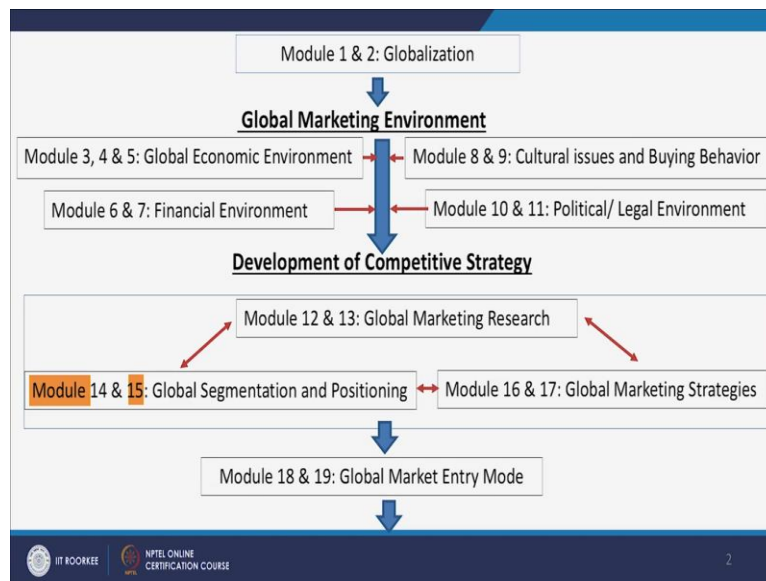


Global Marketing Management
Prof. Zillur Rahman
Department of Management Studies
Indian Institute of Technology - Roorkee

Module - 3
Lecture - 15
Global Segmentation and Positioning - Part II

Welcome to this course on Global Marketing Management.

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And we are talking about how to go about developing competitive strategy. Herein we were talking about global segmentation and positioning which is spread over 2 modules. That is module 14 and module 15. We, today we will start talking about module 15. Now, let us see what is contained in module 15. So, first we will talk about the basis for country segmentation.

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Module Overview

1. Introduction
2. Bases for Country Segmentation
3. International Positioning Strategies
4. Global, Foreign and Local Consumer Culture Positioning



Then the various global positioning strategies. And thereafter, we will talk about global, foreign and local cultural, consumer cultural positioning strategies.

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Introduction

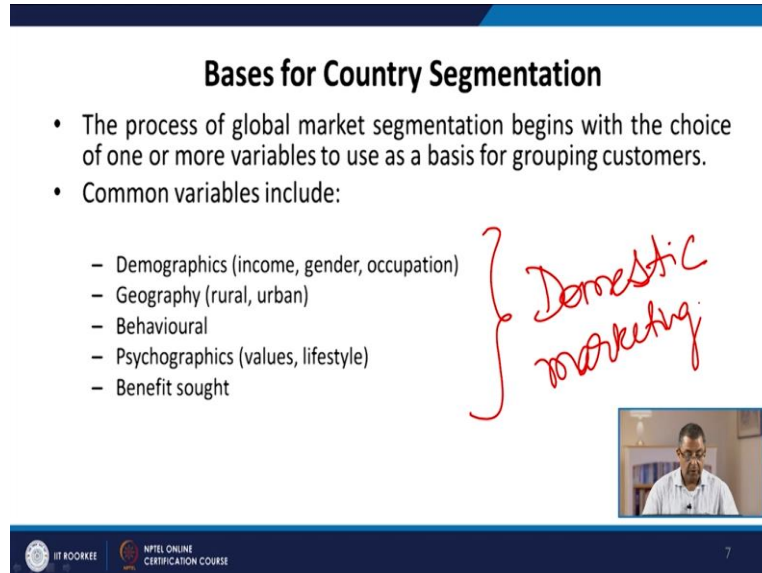
- Market segmentation represents an effort to identify and categorize groups of customers and countries according to common characteristics.
- Once the multinational company has segmented its foreign markets, it needs to decide which target markets to pursue and what positioning strategy to use, to appeal to the chosen segments.
- Some marketing scholars refer to positioning as the fifth P in the marketing mix.
- Developing a positioning theme involves the quest for a unique selling proposition (USP).



Now, the basic idea of market segmentation as you would have studied in a marketing management course is to identify and categorize groups of consumers and countries according to a common characteristics. After having segmented the market, then the companies need to target 1, 2 or 3 segments depending upon their resources. And then, they have to develop a positioning strategy to appeal to the choosing, to appeal to this chosen segment.

Now, developing a positioning means that the company will need to find out what is its unique selling proposition. So, normally unique selling propositions are converted into positioning.


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Bases for Country Segmentation

- The process of global market segmentation begins with the choice of one or more variables to use as a basis for grouping customers.
- Common variables include:
 - Demographics (income, gender, occupation)
 - Geography (rural, urban)
 - Behavioural
 - Psychographics (values, lifestyle)
 - Benefit sought

