

TASK DETAILS	
Title	IDENTIFYING TARGET MARKET
Type	TEAM
Activity	REFINE BUSINESS IDEA
Department	ALL DEPARTMENT
Duration	1X SESSION, 1 LESSON HOUR
LEARNING OBJECTIVE	OUTPUT
	STP (Segmentation, Targeting, Positioning) analysis result of the business to be run by students

INTRODUCTION

Segmentation, Targeting, and Positioning (STP) is a stage where companies group a heterogeneous market into a homogeneous one, allowing them to focus resources on serving the selected market segment.

No	ACTIVITY
1	<p>Market Segmentation Explanation</p> <p>The facilitator explains the definitions and stages of market segmentation.</p> <p>Market segmentation is the activity of dividing a heterogeneous market into homogeneous segments based on similarities in interests, purchasing power, geography, buying behavior, or lifestyle. Segmenting the market allows companies to better allocate resources and identify which segments to serve.</p> <p>Segmentation can be based on two main methods: Consumer Characteristics, which include:</p> <ul style="list-style-type: none"> • Geographic Segmentation: Based on region or residence. • Demographic Segmentation: Based on age, gender, and occupation. • Psychographic Segmentation: Based on personal characteristics such as motivation, personality, perception, interest, and attitude. <p>Effective segmentation should meet the following criteria:</p> <ul style="list-style-type: none"> • Measurable: The segment should be measurable in market potential, consumer purchasing power, and resource allocation. • Substantial: The segment must be large and profitable enough to serve. • Accessible: The segment must be reachable and serviceable. • Differentiable: The segment must be clearly distinguishable. • Actionable: The segment must be actionable.
2	Each department is guided to discuss and create market segmentation on a computer or flipchart paper.

3	<p>After identifying market segmentation, each department evaluates the various segments to determine which one becomes the target market. Two main factors should be considered:</p> <ol style="list-style-type: none"> 1. Market attractiveness (size, growth, profitability, low risk, economies of scale) and 2. Company resources/goals. <p>Target Market Options:</p> <ol style="list-style-type: none"> 1. Single Segment Concentration: Focus on one segment. Stronger position but higher risk. 2. Selective Specialization: Select multiple, unrelated but profitable segments. Reduces risk. 3. Product Specialization: Focus on one type of product. Strong reputation, but risky if raw materials or technology change. 4. Market Specialization: Serve various needs of one customer group. Risk arises if demand decreases. 5. Full Market Coverage: Serve all market segments with needed products. Suitable for large companies. Can be profitable but costly—requires caution to avoid over-segmentation.
4	<p>Each department discusses and determines its target market, along with justification for the choice. Then, they present their discussion briefly to the class</p>
5	<p>Based on the segmentation and target market results, each department creates a positioning strategy.</p> <p>Positioning refers to the image of a product or company in the consumer's mind that differentiates it from competitors. This includes brand image, promised benefits, and competitive advantage—reasons why consumers choose the company's product.</p> <p>Departments create a positioning matrix comparing price and quality. First, position the 6 competitors (previously identified in the Business Planning stage) according to perceived price and quality. Then, position the student's company based on their desired and realistic positioning.</p>

REFERENCE

TASK TEMPLATE