

The Village International School Thodupuzha

Topic: SEGMENTATION, TARGETING & POSITIONING

I.FILL IN THE BLANKS:

1. Market segmentation is the identification of portions of the market that are different from one another or share a similar set of needs.
2. Segmentation is a source of competitive advantage and enhances awareness of external market trends and competition.
3. The populations are broken down according to income, employment, education, social class, home/car ownership, etc in Socioeconomic segmentation.
4. David Kurtz likes to call Behavioural Segmentation as Product-related segmentation.
5. Age, gender, race, politics and Family structure affect _____
(Personal Demographics segmentation)
6. _____ affects Socio-economic segmentation.
(Income, employment, education, social class, home/car ownership, etc.)
7. Usage status, brand loyalty levels, benefits sought, frequency of purchasing, willingness to buy, and season influence _____. (Behavioural segmentation)
8. Today, no organisation has the resources or capabilities to adequately address all _____ in the market with segment specific sales and marketing mix. (Segments)
9. Unless the right segments are _____, an organisation will not enjoy the benefits of adopting market segmentation concept and the costs incurred in identifying segments will not be repaid. (Targeted)
10. If separate products and programmes are designed for different segments it is called _____ (differentiated marketing)
11. When a market is segmented and marketing resources are limited, the marketer may decide to pursue a _____ segment strategy. (Large)
12. Single market segment strategy can also be called as 'concentrated targeting' strategy or 'niche' strategy.

13. A ready food kitchen may go in for segmentation within such segment. Food remains the same, but prices differ. We may call it as **'Micromarketing'**.

II. CHOOSE THE RIGHT OPTION :

1. Which of the following products do not belong to the same kind of market?

- (A)Haldiram's bhujia and Bikanerwala's bundi
- (B)Hospital bed and tractor**
- (C)Mechanised watch and Electronic watch
- (D)A cricket bat and a football

2. Consolidation of various segments into one large segment, may be an objective if _____

- (A)The reduction in costs is greater than the reduction in profits**
- (B)It is very costly for a company to launch a new product
- (C)Consumers show reduced price sensitivity
- (D)The demand curves for the segments to be combined are similar

3. The basis of geodemographic segmentation is based upon

- (A)City size
- (B)State or Union territory
- (C)Population density
- (D)Classification of residential neighbourhood**

4. Which of the following statements about using about usage segmentation is incorrect?

- (A)Heavy users normally exhibit more brand loyalty than light users**
- (B)Heavy users pay the price equal to light users
- (C)For almost all consumer product categories, the top 50% users account for 80- 90% of total sales
- (D)Demographic characteristics are generally poor predictors of heavy usage.**

5. Which of the following characteristics do not match with benefit segmentation?

- (A)It is based upon measuring consumer value systems
- (B)It relies on descriptive factors**
- (C)It seeks to identify distinct consumer needs

(D)It relies on casual factors

6. Which of the following criticisms of age as a segmentation variable is invalid?

(A)Age is not a reliable predictor of lifestyle

(B)Chronological age need not be synonymous with psychological age

(C)The similarities in consumer wants for different age groups are usually greater than the differences

(D)Age is not an accurate predictor of a person's spending habits

7. Which one of the following statements does not form part of effective positioning strategy?

- (A) Choosing a price strategy
- (B) Determining target customers' needs
- (C) Determining what is value to the target customers
- (D) Developing products with numerous product differences compared with competing brands**

8. Which of the following is not a useful construct for Positioning Strategy?

- (A) Positioning on the basis of product features
- (B) Positioning on the basis of benefits
- (C) Positioning for an undifferentiated market**
- (D) Positioning for user category

9. A Company's brand positioning relates to

- (A) The way consumers perceive it in comparison with competitors**
- (B) The market share
- (C) Its product features relative to other brands
- (D) Price of the product

10. It is inappropriate to reposition a brand –

- (A) If it begins to lose market share
- (B) On a frequent basis**
- (C) Consumers preferences change
- (D) The original positioning loses distinctiveness

III. State whether the given statement is True or False:

- (i) One cannot be everything to everyone, but can be everything to a selected few. **(True)**
- (ii) Targeting is the process of grouping of individuals with similar needs. **(False)**
- (iii) A Rolls-Royce is not in competition with Maruti Alto. **(True)**

- (iv) Segmentation is a battle of minds. **(False)**
- (v) Some needs and wants change with age. **(True)**
- (vi) Anyone in America is an American only. **(False)**

- (vii) Religion influences consumption behaviour. **(True)**
- (viii) Since business market segments do not change, hence there is no need to re-segment Frequently. **(False)**

IV. Answer the following questions:

1. Identify the segmentation variables for the following products:

(i) Orange flavoured infant toothpaste: age – **toddlers and young children.**

(ii) Herb-based 'natural toothpaste:
Psychographics – **environmentally aware, Health-conscious consumers.**

(iii) Mint-flavoured dental floss: Age and Psychographics – **young adults and health conscious**

(iv) Listerine mouth wash: Age – **young adults eating garlic preparations, Old people taking garlic to control cholesterol.**

2. What are the bases of market segmentation? Explain with the help of suitable examples. (REFER NOTES)

Distinguish between/among the following

- (i) Segmentation, Targeting, and Positioning
- (ii) Mass segmentation and niche segmentation
- (iii) Demographic segmentation and Psychographic segmentation

3. If you happen to be marketing manager in Gujarat Milk Federation, a producer of number of milk products, where will you put your products in the following Consumer Segments comprising Kids, Women, Youth, Calorie Conscious, Health Conscious?

Answer:

Kids: AmulKool, Chocolate Milk; NutramulEnergy Drink, AmulKool Milk. Women: Amul Calcium Youth: Utterly Delicious Pizza, Amul Pizza Cheese, Amul Cheese Spread. Calorie Conscious: Amul lite, Sugar skimmed Milk powder, Amul Lite Slim & Trim Milk.

Health Conscious: Nutramul, Amul Shakti Health Food Drink.

4. When Kurkure was launched in 1999, the tagline was -“Kya Kare in contol nahin hota”; in 2003 the tagline was – “Masti bole to kurkure”; in 2008 it was -

“Tedha Hai Par Mera Hai”; What positioning do taglines indicate? **Answer:**

1999: Irresistible taste;

2003 : fun positioning and tried to include the entire family in the conversation; 2008: young confident Indian consumers are no longer striving to be perfect in everything but are comfortable about their imperfections and

5. Select two segments to which Olive Oil can be sold.

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Answer:

Premium Consumers who are health conscious and the new parents who rub olive oil on their new born babies.

6. Make a segmentation of the Exercise Industry, Chewing Gum Industry

Answer: To lose weight; To maintain a healthy body; To build muscle mass; To prevent counter a medical problem; For enjoyment; and To meet people. Chewing Gum Industry: Those who want to quit smoking, People who get calmed; People to who like its taste.

7. **List the steps involved in Positioning Process**

1. Identify relevant set of competitive products serving a target market
2. Identify the set of determinant attributes that define the “product space” in which positions of current offerings are located.
3. Collect information from a sample of customers and potential customers about perceptions of each product on the determinant attributes
4. Determine product’s current location (positioning) in the product space and intensity thereof
5. Determine customers’ most preferred combination of determinant attributes.
6. Examine the fit between preferences of market segments and current position of product (market positioning)
7. Identify positions where additional new products might be placed.
8. Write positioning statement or value proposition statement of value proposition to guide development and implementation of market strategy