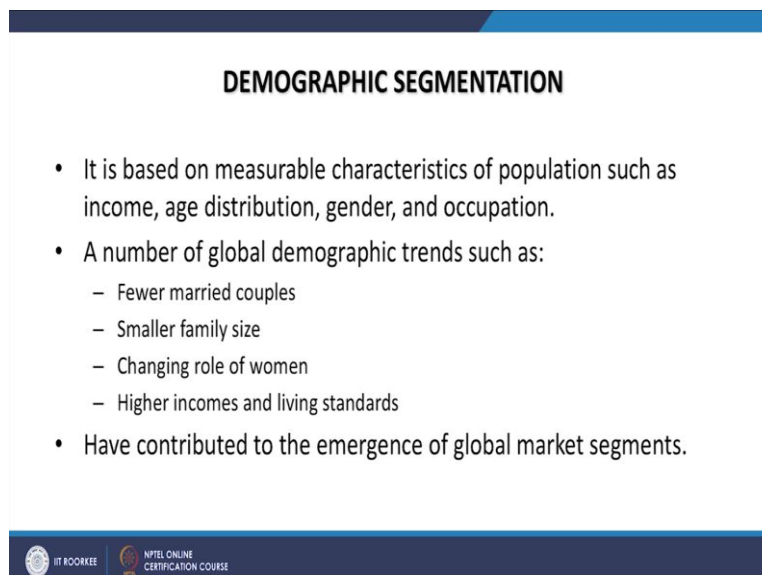
Domestic marketing



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Look at the various bases for country segmentation. And they are more or less the same as in the domestic marketing. So, the common variables include demographics, that is income, gender and occupation. We will talk about each one of them in detail in a moment. The second variable is geography, behavioral, psychographic and benefit sought.

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DEMOGRAPHIC SEGMENTATION

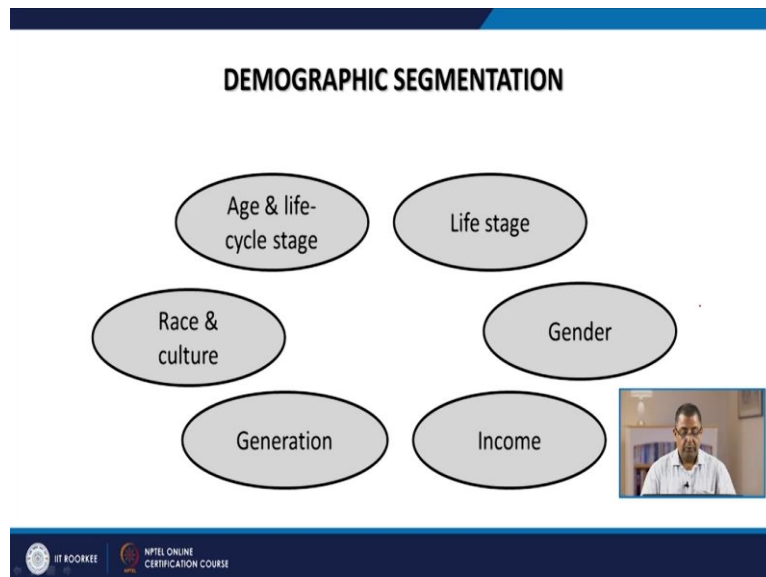
- It is based on measurable characteristics of population such as income, age distribution, gender, and occupation.
- A number of global demographic trends such as:
 - Fewer married couples
 - Smaller family size
 - Changing role of women
 - Higher incomes and living standards
- Have contributed to the emergence of global market segments.

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Now, what does this demographic segmentation means? It is based on measurable characteristics of population such as income, age distribution, gender and occupation. The number of global demographic trends such as, there now there are lesser married couples,

fewer married couples, smaller family sizes. The role of women is changing and the incomes are increasing and therefore the living standards are increasing. And this has contributed to an emergence of a global market segment. These are the various variables used in demographic segmentation.

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Age and life cycle stage, life stage, gender, income, generation, race and culture.

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The slide is titled "DEMOGRAPHIC SEGMENTATION". It contains two bullet points:

- **Age and life-cycle stage**
 - Our wants and abilities change with age
- **Life stage**
 - A person's major concern (e.g., divorce)

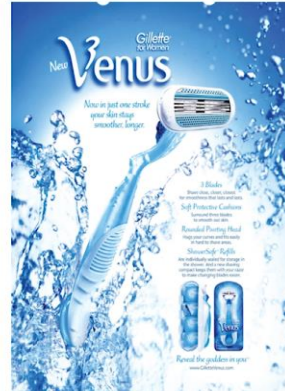
Below the text is an image of a red Honda Civic car.

Age and life cycle stage affects our wants and ability, because our wants and abilities, they keep on changing with our age. Our lifestyle also keep on changing. So, a person's major concerns are divorce.

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DEMOGRAPHIC SEGMENTATION

- **Gender**
 - Men and women have different attitudes and behave differently
- **Income**
 - Income segmentation is a long-standing practice



Gender: men and women have different attributes and they according and they behave accordingly. Income segmentation is a long-standing practice. So, it has been happening for a long, long time. And it is the most common used method to segment the market. And then comes the variable called as generation to for demographic segmentation.

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DEMOGRAPHIC SEGMENTATION

- **Generation**

Millennials (Gen Y)

Gen X

Baby Boomers

Silent Generation

So, these are the 4 variables that are covered here. Millennials, that is generation Y, generation X, baby boomers and silent generation. Each generation or cohort is profoundly influenced by the time in which it grows up.

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DEMOGRAPHIC SEGMENTATION

- Each generation or cohort is profoundly influenced by the times in which it grows up—the **music, movies, politics**, and defining **events** of that period.
- Millennials, or Gen Y, refers to people born between 1977 and 1994.



For example, the music, the movies, that politics and the defining events of that period. Millennials or generation Y refers to people born between 1977 and 1994. Millennials have been wired almost from birth;

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DEMOGRAPHIC SEGMENTATION

- Millennials have been wired almost from birth—playing computer games, navigating the Internet, downloading music, and connecting with friends via texting and social media
- Millennials are also often highly socially conscious, concerned about environmental issues, and receptive to cause marketing efforts.



Playing computer games, navigating the internet, downloading music and connecting with friends via text and social media. Millennials are also often highly socially conscious concerned about environmental issues and receptive to cause marketing efforts.

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DEMOGRAPHIC SEGMENTATION

- Gen X consumers were born between 1964 and 1978.
- Gen Xers prize self-sufficiency and the ability to handle any circumstance. Technology is an enabler for them, not a barrier. Unlike the more optimistic, team-oriented Gen Yers, Gen Xers are more pragmatic and individualistic.



