

International MBA

Marketing and commercialization in international environments.

Class slides: Consumer and business markets.

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Content

1. Segmentation, Targeting, Positioning
2. Markets
3. Markets analysis
4. Customer behavior

1. Segmentation, Targeting, Positioning

Definitions

Segmentation

determine which kinds of customers exist (customer segments classification)

Targeting

select which ones we are best off trying to serve (buying personas)

Positioning

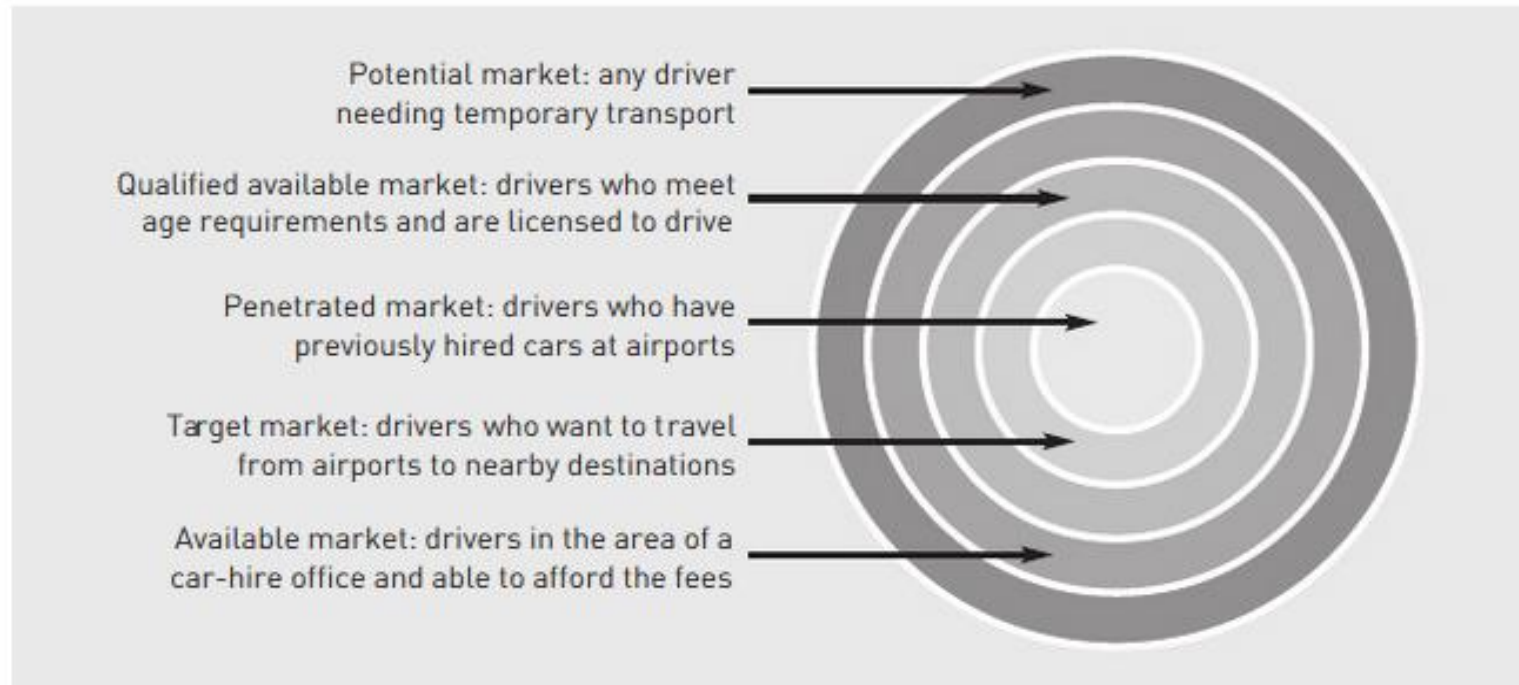
optimizing our products/services for that segment (competitive differentiation)



2. Markets

Five levels of market definition

A car-hire Company example



3. Market analysis

Market analysis

What is Market share?

Market share is defined as the percentage of sales within a market accounted for by a company, brand or product, as calculated in terms of units or money (or both, if the data can be obtained).

$$\text{Unit Market Share (\%)} = \frac{\text{Unit Sales}}{\text{Total Market Unit Sales}}$$

$$\text{Revenue Market Share (\%)} = \frac{\text{Sales Revenue}}{\text{Total Market Revenue}}$$

3. Market analysis

Customer analysis

What's the sample size?

