

IISWBM-2026

Market Segmentation, Targeting & Positioning

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Customer-Driven Marketing Strategy

Effective marketing begins with careful customer analysis.

- To satisfy customers, a company first understands their needs and wants.
- No brand can be everything to everyone.
- Marketers cannot profitably serve all customers in all markets in the same way. There are different kinds of customers – individual & business customers with different kinds of needs.
- As most companies can serve some segments better than others, they divide the total market, choose the best segments, and design strategies for profitably serving chosen segments.
- Process involves market segmentation, market targeting, differentiation and positioning. A market segment consists of customers who have similar needs & requirements and therefore respond in a similar way to a given set of marketing efforts.

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Market Segmentation

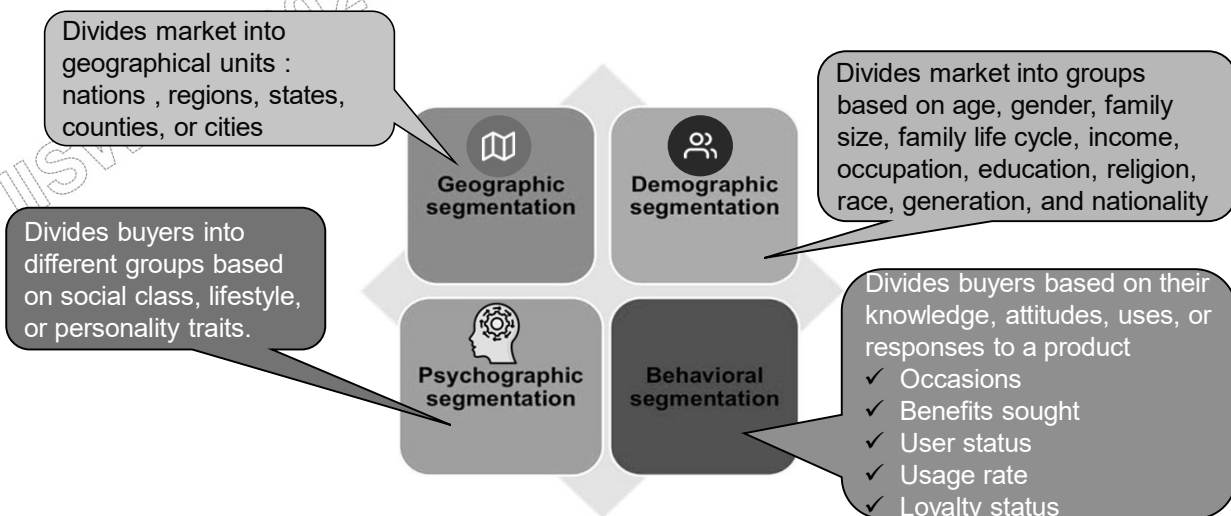
Process of dividing a market into distinct groups of buyers who have different needs, characteristics, or behaviours and who might require separate products or marketing programs.

Process that companies use to divide large heterogeneous markets into small markets that can be reached more efficiently & effectively with products and services that match their unique needs.

The marketer determines which segments offer the best opportunities.

Consumers can be grouped and served in various ways based on geographic, demographic, psychographic, and behavioural factors.

Segmenting Consumer Markets



Geographic Segmentation

Divides market into geographical units : nations , regions, states, counties, cities or even neighbourhoods.



A company may decide to operate in one or a few geographical areas or to operate in all areas but pay attention to geographical differences in needs and wants.

Many companies today are localizing their products, advertising, promotion, and sales efforts to fit the needs of individual regions, cities, and even neighborhoods.

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Demographic Segmentation

Divides market into groups based on age, gender, family size, family life cycle, income, occupation, education, religion, race, generation, and nationality

- Age and life-cycle stage segmentation is the process of offering different products or using different marketing approaches for different age and life-cycle groups
- Gender segmentation
- Income segmentation: High / medium / low-income.
- Occupation: Professional & technical managers, Clerical, Sales, Retired, Homemakers, Students etc.

Customer based segmentation

Amul

Kids	Households	Health-conscious
Amul Kool, chocolates, Amul Lite.	Amul Butter, milk, ghee, paneer.	Probiotic lassi, Nutramul, low-fat lines.

