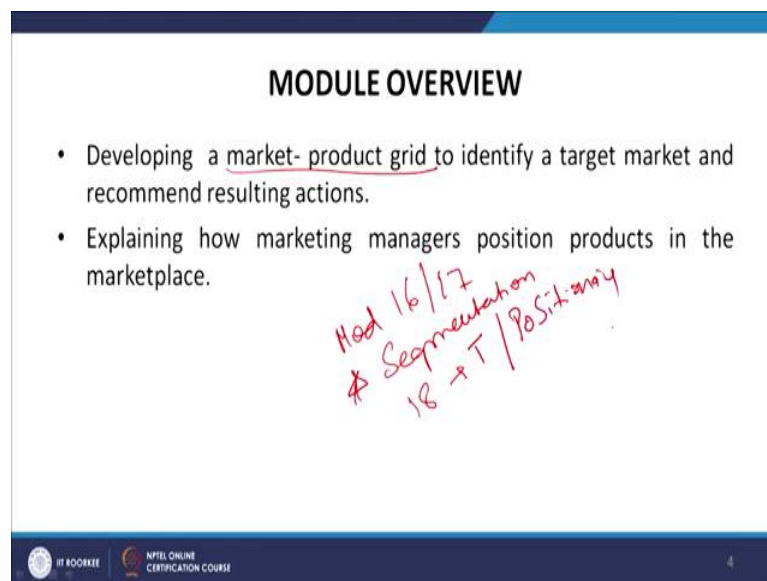


**Introduction to Marketing Essentials**  
**Prof. Zillur Rahman**  
**Department of Management Studies**  
**Indian Institute of Technology, Roorkee**

**Lecture – 18**  
**Market Segmentation, Targeting, and Positioning – III**

Welcome to Introduction to Marketing Essentials. Now, we are talking about module 18. This is the last module in this topic on Market Segmentation, Targeting and Positioning.

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**MODULE OVERVIEW**

- Developing a market- product grid to identify a target market and recommend resulting actions.
- Explaining how marketing managers position products in the marketplace.

*Mod 16/17  
\* Segmentation  
18 → T / Positioning*

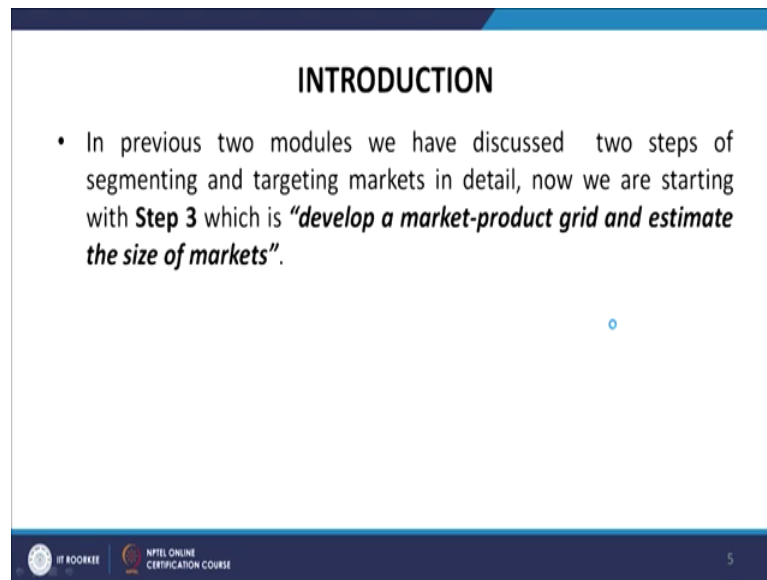
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Now, let us see what are the things that we will cover in this module 18. We will develop a product market grid to identify a target market and recommend resulting actions. Then, we will explain how marketing managers position products in the marketplace.

So, that in module 16 and 17 we have talked about segmentation. So, these two modules were dedicated to this topic of segmentation because that is the start of this marketing essentials that is the start of this marketing and understanding and coming up with good segments makes your subsequent tasks of targeting and positioning easier.

And, in this module 18, now we will talk about this targeting and positioning.

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**INTRODUCTION**

- In previous two modules we have discussed two steps of segmenting and targeting markets in detail, now we are starting with **Step 3** which is *“develop a market-product grid and estimate the size of markets”*.

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So, in previous two modules we have discussed two steps of segment and target markets in detail, now we are starting with step 3 which is develop a product market grid and estimate the size of markets. So, this is the step 3 that is to develop our market product grid and estimate the size of the markets.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**

**STEP 3: DEVELOP A MARKET-PRODUCT GRID AND ESTIMATE THE SIZE OF MARKETS**

- As noted in one of previous modules, a market-product grid is a framework to relate the market segments of potential buyers to products offered or potential marketing actions by an organization.
- In a complete market-product grid analysis, each cell in the grid can show the estimated market size of a given product sold to a specific market segment.

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As noted in one of the previous modules, a market-product grid is a framework to relate the market segments of potential buyers into products offered or potential marketing actions by an organization.

In a complete market-product grid analysis, each cell in the grid can show the estimated market size of a given product sold to a specific market segment.

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And, this is 18.1; it shows that product market grid. So, selecting a target market for your Wendy's a fast-food restaurant next to an urban university. So, now, this target market is shaded. So, this is the target market. So, now, recall that we have talked about grouping of products on the basis of breakfast, lunch, between meal snacks, dinner and after dinner snack.

