CENTRE	: DDU KAUSHAL KENDRA
NAME OF THE PROGRAMME	: B.VOC(LOGISTICS AND SUPPLY CHAIN MANAGEMENT)
PROGRAM CODE	: 3UABVOC(LSCM)
COURSE CODE	: LSCM17106
COURSE NAME	: MARKETING MANAGEMENT
SEMESTER	: I
FACULTY NAME	: MR.RAJKUMAR
DESIGNATION	: ASSISTANT PROFESSOR
TOPIC	: MASS MARKETING

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TOPIC :MASS MARKETING

Mass-marketing

- A strategy that presumes there is *one undifferentiated market* and that one product will appeal to all consumers in that market.

Mass Marketing

Advantages

- Lower cost
- One advertising campaign is needed
- One marketing strategy is developed
- Usually only one standardized product is developed

Mass Marketing

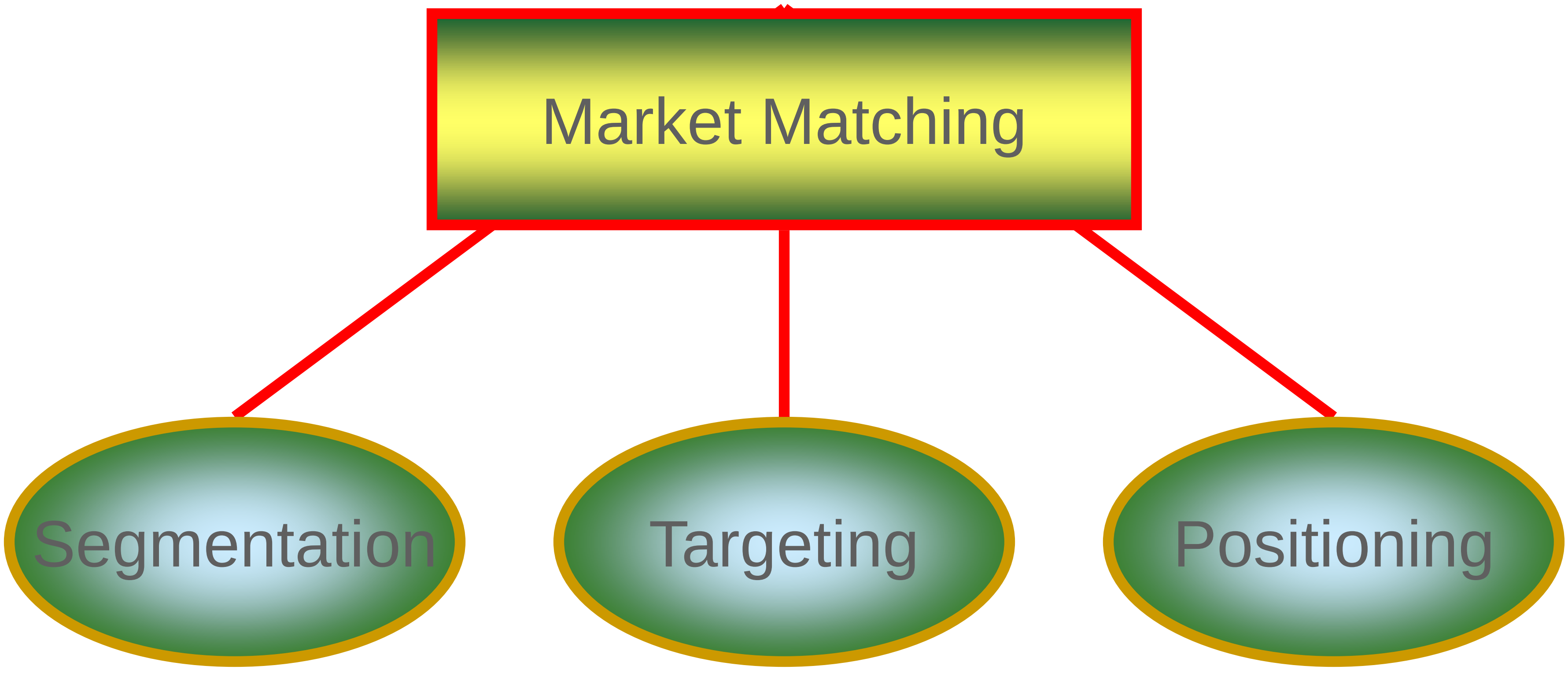
Disadvantage

- It only works if all consumers have the same needs, wants, desires, and the same background, education and experience

Market matching strategy

- Today, mass marketing has largely been replaced by a three-step *market matching strategy*

