

# Segmenting, targeting, and positioning of bodyshop company

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



Segmentation, targeting, and positioning strategy are important because it provides the information the business needed about the market and the consumers out there. By segmenting the market, the company can know about what each market segment needs and wants. Then they analyze whether the company's resources are enough to meet those needs and wants. Resources are limited, and this will help the company to carefully target to the right market segment. Positioning helps the company to analyze competitor's performance, and then the company can place itself in the right position. Once they know their place, they can identify the competitive advantage that might be possible to achieve and also the disadvantages.

By using an aid of a product from a personal grooming and health care industry, I will discuss about the application of STP strategy and the marketing mix of the product. The product I chose is The New Body Butter Duo from The Body Shop. This company, which is known by its natural based product, launched a new product which gives double benefits for the consumers. Unlike the other body butter product, Body Butter Duo provides two types of cream in one pot. The lighter colored cream is for where skin needs less hydration, while the darker colored cream is for the drier skin part, such as elbows and knees. It comes with four different variants; Sweet Pea, Vanilla, Floral Acai, and Macadamia. Each of them gives different sensation and scent with the same benefits.

Segmentation, Targeting, Positioning Strategy

Market Segmentation

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The first step to do in STP strategy is segmenting the market. Market segmentation is when the market is divided into different groups of consumers based on their similarity. Marketers should be able to identify different groups of customers and pick the right strategy or marketing mix for each group.

There are several most common ways of segmenting the market according to their common similarity. 1. Geographic segmentation The market is divided according to where they are located, can be based on the countries, nations, states, regions, cities, density, and climate. By segmenting the market by its geographic location, the company can localize its product. The Body Shop targeted its market at urban areas with both cold and hot climate.

It first operated in UK in 1976 and now has expanded its market by operating over 2, 500 outlets in more than 60 countries in 5 different continents all over the world. It divides the market into four parts: 1. Americas; 2. Europe, Middle East, Africa; 3. UK and Republic of Ireland; 4. Asia Pacific including Australia and New Zealand. People in different countries may have different skin tones. The Body Shop provides different types of face powder with different shades that will be more suitable for different skin tones of the customers.

#### Demographic segmentation

The market is grouped by their similar characteristics, such as age, gender, family size, family life cycle, income, occupation, education, religion, race, and nationality. Age: Basically, The Body Shop products are targeted at consumers at all ages. Most of the products, including Body Butter Duo are

targeted at teenagers and adults in the range of age about 15 years old to 60's years old. For older aged female consumers, The Body Shop provides Wise Woman product series which help to protect firmness and elasticity, and also to reduce fine lines in the face. There are also products which were made especially for babies, such as Buriti Baby Body Wash, Shampoo, Body Butter, Body Lotion, and several bath accessories.

Gender: Most of The Body Shop products can be used for both men and women. And it is no doubt that women are the major customers of The Body Shop. Body Butter Duo is targeted at both women and men. The Body Shop realized that men's type of skin may be different from women's. So, they also made products which are specially made for men, such as for face, hair, body care, and perfumes for men. Maca Root Shave Cream and Maca Root Wash Off Shave Oil are the products for men who like to shave.

Income, occupation, and education: Students, working adults, and housewives are the main target of The Body Shop products. Especially for working women, they want and might have to look attractive in their workplaces. Being in an air conditioned room for hours may lead to dry skin. Considering the price range of the products, consumers with middle-high income or high income tend to buy The Body Shop product more often.

#### Psychographic segmentation

The division is based on consumers' lifestyle, personality, and social class. Different people may have different taste or interest in different products even though they are in the same demographic or geographic class.

Women, as the major consumers, are highly affected by lifestyle, personality, and social class. All women tend to worry about their appearance when socializing in the community. This desire to look better and prettier encouraged them to buy beauty products that they believe can improve their appearance.

The Body Shop noticed that nowadays people are trying to maintain a healthy lifestyle. The Body Shop meets their demand of healthy lifestyle by offering products which are made from natural and organic ingredients, such as tea tree, sugar cane, seaweed, aloe vera, honey, and oil from several plants and fruits. All these natural ingredients are then being processed into a number of high quality beauty products. So, consumers can use these natural based products without worrying whether is there any hazardous chemicals contained in the products.

People are also becoming more aware of social issues. The Body Shop convinced the consumers by showing their values that they are against animal testing, supporting community trade, activating self esteem, defending human rights, and protecting our planet. They made sure that their ingredients are responsibly sourced and do not violate the farmer's right. They even offer a regular income for the farmers and provide a high safety standard on the dangerous machinery to prevent any work accidents. Concerning on illegal logging, The Body Shop only use woods from responsibly managed sources, certified by the Forest Stewardship Council (FSC).