And, then we have segmented on the basis of student and nonstudents. A student is and then students there they are living in dormitory or an apartment near outside the university; there are day commuters or night commuters and then there are non-segments like faculty or staff, those people who live in the area and those people who work in this area.

So, now you see that this company has chosen this shaded area as the target market. So, lunch and between snacks is 3, dinner is 0 while after snack is 3. So, they have chosen students who live in dormitory and they are looking for lunch between meal snacks and after dinner snacks. Those students, who live in apartments now they are also looking for breakfast, lunch, between meal snacks, dinner and after dinner snack and then day commuters and night commuters.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 3: DEVELOP A MARKET-PRODUCT GRID AND ESTIMATE THE SIZE OF MARKETS**

**Forming a Market-Product Grid for Wendy's**

- Developing a market-product grid means identifying and labeling the markets (or horizontal rows) and product groupings (or vertical columns), as shown in Figure 18.1.

MARKET SEGMENTS		PRODUCT OR INNOVATION				
		Break-fast	Lunch	Between-Meal Snack	Dinner	After-Dinner Snack
Student	Dormitory	0	1	3	0	3
	Apartment	1	3	3	1	1
	Day Commuter	0	3	2	1	0
	Night Commuter	0	0	1	3	2
Nonstudent	Faculty or Staff	0	3	1	1	0
	Live in Area	0	1	2	2	1
	Work in Area	1	3	0	1	0

Key: 3 = Large market; 2 = Medium market; 1 = Small market; and 0 = No market  
Source: Roger, K., Steven, H. & William, R. (2011). Marketing: The Core. McGraw Hill Irwin, 11th Edition.

Fig 8.1

So, now let us start forming a market product grid for Wendy's. Developing a market product grid means identifying and labeling the markets or horizontal rows and product groupings vertical columns as shown in this figure 18.1. So, this is figure 18.1.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 3: DEVELOP A MARKET-PRODUCT GRID AND ESTIMATE THE SIZE OF MARKETS**

- From our earlier discussion we've chosen to divide the market segments into students versus nonstudents (in previous module), with subdivisions of each.
- The columns—or "products"—are really the meals (or eating occasions) customers enjoy at the restaurant.

MARKET SEGMENTS		PRODUCT OR INNOVATION				
		Break-fast	Lunch	Between-Meal Snack	Dinner	After-Dinner Snack
Student	Dormitory	0	1	3	0	3
	Apartment	1	3	3	1	1
	Day Commuter	0	3	2	1	0
	Night Commuter	0	0	1	3	2
Nonstudent	Faculty or Staff	0	3	1	1	0
	Live in Area	0	1	2	2	1
	Work in Area	1	3	0	1	0

Key: 3 = Large market; 2 = Medium market; 1 = Small market; and 0 = No market  
Source: Roger, K., Steven, H. & William, R. (2011). Marketing: The Core. McGraw Hill Irwin, 11th Edition.

From our earlier discussions we have chosen to divide the market segments into students versus nonstudents. So, that we did in the last module with subdivisions of each. So, there are these students and not nonstudents and then there are subdivisions. So, these are the subdivisions.

The column or products are really the meals or eating occasions customers enjoy at the restaurant.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 3: DEVELOP A MARKET-PRODUCT GRID AND ESTIMATE THE SIZE OF MARKETS**

- The market size estimates in Figure 18.1 vary from a large market ("3") to no market at all ("0") for each cell in the market-product grid.
- These may be simple guesstimates if you don't have the time or money to conduct formal marketing research.

MARKET SEGMENTS		PRODUCT OR INNOVATION				
General	Where They Live	Breakfast	Lunch	Between-Meal Snacks	Dinner	After-Dinner Snacks
Student	Dormitory	0	1	3	0	3
	Apartment	1	3	3	1	1
	Day Commuter	0	3	2	1	0
	Night Commuter	0	0	1	3	2
Nonstudent	Faculty or Staff	0	3	1	1	0
	Live in Area	0	1	2	2	1
	Work in Area	1	3	0	1	0

Key: 3 = Large market, 2 = Medium market, 1 = Small market, and 0 = No market.  
 Source: Riggs, K., Stevens, H., & Williams, R. (2013). Marketing: The Core. McGraw-Hill Irwin, 14th Edition.

Fig 18.1

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So, the market size estimates in figure 18.1 vary from a large market that is 3 to no market at all that is 0 for each cell in the market-product grid. These may be simple guesstimates if you do not have the time or money to conduct formal marketing research.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 3: DEVELOP A MARKET-PRODUCT GRID AND ESTIMATE THE SIZE OF MARKETS**

- But even such crude estimates of the size of specific markets using a market-product grid are helpful in determining which target market segments to select and which product groupings to offer.

MARKET SEGMENTS		PRODUCT OR INNOVATION				
General	Where They Live	Breakfast	Lunch	Between-Meal Snacks	Dinner	After-Dinner Snacks
Student	Dormitory	0	1	3	0	3
	Apartment	1	3	3	1	1
	Day Commuter	0	3	2	1	0
	Night Commuter	0	0	1	3	2
Nonstudent	Faculty or Staff	0	3	1	1	0
	Live in Area	0	1	2	2	1
	Work in Area	1	3	0	1	0

Key: 3 = Large market, 2 = Medium market, 1 = Small market, and 0 = No market.  
 Source: Riggs, K., Stevens, H., & Williams, R. (2013). Marketing: The Core. McGraw-Hill Irwin, 14th Edition.

