

## The STP Marketing Process

Segmenting, Targeting, and Positioning

### Segmenting

(breaking down a diverse market into *homogeneous groups*)

### Targeting

(choosing a *specific segment* for your campaign)

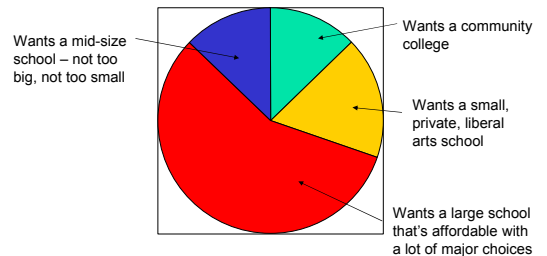
### Positioning

(designing a *distinctive message* to appeal to the targeted segment)

## Segmenting

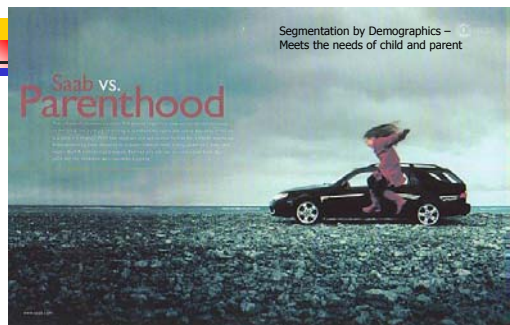
- Breaking down a diverse market of people into smaller, homogeneous groups
- Segments should be **measurable, sizeable, and reachable**
- After segmenting → **target** a specific segment (focus your campaign on that group) → **positioning**

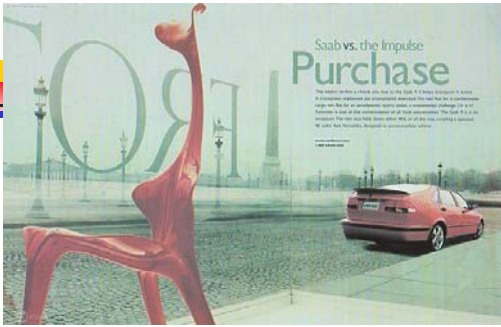
## Market Segments of Potential College Students



## On what basis can a market be segmented?

- Demographics
  - Age
  - Income
  - Gender
  - Education
  - Occupation
- Psychographics
  - AIO (attitudes, interests and opinions)
  - VALS II
  - PRIZM
  - Lifestyle Market Analyst
  - Personality
  - Products consumed

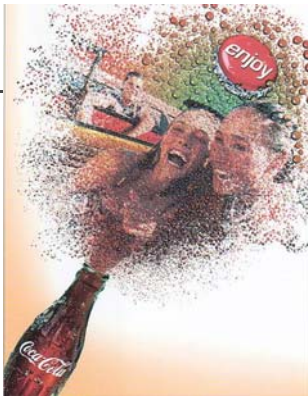




**Owner Psychographics:** active, affluent, and educated, embrace technology, shy away from conventional status symbols  
**Owners view the Saab as** dynamic, distinctively styled, high performance, and safe  
**Copy:** Saab is functional and can be used to transport an object bought on impulse; rear seat folds down and the Saab has 46 cubic feet of cargo space

## Bases for Segmenting (cont.)

- Product benefits (benefit segmentation)
  - Based on benefits people seek in a product
  - Ex. Cars – economy, basic transportation, status
- Family buying behavior and decision-making
  - Initiator, evaluator, decision-maker, purchaser, etc.
- Product usage patterns
  - Heavy, medium, or light users

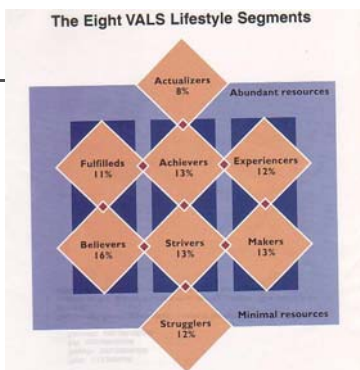


*Benefit of Enjoyment*

**Goal:** Reconnect people to the feeling of drinking a Coca-Cola; associate life's good experiences with the brand



Vietnamese ad – Promotes drinking Coke as a physical pleasure, not just as a status symbol to look trendy and affluent (sales dropped with the recession in the late 90's)



## PRIZM Cluster System

- Geographic segmentation system describing 40-62 neighborhood types or "clusters"
- Clusters are defined by demographic data and lifestyle variables
- Sample clusters:
  - Towns and Gowns
  - Shotguns and Pickups
  - Blue Collar Nursery



## Top 5 McDonald's Clusters

- Rank and File
  - *Older, blue-collar industrial suburbs*
- Coalburg & Corntown
  - *Small towns with light industry and farming*
- Smalltown Downtown
  - *Small industrial cities*
- Shotguns and Pickups
  - *Villages serving the nation's lumber and breadbasket needs*
- Mines and Mills
  - *Struggling steel towns and mining villages*



## U.S. Army's Best Recruits

- Shotguns & Pickups
- Mines & Mills
- Blue Collar Nursery
  - *Middle class, child-rearing towns*
- Rank & File
- Coalburg & Corntown



## Top 5 Coca Cola Clusters

- Hard Scrabble
  - *Poorest rural settlements*
- Tobacco Roads
  - *Predominantly black farm communities throughout the south*
- Downtown Dixie-Style
  - *Predominantly black neighborhoods, typically in southern cities*
- Smalltown Downtown
  - *Inner city districts of small industrial towns*
- Share Croppers
  - *Southern hamlets devoted to farming and light industry*



## Top 5 Pepsi Clusters

- Hard Scrabble
- Norma Rae-Ville
  - *Lower middle class milltowns and industrial suburbs, mostly in the South*
- Blue-Collar Nursery
- Mines & Mills
- Coalburg & Corntown