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University of Wales
Trinity Saint David

CertHe Employability Skills

Module: BMSW4011

Managing Enterprise

Trawsnewid Addysg; Trawsnewid Bywydau
Transforming Education; Transforming Lives



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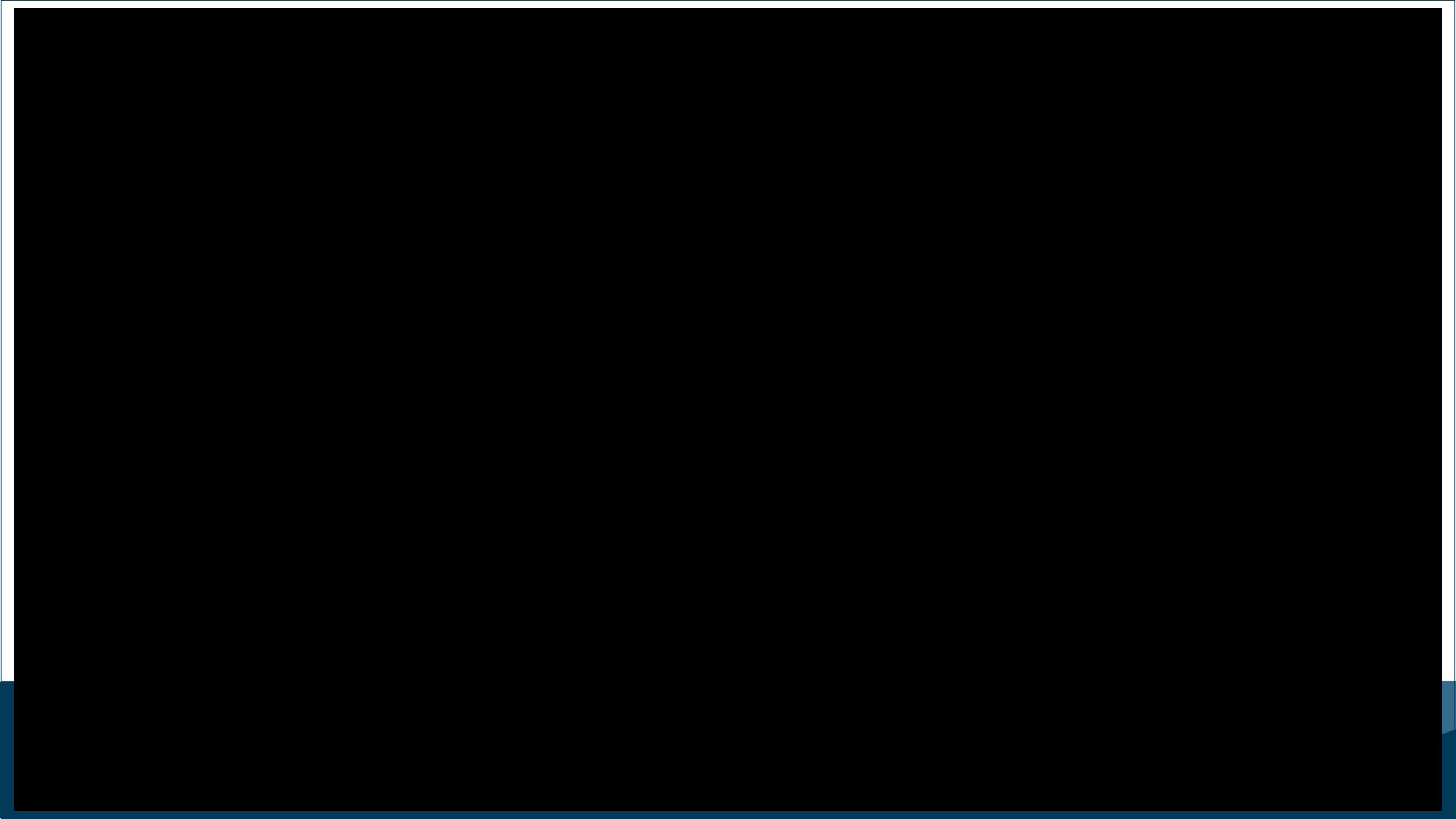
Last Week - RECAP

- Introduction to the module
- Expectations
- Module Handbook
- Types of Business, Aims & Objectives and USP

Have we thought about a Business idea?

Today's Objectives

- Know your market and its customers
- Segmentation
- Targeting
- Positioning
- SMART objectives
- 7Ps
- Competitor analysis



Market Segmentation

Market segmentation involves dividing a broad market into smaller, more manageable groups of consumers who share similar characteristics or needs, allowing businesses to tailor their marketing efforts more effectively (Gillis, 2024).

Do you think a clothing shop sells and advertises the same products to every customer? Why not?