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But even such crude estimates of the size of specific markets using a market-product grid are helpful in determining which target market segments to select and which product

grouping to offer. So, now, you see that there are 3s in this segment then there are 1 2, two 2s and 1 2 3 4 5 1's and 0's.

So, this is a guesstimate or you can conduct a market research and find out how many people living in a dormitory they want to go for lunch, how many students living in apartments they want to go for lunch to Wendy's, how many students day commuter students they would like to go for lunch. And, then you see that this becomes a quite sizable market.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 4: SELECT TARGET MARKETS**

- A firm must take care to choose its target market segments carefully.
- If it picks too narrow a set of segments, it may fail to reach the volume of sales and profits it needs.
- If it selects too broad a set of segments, it may spread its marketing efforts so thin that the extra expense exceeds the increased sales and profits.

*Handwritten notes in red:*  
→ too less → losses  
→ too much → expenses > profits  
↓  
losses

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The next step in this segmentation and targeting is selecting a target market. A firm must take care to choose its target market segment carefully. So, there are lots of segments as you have seen here that there are lots of segments that are there. 1 2 3 4 5 6 7 segments and while the company has chosen to target only students and they have left out nonstudents, why?

So, if it picks too narrow a set of segment, it may fail to reach the volume of sales and profit it needs and when it is not making profits so, it will very soon close the shop. If it selects too broad a set of segments, it may spread its marketing efforts so thin, that the extra expenses exceed the increased sales and profits. So, if they are targeting too less, then they may make losses and if they are targeting too much then again the expenses will exceed the profits or more than the profits so, that means, losses.

So, the idea of this is that the company should choose between this too narrow or too broad.

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The slide is titled "STEPS IN SEGMENTING AND TARGETING MARKETS" and "STEP 4: SELECT TARGET MARKETS". It lists "Criteria to Use in Selecting the Target Segments" with two main points: "Two kinds of criteria in the market segmentation process are those used to:" followed by "divide the market into segments (discussed earlier), and" and "actually pick the target segments." Handwritten red notes include "Geo", "Demo", "Psycho", and "Behavioral" with arrows pointing to the first point, and "20 Segments", "↓ Target", and "4 Segm" with arrows pointing to the second point. The slide footer includes "IIT ROORKEE" and "NPTEL ONLINE CERTIFICATION COURSE" logos and the number "13".

Now, what are the criteria to use in selecting the target segment? So, there are two kind of criteria in the market segmentation process and they are first divide the market into segments that we have discussed earlier how on those four basis geographic, demographic, psychographics and behavioral. Now, these are the four types of variables to segment the market and the combination of this may lead to 20 segments of customers.

Now, and then actually pick the target segments.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 4: SELECT TARGET MARKETS**

- Five criteria can be used to select the target segments for your Wendy's restaurant:
  - 1 - Market size.
  - 2 - Expected growth.
  - 3 - Competitive position.
  - 4 - Cost of reaching the segment.
  - 5 - Compatibility with the organization's objectives and resources.

*Handwritten annotations:*  
- A bracket groups 1, 2, and 3, labeled "Segment Consumer".  
- An arrow points from 3 to "Competition".  
- A bracket groups 4 and 5, labeled "Company" with a "4" next to it.  
- A larger bracket groups 4 and 5, labeled "Consumer, Competition & Company".

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So, out of these 20 segments like you see that in this figure out of these so many segments they have targeted these segments, why? So, one criteria that can be used that was used by Wendy's restaurant was 1st, they looked at the market size; 2nd, what is the expected growth how fast or how slow this segment will grow; the 3rd is competitive position in that segment which are the different restaurants that are competing with Wendy's then what is the cost of reaching the segment what kind of advertising, what kind of media they can be reached with and then the 5th is compatibility with the organization objectives and resources.

So, now, you see that these are related to the segment, these are this is about competition and this is about the company. If the cost of reaching the segment is high while companies do not have resources, then again choosing that target segment will lead to losses. So, now, this is the criteria for selecting a target market. We look at the consumers, we look at the competition and we also look at the company's resources and objectives.

So, now here we are bringing together and trying to integrate consumers, competition and company. So, these are the three things that we are integrating and then based on this, then we will find out which target markets to choose. So, out of those 20 that here, the segments that pass through these five stages, these five criteria, they can be only four. So, ultimately then the company will target those four segments.



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### STEPS IN SEGMENTING AND TARGETING MARKETS

#### STEP 4: SELECT TARGET MARKETS

**Criteria to Use in Selecting the Target Segments**

- **Market size**
  - The estimated size of the market in the segment is an important factor in deciding whether it's worth going after.
  - There is really no market for breakfasts among dormitory students with meal plans (Figure 18.1), so you should not devote any marketing effort toward reaching this tiny segment.

