



Croeso | Welcome to Aberystwyth Business School



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Segment, Target, but mostly Position (STP)

Content to support Year 1 Business A' Level

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Learning Objectives


- Describe the concept of STP
- Explain various segmentation bases
- Outline a process to effectively target a priority market
- Critically evaluate the importance of positioning strategies

Segmentation

- **Segmenting markets is a foundation for superior performance.**
- Understanding how buyers' needs and wants vary is essential to designing effective marketing strategies.
- Effective segmentation is one of the most critical factors in developing and implementing effective marketing strategy.

Typical Bases

Geographic	Demographic	Behavioural	Psychographic
"Customers within 2 mile radius of the M6"	"A Level Students"	"Customers wanting value for money when they impulse purchase"	"Customers who prefer not to use "single use" plastics"
Customer location Region Urban or Rural Acorn caci	Age Gender Occupation Socio-Economic grouping	Rate of usage Benefits sought Loyalty status Time to purchase	Personality Lifestyles Attitudes Class



Consumer Markets

Characteristics
of people/
organizations

Age, gender, race
Income
Family size
Lifecycle stage
Geographic location
Lifestyle

Use situation

Occasion
Importance of purchase
Prior experience with product
User status

Buyers' needs/
preferences

Brand loyalty status
Brand preference
Benefits sought
Quality
Proneness to make a deal

Purchase behavior

Size of purchase
Frequency of purchase

Selecting the Segmentation Strategy

- **Deciding how to segment depends on:**
 - Market maturity
 - Competitive structure
 - Organisation experience

Remember

- Identifiable,
- Accessible,
- Attractive

Market Targeting Strategy

- Targeting and positioning strategies consist of:
 - Deciding which segment(s) to target
 - Designing and implementing a positioning strategy for each target

This is content that we test in the...

- *Aberystwyth University Entrance Exam*
- Successfully complete an exam (there are multiple points in the year and you can take it in the subject you are best at) and earn yourself an unconditional or reduced offer for the Business School
 - More details here (use short link):
<https://www.aber.ac.uk/en/undergrad/before-you-apply/scholarships/entrance-scholarships-merit-awards/>

Positioning

- Already have a specific consumer segment in mind.
- Now the company must ensure that the target consumer *has a clear and distinctive image in mind regarding the product or service.*
- **Needs to be:**
 - **Consistent**
 - **Positive**

The 4 C's of Positioning

- **Clarity**: in terms of target market and differential advantage
- **Consistency**: maintain a consistent message
- **Credibility**: in the minds of the target customer--they must believe the claim
- **Competitiveness**: the differential advantage should offer the customer something of value competitors cannot provide (competitors should be named if possible)

VIDEO CASE STUDY: Burberry

Burberry has positioned its brand in the minds of consumers to be 'functional luxury'.

Burberry maintains a product line with great width and depth consisting of many products.

Their products fall into one of the two main categories: fashion or continuity.

Questions:

- Please describe the brand transformation process of Burberry? What were the main reasons why Angela Ahrendts were so successful with this brand transformation?
- What are the main motives behind the product line extension from the original Burberry trench coat into other product areas?
- How does Burberry positioning strategy address the 4C's.



<https://www.youtube.com/watch?v=krQG2Hceov4>



Positioning Statement

The positioning statement serves as the foundation for all of the positioning efforts

The three key components:

- (1) the audience and context
- (2) the value proposition, and
- (3) the action components that will be used by the company to deliver the value proposition to the audience in the context identified

Positioning strategy: Steps

- Establish competitive frame
- Determine current perceptions of consumers about product/brand
- Develop possible positioning themes
- Screen positioning alternatives to select the most appealing
- Develop a marketing mix strategy for the selected overseas market(s)
- Monitor effectiveness

Positioning Statement

- Internal tool
- Identifies your target market
- Gives the reason to buy (point of differentiation)
- Guides marketing efforts (mix)
- Keeps your focused on your marketing goals as all activity should support this statement.

Positioning Statement



[Convince] business managers and professionals engaged in making time sensitive decisions about international business,

[That] DHL delivers on time

[Because] its pickup, transportation and delivery system is wholly-owned and managed by DHL personnel, not by third party providers.

Positioning Statement



[Convince] Business and leisure air-travellers that Virgin is the best choice for air travel.

[That] Virgin will get the traveller to where they need to go, safely, on time, and at a reasonable price.

[Because] Virgin focuses on creating an environment where passengers love to fly and where employees love to work.

Segmentation

Take 5 to draft yours – please.

Convince

That

Because

















































By ‘yours’ we mean:

a) You 😊

b) Your chosen assignment brand

c) Any of these (see overleaf, from Interbrand “Top Brands of 2018”

Segmentation

01  +16% 214,480 \$m	02  +10% 155,506 \$m	03 <small>TOP GROWING</small>  +56% 100,764 \$m	04  +16% 92,715 \$m	05  -5% 66,341 \$m	06  +6% 59,890 \$m	07  +6% 53,404 \$m	08  +2% 48,601 \$m
09  -6% 45,168 \$m	10  +5% 43,417 \$m	11  +10% 43,293 \$m	12  -8% 42,972 \$m	13  -1% 41,006 \$m	14  -2% 39,874 \$m	15  +8% 34,575 \$m	16  -26% 32,757 \$m
17  +11% 30,120 \$m	18 <small>TOP GROWING</small>  +23% 28,152 \$m	19  -5% 26,133 \$m	20  +4% 23,682 \$m	21  +1% 22,885 \$m	22  +2% 20,798 \$m	23  NEW 20,005 \$m	24  +8% 19,139 \$m
25  -5% 17,712 \$m	26  +12% 17,567 \$m	27  -5% 17,458 \$m	28  -7% 16,864 \$m	29  +3% 16,849 \$m	30  -18% 16,826 \$m	31  +1% 16,617 \$m	32  +15% 16,372 \$m
33  +2% 15,627 \$m	34  +14% 14,214 \$m	35  +3% 13,995 \$m	36  +3% 13,535 \$m	37  +3% 13,053 \$m	38  -2% 13,017 \$m	39 <small>TOP GROWING</small>  +30% 12,942 \$m	40  +6% 12,213 \$m
41  +1% 12,185 \$m	42  +1% 12,185 \$m	43  +1% 12,185 \$m	44  +1% 12,185 \$m	45  +1% 12,185 \$m	46  +1% 12,185 \$m	47  +1% 12,185 \$m	48  +1% 12,185 \$m

Recent Accolades

- National Student Survey (NSS) 2020
 - Marketing 2nd BEST in UK
 - Finance 3rd BEST in UK
 - Accounting 9th BEST in UK
 - Economics 15th BEST in UK
- Guardian 2020 University Rankings
 - Business 16th in UK
 - Marketing 16th in UK
- Complete University Guide 2020
 - Tourism 6th in the UK





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Diolch | Thank you



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