Sample size is the number of completed responses received from the survey.

Why it is called a sample?

When we talk about random sample is a part of the population chosen by chance, without selection criteria.

Sample should be representative.



3. Market analysis

Customer analysis

What's the margin or error?

A percentage that will tell you how closer you are to have trustful information given by a confidence level.

What's the confidence level?

When we talk about a 90% or 95% percent confidence level we are saying that if survey were repeated over and over again, the results would match the current results from the actual population 95 percent of the time. It does not means that your are 95% close to be accurate regarding the complete population.

To minimize the margin of error, the larger sample must be.

To maximize the confidence level, the larger your sample size need to be.

3. Market analysis

Customer analysis

How to calculate a proper sample size?

Sample size calculation on-line:

<https://www.surveymonkey.com/mp/sample-size-calculator/>

<https://www.surveysystem.com/sscalc.htm>

Suggestions: use a level of confidence from 90% to 95% and a margin or error from 5% to 10%

$$ss = \frac{Z^2 * p * (1-p)}{C^2}$$

Z = Z value (e.g. 1.96 for 95% confidence level)

P = percentage picking a choice, expressed as decimal (0.5 used for sample size needed)

C = confidence interval, expressed as decimal (e.g. 0.04 = ±4)

3. Market analysis

Customer analysis

What is Neuromarketing?

Neuromarketing is a field that applies the principles of neuroscience to marketing research, studying consumers' sensorimotor, cognitive, and affective response to marketing stimuli.

What is Thick data?

Thick Data is about a complex range of primary and secondary research approaches, including surveys, questionnaires, focus groups, interviews, journals, videos and so on. Thick data can represent the missing piece by explaining why humans act the way they do.

What is Big Data?

How companies can use Big data?

Big data refers to the ever-increasing volume, velocity, variety, variability and complexity of information. For marketing organizations, big data is the fundamental consequence of the new marketing landscape, born from the digital world we now live in.

4. Customer behaviour

Markets

Consumer and Business markets



4. Customer behaviour

Consumer vs. Business markets

Consumer markets

Large scale market

Emotionally driven

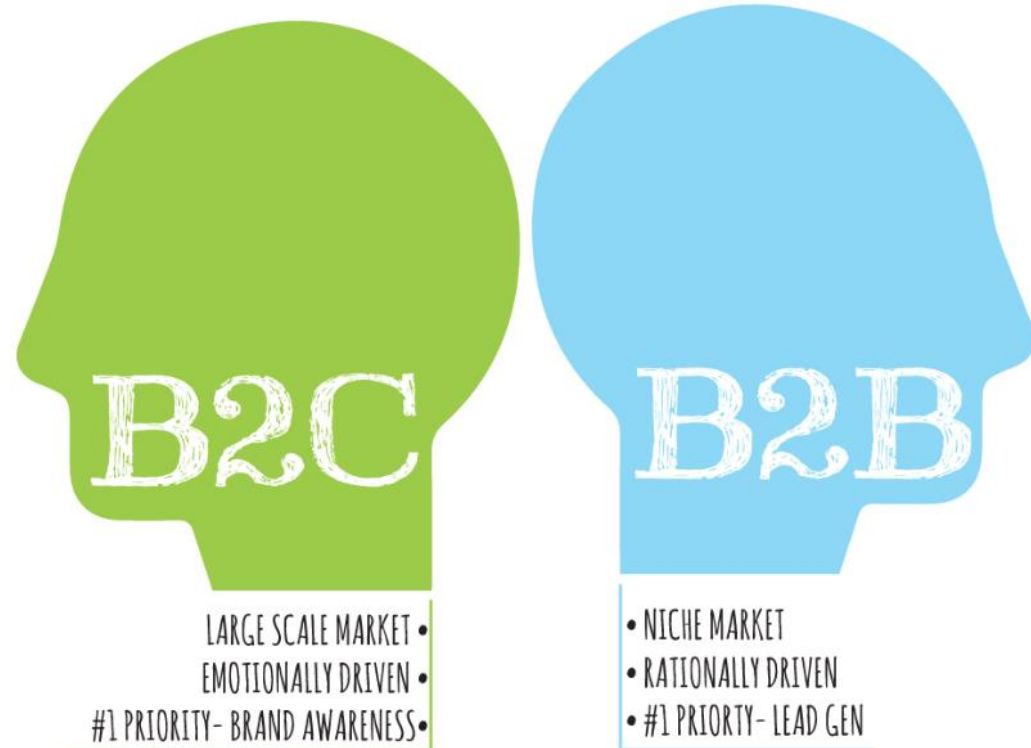
#1 Priority – Brand Awareness

Business markets

Niche market

Rationally driven

#1 Priority – Lead generation



4. Customer behaviour

Understanding customer behavior in consumer markets

What does influence on the consumer buying behavior?