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Psychographic Segmentation

Divides buyers into different groups based on social class, lifestyle, or personality characteristics

- Social class: Lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers
- Lifestyle: Athletic / outdoors type, active suburban family, student, single urban professional, and so on
- Personality: Highly organized and detail oriented; outgoing and adventurous; creative or artistic; quiet and solitary, ambitious.

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Behavioural Segmentation

Buyers can be grouped according to occasions when buyers get the idea to buy / purchase / use the purchased item; e.g., purchase during religious occasions, social functions, celebrations etc.

Divides buyers based on their knowledge, attitudes, uses, or responses to a product

- ✓ Occasions
- ✓ Benefits sought
- ✓ User status
- ✓ Usage rate
- ✓ Loyalty status

Benefit segmentation requires finding the major benefits people look for in the product class, addressing those people who look for each benefit, and delivering each benefit. People buying bikes are looking numerous benefits e.g., competitive racing & sports performance, recreation, touring, transportation, and just plain fun.

Usage Rate Segmentation: Light, medium, and heavy product users. Heavy users are a small percentage of market accounting for a high percentage of total consumption.

Buyers can be divided into groups according to their degree of loyalty.

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Segmentation : Industrial Market

Criteria

- Industry: Knowledge of the industry affords a broad understanding of customer needs / perceptions of purchase situations. market to a wide range of industries.
- Company Type, Size & Location
- Company Technology & Product Application
- Customer Capabilities
- Purchasing Approach, Functionalities, Policies & Criteria
- Power Structures
- Order Size



Steel and Cement Industries



Textile Industries



Process Industries



Automobile



Railway/Metro



Solar Farms

Ref. Harvard Business Review :How to Segment Industrial Markets <https://hbr.org/1984/05/how-to-segment-industrial-markets>

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Market Targeting

- The process of evaluating each market segment's attractiveness and selecting one or more segments to enter.
- Target market consists of a set of buyers who share common needs or characteristics that the company decides to serve.

Choice of Target Market Depends on -

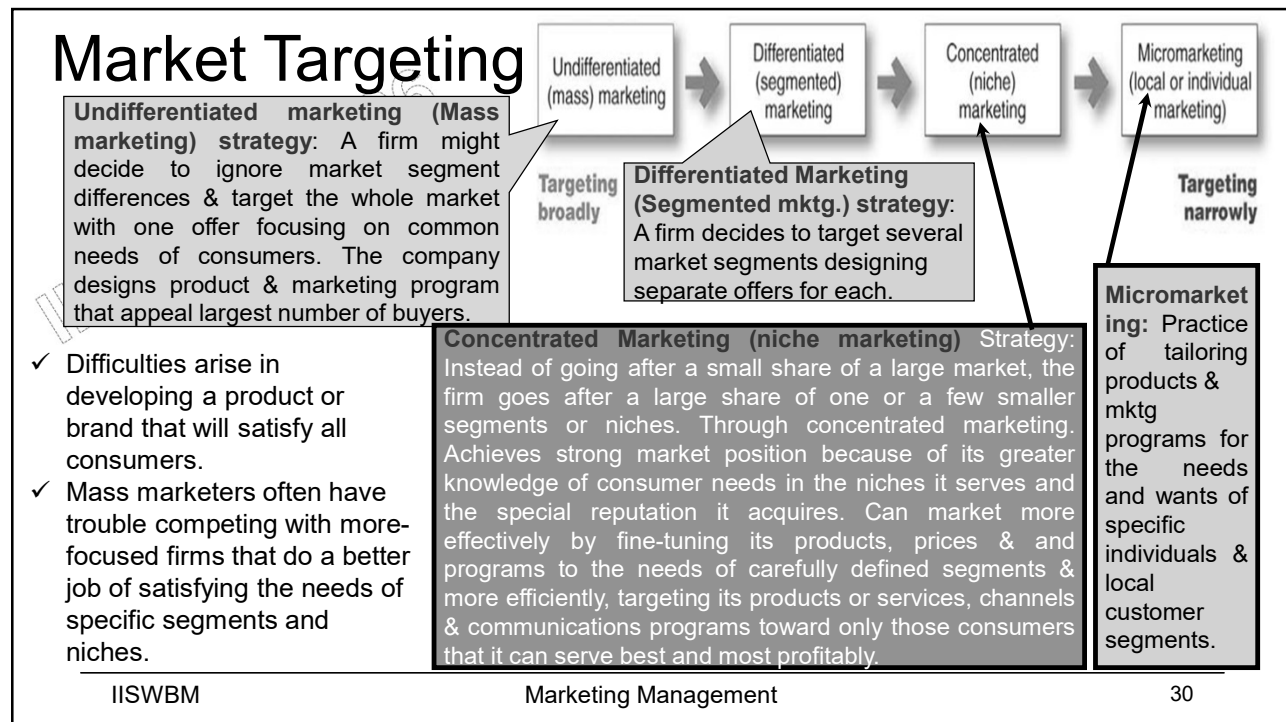
- Company resources
- Product variability
- Product life-cycle stage
- Market variability
- Competitor's marketing strategies