Market Matching Strategy



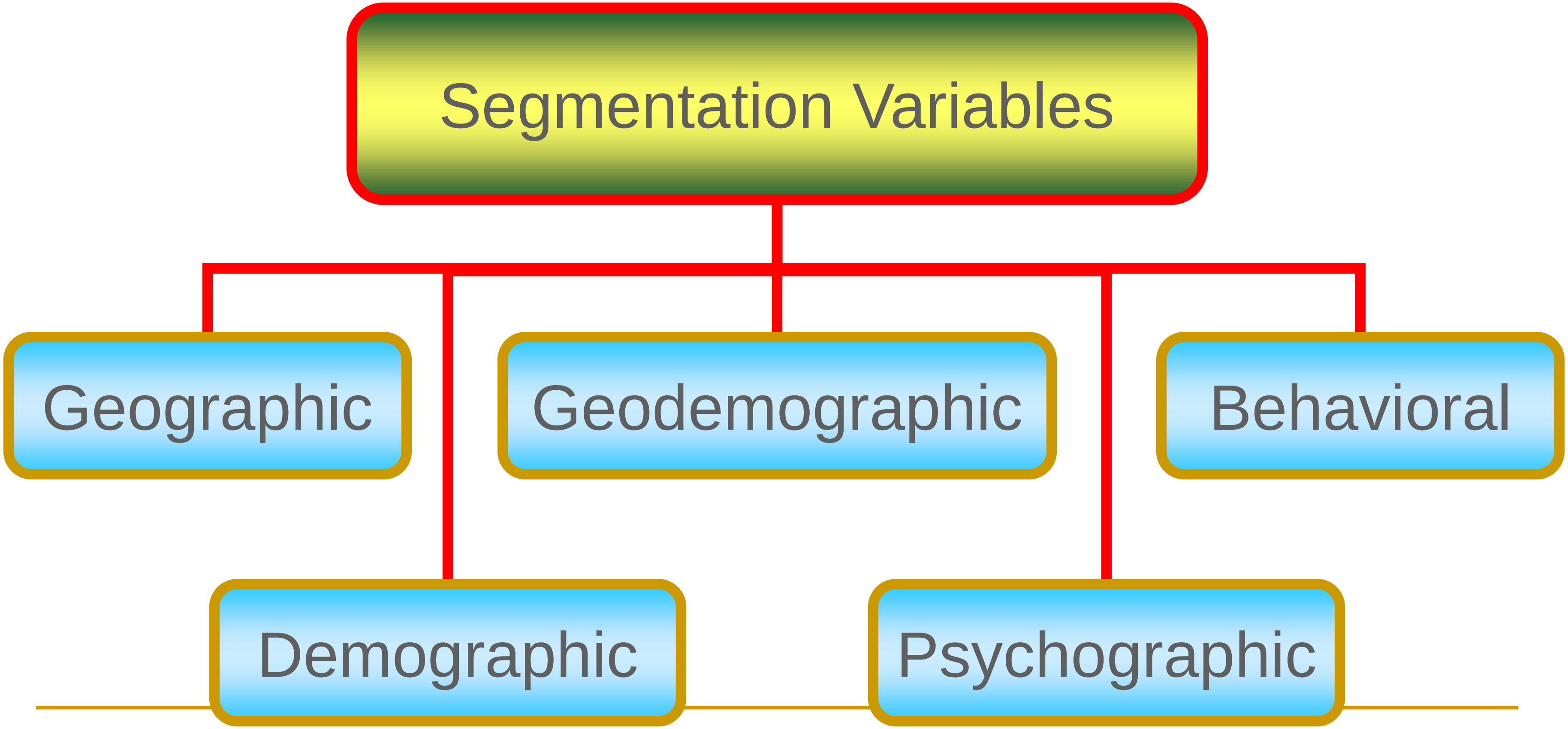
Market Matching Strategy

- **Segmentation**
- Act of dissecting the marketplace into submarkets that require different *marketing mixes*
- **Targeting**
- Process of reviewing market segments and deciding which one(s) to pursue
- **Positioning**
- Establishing a *differentiating image* for a product or service in relation to its competition

Market segmentation

- The process of dividing a market into distinct subsets (segments) of consumers with *common needs or characteristics* and selecting one or more to target with a distinct marketing mix

Segmentation Variables



- Marketers may use a single variable
- Marketers may use two or more variables

Geographic Segmentation

- Division of the market based on the *location* of the target market
- People living in the same area have *similar needs and wants* that differ from those living in other areas
- Climate
- Population density
- Taste
- Micromarketing