Generation Y consumers were born between 1964 and 1978. So, these generation, they prize self-sufficiency and the ability to handle any circumstance. Technology is an enabler for them, not a barrier. Unlike the more optimistic, team-oriented generation Yers, generation Xers are more pragmatic and individualistic.

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DEMOGRAPHIC SEGMENTATION

- Baby boomers are the approximately 76 million U.S. consumers born between 1946 and 1964.
- Though they represent a wealthy target, possessing \$1.2 trillion in annual spending power and controlling three-quarters of the country's wealth, marketers often overlook them.



Baby boomers are approximately 76 million of U.S. consumer born between 1946 and 1964. Though they represent a wealthy target, possessing 1.2 trillion dollars in annual spending power and controlling 3 quarters of country's wealth, marketers often overlook them.

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DEMOGRAPHIC SEGMENTATION

- Born between 1925 and 1945—the “Silent Generation”—are redefining what old age means.
- To start with, many people whose chronological age puts them in this category don’t see themselves as old. Advertisers have learned that older consumers don’t mind seeing other older consumers in ads targeting them, as long as they appear to be leading vibrant lives.



Born between 1925 and 1945, the silent generation are redefining what old age means. To start with, many people whose chronological age puts them in this category, do not see themselves as old. Advertisers have learnt that old consumers do not mind seeing other older consumers in ads targeting them, as long as they appear to be leading vibrant lives. Another variable that is used to, used for demographic segmentation is race and culture.

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DEMOGRAPHIC SEGMENTATION


- Race and culture



Hispanic Americans

African Americans

Asian Americans

LGBT



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So, the Hispanic Americans and African Americans and Asian Americans and LGBT, that is lesbian, gay and bisexual and transgender. Another kind of segmentation is a geographic segmentation. That is the most common form of segmentation that is used.

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Geographic Segmentation

Geographic segmentation divides the market into geographical units such as nations, states, regions, counties, cities or neighbourhoods. The company can operate in one or a few areas, or it can operate in all but pay attention to local variations.



So, in geographic segmentation, they divide the market into geographical units such as nations, states, regions, countries, cities or neighborhoods. The company can operate in 1 or a few area or it can operate in all but pay attention to local variations. So, for a company, company can segment their market on the basis of geography and it can be cities within the countries or they can be the whole countries themselves.

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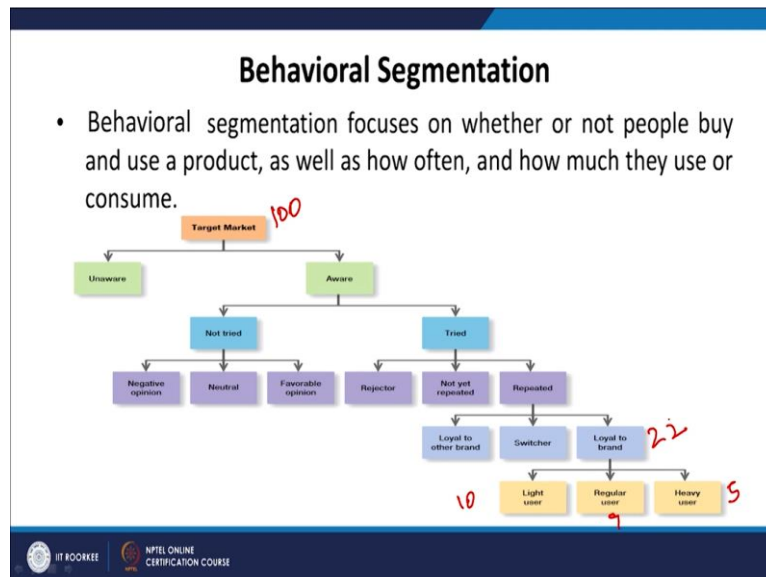
Geographic Segmentation

- Geographical units
 - Nations, states, regions, counties, cities, or neighborhoods
- Nielsen Claritas' PRIZM
 - Education and affluence
 - Family life cycle
 - Urbanization
 - Race and ethnicity
 - Mobility



Now, look at the Nielsen's prizm, education and affluence, family life cycle, urbanization, race and ethnicity and mobility. So, this is, on the basis of these, the following clusters or the following segments are identified. The next type of segmentation is the behavioral segmentation. Behavioral segmentation focus on whether or not people buy and use a product;

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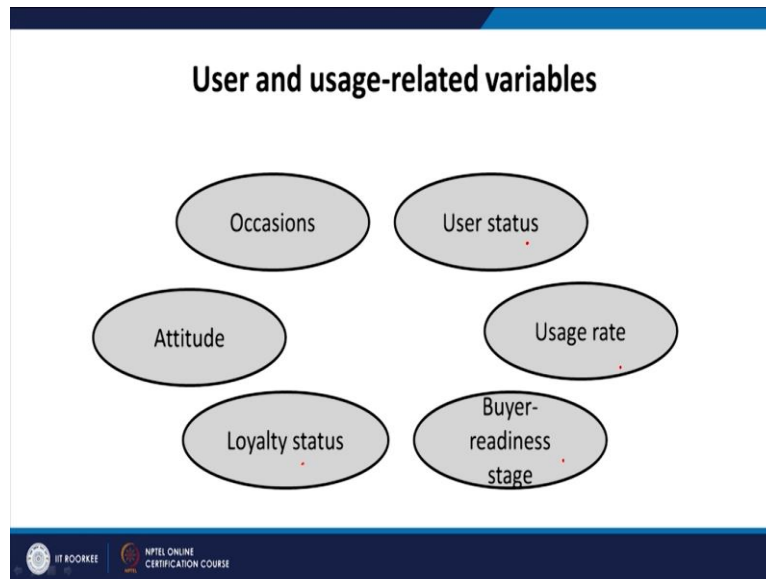


As well as how often and how much they use or consume. So, it focuses on whether or not people buy and use a product. But also, how often and how much they use or consume. So, now there is a target market. Some part of the target market may be unaware of the product and some segment, some part of that segment is aware of the product. Now, people who are aware of the product, some of them would have tried the product and some of them would not have tried the product.

