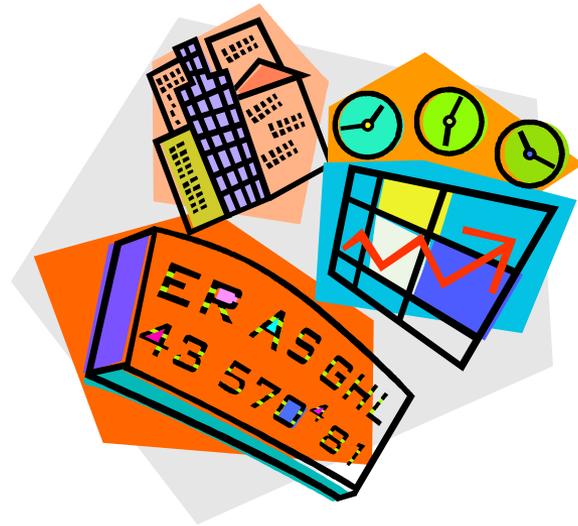


# PROCESS OF STP

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1. Segmentation
2. Targeting
3. Positioning



# 1. SEGMENTATION

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- ❑ **SEGMENT** – part of market
  - ❑ Groups that have similar characteristics and behavior are called **MARKET SEGMENTS.**
  - ❑ Development of technologies enables better adjusting of services offer according to the different segments requirements.
-

# THE SEGMENT SHOULD BE:

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- Enough large
- Measurable
- Stable
- Similar** (homogeneous) within the group and **dissimilar** (heterogeneous) across the different group



# WHY SEGMENTATION?

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- Meet consumer needs more precisely.
- Increase profits.
- Segment leadership.
- Retain customers.
- Focus marketing communications.



# B2C: SEGMENTATION CRITERIA



- ❑ **Demographic** – organization provides products and services only to segments chosen on the bases of age, sex, marital status, education level, disposable income, occupation, religion etc.
- ❑ **Geographic** – organization decides to provide the products only in limited area (cities x villages, seaside area x inland etc.).
- ❑ **Behavioural** – differentiation according to preferences, personality, lifestyle, buying methods, ...

# B2B: SEGMENTATION CRITERIA

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- Size of firm (employees, sells, ...)
- Industry branch
- Location etc.



# 2. TARGETING



- ❑ **TARGET SEGMENT** – part of market which is selected by firm.
- ❑ **MARKET NICHE** – there is a demand for some product but there is no supply on the market.
- ❑ **Specific x economically advantageous segments today???**
- ❑ **Customization x Mass customization**

# FIRMS TYPICALLY CHOOSE FROM THE FOLLOWING TARGETING STRATEGIES:

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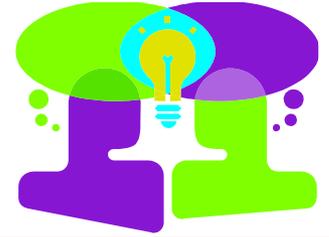
- **Undifferentiated targeting**, through which the firm directs the same marketing mix (same product, price, distribution, marketing communication) at all potential customers.
  - **Differentiated targeting**, through which the firm offers a unique marketing mix to each distinct segment, a mix tailored to the needs and wants of consumers in those segments.
-

