Market segmentation, targeting and positioning

One of the most commonly used market segmentation models is the product and the target approach. This model focuses more on the audience rather than the product which may sound like a good strategy; but criticism of the strategy led RJR's Uptown and Heileman's PowerMaster Malt Liquor to withdraw their products. The strategy used by RJR's Uptown and Heileman's PowerMaster Malt Liquor was viewed by critics as targeting " vulnerable" and " disadvantaged" consumers and as unethical based on the products being perceived as harmful.

Market targeting also can generate public controversy when marketers take unfair advantage of vulnerable groups (such as children) or disadvantaged groups (such as inner-city residents) or when they promote potentially harmful products" (Keller, 2016); therefore, marketer must be extremely careful with market targets to avoid any legal and ethical criticism. As stated in the article, " targeting related to (1) the perceived harmfulness of the product and (2) the perceived vulnerability of the target" (N. Craig Smith and Elizabeth Cooper-Martin, Ethics and Target Marketing: The Role of Product Harm and Consumer Vulnerability, Journal of Marketing, July 1997, pg3) are the main issues experienced by both companies. I believe the marketers with RJR's Uptown and Heileman's PowerMaster Malt Liquor could have learned a great deal by using perceptual maps.

The perceptual maps would have provided a visual picture of the preferences and perceptions of the consumer and an understanding of their associated attributes. Had the marketers used the perceptual maps, it would have helped RJR's Uptown and Heileman's PowerMaster Malt Liquor recognize their positioning of consumer preferences and the brands and products

consumers have. It is important to note that there are limitations in using the perceptual map, such as data gathering. Data collected through surveys do not necessarily represent the whole group and generally have a low response.

This creates a bad sampling of data collected which may be very biased and can favor a certain group which can have devastating results. The perceptual map lay out provides variables and ranges that distinguishes between the least and most desirable. For an example, the far right may list the higher income neighborhoods while the left side lists low-income neighborhoods. [pic 1] The perceptual map is helpful in making decisions related to marketing positioning. The measurements are the product attributes.

For example, compare the seven different types of beer using the dimensions of high income neighborhoods and low income neighborhoods. The vertical axis of the map may represent income, with high on one end and low on the other end. The horizontal axis of the map may represent taste, with low on one end and high on the other end. However, products that are mapped close together on the map indicate a similarity of consumer perception.