If the, those consumers who have not tried the product, they may have not tried because of the negative opinion or they may have favorable opinion but still not tried or they may have neutral opinion. The people who have tried, they may repeat, they may reject or they are yet to repeat. The people who are, who have repeated can be loyal to other brands. They can be loyal, they can be loyal to this brand and they can be switcher.

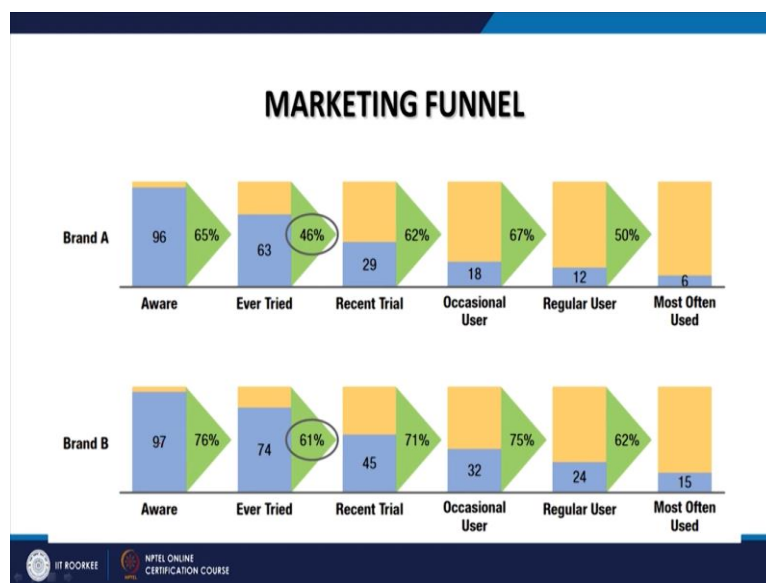
If the person is loyal to this brand, then he can be a light user, a regular user and a heavy user. Now you see, from starting from the target market which may consist of hundred people, we may have only 5 people who are heavy users. There may be 10 light users and 7 regular users. So, out of these 22, out of this 100 only 22 are loyal to the brand.

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Now, another kind of segmentation is user and usage related variables. For example, occasion, user status, usage rate, buyer readiness stage, loyalty status and attitude.

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Look at the marketing funnel. For brand A, this funnel moves from aware, ever tried, recent trials, occasional users, regular users and most often used. Now you see that, from 96 people who are aware, that is the 65%. Now, most often used are just 6. And for brand 97% were aware and 15 of them are more often used.

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Behavioural Segmentation

Loyalty Status

- Hard-core
- Split loyals
- Shifting loyals
- Switchers



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Behavioral segmentation, loyalty status can come in 4 forms. It they can be hard-core loyal, split loyals, they there can be shifting loyals and switchers.

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Benefit Segmentation


Global **benefit segmentation** focusses on the numerator of the value equation. i.e. the B in $V = \frac{B}{P}$.

This approach is based on marketers' superior understanding of


- The problem a product solves,
- The benefit it offers, or
- The issues it addresses, regardless of geography.

Marketers of health and beauty aids use benefit segmentation.

Many toothpaste brands also use this type of segmentation.



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Next type of segmentation is benefit segmentation. So, global benefit segmentation focuses on the numerator of the value equation. $V = B/P$. So, we are focusing on B. So, value = benefit/prices. So, we are focusing on the benefit. This approach is based on marketer's superior understanding of what is the problem that the product solves, what are the benefits that it may offer and the issues that it addresses regardless of geography. Marketers of health and beauty aids use benefit segmentation. Many toothpaste brand also use this type of segmentation.

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Benefit Segments of Toothpaste Market in the U.S.A., China, and Mexico

	Value Share USA 2004	% Change Share in USA vs. 2000	Value Share China 2004	% Change Share in China vs. 2000	Value Share Mexico 2004	% Change Share in Mexico vs. 2000
Family Anti-Cavity	18.3%	-22.7	28.5%	-29.8	64.8%	-1.9
Kids Anti-Cavity	3.7	-0.1	0.6	+0.5	1.2	+0.1
Premium	18.8	+1.5	2.2	-1.1	12.1	+1.5
Multi-Benefitx						
Sensitivity Relief	7.7	+1.0	0.4	-8.5	3.3	-0.9
Herbal/Natural	1.9	+1.9	15.8	+10.1	2.0	+2.0
TOTAL	53.4	-19.3	82.9	-6.4	87.3	+2.6
THERAPEUTIC						
Whitening	30.3	+16.4	8.9	+3.8	2.7	-2.2
Freshening	16.3	+2.9	8.2	+2.6	10.0	-0.4
TOTAL	46.4	+19.3	17.1	+6.4	12.7	-2.6
COSMETIC						
TOTAL MARKET	100.0		100.0		100.0	

Now, this figure shows benefit segmentation of toothpaste market in the U.S.A., China and Mexico. So, there are various kinds of benefits. Family anti-cavity, kids anti-cavity, premium, sensitivity relief, herbal and natural. Then there can be therapeutic, whitening and freshening, and so on so forth. This shows the segmentation on the basis of benefit in U.S.A., China and Mexico.

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Psychographic Segmentation

- **Psychographics** is the science of using psychology and demographics to better understand consumers.
- In *psychographic segmentation*, buyers are divided into different groups on the basis of **psychological/personality traits, lifestyle, or values**.
- People within the same demographic group can exhibit very different psychographic profiles.