MARKET SEGMENTS	Where They Live	PRODUCT OR INNOVATION				
		Breakfast	Lunch	Between-Meal Snack	Dinner	After-Dinner Snack
Student	Dormitory	0	1	2	0	1
	Apartment	1	3	3	1	1
	Day Commuter	0	3	2	1	0
	Night Commuter	0	0	1	3	2
Nonstudent	Faculty or Staff	0	3	1	1	0
	Live-in Area	0	1	2	2	1
	Work-in Area	1	3	0	1	0

Key: 3 = Large market, 2 = Medium market, 1 = Small market, and 0 = No market

Source: Roger, K., Stevens, H. & Williams, R. (2013) Marketing: The Core, McGraw-Hill Irwin, 4th Edition.

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So, now let us look at what this market size is. The estimated size of the market in the segment is an important factor in deciding whether it is worth going after, is it too small or is it too big. So, there is really no market for breakfast among dormitory students with meal plans. So, the students living in dormitory do not want to go there for breakfast. So, you should not devote any marketing efforts towards reaching this tiny segment.

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### STEPS IN SEGMENTING AND TARGETING MARKETS

#### STEP 4: SELECT TARGET MARKETS

**Criteria to Use in Selecting the Target Segments**

- **Expected growth**
  - Although the size of the market in the segment may be small now, perhaps it is growing significantly or is expected to grow in the future.
  - Sales of fast-food meals eaten outside the restaurants are projected to exceed those eaten inside.
  - And Wendy's has been shown to be the fast-food leader in average time to serve a drive-thru order—faster than McDonald's.
  - This speed and convenience is potentially very important to night commuters.

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Another criteria was expected growth although the size of the market in the segment may be small now, perhaps it is growing significantly or is expected to grow in the future.

Now, if the company is not able to identify the growth expected growth then again it will make a mistake because a segment may be growing fast and it may be small now, but over a period of 1 year or 2 year it may grow to be significantly big.

So, sales of fast food meals eaters outside the restaurants are projected to exceed those eating inside and Wendy's has been shown to be the fast food leader in average time to serve a drive-thru order faster than McDonald. So, now, this is another indication drive-thru.

This speed and convenience is potentially very important to night commuters. So, now we will start talking about the night commuters, drive-thru for night commuters because Wendy's is a leader in that kind of products or innovations.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**

**STEP 4: SELECT TARGET MARKETS**

**Criteria to Use in Selecting the Target Segments**

- **Competitive position**
- Is there a lot of competition in the segment now or is there likely to be in the future? *→ less profit → bigger break-even period*
- The less the competition, the more attractive the segment is.
- For example, if the college dormitories announce a new policy of "no meals on weekends," this segment is suddenly more promising for your restaurant.
- Wendy's recently introduced the E-Pay pay-by-credit-card service at its restaurants to keep up with a similar service at McDonald's.

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Another important criteria is the competitive position. Is there a lot of competition in the segment now or is there likely to be in the future? If the competition is huge in that segment or is it likely to grow in future. As a rule of thumb, the less the competition the more attractive the segment is because more the competition less profits less profits means bigger breakeven period.

For example, if the college dormitories announces a new policy of no meals on weekends, this segment is suddenly more promising for your restaurant because the college the university is not giving them meals so, obviously, they have to eat outside.

So, Wendy's recently introduced the E-pay that is pay by credit card service at its restaurant to keep up with similar service at McDonald. So, now, this is how they dealt with the competition that McDonald was offering this E-pay service so, they also started this E-pay service.

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### STEPS IN SEGMENTING AND TARGETING MARKETS

#### STEP 4: SELECT TARGET MARKETS

**Criteria to Use in Selecting the Target Segments**

- **Cost of reaching the segment**
- A segment that is inaccessible to a firm's marketing actions should not be pursued.
- For example, the few non-students who live in the area may not be reachable with ads in newspapers or other media.
- As a result, you should not waste money trying to advertise to them.

MARKET SEGMENTS		PRODUCT OR INNOVATION					
		Where They Live	Break Fast	Lunch	Between-Meal Snacks	Dinner	After Dinner Snacks
Student	Dormitory	0	1	3	0	0	3
	Apartment	1	3	3	1	1	1
	City Computer	0	3	2	1	0	0
	High Computer	0	0	1	3	2	0
Nonstudent	Faculty or Staff	0	3	1	1	1	0
	Live in Area	0	1	2	2	1	1
	Work in Area	1	3	0	1	0	0

Key: 3 = Large market; 2 = Medium market; 1 = Small market; and 0 = No market



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Now, what is the cost of reaching the segment? If the cost of reaching the segment is too high it is more than the profit that you earn then obviously, it does not make sense to choose that segment as a target. So, the segment that is inaccessible to a firm's marketing actions should not be pursued.

For example, the few non-students who live in the area may not be reachable with ads in newspapers or other media. As a result, they should not waste money trying to advertise to them.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 4: SELECT TARGET MARKETS**

**Criteria to Use in Selecting the Target Segments**

- **Compatibility with the organization's objectives and resources**
- If your Wendy's restaurant doesn't yet have the cooking equipment to make breakfasts and has a policy against spending more money on restaurant equipment, then don't try to reach the breakfast segment.
- As is often the case in marketing decisions, a particular segment may appear attractive according to some criteria and very unattractive according to others.

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The next criteria is compatibility with the organizations objectives and resources. If your Wendy's restaurant does not yet have the cooking equipment to make breakfast and has the policy against spending more money on restaurant equipment, then do not try to reach the breakfast segment.