Demographic Segmentation

- Partitioning of the market based on factors such as
  - age
  - gender
  - marital status
  - income
  - occupation
  - education
  - ethnicity

Age

- Product needs and interests often vary with consumers’ age

Age Effects

- Occurrences due to chronological age

Gender

- Gender is frequently a distinguishing variable
- Changes in the family and growth of the dual-income household have blurred some of the lines

Marital Status

- Marketers have identified specific marital status groups, such as:

1. Singles
2. Divorced individuals
3. Single parents
4. Dual-income married couples

- They then market products specifically designed for one or more groups

Income, Education & Occupation

- These three variables are often related and therefore often used together as a measure of one's *social class*.
- Income is commonly used because marketers feel it is a strong indicator of ability to pay for a particular product or service
- Income is often combined with other variables to narrow target markets:
  - With age to identify the important *affluent elderly*
  - With age and occupation to produce the *yuppie* segment

Race and Ethnicity

- The size and purchasing power of minorities make them an attractive target market
- The size of the market is growing dramatically relative to the “majority” population
- Targeting certain products (e.g., alcohol, tobacco) to such groups raises ethical issues

Geodemographic Segmentation

- A *hybrid* segmentation scheme
- Based on notion that people who live close to one another are likely to have similar financial means, tastes, preferences, lifestyles and consumption habits

- Market research firms specialize in producing computer-generated geodemographic market “clusters” of consumers
- They have clustered the nation’s >250,000 neighborhoods into lifestyle groupings based on postal zip codes
- Marketers use the cluster data for mail campaigns, to select retail sites and merchandise mixes, to locate banks and restaurants, etc.

Psychographic Segmentation

- Partitioning of the market based on *lifestyle* and *personality* characteristics
- Marketers use it to further refine a target market
- Its appeal lies in the vivid and practical profiles of consumer segments that it can produce
- Accomplished by using AIO inventories

AIO Inventories

- AIO research seeks consumers’ responses to a large number of statements that measure
- Activities
- Interests
- Opinions

Examples of the use of psychographic segmentation reflected in marketing messages

- Kellogg’s targets health-conscious consumers with brands such as Special K and Product 19
- Old Spice is targeting the active sports lifestyle with High Endurance deodorant

Behavioral Segmentation

- Partitioning of the market based on attitudes toward or reactions to a product and to its promotional appeals

- Behavioral segmentation can be done on the basis of:

1. Usage rate
2. Benefits sought from a product
3. Loyalty to a brand or a store

1. Usage Rate

- Differentiates between
  - heavy users
  - medium users
  - light users
  - nonusers
- In general, a relatively small number of heavy users account for a disproportionately large percentage of product usage
- Targeting those heavy users is a common marketing strategy

2. Benefit Segmentation

- Marketers constantly attempt to identify the *single most important benefit* of their product that will be the most meaningful to consumers
- Changing lifestyles play a major role in determining the product benefits that are important to consumers and also provide marketers with opportunities for new products and services

3. Brand and Store Loyalty

- The tendency of some consumers to repeatedly select the same brand within a given product category

- A parallel tendency of some consumers to repeatedly patronize a particular retail establishment

- Marketers often try to identify the *characteristics* of their brand-loyal customers so they can target consumers with similar characteristics in the larger population
- Marketers also *target* consumers who show no brand loyalty as a means of penetrating a larger market
- Marketers *reward* brand loyalty by offering special benefits to frequent customers

Choosing Market Segments to Target

- Once an organization has identified its most promising market segments, it must decide whether to target one segment or several segments

- Each targeted segment will then receive a specially designed *marketing mix* — i.e., a specially tailored product, price, distribution network and/or promotional campaign

Market Targeting Strategies

There are three basic types of strategies:

1. Undifferentiated
2. Multisegment (Differentiated)
3. Concentration (Niche)

1. Undifferentiated Strategy

- A strategy that ignores differences between groups within a market and offers a single marketing mix to the entire market
- It works when a product is new to the market and there is minimal or no competition

Advantages and Disadvantages

- Economies in production and marketing
- Vulnerability to competitors offering more differentiated products and services to market subsegments

2. Multisegment/Differentiated Strategy

- Targeting two or more segments with different marketing mixes for each

Advantages and disadvantages

- Minimizes risks, as losses in one segment can be made up for in others
- Unique product features allow for higher prices