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Market Targeting Strategy

Targeting Frameworks

- Undifferentiated (Mass): Single offering for the whole market (e.g., Tata Salt)
- Differentiated (Multi-Segment): Unique offerings tailored to distinct segments. Example
 - ✓ HUL's shampoo portfolio
 - ✓ Colgate Vedshakti.

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Maruti Suzuki: Differentiated Targeting by Channel



Arena

Value / Entry

Positioning

Affordable, Dependable Cars For "Bharat"

Avg. Buyer Age
≈ 34–35 Years

Monthly Household Income
≈ ₹67,000

Lineup

Alto, Wagonr, Swift, Dzire, Brezza & More

Contribution

≈ 68% Of Maruti Suzuki's Total Sales



NEXA

Premium / Aspirational

Positioning

Aspirational cars for the "New India" buyer

Avg. Buyer Age
≈ 37–38 years

Monthly Household Income
≈ ₹84,000

Lineup

Baleno, Grand Vitara, Fronx, Ignis, XL6

Contribution

≈ 32–35% of total sales, 10-year mark



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Differentiation

A marketing strategy designed to distinguish a company's product / service in a positive way from its competitors.

Differentiation involves differentiating the firm's market offering to create superior customer value.

Undifferentiated marketing is suited for uniform products, e.g., fruits, steel.

Products that can vary in design, (e.g., cars, mobile, fashions) are more suited to differentiation.



Effective positioning begins with differentiation.

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Positioning

Market positioning: Arranging for a product to occupy a clear, distinctive & desirable place relative to competing products in the minds of the target consumer.

Marketers plan positions that distinguish their products from competing brands to give the greatest advantage in the target markets.

In positioning its brand, a company first identifies possible customer value differences that provide competitive advantages on which to build the position.

A company can offer greater customer value by either charging lower prices than competitors or offering more benefits to justify higher prices.

Positioning Statement

Written description of the objectives of a positioning strategy.

It states-

1. How the firm defines its business or how a brand distinguishes itself
2. How the customers will benefit from its features
3. How these benefits or aspects will be communicated to the intended audience.



For kids across India Cadbury is synonymous with chocolates.

Differentiation and Positioning

Choosing a Differentiation & Positioning Strategy

- Identifying a set of possible competitive advantages to build a position
- Choosing right competitive advantages
- Selecting an overall positioning strategy
- Developing a positioning statement

Competitive advantage is an advantage over competitors gained by offering consumers greater value, either through lower prices or by providing more benefits that justify higher price.



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Surf Excel - Emotional Benefit Positioning



Segmentation

- ✓ Families with children - needs revolve around cleaning performance, child development.
- ✓ Creates an emotional partnership between brand and parent.

Targeting

- Parents who want children to explore, play and learn while still valuing effective cleaning.

Positioning

“Daag Achhe Hain” reframes stains from a problem to an evidence of childhood experience - a strong emotional benefit.

Strategic Shift: Moved away from functional stain-removal claims to high-engagement emotional storytelling.

Market Outcome: Sustains premium pricing and market leadership despite aggressive low-cost competition.