So, now, here we have introduced this organizational objectives and resources in how to go about selecting segments to target. So, now, if you do not have the cooking equipment to make breakfast and the company does not want to buy cooking equipment for breakfast then obviously, these kinds of segments should not be targeted.

As is often the case in marketing decisions a particular segment may appear attractive according to some criteria and very unattractive according to others. So, that is why we have reduced to 20 segments and only 4 are used to target because most of the segments they may be good on one particular criteria, but bad on other criteria.

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### STEPS IN SEGMENTING AND TARGETING MARKETS

#### STEP 4: SELECT TARGET MARKETS

**Choose the Wendy's Segments**

- Ultimately, a marketing executive has to use these criteria to choose the segments for special marketing efforts.
- As shown in Figure 18.1, let's assume you've written off the breakfast product grouping for two reasons:
  - It's too small a market and it's incompatible with your objectives and resources.

MARKET SEGMENTS		PRODUCT OR INNOVATION				
		Breakfast	Lunch	Between Meal Snack	Dinner	After-Dinner Snack
Student	Dormitory	0	1	3	0	3
	Apartment	1	3	3	1	1
	Day Commuter	0	3	2	1	0
	Night Commuter	0	0	1	3	2
Nonstudent	Faculty or Staff	0	3	1	1	0
	Live-in Area	0	1	2	2	1
	Work-in Area	1	3	0	1	0

Key: 3 = Large market, 2 = Medium market, 1 = Small market, and 0 = No market  
Source: Riggs, K., Stevens, H. & Williams, R. (2011). Marketing: The Core. McGraw-Hill Irwin, 4th Edition.

18.1

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There will be very small number of segments that are good on both of them or on all of them. Ultimately, a marketing executive has to use these criteria to choose the segments for special marketing efforts. So, as shown in this figure 18.1, let us assume you have written off the breakfast product grouping for two reasons: one it is too small a market and it is incompatible with your objectives, the company's objectives and resources.

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### STEPS IN SEGMENTING AND TARGETING MARKETS

#### STEP 4: SELECT TARGET MARKETS

- In terms of competitive position and cost of reaching the segment, you focus on the four student segments and not the three non-student segments (although you're certainly not going to turn their business away!).
- This combination of market-product segments— your target market—is shaded in Figure 18.1.

MARKET SEGMENTS		PRODUCT OR INNOVATION				
		Breakfast	Lunch	Between Meal Snack	Dinner	After-Dinner Snack
Student	Dormitory	0	1	3	0	3
	Apartment	1	3	3	1	1
	Day Commuter	0	3	2	1	0
	Night Commuter	0	0	1	3	2
Nonstudent	Faculty or Staff	0	3	1	1	0
	Live-in Area	0	1	2	2	1
	Work-in Area	1	3	0	1	0

Key: 3 = Large market, 2 = Medium market, 1 = Small market, and 0 = No market  
Source: Riggs, K., Stevens, H. & Williams, R. (2011). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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Now, in terms of competitive position and cost of reaching the segment, you focus on four student segments and not the three non-student segments; although you are certainly

not going to turn their business away. So, it is not that you will not sell to those non student segments, but then your primary focus is on students segment.

So, this combination of market product segment your target market is shaded in this figure 18.1. So, this is the target market; although this is the target segment although there are so many segments that are available.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 5: TAKE MARKETING ACTIONS TO REACH TARGET MARKETS**

- The purpose of developing a market-product grid is to trigger marketing actions to increase sales and profits.
- This means that someone must develop and execute an action plan in the form of a marketing program.

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Now, let us move on to step 5 that is take marketing actions to reach the target market. The purpose of developing a market product grid is to trigger marketing actions to increase sales and profits. This means that someone must develop and execute an action plan in the form of a marketing program.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 5: TAKE MARKETING ACTIONS TO REACH TARGET MARKETS**

**Your Immediate Wendy's Segmentation Strategy**

- With your Wendy's restaurant you've already reached one significant decision:
  - There is a limited market for breakfast, so you won't open for business until 10:30 a.m.
- In fact, Wendy's first attempt at a breakfast menu was a disaster and was discontinued in 1986.
- However, that strategy has changed yet again, with its new "fresh made breakfast" menu now being offered in select locations.

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Now, let us look at your immediate Wendy's segmentation strategies. With your Wendy's restaurant you have already reached one significant decision and that is, there is limited market for breakfast. So, you do not open up for business until 10:30 a.m. So, that will reduce your cost.

In fact, Wendy's first attempt at breakfast menu was a disaster and was discontinued in 1986. However, that strategy has changed yet again, with its new fresh made breakfast menu now being offered in select locations.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 5: TAKE MARKETING ACTIONS TO REACH TARGET MARKETS**

**Your Immediate Wendy's Segmentation Strategy**

- Another essential decision is where and what meals to advertise to reach specific market segments.
- An ad in the student newspaper could reach all the student segments, but it might be too expensive.

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Another essential decision is where and what meals to advertise to reach specific market segments an ad in the student's newspaper could reach all the student segments, but it might be too expensive.

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So, if you choose three segments for special attention from this figure 18.2, advertising actions to reach them might include. So, now, look at that we are still talking of these segments.

And, now let us look at this yellow thing that is day commuters – student, lunch, between meal snacks, dinner and after dinner snacks. Ads in buses, flyers under windshield wipers of cars in parking lots for this green that is between meal snacks what to do ad campaigns 10 percent off on all purchases between 2 and 4:30 p.m. during winter quarter.