Customer characteristics and needs

- Demographics such as age, occupation, family status
- Problem that product will solve
- Changes in stated/unstated needs
- Customer-perceived value

Social connections

- Family and friends
- Work associates
- Organisations
- Opinion leaders

Cultural elements

- Culture
- Subculture
- Class

Personal and psychological elements

- Life cycle
- Lifestyle, psychographics
- Motivation and attitudes

4. Customer behaviour

Understanding customer behavior in business markets

What does influence on the business buying behavior?

Customer characteristics and needs

- Industry classification
- Turnover
- Workforce size
- Facilities location
- Geographic focus
- Customer-perceived value

Internal and external relationships

- Buying centre participants
- Decision process
- Supplier relations
- Customer relations

Organisational and environmental considerations

- Objectives
- Budgets and buying cycle
- Buying policies and procedures
- Share and growth
- Competitive situation
- Other environmental factors

4. Customer behaviour

Roles in Buying process

Buying centre participant	Influence on purchases
Users	Often initiate the buying process and help define specifications.
Influencers	Often define specifications and provide information for evaluating alternatives.
Buyers	Have the formal authority to select suppliers and negotiate purchases.
Deciders	Have the formal or informal power to select or approve suppliers.
Gatekeepers	Control the flow of information to other buying centre participants.

Source: Adapted from Philip Kotler, Veronica Wang, John Saunders and Gary Armstrong, *Principles of Marketing*, 4th European edn (Harlow: Pearson Education, 2005), p. 309. Reproduced with permission from Pearson Education Ltd.

4. Customer markets

Customers types

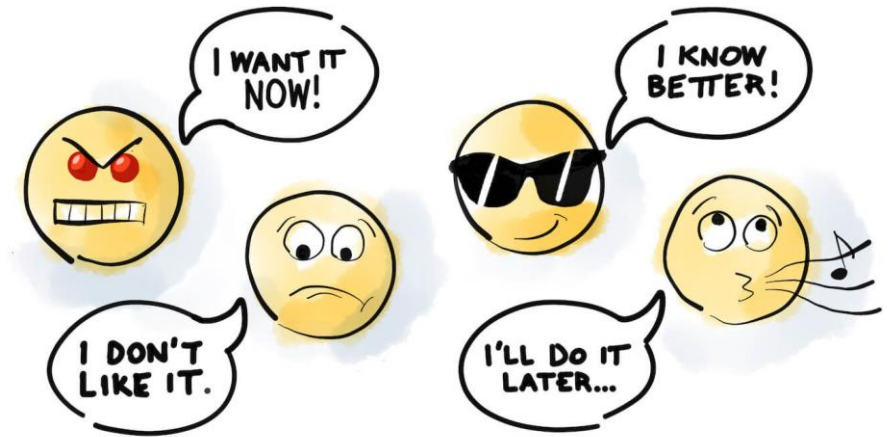
Potential customer – The Potential Paul. ...

New customer – New Neil. ...

Impulsive Customer – Impulsive Iggy. ...

Discount customer – Discount Dan. ...

Loyal customer – Loyal Larry.



4. Customer behaviour

Buying personas

Buyer personas

- tell how and why
- a representative buyer
- makes the decision
- to buy the products, services or solutions
- that company market.

THE CASUAL USER



Pete

Uses most phone features

Uses phone to make, use contacts send texts and take pictures

Always has mobile device with him

THE BUSINESS USER



Jennifer

Wants a simple phone, but functions as an integrated device

Wants to easily read email and call back the sender

Needs "Popular" mail server integration

THE POWER USER



Brad

Will use almost all built-in mobile functionality

Will extend phone functionality with additional software

Will look through and change change every menu option

5. Customer behaviour

B2B Buying personas



1st assignment

1st assignment. Step 3 - Markets

- Market
 - *B2C buying personas*
 - *B2B buying personas*
 - *Growth and Trends*
- In groups (7 groups in CV)