

SEGMENTATION IN THE INTERNATIONAL MARKETS

Without doubt it would be ideal for a company to offer a personalized product to each of its clients. As this is usually impossible it is necessary to look for methods to try to offer products that are personalized for different groups or segments of the market. Today's markets are more volatile than before and possibly the traditional 'mass media' advertising focus is no longer appropriate. One option is to focus on different niches of the market where we are able to satisfy their needs and wants. This is possible with market segmentation i.e., dividing the market into groups of potential clients with similar needs and profiles and which present similar buying habits. Market segmentation is the basis of other marketing actions. It will require a big management effort to direct the strategy to each market niche and also the necessary investigation, implementation and control for realizing a correct segmentation. The main objective of the segmentation is to improve the position of our company and serve better the needs of the clients. We will be able also to increase sales, improve our market share and improve our image.

How many segments should we consider? The answer is logical, we should act in as many segments as our business capacity allows us. To get a product or service to the right person or company, a marketer would firstly segment the market, then target a single segment or series of segments, and finally position within the segment. Segmentation is essentially the identification of subsets of buyers within a market who share similar needs and who demonstrate similar buyer behavior. The world is made up from billions of buyers with their own sets of needs and behavior. Segmentation aims to match groups of purchasers with the same set of needs and buyer behavior. Such a group is known as a "segment".

Market segmentation allows:

- Product differentiation by preparing appropriate marketing mixes for each market segment.
- Organize distribution according to buying characteristics.
- To better focus media advertising according to habits and lifestyles.

Targeting strategies usually can be categorized as one of the following:

1. Concentrated strategy (Single-segment strategy). One market segment (not the entire market) is served with one marketing mix. A single-segment approach often is the strategy of choice for smaller companies with limited resources.

2. Differentiated strategy (Selective specialization or multiple-segment strategy). Different marketing mixes are offered to different segments. The product itself may or may not be different - in many cases only the promotional message or distribution channels vary.

3. Product specialization. The firm specializes in a particular product and tailors it to different market segments.

4. Market specialization. The firm specializes in serving a particular market segment and offers that segment an array of different products.

5. Full market coverage. The firm attempts to serve the entire market. This coverage can be achieved by means of either a mass market strategy in which a single undifferentiated marketing mix is offered to the entire market, or by a differentiated strategy in which a separate marketing mix is offered to each segment.

Brand has been identified as a method of differentiation in marketing. In global marketing, the brand can even develop social or behavioral characteristics as with Benetton or Porsche. Furthermore, the brand concept is dynamic, not static. This can develop according to each market (consumer habits, niches, etc.) A brand is created by augmenting a core product with distinctive values that distinguish it from the competition. This is the process of creating brand value. All products have a series of "core benefits" - benefits that are delivered to all consumers. Consumers are rarely prepared to pay a premium for products or services that simply deliver core benefits - they are the expected elements of that justify a core price. Successful brands are those that deliver added value in addition to the core benefits. These added values enable the brand to differentiate itself from the competition. When done well, the customer recognizes the added value in an augmented product and chooses that brand in preference.

Positioning is the process of designing a company's offer and image so that it occupies a distinct and valued place in the mind of the consumer. Positioning a product consists gaining a benign meaning in the customer's mind as to where the product sits in the market segment to which it belongs. This may be achieved by the product's own

attributes or through the influence of advertising. The objective of positioning a product, is to make sure that it occupies a certain place in the mind of the consumer, differentiating it from the competition. Positioning is about how you differentiate your product or service in the mind of your prospect. Positioning is a new approach to communication, advertising and marketing. It is an organized system for finding a window in the mind of your prospect in order to position effectively over there a product - a merchandise, a service, a company, or a person - against its main competitors. This system is based on the concept that communication can only take place at the right time and under the right circumstances. The mind accepts only that new information which matches its current state. It filters out everything else. In other words, positioning is a process by which a psychological "anchor" (any stimulus which evokes a consistent response) has been placed into the minds of prospects so that they come to choose one specific person or company over another.