Now, what to do this will with this blue? Ads on flyers under windshield wipers of cars in night parking lots, free frosty with this coupon when you buy a drive thru meal between 5 and 8 p.m. So, now, if you choose the three segments for special attention these three segments for special attention. So, there are other segments also that they have targeted, but these three segments are for special attention.

So, day commuters an entire market segment run ads inside commuter buses and put flyers under the windshield wipers of cars in parking lots used by the day commuters.



These ads and flyers they promote all the meals at your restaurant to a single segment of students a horizontal cut through the market-product grid.

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### STEPS IN SEGMENTING AND TARGETING MARKETS

#### STEP 5: TAKE MARKETING ACTIONS TO REACH TARGET MARKETS

Figure 18.2

- **Between-meal snacks (directed to all four student markets)**
  - To promote eating during this downtime for your restaurant, offer “Ten percent off all purchases between 2:00 and 4:30 p.m. during winter quarter.”
  - This ad promotes a single meal to all four student segments, a vertical cut through the market-product grid.

MARKET SEGMENTS	PRODUCTS MEALS			
	Between-Meal Snack	After-Dinner Snack	Dinner	Snack
Dormitory students	1	0	0	3
Apartment students	3	1	1	1
Day commuter students	3	2	1	0
Night commuter students	0	1	1	2

Key: 1 = Large market; 2 = Medium market; 1 = Small market; 0 = No market

Source: Roger, K., Stevens, H. & Williams, R. (2011). Marketing: The Core. McGraw-Hill Irwin, 4th Edition.

Next is between meal snacks directed to all four student market. So, what needs to be done is to promote eating during this downtime for your restaurant offer 10 percent off all purchases between 2 and 4:30 p.m. during winter quarter. This ad promotes a single meal to all four students segments of a vertical cut through the market-product grid.

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### STEPS IN SEGMENTING AND TARGETING MARKETS

#### STEP 5: TAKE MARKETING ACTIONS TO REACH TARGET MARKETS

Figure 18.2

- **Dinners to night commuters**
  - The most focused of all three campaigns, this promotes a single meal to the single segment of night commuter students.
  - The campaign uses flyers placed under the windshield wipers of cars in night parking lots.
  - To encourage eating dinner at Wendy’s, offer a free Frosty with the coupon when the person buys a meal between 5 and 8 p.m. using the drive-thru window.

MARKET SEGMENTS	PRODUCTS MEALS			
	Between-Meal Snack	After-Dinner Snack	Dinner	Snack
Dormitory students	1	0	0	3
Apartment students	3	1	1	1
Day commuter students	3	2	1	0
Night commuter students	0	1	1	2

Key: 1 = Large market; 2 = Medium market; 1 = Small market; 0 = No market

Source: Roger, K., Stevens, H. & Williams, R. (2011). Marketing: The Core. McGraw-Hill Irwin, 4th Edition.

And, then dinners to night commuters –with those students who come to the campus at night. The most focused of all three campaigns; this promotes a single meal to the single segment of night commuter students. This campaign uses flyers placed under the windshield wipers of cars in night parking lots. And, to encourage eating dinner at Wendy’s offer a free frosty with the coupon when the person buys a meal between 5 and 8 pm during the drive-thru window using the drive-thru window.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 5: TAKE MARKETING ACTIONS TO REACH TARGET MARKETS**

- Depending on how your advertising actions work, you can repeat, modify, or drop them and design new campaigns for other segments you deem are worth the effort.
- This advertising example is just a small piece of a complete marketing program for your Wendy’s restaurant.

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And, depending on how your advertising actions work, you can repeat, modify, or drop them and design new campaigns for other segments you deem are worth the effort. So, once you have done this then you will get to know the results and then you can repeat this exercise for other segments also. This advertising example is just a small piece of a complete marketing program for your Wendy’s restaurant.

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 5: TAKE MARKETING ACTIONS TO REACH TARGET MARKETS**

**Keeping an Eye on Competition**

- Other competitors are not sitting still, so in running your Wendy's you must be aware of their strategies.
- McDonald's, with many of its locations offering free Wi-Fi, is aggressively marketing its "garden" snack wraps.
- Burger King has won awards for its "Subservient Chicken" and "Whopper Sacrifice" social media campaigns and is upgrading its outlets and broadening its breakfast menu.

*Results of your actions may not be clear.*

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Now, we have yet to keep an eye on the competition, how should we do that? So, other competitors are not sitting still. So, in running your Wendy's you must be aware of their strategies also. So, these competitors they are also doing lots of things.

So, McDonalds, with many of its locations offering free Wi-Fi, is aggressively marketing its garden snack wrap. Burger King has won awards for it is "Subservient Chicken" and "Whopper Sacrifice" social media campaign and is upgrading its outlet and broadening its breakfast menu.

So, now you see that you are not alone in this race. McDonalds they are doing lots of things. Burger King they are also doing lots of things. Now, one implication of this is that the results of your actions may not be clear because you have done something very good, but then competitors are also doing good things. So, then what to do?