Another kind of segmentation is psychographic segmentation. Now, psychographics is the science of using psychology and demographics to better understand consumers. In psychographic segmentation, buyers are divided into different groups on the basis of psychological, personality traits, lifestyle or values. People within the same demographic groups can exhibit very different psychographic profile. And people having different

psychographic profiles, they can come from the same demographic group. One of the most popular, commercially available classification system;

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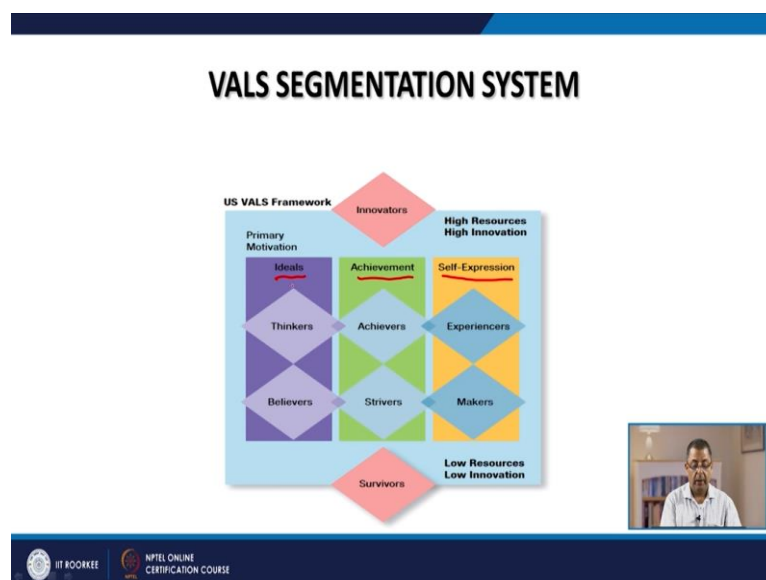
Psychographic Segmentation

- One of the most popular commercially available classification systems based on psychographic measurements is Strategic Business Insight's (SBI) **VALS™ framework**.
- VALS, signifying values and lifestyles, classifies U.S. adults into eight primary groups based on responses to a questionnaire featuring 4 demographic and 35 attitudinal questions.
- The VALS system is continually updated with new data from more than 80,000 surveys per year.

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Based on the psychographic measurement is the strategic business insight's VALS framework. VALS signifies values and lifestyle. So, V for values and A for and; and LS for lifestyle. It classifies U.S. adults into 8 primary groups based on responses to a questionnaire featuring 4 demographics and 35 attitudinal questions. The VALS systems is continuously updated with new data from more than 80,000 surveys per year.

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And this is what is VALS segmentation system is. On here we have low resources and low innovation. And here we have high resources and high innovation. And in between, there are several combinations. So, on the left hand side we have ideals, then we have achievements

and self-expression. Now, thinkers are people with high resources and high on innovation. And believers are on low on resources and low on innovation. So, this is how these 8 they, 8 kind of people they are able to find out.

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THE VALS FRAMEWORK

- The main dimensions of the VALs segmentation framework are **consumer motivation** (the horizontal dimension) and **consumer resources** (the vertical dimension).
- Consumers are inspired by one of three primary motivations: ideals, achievement, and self-expression.
- Those primarily motivated by ideals are guided by knowledge and principles.





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So, the main dimension of this VALS segmentation framework are consumer motivations. So, these are the consumer motivation on the y-axis. And consumer resources on the vertical axis. So, these are consumer resources. Consumers are inspired by one of the 3 primary motivations, ideal, achievement and self-expression. Ideal, achievement and self-expression; these are the 3 motivations. Those primarily motivated by ideals are guided by knowledge and principle.

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THE VALS FRAMEWORK

- Those motivated by achievement look for products and services that demonstrate success to their peers.
- Consumers whose motivation is self-expression desire social or physical activity, variety, and risk.
- Personality traits such as energy, self-confidence, intellectualism, novelty seeking, innovativeness, impulsiveness— in conjunction with key demographics — determine an individual's resources.
- Different levels of resources enhance or constrain a person's expression of his or her primary motivation.




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Those motivated by achievement look for products and services that demonstrate success to their peers. Consumers whose motivation is self-expression, desire social or physical activity, variety and risk. Personality traits such as energy, self-confidence, intellectualism, novelty seeking, innovativeness, impulsiveness in conjunction with key demographics determine the individual resources. Different level of resources enhance or constrain a person expression of his or her primary motivation.



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THE VALS FRAMEWORK

The four groups with higher resources are:



- Innovators:**
Successful, sophisticated, active, “take-charge” people with high self-esteem.
Purchases often reflect cultivated tastes for relatively upscale, niche-oriented products and services.
- Thinkers:**
Mature, satisfied, and reflective people motivated by ideals and who value order, knowledge, and responsibility. They seek durability, functionality, and value in products.



So, innovators are successful, sophisticated, active, they take charge, people with high self-esteem. Purchase often reflect cultivated tastes for relatively upscale niche-oriented products and services. While thinkers are mature, satisfied and reflective people, motivated by ideals and whose value and the who value order, knowledge and responsibility. They seek durability functionality and value in the product.

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THE VALS FRAMEWORK

3. Achievers:

Successful, goal-oriented people who focus on career and family. They favour premium products that demonstrate success to their peers.

4. Experiencers:

Young, enthusiastic, impulsive people who seek variety and excitement. They spend a comparatively high proportion of income on fashion, entertainment, and socializing.



Achievers are successful, goal-oriented people who focus on career and family. They favor premium products that demonstrate success to their peers. Experiences are young, enthusiastic, impulsive people who seek variety and excitement. They spend a comparatively high proportion of income on fashion, entertainment and socializing.