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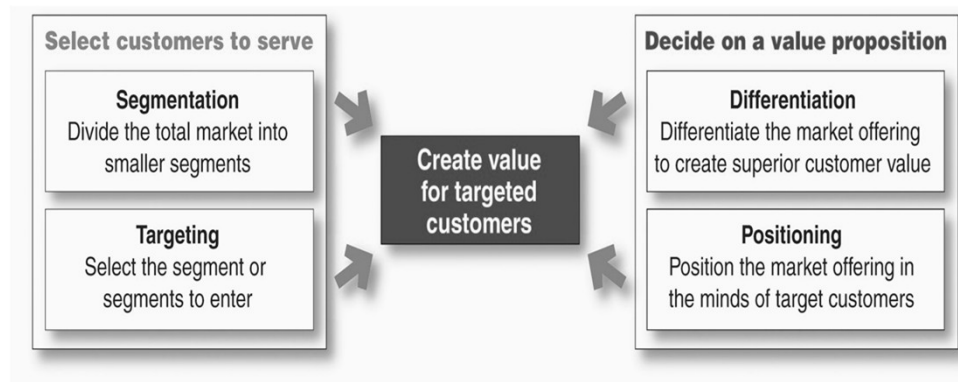
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STP

Process that companies use to divide large heterogeneous markets into small markets that can be reached more efficiently & effectively with products and services that match their unique needs.



Consumer Behaviour

Consumers 2026



- High Exposure
- Need Enhancement
- Competitiveness
- Increased Occupancy
 - Lack of free time
 - Sense of Speed
 - Low tolerance



Aware of Empowerment

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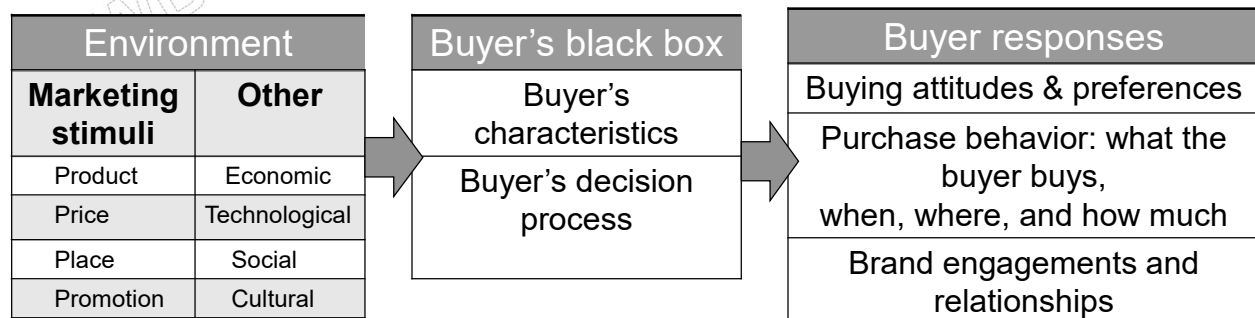
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Consumer Behaviour

Consumer buyer behavior refers to the buying behavior of final Consumers - individuals and households that buy goods and services for personal consumption.



Stimulus-response Model of Buyer Behavior

Kotler & Armstrong (2021), Principles of Marketing, Chapter 5, P152

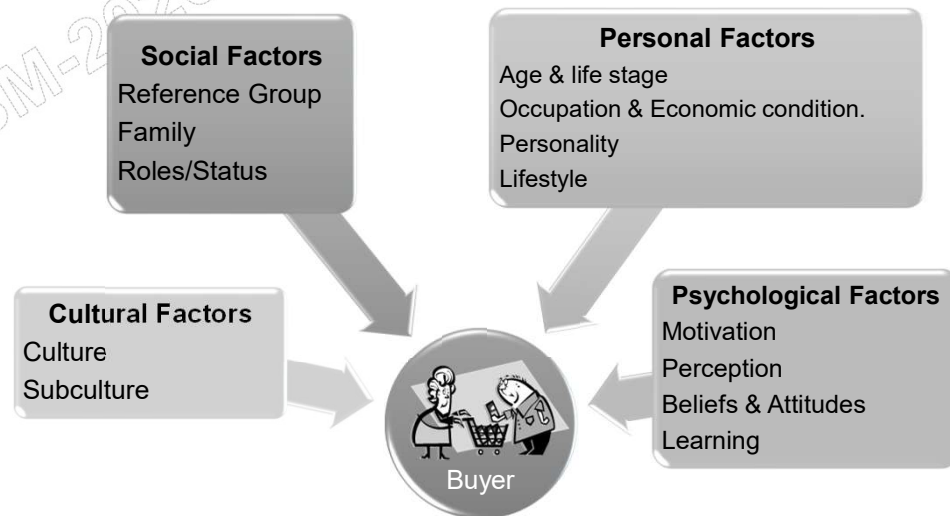
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Characteristics Affecting Consumer Behaviour