# FIRMS TYPICALLY CHOOSE FROM THE FOLLOWING TARGETING STRATEGIES:

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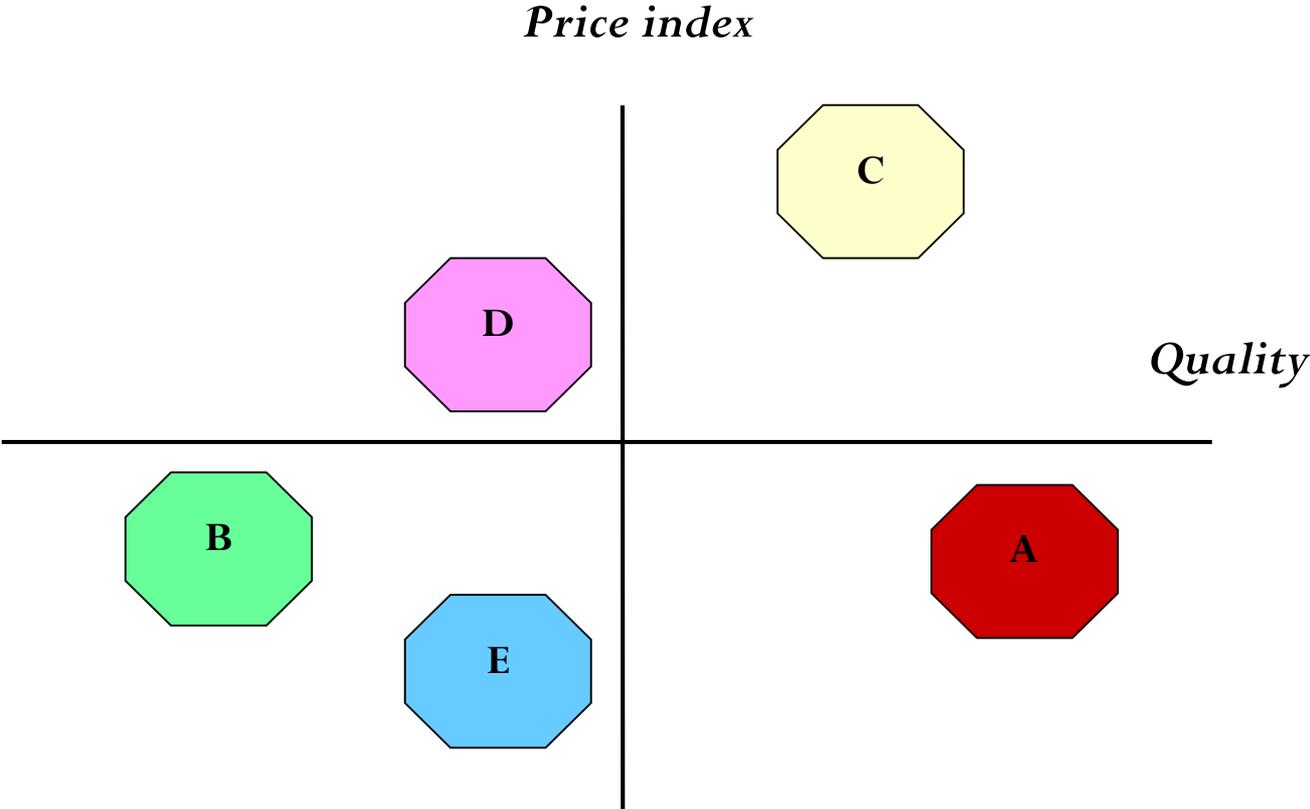
- ❑ **Concentrated (Niche) targeting**, through which the firm picks out a single segment or very limited number of similar segments on which to concentrate its efforts.
  - ❑ **Customized targeting**, a more recent strategy through which the firm crafts specific offers for each individual consumer.
-

# 3. POSITIONING



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- ❑ It is the placing of a product (brand) in the mind of a customer, in relation to other products (brands) in the market.
  - ❑ „It is place in customer’s mind.“ (Duracell, Dobrá voda, ...).
  - ❑ **Positional map (perceptual map)** – graphic presentation how consumer feels the similarity or dissimilarity of brand of specific product in comparison with competitive products in the marketplace.
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# POSITIONAL MAP OF DIFFERENT BRAND A - E



# POSITIONAL MAP



# POSITIONING STRATEGY ALTERNATIVES

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- ❑ **Underpositioning** – there is no sufficient difference among competitive products (Kia, Hyundai – very similar!)
  - ❑ **Overpositioning** - excessive pointing out to only one benefit of certain product (impact on price!)
  - ❑ **Confused** – result of the inadequate marketing communication or the choice of bad distribution channels (branded goods – supermarket, outlets!)
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# REPOSITIONING

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- It responds to the change of market demand or it's aimed to reach more profitable segments.
  - It uses the same tools as positioning, i.e. marketing communication in order to establish new image or product.
  - ! Repositioning x rebranding x redesign!
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# REPOSITIONING STRATEGY

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	<b>Unchanged target market</b>	<b>Changed target market</b>
<b>Unchanged product attributes</b>	Image repositioning	Market repositioning
<b>Changed product attributes</b>	Product repositioning	Total repositioning

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