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**STEPS IN SEGMENTING AND TARGETING MARKETS**  
**STEP 5: TAKE MARKETING ACTIONS TO REACH TARGET MARKETS**  
**Future Strategies for Your Wendy's Restaurant**

- Changing customer tastes and competition mean you must alter your strategies when necessary.
- This involves looking at:
  - What Wendy's headquarters is doing,
  - What competitors are doing, and
  - What might be changing in the area served by your restaurant.

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So, what are the future strategies for your Wendy's restaurant? Changing customer taste and competition means you must alter your strategies when necessary.

And, this involves looking at what Wendy's headquarters is doing, what competitors are doing, and what might be changing in the area served by your restaurant. So, these are the three things that have to be looked at what may be the headquarters doing, what are the rest of the competitors are doing and how the area that you are serving is changing.

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**POSITIONING THE PRODUCT**

- When a company introduces a new product, a decision critical to its long-term success is how prospective buyers view it in relation to those products offered by its competitors.
- **Product positioning** refers to the place a product occupies in consumers' minds based on important attributes relative to competitive products.
- By understanding where consumers see a company's product or brand today, a marketing manager can seek to change its future position in their minds.

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Now, after segmentation and targeting comes the next thing, important thing; is the positioning of this product. When a company introduces a new product a decision critical to it is long term success is how prospective buyers view it in relation to those product offered by its competitors. So, now what how do the target segments they look at Wendy's products as compared to the McDonald and the Burger King. So, that is positioning.

So, product positioning refers to the place a product occupies in consumers' minds based on important attributes relative to competitive products. So, this is important. This product occupies in consumer minds so, it is only in the minds and nothing else and based on important attributes, important attributes to the target customers with respect to the competitive products.

By understanding where consumers see a company's product or brand today, a marketing manager can seek to change its future position in their minds. So, there are some attributes related to the product, based on those attributes consumer places your product in their mind and in the mind of the consumers there are also products of other competitors.

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**POSITIONING THE PRODUCT**

- **Product Repositioning** means changing the place a product occupies in consumers' minds relative to competitive products.

**Two Approaches to Product Positioning**

- Marketers follow two main approaches to positioning a new product in the market.
  - 1 – **Head-to-head positioning** involves competing directly with competitors on similar product attributes in the same target market.
  - 2 – **Differentiation positioning** involves seeking a less-competitive, smaller market niche in which to locate a brand.

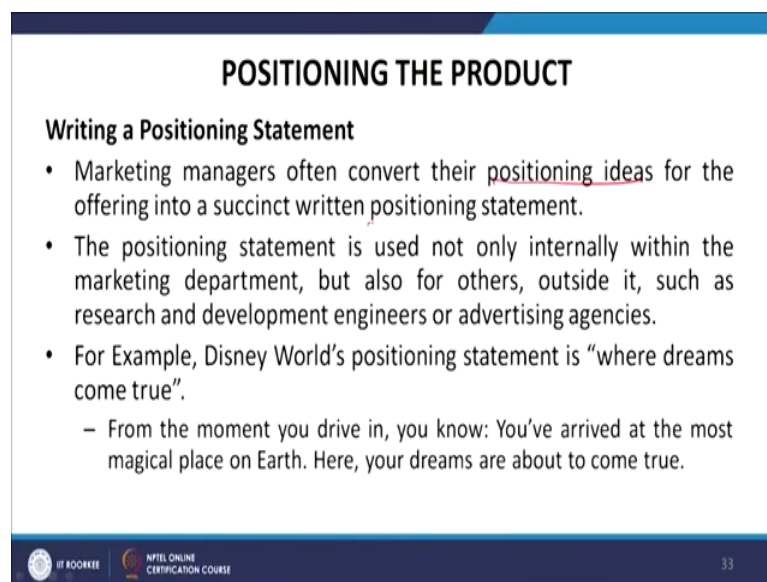
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Product repositioning means changing the place a product occupies in consumers' mind relative to the competitive products. Now, two approaches to product positioning are these are the two main approaches to positioning a new product. First is head to head

positioning that involves competing directly with competitors on similar product attributes in the same target markets. So, now, you are getting into a face to face and head-to-head war battle with your competitors. You are also using the same attributes to position your product and the competitors are also using the same attributes to position their product.

The second approach to product positioning is the differentiation positioning. It involves seeking a less-competitive, smaller market niche in which to locate a brand. So, now, we look at less competitive and a smaller market where to locate a brand.

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**POSITIONING THE PRODUCT**

**Writing a Positioning Statement**

- Marketing managers often convert their positioning ideas for the offering into a succinct written positioning statement.
- The positioning statement is used not only internally within the marketing department, but also for others, outside it, such as research and development engineers or advertising agencies.
- For Example, Disney World's positioning statement is "where dreams come true".
  - From the moment you drive in, you know: You've arrived at the most magical place on Earth. Here, your dreams are about to come true.

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Now, how to go about writing a positioning statement? Marketing managers often convert their positioning ideas for the offering into a succinct written positioning statement. So, these ideas are then written in a form of a statement. The positioning statement is used not only internally within the marketing department, but also for others, outside it, such as research and development engineering and advertising agencies.

For example, Disney World's positioning statement is where dreams come true. So, for Disney this is the positioning where dreams come true. – From the moment you drive in, you know you have arrived at the most magical place on Earth. Here, your dreams are about to come true.

