

TASK 3: ANALYSIS OF SEGMENTATION, TARGETING AND POSITIONING

Objectives

Student will be able to:

- Understand and comprehend the concept of segmentation, targeting and positioning
- Analyze the product/ service segmentation, targeting and positioning applied by the Company

Introduction

Analysis of Segmentation, Targeting and Positioning (STP) is one substantial stage for the company to classify kind of heterogenous market into a homogenous market, and to focus on the allocation of its resources to host the market segment it has chosen.

Preparation of Tools and Materials

- Laptop/ Computer for each Department
- Internet Connection

Activities

No	Activities	Duration
1	<p>Facilitators will explain the definition and steps of the market segmentation.</p> <p>Market segmentation refers to an activity classifying or grouping a heterogenous market into a homogenous market or a marketplace which has similarity in terms of interest, purchase power, geography, purchase behavior and also life style. Segmentation allows the company to focus on the allocation of its resources. By classifying the market into some segments, it means providing an overview to the company to determine which segment will be hosted.</p> <p>In determining the segmentation basis, there are 2 things need to be done, first, consumer’s characteristic which becomes the main variable in the segmentation, it consists of:</p> <ol style="list-style-type: none"> 1. Geographic Segmentation. On the geographic segmentation, the classification is done according to the geographical factor, such as according to its place of origin or domicile of the consumers. 2. Demographic Segmentation. On the demographic segmentation, the classification is done based on the variable of age, gender, and occupation of the concerned consumer. 3. Psycographic Segmentation. On the Psycographic segmentation, the classification is done based on the characteristics of each consumer, such as motivation, personality, perception, interest and attitude. <p>In conducting the segmentation, the company must consider the effectivity of said segmentation. The requirements of such effective segmentation include these following:</p> <ol style="list-style-type: none"> 1. Measurable Measurable means that such market segment must be able to assist the company in measuring the market potency, consumer’s purchase power 	10’

	<p>and resources allocation size.</p> <ol style="list-style-type: none"> 2. Substantial Substantial means that such segment must be huge and profitable to be served. 3. Accessible Accessible means that such segment must be easy to be served. 4. Differentiable Differentiable means that such segment can be clearly differentiated. 5. Actionable 	
2	Manage each department to discuss the arrangement of market segmentation on the computer or plano paper.	20'
2	<p>Once each department has identified the potency owned by the market segment, the following action is to evaluate those various segments to decide which market segment suitable for becoming company's target market. In evaluating such different market segments, the company must consider two factors, namely the market attractiveness in general and the company's goals and resources. The company must understand whether such potential segment has an attractive characteristic in general, such as size, growth, profitability, economic scale, lower risk and sundries. The Company must also consider whether making an investment in such segment will make sense, by referring to the company's objectives and resources.</p> <p>Determining the Target Market In determining the target market, the company may think over these following 5 patterns, such as:</p> <ol style="list-style-type: none"> 1. <i>Single Segment Concentration</i> The company may choose one segment only. The company will have more power to achieve an influential position in one segment, with good comprehension against the segment needs, therefore, the company will be able to generate gains. However, the concentration in one segment has considerably high risk, and this is the reason which underlies the company to concentrate in more than 1 segment. 2. <i>Selective Specialization</i> The company decides to focus on some segments. The selected segments may not relate each other or create a synergy, yet each segment promises a good benefit/ money to the company. This strategy is more preferable by the company in order to avoid loss, in the event of one segment becomes inproductive, the company will remain being able to generate income from the other segments. 3. <i>Product Specialization</i> Product Specialization means that the company concentrates in producing a special or specific product. Through this specialization, the company is seeking to build strong reputation in the specific product segment. However the risk does still exist. 	10'

	<p>In which a material scarcity for the process of such product or the delay in shifting into the latest technology.</p> <p><i>4. Market Specialization</i> Market Specialization means that the company will concentrate serving sundry needs of a particular group. The company will derive strong reputation and become the first- option channel for all new products required and used by such group. The risk of loss will emerge if such group reduces its purchase or needs.</p> <p><i>5. Full Market Coverage</i> Full Market Coverage means that the company is undertaking to serve all groups with the products the need. Nevertheless, only large- scale companies which have such capacity. To create the customer satisfaction, the marketer may make differentiation and generate more sales compared than doing indeferentiation; yet, the differentiation can increase the company’s costs. In general, it remains profitable for the company, especially if it is connected to the profitability strategy, although the company must beware against the over segmenting issue. The expected costs consist of the modification cost of the product, production cost, administrative fee, carrying cost and promotional fee.</p>	
3	Each department is directed to discuss for the determination of target market along with the justification/ basis of such determination.	10’
4	The representative from each department will briefly present the discussion result.	10’
5	<p>From the result of market segmentation and targeting, each department will be further directed to make company’s positioning. The Positioning is an image built in a consumer’s perspective upon the name of such company/ product. The positioning is how a product will be seen by the consumer and compared to the other competing products. This case also includes brand image, promised advantage and also competitive advantage. This is the reason underlying why a consumer chooses a non- competing product from a company.</p> <p>Each department is directed to create a positioning matrix by comparing the product price and quality. First stage is to define the position of 6 competitors which have been previously identified in the BUSINESS PLANNING 2 in accordance with the assessment/ evaluation to its price and quality. Furthermore, define the student’s company position in accordance with the student’s wish and ability.</p>	10’
6	Summarize this work output in the computer database.	5’

Output

- Analysis of the Company’s Segmentation, Targeting and Positioning

References

- Kotler, Philip. 2003. Marketing Management. Prentice Hall.

Internet Activities

- [Contoh STP pada DHL](#)
- [Contoh STP pada Nestle Dancow](#)