Market Segmentation

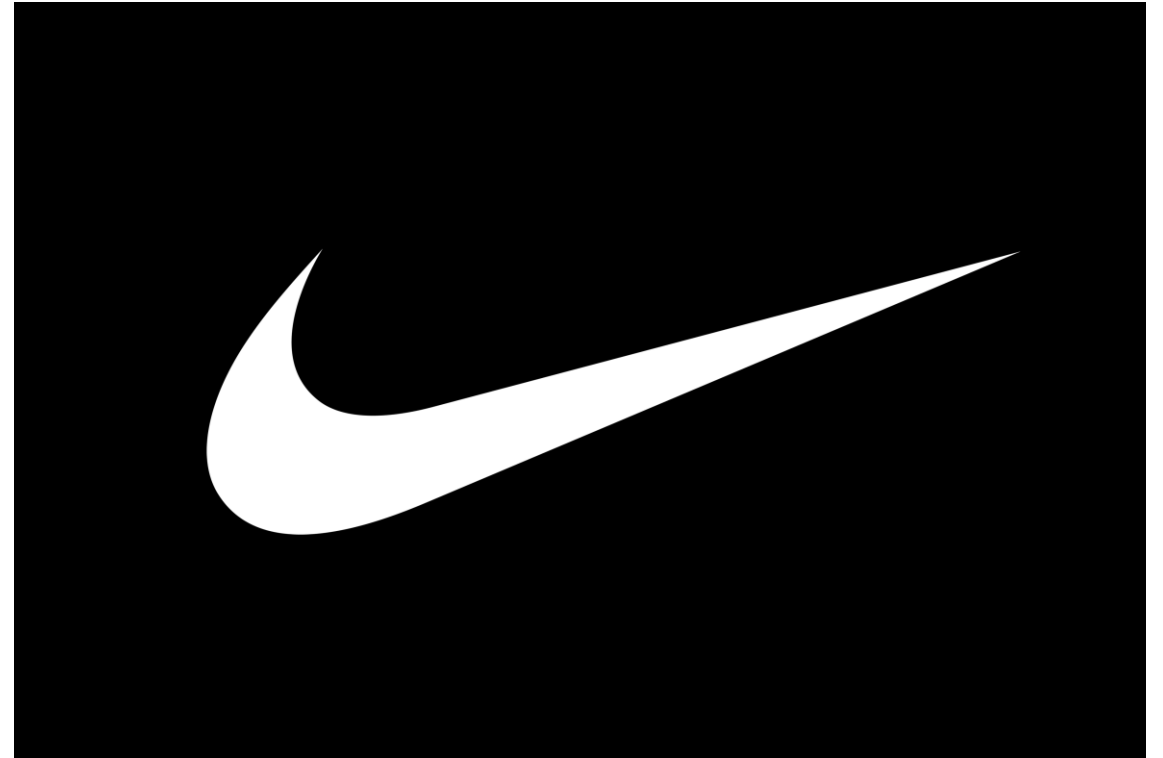
- Customers have different ages, lifestyles, interests and needs.
- Businesses group similar customers together so they can offer them more suitable products and marketing.



Why might Nike advertise different products to different types of customers?

Example - NIKE

- Nike doesn't try to sell the same product to everyone in the same way.
- Instead, it uses market segmentation to understand different customer groups and meet their specific needs.



Demographic Segmentation — By Age:

- **Children:** Fun, simple, affordable and durable
- **Teens:** Trendy, customisable and influenced by popular culture
- **Adults:** Quality, performance, style and comfort

Demographic segmentation = grouping customers based on characteristics such as age, gender, income or occupation.

(Solomon et al., 2016)

Psychographic Segmentation — By Lifestyle or Interests:

- **Serious Athletes:** Performance and specialist equipment
- **Casual Gym-Goers:** Stylish, practical and versatile products
- **Fashion-Conscious Consumers:** Trends, exclusivity and limited editions

Psychographic segmentation = their lifestyle, interests and preferences.

(Solomon et al., 2016)

Geographic Segmentation — By Location:

Nike adapts its products to different locations and climates:

- **Hot Climates:** Lightweight, breathable and cooling products
- **Cold Climates:** Warm, protective and weather-resistant products

Geographic segmentation = where customers live and how their location affects what they need.

(Kotler and Keller, 2016)

Behavioural Segmentation — By Shopping Habits:

Nike targets customers based on how they shop and interact with the brand:

- **Loyal Customers:** Early access and exclusive products
- **Repeat Customers:** Rewards, discounts and personalised offers

Behavioural segmentation = how customers behave, such as what they buy, how often they buy, and their brand loyalty.