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THE VALS FRAMEWORK

The four groups with lower resources are:

1. Believers:

Conservative, conventional, and traditional people with concrete beliefs. They prefer familiar, U.S.-made products and are loyal to established brands.

2. Strivers:

Trendy and fun loving people who are resource-constrained. They favour stylish products that emulate the purchase of those with greater material wealth.



The fourth groups of people with lower resources are believers. They are conservative, conventional and traditional people with concrete belief. They prefer familiar U.S. made products and are loyal to established brands. Strivers are trendy and fun loving people who are resource constrained. They favor stylish product that emulate the purchase of those with greater material wealth. Makers are practical, down to earth, self-sufficient people, who like to work with their hands.

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THE VALS FRAMEWORK

3. *Makers:*

Practical, down-to-earth, self-sufficient people who like to work with their hands. They seek U.S.-made products with a practical or functional purpose.

4. *Survivors:*

Elderly, passive people concerned about change and loyal to their favourite brands.



They seek U.S. made products with a practical or functional purpose. Survivors are elderly passive people concerned about change and loyal to their favorite brands. Psychographic segmentation are often customized by culture.

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THE VALS FRAMEWORK

Psychographic segmentation schemes are often customized by culture.

The **Japanese version of VALS**, Japan VALS™, divides society into 10 consumer segments on the basis of two key concepts:

- **Life orientation** (traditional ways, occupations, innovation, and self-expression) and
- **Attitudes to social change** (sustaining, pragmatic, adapting, and innovating).



So, the Japanese version of VALS, the Japan VALS divides society into 10 consumer segments on the basis of 2 key concepts. Life orientation: that is, traditional ways, occupation, innovation and self-expression and attitude to social change. Sustaining, pragmatic, adapting and innovating.

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Market Segmentation:				
SEGMENT	Starbucks	Cafe Day Express (CDX)	Costa Coffee	Barista
GEOGRAPHIC	Metro cities and Tier I cities, Urban	Metro cities, Tier I & Tier II cities, Urban, Semi-Urban	Metro cities, Urban	Metro cities, Tier I cities, Urban, Semi-urban
DEMOGRAPHIC	24 to 60+ years, Single, Married	16 to 34 years, Single, Married	18 to 49 years, Single, Married	18 to 49 years, Single, Married
PSYCHOGRAPHIC	Employees of corporate houses, Busy office goers, coffee lovers, coffee addicts	College students, Busy office goers, coffee lovers, coffee addicts	Frequent shoppers at malls, frequent flyers at airports, coffee lovers	Frequent shoppers at malls, frequent flyers at airports, coffee lovers
BEHAVIOURAL	Loyal customer, Positive attitude	Regular customer, Quick service, economy	Regular customer, medium loyalty	Regular customer, positive attitude

So, this is how Starbucks, Cafe Day Express, Costa Coffee and Barista, they segment their markets. So, on the basis of geographic segmentation, Starbucks says metro cities and Tier 1 cities, that is urban. CDX says metro cities, Tier 1 and Tier 2 cities, urban and semi-urban. Costa Coffee says urban cities, metro cities and urban. While Barista says metro cities, Tier 1 cities, urban, semi-urban.

And in behavioral segmentation, Starbucks says loyal customers with positive attitude, CDX says regular customer, quick service economy, quick service and economy. While Costa Coffee says regular customer, medium loyalty. And Barista says regular customer with positive attitude.

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Segmentation Process	
TABLE 9.6	Steps in the Segmentation Process
	Description
1. Needs-Based Segmentation	Group customers into segments based on similar needs and benefits sought by customers in solving a particular consumption problem.
2. Segment Identification	For each needs-based segment, determine which demographics, lifestyles, and usage behaviors make the segment distinct and identifiable (actionable).
3. Segment Attractiveness	Using predetermined segment attractiveness criteria (such as market growth, competitive intensity, and market access), determine the overall attractiveness of each segment.
4. Segment Profitability	Determine segment profitability.
5. Segment Positioning	For each segment, create a "value proposition" and product-price positioning strategy based on that segment's unique customer needs and characteristics.
6. Segment "Acid Test"	Create "segment storyboard" to test the attractiveness of each segment's positioning strategy.
7. Marketing-Mix Strategy	Expand segment positioning strategy to include all aspects of the marketing mix: product, price, promotion, and place.

Now, look at how we go about doing segmentation process. So, what are the steps in segmentation process? The first is the needs base, the first step of this process is the needs based segmentation. Group customers into segment based on similar needs and benefits sort by customers in solving a particular consumption problem. The second step is segment identification.

For each need-based segment, determine which demographics, lifestyle and usage behavior make the segment distinct and identifiable, that is actionable. The third is to find out the segment attractiveness. Now, you have various, you have come up with various segments in the second on the in the second step, in the third step we have to find out what is the attractiveness of each segment.

Using a predefined segment attractiveness criteria such as market growth, competitive intensity and market access, determine the overall attractiveness of each segment that you have been able to identify in step 2. In the fourth step, that a segment profitability determines segment profitability. And then in the fifth step is segment positioning. For each segment, create a value proposition and a product price positioning strategy based on that segment's unique customer needs and characteristics.

The sixth step in this process is segment acid test. Create segment storyboards to test the attractiveness of each segment's positioning strategy. So, we have come up with various kinds of segments in the second step. In the third, we have been able to find out their attractiveness, their. In the fourth step, we have worked out their profitability. In the, on the fifth step, we have to worked out their value proposition.

And then in the sixth step, that is the segment's acid test, develop a segment story board so as to test the attractiveness of each segment's positioning strategy. And the 7 stage step develop a marketing mix strategy, expand segment positioning strategy to include all aspects of marketing mix, that is product, price, promotion and place.

