

The analysis of dunkin's segment and starbucks market

[Business](#), [Marketing](#)



I. Using the full spectrum of the segmentation variable. How does Dunkin's segment their and Starbucks market? As Dunkin's researchers have concluded, their and Starbucks market is not segmented by age, race, and income level alone which are demographic variables, but more with the customer's psychographics. What determines the preference among the customers of this market depends on their social class and their personality characteristics.

Dunkin's on the other hand targets the middle-income blue- and white-collar workers across age, race and income levels. In terms of personality, Starbucks targets people who want to stand out as individuals while Dunkin's customers are people who want to be part of a crowd.

II. Describe the segment that Dunkin's is attempting to reach through positioning?

They like more accessible products like flatbread sandwiches and gourmet cookies rather than pinwheels of doughs stuffed with various fillings, which remind them of something they have during cocktail hours instead of decent meals.

III. Would you recommend a new value proposition?

Yes, definitely. Marketing is about finding the right customers and providing values. A huge market cannot be served only by one player. There are different types of consumers, and even to a large player, providing all the needs and wants of the whole market will prove costly and will erode their

profits. Therefore, they choose to serve the customers they serve best. In the coffee shop market, the higher income and professional groups are the target of Starbucks, people who want to stand out as individuals. But there are other types of customers. And seeing this segment not being served well gives a huge advantage to Dunkins. After knowing the distinct needs of this segment, a value proposition that carries the message about the benefits the company offers to fulfill these needs is just logical. If Dunkins instead competes with Starbucks in the other segment of the market and provide the same value proposition, it will only come up as second best, or an imitator and it will not be able to capture a substantial share of the market to make it very profitable. Thus, the new value proposition is just consistent with the chosen segment of Dunkins and must be recommended.