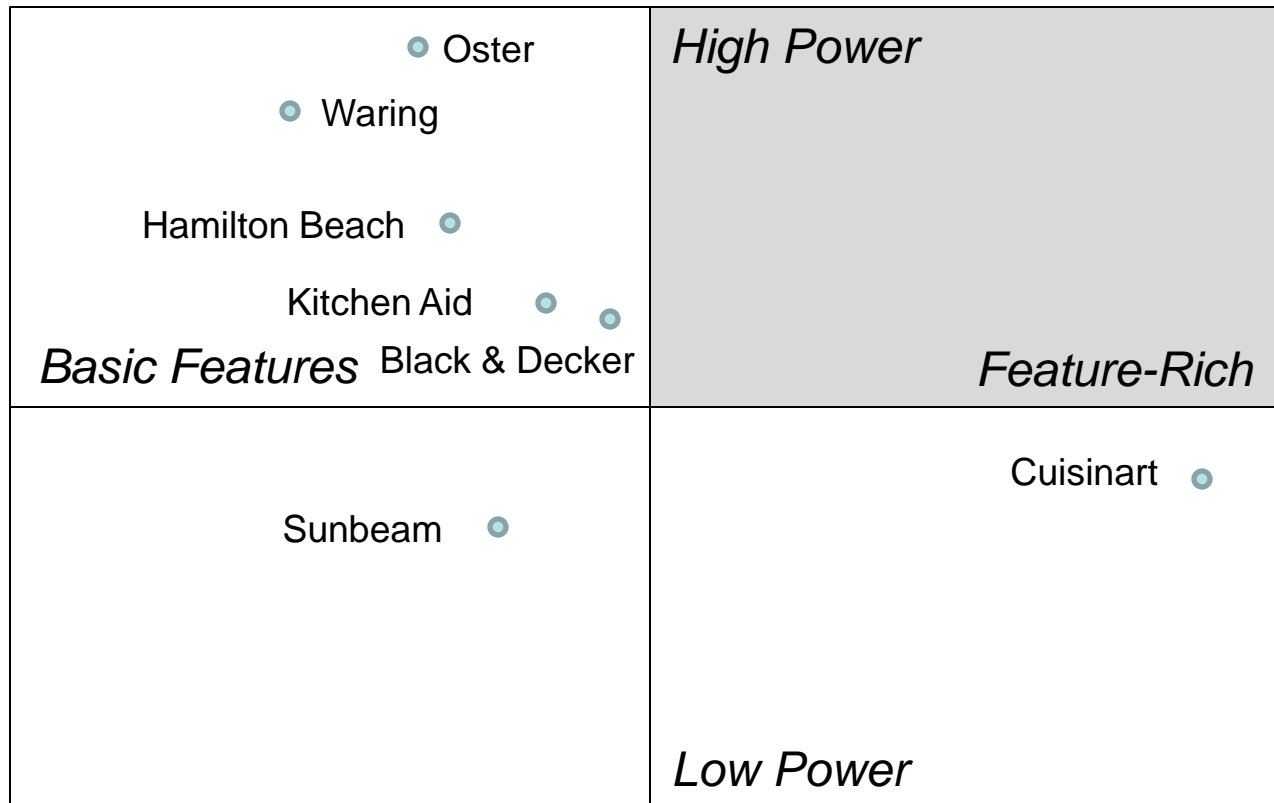
XY Scatter Plot in Microsoft Excel: Before Formatting

Perceptual Map: Step 4: Formatting



- Remove existing legends
- Remove horizontal grid lines and axis values
- Add labels for each brand: Text Box function from Insert tab; Do not let Excel do automatically
- Draw Rectangle to cover entire plot; Use No Fill option
- Draw 4 Rectangles for 4 quadrants
- Shade upper right (or other) quadrant

Perceptual Map: Step 5: Map Interpretation



- Several brands competing in “Basic Features”, “High Power” quadrant
- Only 1 brand in “Basic Features”, “Low Power” quadrant
- Only 1 brand in “Feature-Rich”, “Low Power” quadrant
- No brands in “High Power”, “Feature-Rich” quadrant; Opportunity?

Check for Understanding

Topic	Description
Terminology	Know definitions of segmentation, targeting, and positioning
Positioning	Explain positioning and re-positioning
Tools	Know difference between perceptual and preference maps
Execution	Practice developing perceptual maps