

Company's segmentation target market and positioning



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Market segmentation defined as a process of dividing a market into distinct group of consumers who have common characteristics, needs or behavior to selecting one or more segment to target with a distinct marketing mix.

Different companies have their own abilities to serve their target market better, which is why some company putting much effort and attention on specific segment. First, geographic segmentation is dividing the market into different geographical units. Fast-passed Malaysia has a good condition for the cookie industry. That is because coffee stands for cookie culture.

Therefore, Malaysians can go through the coffee to know more about the cookie culture. Oreo had chosen to focus on psychographics, demographics lifestyle of consumer, which is why Oreo is always the best choice.

Psychographics is also referred as behavioral segmentation, it based on consumer's lifestyle, interests, activities, expectation and attitude, which mean what customer preferred, how they spent their time, and the most important is how they feels about issued and event. The company heavily involved and promoted in education, charity and the environment. They satisfied their customers not only through their cookies, it included advertising and programme. Oreo actively participates in charity activity. For example, hands-on activities (the process of making Oreo biscuit) that help students understand the concepts of philanthropy. Those who participate could learn to share and save through the hands-on activity. (<http://blog.charitynavigator.org/2009/11/oreos-and-charity-teaching-kids-to-be.html>)

Other than that, demographics divided the market into groups based on age, gender, income, occupation, size of family, education, race, nationality and religion. Oreo target children and young adult, age of range around 6 to 18
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years old. Their products are normally aimed in primary school, high school, and even college. Children and young adults always wanted to taste cookies, so Oreo will always be their first choice. The price for Oreo's product is affordable and fair. Even if they do not include a big income as well, they can highly afford to get a packet of Oreo. (http://www.shoplet.com/NFG03742_Office_Supply_oreo_cookies_retail_price.html)

A company can enter one or more of these segments after they defined market segments. Market targeting involves breaking a market into segments, and then concentrating, selecting on one or more segments to enter. Oreo is focuses on kindergarten kids, primarily school students and family.

Oreo does not target adult directly, but they do offer ice-cream, cake and pie. Thus, Oreo also suits for family. For instances, parents could buy their children some Oreo Cookie Ice Cream Pie while they having a tea-time at anywhere and they can enjoy the Oreo flavored ice cream with their children as dessert. Oreo is trying their best to refine and improve their products to satisfy their customer and creating harmony for family.

Position is arranging for product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers. Company wants to develop a unique market position for its product, if the product is definitely same with others, consumer would have no reason to buy it. Therefore, Oreo products always have been perceived with a high-status image by their advertisement. With their high quality products, variety of tastes, customers are willing to pay for the products.

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4P

In order to maximize their awareness and establish them as the most famous and respectful brand in world and in their target market, Oreo carried out a well-integrated marketing program that would use a marketing mix to satisfy the needs and wants of its targeted market. Product, price, place and promotion are strategies that shaped into a coordinated plan of action. Each component helps to influence buyers in their positioning of products.

A product is defined as something that is capable of satisfying a customer's need or want. It includes features, branding product design, packaging and quality. Oreo sells the original Oreo chocolate sandwich cookies, Golden Oreos, and Mini Oreos. Oreo sells its product through many avenue, including supermarket, mail-order catalogs and website www.nabiscoworld.com. Oreo also engages in furnishing implement and information on cookies that can fit customer healthy lifestyle. For example, Oreo provide its recipe which divided by five groups which are counting carbs, fewer than 150 calories, reduced fat, just for kids and good source of calcium. (<http://www.amway.com/Shop/Product/Product.aspx/Nabisco-Oreo-Variety-Pack?itemno=701946>)

(<http://www.nabiscoworld.com/recipes/RecipeSearchResults.aspx?keywords=>)

(<http://www.nabiscoworld.com/Recipes/default.aspx>)

Price is the money that customers need to pay for the product. It includes payment period, credit term, allowances and discounts. Profits go to those who charge the right price. Oreo's prices range from RM1.60 to RM14.99. <https://assignbuster.com/companys-segmentation-target-market-and-positioning/>

Surprisingly, it is lower than its rivals, although not by much. For example, Oreo regular pack was more than 20% cheaper than Famous Amos cookies and Oreo butter cookies were 10% less expensive when compared to others specialty competitors like Royal Dansk Danish butter cookies. However, when compared to quick-service restaurants, Starbucks was more expensive. Compare Starbuck with Big apple donut and coffee, the latter is an average 17% cheaper. ([http://www. answers. com/topic/royal-dansk-butter-cookie](http://www.answers.com/topic/royal-dansk-butter-cookie)) ([http://www. nextag. com/famous-amos-cookie/compare.html](http://www.nextag.com/famous-amos-cookie/compare.html))

([http://www. amazon. com/s? ie= UTF8&rh= n %3A16322611%2Cp_4%3AOreo&page= 1](http://www.amazon.com/s?ie=UTF8&rh=n%3A16322611%2Cp_4%3AOreo&page=1))

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The third ' P' - place, Malaysia doesn't have a retail store, the marketer place more of the products at convenient shop, petrol station and the rest stop. The retail stores are much more convenient for people who are in haste. Retail stores should select rural area and other locations to serve customers outside and expand brand awareness. Besides that, the environment of the shop will also influence the crowds. People will likes to spend their times in a comfortable environment instead of a noisy, dirty shop. The company should provide and serve their customers in a better way in order to make their customer delight with their services and environment. When customers are satisfied with their services and environment of the company, they will visit the place frequently.

Promotion is the marketing strategy that includes advertising, selling, public relations, trade shows, direct mail and packaging. Successful promotions are intended to change belief or increase awareness, knowledge and purchases <https://assignbuster.com/companys-segmentation-target-market-and-positioning/>

among potential buyers. Company runs promotion at major food retailers throughout many countries will allow Oreo to get feedback from the consumer. One of the promotions that Oreo has used is Coupon. Oreo offered its coupon at sampling stations inside the food retailers and at website. Therefore, we will run seasonal promotions to play with company's media schedule. For example, January to February, there would be a contest that can reward a one year Bally Total Fitness's membership. This promotion will help to start the company's New Year Resolutions. For the months of April to May, ten elliptical cross trainers will be given away in a sweepstakes drawing to start the swim suit season. In December 2009, there was a contest for anyone who creates the most special OREO Christmas cookies house design. That winner will be awarded five thousand dollars to settle their credit card bills from Christmas shopping.