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International Positioning Strategies

Definition:

- Positioning refers to the act of differentiating a brand in customers' minds over and against competitors in terms of attributes and benefits that the brand does and does not offer.
- In other words it is a process of developing strategies for "**filling a slot**" in the mind of target customers.
- The term was coined by **Al Ries** and **Jack Trout**, in a 1969 article published in ***Industrial Marketing*** magazine.



The next thing that we will talk about today is a global or international positioning strategy. Now, what is positioning? It refers to the act of differentiating a brand in customers' mind over and against the competitors in terms of attributes and benefits that the brand does or does not offer. In other words, it is a process of developing strategies for filling a slot in the mind of the target customers.

In terms, the term was coined by Al Ries and Jack Trout in 1969 article, published in industrial marketing magazine. So, marketers have utilized number of general positioning strategies and they include;

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International Positioning Strategies

- Marketers have utilized a number of general positioning strategies.
- These include positioning by:
 - Attribute or benefit
 - Quality and price
 - Usage occasion or time of use
 - Competitor
- Recent research has identified three additional positioning strategies that are particularly useful in global marketing:
 - Global consumer culture positioning (GCCP)
 - Local consumer culture positioning (LCCP)
 - Foreign consumer culture positioning (FCCP)



Attribute or benefit positioning, quality and price based positioning, usage occasion or time of use and competitor based. Recent researches have identified 3 additional positioning

strategies that are particularly useful in global marketing. 1 is the global consumer cultural culture positioning strategy. Then local consumer culture positioning. And then, foreign consumer culture positioning. Let us look at each one of them. We will look at each one of them in a moment. Now, look at what is attribute or benefit related positioning.

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International Positioning Strategies

Attribute or Benefit related Positioning:
This strategy exploits a particular product attribute, benefit or feature
Example:

- ✓ Volvo- Safety (in an event of a crash)
- ✓ BMW- Performance (ultimate driving machine)
- ✓ Dabur Chyawanprash-Immunity (against infection)
- ✓ Pepsodent-Protection (against germs)

Positioning by Quality and Price:
This strategy can be thought of in terms of a continuum from high fashion/quality and high price to good value (rather than "low quality") at a reasonable price.
Example:

- ✓ Peter England- The Honest shirt
- ✓ Westside- Surprisingly affordable

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This strategy exploit a particular product attribute, benefit or feature. For example, Volvo says safety in an event of a crash; BMW says performance ultimate driving machine; Dabur Chyawanprash, immunity against infection and Pepsodent. Another is positioning by quality and price. So, this strategy can be thought of in terms of continuum from high fashion, quality and quality to high price and high price to good value, rather than low quality at a reasonable price. For example, Peter England, honest shirt; Westside, surprisingly affordable. Another strategy is positioning by usage location and time of use.

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International Positioning Strategies

Positioning by Usage Occasion and Time of Use

Examples:

- ✓ Kwality Walls (Post dinner treat...10 o'clock)
- ✓ Listerine (Night time rinse...Get fresh tonight)
- ✓ Clorets (After drinking, smoking, eating...After anything)



Positioning by Competitor:

Implicit or explicit reference to competitors can provide the basis for an effective positioning strategy.

Examples:

- ✓ Time Pass (safe and healthy vs. pan masala)
- ✓ Body Shop (natural ingredients, no animal testing vs. mainstream cosmetics manufacturers)



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For example, Kwality Walls, post dinner treat 10 o'clock; Listerine, night time rinse, get fresh tonight; Clorets, after drinking, smoking, eating, after anything. What does positioning by competitor means? Implicit or explicit reference to competitors can provide the basis for an effective positioning strategy. For example, Timepass, safe and healthy versus Pan Masala; Body Shop, natural ingredients, no animal testing vs mainstream cosmetic manufacturers.

Now, for how to go about formulating positioning strategy, local or global? It includes the following step. The first is to identify the relevant set of competitor products or brands. The second is determined

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International Positioning Strategies

• The formulation of a positioning strategy (local or global) includes the following steps:

1. Identify the relevant set of competing products or brands.
2. Determine current perceptions held by consumers about your product/brand and the competition.
3. Develop possible positioning themes.
4. Screen the positioning alternatives and select the most appealing one.
5. Develop a marketing mix strategy.
6. Over time, monitor the effectiveness of your positioning strategy and if needed, conduct an audit.



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current perception held by consumer about your product brand and competition. So, the first is to identify who, what are the competing products and brands. And then look at what are the

perception in the minds of the consumer about your and the competitor's brands. Then develop possible positioning themes; screen the positioning alternatives and then select the most appealing 1; develop a marketing mix strategy based on the positioning that you have chosen and overtime monitor the effectiveness of your positioning strategy. And if needed, conduct and audit.

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Uniform versus Localized Positioning Strategies

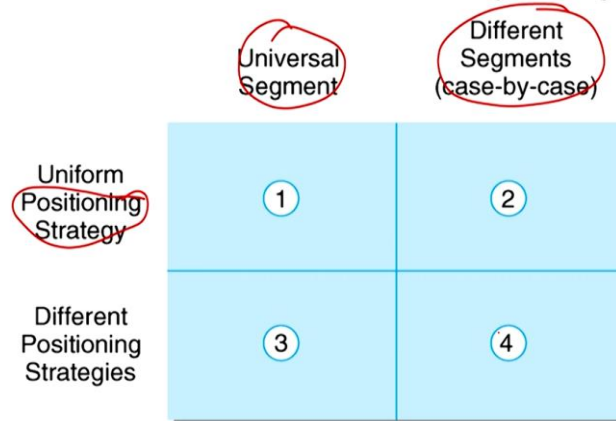
- The choice of uniform/localized positioning strategy depends on whether global marketers target a universal segment across countries or pursue different segments in the different markets.
- **When focusing on a uniform segment** MNCs can use either:
 - ✓ Same positioning worldwide, or
 - ✓ Positioning themes tailored to individual markets
- **When pursuing different segments on a country-by-country basis:**
 - ✓ Customize positioning appeals.