Behavioral segmentation

Breaking down a market into different groups based on occasions, benefits sought, user status, usage rate, loyalty status, readiness stage, consumer's knowledge and attitude toward products. Occasions: The Body Shop products are recommended to be applied on a regular basis. For example, the body cleanser, body moisturizer, body scrubs, eye care and lip care products are better used every day to achieve best result. Body Butter Duo is also recommended to be applied to consumer's skin regularly. The cosmetic products contain natural based oil and ingredients, low percentage of alcohol and hazardous chemicals, which make them safe to be used every day.

Benefits sought: Each of the products from The Body Shop is easy to use, has different benefits, and is designed for different types of skin. The main point is of course to make the skin better and more beautiful. Some products are designed to protect the skin and give vitamins, for example, the Vitamin E series of products. There are also products which are specially designed to help people to moisturize the dry skin, for example, various types of body butter and body lotion. Body Butter Duo fell under the type of product for consumers with dry skin.

Loyalty status, knowledge, and attitude toward products: The Body Shop is a quite well known brand over the world for its natural based ingredients and core values. Their product quality is also undoubtedly good which makes customers come again and again and continuously use the same product or try another product.

Effective Segmentation How to determine that the market segmentation is effective? There are five characteristics of effective market segmentation as mentioned below: Measurable: A good segmentation is when the size, purchasing power, and profile of the market segment are measurable in terms of number. For instance, The Body Shop targeted its products at teenagers and adults with middle-high income. They have to analyze the size of the market segment based on the number of teenagers or adults with middle-high income in a certain area.

Accessible: The market segment can be reached and achieved. Sometimes there are barriers for firms to sell their products to a particular consumer or at a particular area. The Body Shop can reach its market segment as its products are suitable for consumers at all ages. The thing it may concern is about the local competitor. But the company was confident as they offer unique product values.

Substantial: The market segment should be sufficiently large and profitable enough. The chosen segment has to be able to make profit and return the investment. Or at least it has to make a break even.

Differential: The market segments can be distinguished and respond differently to different marketing mix. There might be some segments that seem similar, but in order to make it effective, they have to be differentiated.

Actionable: In the end, The Body Shop is able to show that the products are selling good in the chosen market segment. That means that the plan for the segmentation is actionable.

## Targeting market segment

The next stage after segmenting the market is targeting the market. Market targeting is the process of evaluating the market segments and selecting one or more market segments to enter.

Evaluating market segments Evaluating market segments means marketers should look at each segment which have been identified before, and analyze some point: segment size and growth, segment structural attractiveness, company objective and resources.

Analyze the sales, growth rate, and profitability for the segment. The company has to choose the right market segment to enter. For smaller company, the largest and the fastest-growing segments are not always the right ones. The large segments need more resources and are too competitive for smaller companies. The Body Shop and its international business had shown a significant growth. By the 2005, their origin country, UK, only contributed 17% of the total operating profit of The Body Shop.

Then they achieved a 10% growth rate in 2006 and increased the growth rate by 5% in the next two years. They saw a potential market in some countries in Asia and countries in other areas which then decided to expand the market there. In the year 2008, they opened 124 new outlets in the new markets, such as India, Namibia, Pakistan, Poland, Slovakia, Monaco, and Egypt. By the end of 2009, they wanted to ensure that 30% of the target demographic is likely to buy their product, 35% of the target demographic is aware of their product and values, and 10% of the target demographic becomes regular users.



Examine the major structural factors that affect long-run segment attractiveness. A segment will be less attractive if it has many strong competitors, substitute products, powerful buyers, and powerful suppliers. Competitors in this business market are quite numerous, such as Etude, Face Shop, Missha, Clinique, L'Oreal, Kiehl's, and others. But the company is confident that its product is different and will survive the market. Comparing to the competitors, The Body Shop has an advantage in products. It adds more value by serving natural based product and packaging. Unfortunately, its competitors like Face Shop and Missha also use the same concept. But The Body Shop offers more flavors and its unique company values become the attracting point to reach customers. While for the suppliers, the company tried to maintain a good relationship and treat them fairly which will balance the power.

When the market segment size and growth is right, and is structurally attractive, the next thing the company should consider is its own resources and objectives. The main objectives of The Body Shop are to protect the environment and human and animal rights. The Body Shop also believes that it has the resources and strength needed to compete in the segments chosen. The company is able to give more value to the customers through its range of natural products and good services.

Selecting one or more market segments to enter A target market is a group of customers who have the same characteristics and needs that the company decides to serve. There are three market-coverage strategies: undifferentiated marketing, differentiated marketing, and concentrated

marketing. The Body Shop decides to target several market segments and designs different variation of products for each segments. Thus, The Body Shop uses differentiated marketing strategy. It provides a wide range of products aimed at customers at different market segments. For example, there are products specially designed for babies, men, customers with very dry skin, customers with different skin tones, etc.