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**POSITIONING THE PRODUCT**

**Product Positioning Using Perceptual Maps**

- A key to positioning a product or brand effectively is discovering the perceptions in the minds of potential customers by taking **four** steps:
  1. Identify the important attributes for a product or brand class.
  2. Discover how target customers rate competing products or brands with respect to these attributes.
  3. Discover where the company's product or brand is on these attributes in the minds of potential customers.
  4. Reposition the company's product or brand in the minds of potential customers.

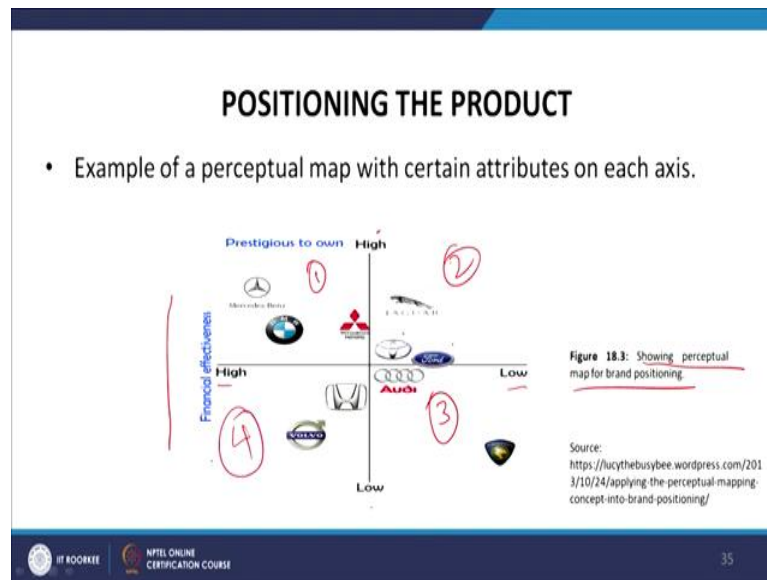
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Now, we can also use perceptual maps to position a product. A key to positioning a product or brand effectively is discovering the perception in the mind of potential customers by taking four steps.

The first step is to identify the important attributes for a product or brand class; then discover how targets customers rate competing products or brand with respect to these attributes. So, the first is look for the important attributes and then ask customers how they rate you as there as competition because the competing products on these attributes.

Discover where the company's product or brand is on these attributes in the mind of potential customers. And, then reposition the company's product or brands in the mind of potential consumers' customers.

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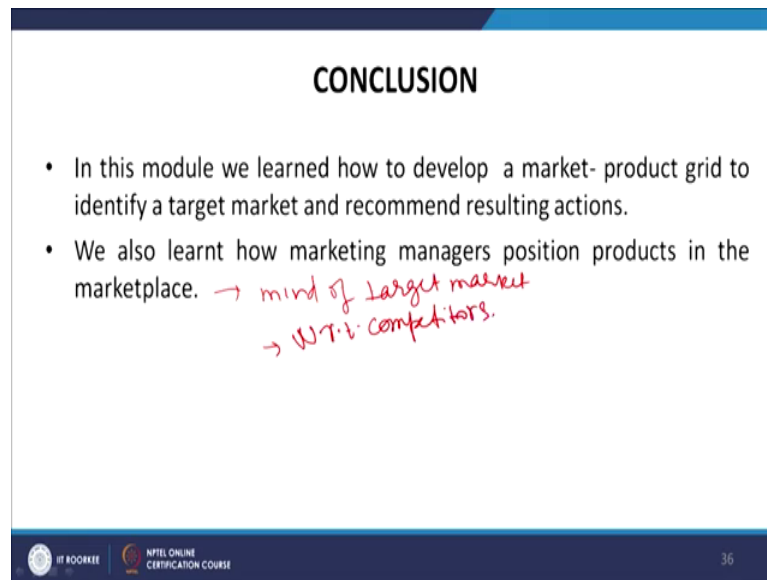
Example of this perceptual map with certain attribute on each axis. This is figure 18.3 and it shows perceptual map of brand positioning. So, now, on this axis we have financial effectiveness which goes from high to low, and on this axis we have prestige to own, again it moves from high to low. And, various automobile brands are put on this map.

So, when the financial effectiveness is low and prestige to own is high. So, there are these three brands Jaguar, Toyota and Ford. When the financial effectiveness is low and prestige to own is also low, that is Audi and proton. When the financial effectiveness is high and prestige to own is low are Honda and Volvo, while when both of them are high they have Mercedes, BMW and Mitsubishi motors' here.

So, now, this is how customers or the target customers they place different brands on these two attributes. Now, each of these attributes they vary from high to low. So, now, we have four options – 1, 2, 3 and 4 and this is purely on the basis of consumer's perception. So, to conclude in this module we have learned how to develop a market product grid to identify a target market and recommend resulting actions.



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**CONCLUSION**

- In this module we learned how to develop a market- product grid to identify a target market and recommend resulting actions.
- We also learnt how marketing managers position products in the marketplace. → mind of target market  
→ W.T.V. competitors.

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Next, we also learnt how marketing managers they position their products in the marketplace and also in the mind of their consumers. So, this positioning keep in mind is always with respect to competitors.

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**REFERENCES**

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- Kotler, P., & Keller, K. L. (2016). *Marketing Management*. England: Pearson, Fifteenth Global Edition.
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And, these are the three books from which the material was taken for preparing this module.

Thank you.