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Now, what are uniform versus localized positioning strategy? The choice of uniform versus localized positioning strategy depends on whether global marketer's target a universal segment across countries or they pursue different segments in different countries. So, if when focusing on a uniform segment, MNCs can use either the same positioning worldwide or positioning theme tailored to individual markets. And when pursuing different segments on a country-by-country bases, you have to customize your positioning strategies. So, look at this figure.

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Uniform versus Localized Positioning Strategies



On this axis we are talking about segments. So, on the left you have universal segment and on the right you have different segments. On the y-axis, you can have, we are talking of positioning strategy. So, here you have uniform positioning strategy. And then you have different positioning strategy. So, there can be 4 options available now; 1, 2, 3 and 4. So, what is global consumer cultural positioning? That is 1.

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Global, Foreign, and Local Consumer Culture Positioning

1. Global consumer culture positioning (GCCP)

- This strategy tries to project the brand as a symbol of a given global consumer culture.
- Buying the brand reinforces the consumer's feeling of being part of a global segment.
- It also fosters the buyer's self-image as being cosmopolitan, modern, and knowledgeable.
- **Example:** Brands that successfully use this strategy are:
 - Sony ("My First Sony")
 - Nike ("Just Do It")

So, this strategies tries to project the brand as a symbol of a given consumer, global consumer culture. So here, it we are talking of a global consumer culture. Buying the brand reinforces the consumer belief, consumers' feelings of being part of a global segment. It also fosters the buyer's self-image as being cosmopolitan, modern and knowledgeable. For example, Sony, my first Sony; Nike, just do it.

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Global, Foreign, and Local Consumer Culture Positioning

2. Local consumer culture positioning (LCCP)

- The brand is portrayed as an intrinsic part of the local culture.
- It is depicted as being consumed by local people, and, if applicable, manufactured by locals using local supplies or ingredients.
- **Example:** Singer, the maker of sewing machines.
 - Singer was seen as German in Germany
 - British in U.K.
 - During WWII, Germans avoided bombing Singer's factories thinking they were German-owned.

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Then comes the local consumer cultural positioning. The brand is portrayed as an intrinsic part of the local culture. It is depicted as being consumed by local people and if applicable, manufactured by locals using local supplies or ingredients. For example, Singer, the maker of the sewing machine. Singer was seen as German in Germany, British in U.K. During World War II, Germans avoided bombing Singer's factory, thinking they were German-owned.

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Global, Foreign, and Local Consumer Culture Positioning

3. Foreign consumer culture positioning (FCCP)

- The goal is to build up a brand mystique around a specific foreign culture, usually one that has highly positive connotations for the product (e.g., Switzerland for watches, Germany for household appliances).

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Foreign consumer culture positioning: the goal is to build up a brand mystique around a specific foreign culture, usually one that has highly positive connotations for the product. For example, Switzerland for watches, Germany for household appliances.

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McDonald's Promoting Its Local Community Support in New Zealand



And this is how McDonald promotes its local community support in New Zealand. Our beef come from here, here and here, here, here. So, their beef comes 100% pure beef, 100% pure beef. So, in the end, let us see what we have talked about in this module.

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Conclusion

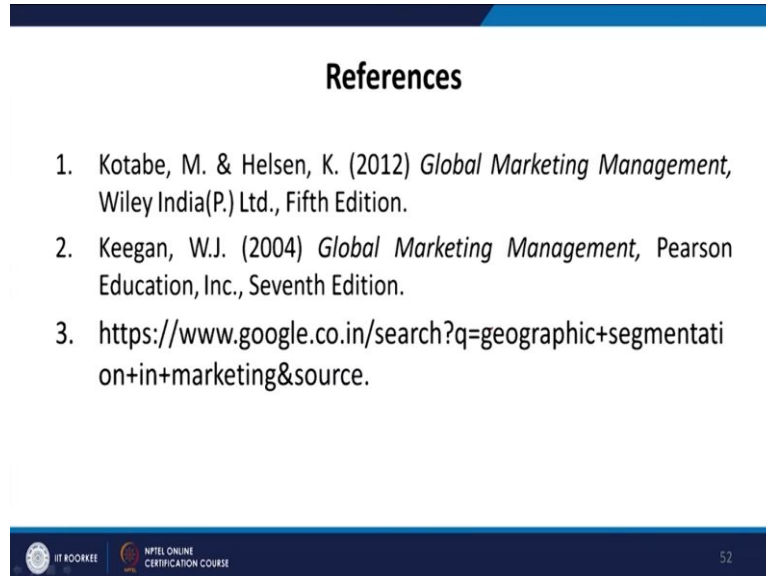
In this module we learnt about what is generally termed as STP:

- The different variables used to segment markets.
- What strategies a company can adopt to secure a slot in the minds of consumers.
- Some of these were general while three specific global positioning strategies were also discussed.

We have talked about the different variables used to segment market, segment the markets. For example, geographic and psychographics and behavioral and benefit sought. What are the various strategies a company can adopt to secure a slot in the mind of the consumers? So, there are various types of positioning strategies that we have talked about. And some of these were general, while 3 specific global positioning strategies were also discussed.



So, there were some of them can be used for domestic or global or any kind of marketing. While we have also seen 3 specific global positioning strategies that are specific only to the global context.

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3. <https://www.google.co.in/search?q=geographic+segmentation+in+marketing&source>.

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And these are the books that we have been used. And you can go through them for further understanding the concepts. Thank you.