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Characteristics Affecting Consumer Behaviour

Consumer purchases are influenced strongly by cultural, social, personal, and psychological characteristics.

Cultural Factors: Cultural factors exert a broad and deep influence on consumer behavior. Marketers need to understand the role played by the buyer's culture, subculture, and social class.

Culture: Sum of learned beliefs, values, and customs that serve to regulate the consumer behavior of members of a particular society.

Subculture: Distinct cultural group that exists as an identifiable segment within a larger, more complex society. Consist of –

Ethnic groups: Regional, Linguistic, Rural/Urban, Family composition, economic strata etc.

Difference within Commonality: Traditions, Heritage, Beliefs, Customs & Experience form different sub-culture. E.g. Within common aspects of Indian culture states reflect variant sub-culture through dress, eating habits, customs, lifestyle etc.

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Characteristics Affecting Consumer Behaviour

Personal Factors:-

Age & life stage: Life-stage changes result from lifechanging events- like marriage, having children, purchasing a home, children going to college, and retirement) and demographics (age, gender, occupation, income etc.).

Lifestyle: A person's pattern of living as expressed in his or her activities, interests, and opinions.

Personality: Unique psychological characteristics that distinguish a person/group.

Psychological Factors:-

Motivation: A sufficiently pressing drive to direct a person to seek satisfaction.

Perception: The process by which people select, organize, and interpret information to form a meaningful picture of the world.

Learning: Changes in an individual's behavior arising from experience.

Belief: A descriptive thought that a person holds about something.

Attitude: A person's consistently favorable or unfavorable evaluations, feelings, and tendencies toward an object or idea.

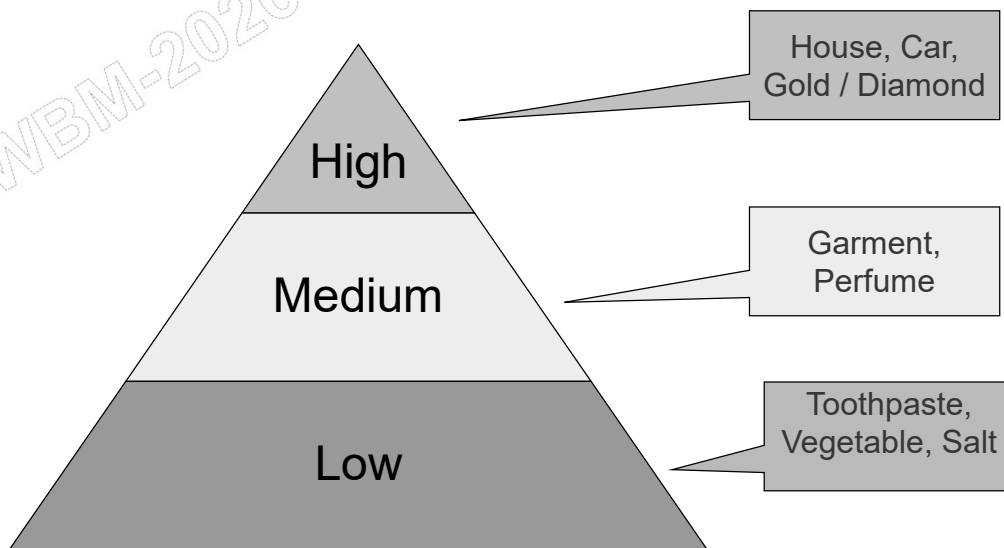
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Consumer Involvement



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