

Mass marketing

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



Companies today recognize that they cannot appeal to all buyers in the marketplace ? or at least not to all buyers in the same way. Buyers are too numerous, widely scattered, and varied in their needs and buying practices. Moreover, companies themselves vary widely in their abilities to serve different market segments. Instead, like Dunkin' Donuts, companies must identify the parts of the market they can serve best and most profitably.

They must design customer-driven marketing strategies that build the right relationships with the right customers. Thus, most companies have moved away from mass marketing and toward target marketing: Identifying market segments, selecting one or more of them. And developing products and marketing programs tailored to each. Instead of scattering their marketing efforts (the "shotgun" approach), firms are focusing on the buyers who have greater interest in the values they create best (the "rifle" approach). Our major steps in designing a customer-driven marketing strategy. In the first two steps, the company selects the customers that it will serve. Market segmentation involves dividing a market into smaller segments of buyers with distinct needs, characteristics, or behaviors that might require separate marketing strategies or mixes. The company identifies different ways to segment the market and develops profiles of the resulting market segments.

Market targeting (or targeting) consists of evaluating each market segment's attractiveness and selecting one or more market segments to enter. In the final two steps, the company decides on a value proposition? how it will create value for target customers. Differentiation involves actually differentiating the firm's market offering to create superior customer value. Positioning consists of arranging for a market offering to occupy a clear,

distinctive, and desirable place relative to competing products in the minds of target consumers.

We discuss each of these steps in turn. Slide: 3 Thus, most companies have moved away from mass marketing and toward target marketing: Identifying market segments, selecting one or more of them, and developing products and marketing programs tailored to each. Instead of scattering their marketing efforts (the "shotgun" approach), firms are focusing on the buyers who have greater interest in the values they create best (the "rifle" approach). Four major steps in designing a customer-driven marketing strategy.

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Differentiation involves actually differentiating the firm's market offering to create superior customer value. Positioning consists of arranging for a market offering to occupy a clear, distinctive, and desirable place relative to Slide: 4 Buyers in any market differ in their wants, resources, locations, buying attitudes, and buying practices. Through market segmentation, companies divide large, heterogeneous markets into smaller segments that

can be reached more efficiently and effectively with products and services that match their unique needs.

Slide: 5 In this section, we discuss four important segmentation topics: segmenting consumer markets, segmenting business markets, segmenting international markets, and the requirements for effective segmentation.

Slide: 6 There is no single way to segment a market. A marketer has to try different segmentation variables, alone and in combination, to find the best way to view market structure. Table 7. 1 outlines variables that might be used in segmenting consumer markets. Here we look at the major geographic, demographic, psychographic, and behavioral variables.

Slide: 7 Geographic Segmentation: Geographic segmentation calls for dividing the market into different geographical units, such as nations, regions, states, counties, cities, or even neighborhoods. A company may decide to operate in one or a few geographical areas or operate in all areas but pay attention to geographical differences in needs and wants. Many companies today are localizing their products, advertising, promotion, and sales efforts to fit the needs of individual regions, cities, and neighborhoods. For example,

Domino's Pizza is the nation's largest pizza delivery chain. But a customer ordering a pizza in Poughkeepsie, New York, doesn't care much about what's happening pizza-wise in Anaheim, California. So Domino's keeps its marketing and customer focus decidedly local. Hungry customers anywhere in the nation can use the pizza peddler's online platform or smartphone app to track down local coupon offers, locate the nearest store with a GPS store

locator, and quickly received a freshly-made pizza. They can even use Domino's Pizza Tracker to follow their pies locally from store to door.