**Class Set:\_\_\_\_\_\_\_**

**Market Segmentation Activities**: Choose any three of the following options to complete. **Task #6 & #7 are required**. You may work individually or with a partner to answer these questions.

**Answer questions for activities #1 - #5 on a separate sheet(s) of paper.**

**Activity #1: Segment Names**

**A small chain of coffee stores has identified four main target markets. Complete Questions #1 & #2.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Target Market** | **Product** | **Place** | **Promotion** | **Price** |
| **Loves to chat** |  |  |  |  |
| **On the way to work** |  |  |  |  |
| **Here on business** |  |  |  |  |
| **Time to kill** |  |  |  |  |

**Questions**

1. Based off of the group given; create a marketing mix for each buying group.
2. Simply by the use of the name, how would you describe the needs and characteristics of each segment?

**Task #2: Magazine Ads**

Find two examples of how companies use different products to reach different market segments. For example, an auto company has different car models that appeal to completely different market segments (Ford Focus versus Ford Mustang).

Identify at least two segmentation variables the company used to identify the target market for each product category. You should have a total of four ads (Example two Ford & two Coca-Cola). Label each ad and describe the target market of each using at least two variables for each. *Can use internet ads if necessary.*

**Task #3: Abe Lincoln Quote**

***“You may please all of the people some of the time, you may even please some***

***of the people all of the time, but you can’t please all of the people all of the time.”***

**How does this quote relate to Market Segmentation?**

**Activity #4: Why use Target Markets**

**Review the proposed new radio station format, which is designed to appeal to a mass market. You need to consider whether a broad marketing approach is suitable or whether the radio station would benefit from a more precise target market**.

As we know, most radio stations tend to specialize in a particular format and music style. For instance, some radio stations mainly play modern music, while others only play classical music, some play oldies (songs from the 1960’s and 1970′s), some focus on rock, some country music, and there are even some that play no music at all – they concentrate on news, current issues, and interviews. Therefore, in this radio world of specialization, a new radio station is daring to go against common practice and adopt a more innovative approach. They plan to offer something for everyone. With their approach, every hour they plan to:

* Play one modern song

***Note:*** *With this format, which they will simply repeat each hour,*

*they believe that their audience will be extremely large because they will*

*appeal to everyone in the market.*

* Then play a country song
* Then play a classical piece
* The interview a politician
* Then play an oldie
* Then play an operatic piece
* Then interview an expert (like a scientist)
* Then play a children’s song

**Questions**

1. How successful (or unsuccessful) do you think that this new radio station format will be? Why?
2. Do you think that the radio station would be more successful if it adopted a target market focus?
3. Are there circumstances where firms would benefit from not having a defined target market and appealing to the mass market instead?

**Activity #5: Celebrity Endorsements**

Sometimes it can be effective for a firm to utilize a celebrity to help promote their product/brand. Your task is to identify whether any of the following firms could possibly benefit from using an ‘available’ celebrity. If so, which available celebrity would be most appropriate?  (Note: A limited list of celebrities has been provided to make this activity more manageable.)

**List of firms/brands – looking for a celebrity endorser**

**List of ‘Available’ Celebrities**

* Tom Cruise (actor)
* David Beckham (football/soccer player)
* Tiger Woods (golfer)
* Michael Phelps (Olympic swimmer)
* Michael Jordan  (basketball player)
* Lady Gaga (singer)
* Bill Clinton (former American president)
* Elle McPherson (model)

* Kit Kat (chocolate bar)
* Virgin (airline)
* Reebok
* Toyota
* Madrid (as a holiday destination)
* Revlon cosmetics
* AT&T (for mobile phones)
* KFC (fast food)

**QUESTIONS**

1. Choose who you believe to be the best celebrity endorser for the products/firms listed.
2. Then work through the following checklist to see how well they would fit to the product and the promotional goals.

Is the person well known?, Is the person well liked?, Would the person be seen as credible/believable?

Is the person a good ‘fit’ to the product?, Is the person a good ‘fit’ to the likely target market?

Does the person present a risk of ‘poor behavior’?

**Task # 6: Using PRIZM look-up to identify consumer markets (Required)**

You have decided to open a coffee shop bakery restaurant bar night club other:\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***\*Choose One Business to Open***

You know that you want to be located in a college town. Choose three colleges from the list below. Based on the type of business you are opening up and the colleges you selected; determine which location would be best for you to use.

**Colleges / Locations (choose three)**

Appalachian State (28607) Davidson (28036) Duke (27705) East Carolina University (27858)

Elon (27244) Gardner-Webb (28273) North Carolina State (27610) UNC-Charlotte(28269)

UNC-Chapel Hill(27516) Wake Forest (27107)

Go to the MyBestSegments site at:[http://www.claritas.com/MyBestSegments/Default.jsp?ID=30#](http://www.claritas.com/MyBestSegments/Default.jsp?ID=30)and click on Zip Code Look-up. Type in the zip code of one of the colleges you have chosen. Complete the chart below based on the factors given. Repeat this process for two more colleges.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **University of Michigan (48103)** | **College #1:** | **College #2:** | **College #3:** |
| Population | 53,334 |  |  |  |
| Median Age | 39.1 |  |  |  |
| Median Income | 65,000 |  |  |  |
| Consumer Spend | $1,265 Million |  |  |  |
| Majority of Race | White |  |  |  |
| Common Segment #1 | Boomtown Singles |  |  |  |
| Common Segment #2 | Executive Suites |  |  |  |
| Common Segment #3 | God’s Country |  |  |  |
| Common Segment #4 | Middleburg Managers |  |  |  |
| Common Segment #5 | Up & Comers |  |  |  |
| Common Segment #6 |  |  |  |  |

**Based off of the chart above; which campus would be the best fit for the type of business you have selected? Give three reasons to support your answer.**

**Task #7: Average Joe / Jane**

In pairs, create a customer profile on the Average Joe or Average Jane consumer for your chosen product or service. Ask yourselves “Who will buy this product or service? At what price? What special features do they want?” This will help you figure out who your average consumer is.

Product / Service: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Demographics:**

Age:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Gender: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Income:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Marital Status: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Ethnic Background: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Education: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Geographics:

Where does your average customer live? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Psychographics:

Describe your average customer’s attitude(s), lifestyles, & beliefs: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Task # 8: Shark Tank / Commercial Target Market**

**Shark Tank Target Markets**

Target Market for Business Concept #1: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Target Market for Business Concept #2: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Target Market for Business Concept #3: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Target Market for Business Concept #4: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Target Market for Commercials:**

|  |  |  |
| --- | --- | --- |
| **Commercial** | **Company** | **Target Market (At least two factors)** |
| **1** |  |  |
| **2** |  |  |
| **3** |  |  |
| **4** |  |  |
| **5** |  |  |