- Increased costs for differentiated products and marketing

3. Concentration/Niche Marketing Strategy

- Focus on one sub-market

- Greater knowledge of customers' needs
- Economies of scale

- Entry of a strong competitor
- Change in size or tastes of the segment

Positioning

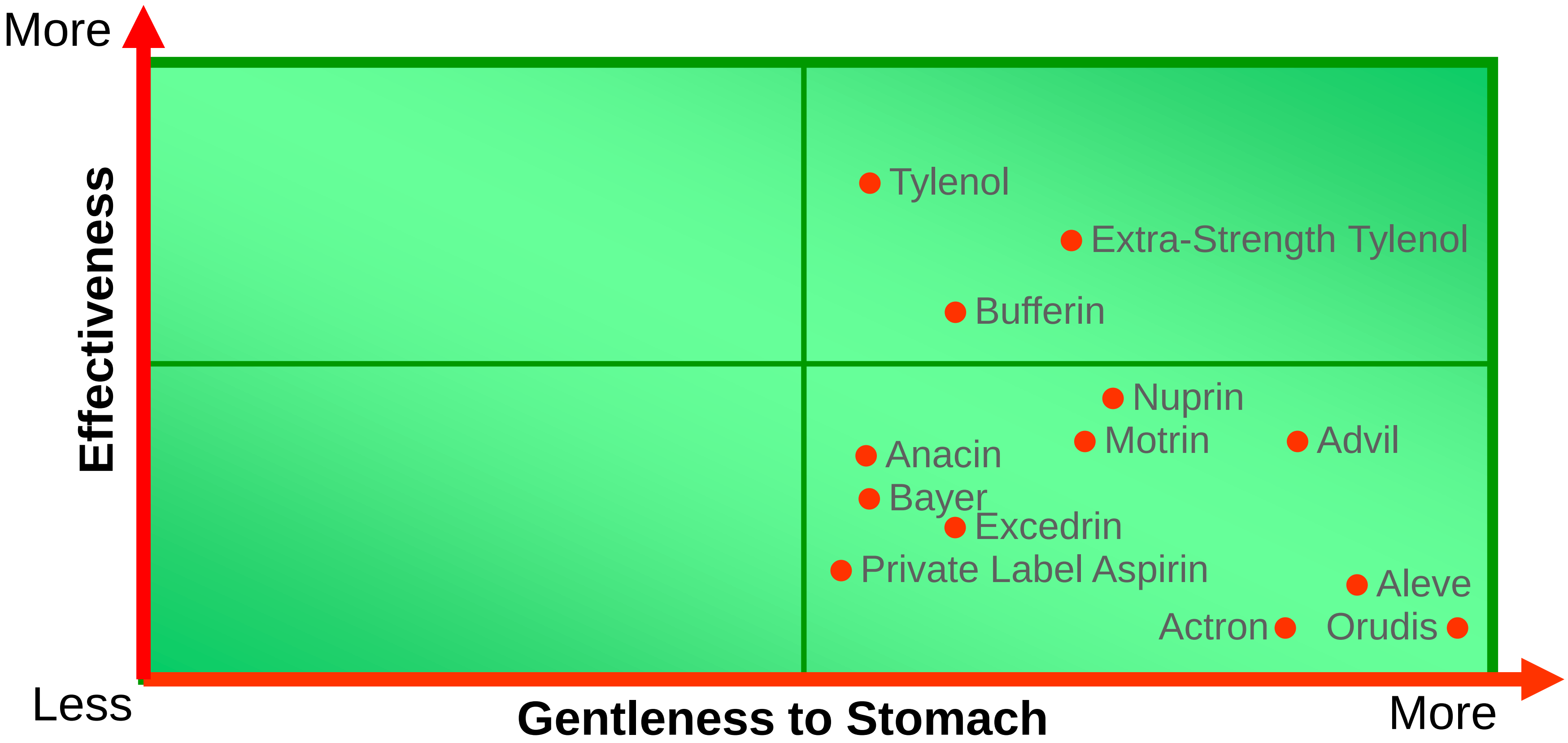
- Deciding how the firm wants the company and its brands to be perceived and evaluated by target markets
- Differentiating the product from other products of the firm or its competition

- Positioning complements and is an integral part of the company’s segmentation strategy and selection of target markets
- The same product can be positioned differently to different market segments
- The result of successful positioning is a distinctive brand image on which consumers rely in making product choices

Perceptual Mapping

- A spatial picture of how consumers view products or brands within a market
- Allows marketers to determine how their product appears in relation to competitive brands
- Enables them to see gaps in in positioning of all brands in the product class to identify areas in which consumer needs are not being met

A visual profile of how consumers perceive a number of pain relievers on the two dimensions of effectiveness vs. gentleness.



Repositioning

- Marketers may be forced to *reposition* products due to competition or a changing environment