(Kotler and Keller, 2016)

The Benefits of Market Segmentation

- **Better Targeting** - *Focus on customers most likely to buy your product.*
- **Smarter Marketing** - *Save money by sending the right message to the right people.*
- **Happier Customers** - *Offer products and services that truly match customer needs.*
- **More Sales & Loyalty** - *Customers are more likely to buy and return when they feel understood.*
- **Better Products** - *Design products that suit the specific needs of each segment.*

(Kotler, Bowen and Makens, 2016)

Target Market

Where market segmentation is splitting customers into groups, target market is the specific group a business chooses to focus on.

Instead of trying to reach everyone, businesses focus on those most likely to be interested in what they offer.

How can this help businesses?

- Create the right products
- Advertise in the right places
- Use the right message to attract customers

(Kotler and Armstrong, 2018)

Apple Watch: Target Marketing Case Study

Apple targets distinct Apple Watch segments by tailoring features, messaging, and ads to specific customer needs.

- For **fitness enthusiasts**, it emphasises health tracking and workouts
- For **tech-savvy users**, smart connectivity and integration with other Apple devices.
- **Style-conscious buyers** are drawn to customisable bands and luxury editions.

(Solomon et al, 2016)

Would you advertise an Apple Watch in the same way to a fitness enthusiast and a fashion-conscious customer?

How do they reach different audiences?

- **Targeted Marketing:** Apple uses social media, influencers and online advertising to reach different customer groups.
- **Different Messages:** Marketing focuses on what matters to each audience, such as health, fitness, staying connected or personal style.
- **Customer Benefits:** Apple shows how the Apple Watch can fit into customers' everyday lives and needs.

(Solomon et al, 2016)

“Knowing your target market helps you make better choices in what you sell, how you talk to customers, and where you promote your business.”

(Kotler and Keller, 2016)

Think about your business idea: What are you selling, and who would be most interested in it?

Answer the questions below to help describe your proposed target market:

- **Age range:** (e.g. 18–25, 30–50)
- **Gender** (if relevant): e.g. Mostly women, both men and women
- **Location:** e.g. Local town, online customers across the UK
- **Interests or lifestyle:** e.g. Fitness lovers, students, busy parents, eco-conscious shoppers
- **Why would this group want your product/service?** e.g. It's affordable, convenient, trendy, healthy, handmade

Market Positioning

Market Positioning is how a business wants customers to perceive and remember its product or brand in comparison to competitors.

It's about making your business stand out clearly in the customer's mind.

What do we think of when we think of Starbucks Coffee?

Good positioning helps customers understand:

- What makes your product unique!
- Why they should choose you over others

(Kotler, 1999)



STARBUCKS CASE STUDY

BRAND POSITIONING STRATEGY EXPLAINED

“Positioning is about choosing what you want to be known for, and making sure your marketing shows that clearly.”

(Kotler and Keller, 2016)

Market Positioning

Two Broad Categories of Market Positioning:

1. Cost Leadership:

The business aims to be the lowest-priced option in the market, focusing on selling products cheaper than competitors.

2. Differentiation:

The business offers unique or standout products or services, often at a higher price, to set itself apart from competitors.

(Porter, 1980)

Cost Leader Strategy

A company pursuing a cost leadership strategy aims to become the lowest-cost producer in its industry, offering products at prices lower than competitors (Porter, 1980).

What does this mean for consumers?

- **Simple and reliable products** – Focuses on the features customers actually need.
- **Lower prices** – Fewer unnecessary extras help keep costs down.
- **Good value for money** – Best suited to customers who prioritise affordability over premium features.

Differentiation Business Strategy

A company using a differentiation strategy wants customers to perceive its products as unique and superior compared to competitors (Porter, 1980).

What does this mean for consumers?

- **Unique products** – Stand out through better features, design or quality.
- **Premium prices** – Customers are willing to pay more for these added benefits.
- **Strong brand loyalty** – Quality, innovation and customer experience encourage customers to choose the brand again.

Cost Leader or Differentiation?

1. Apple

Differentiation

2. Aldi

Cost Leader

3. Lush

Differentiation

4. Tesla

Differentiation

5. Primark

Cost Leader

6. Nike

Differentiation

7. Ryanair

Cost Leader

8. Ben & Jerry's

Differentiation

7Ps Marketing Mix

The Marketing 7Ps are seven key elements businesses consider when marketing their products or services.

They help companies understand:

- What they're offering,
- How to promote it,
- And how to attract and satisfy customers.

“The 7Ps act like a **checklist** to help plan and improve how you sell your product.”

(Booms and Bitner, 1981)

1. Product

Product includes everything about the product or service being offered — what it does, how it looks, its quality, and its features.

Questions to consider:

1. What problem does the product solve for the customer?
2. What makes this product different from others on the market?



Example:

A bakery sells fresh cupcakes with unique flavours like bubblegum or matcha. These special flavours and freshness define the product.

(Lamb, Hair and McDaniel, 2020)

2. Price

Price is the amount customers pay for a product or service and how that price is decided — whether it's budget-friendly, average, or premium.

Questions to consider:

1. Is the product affordable or positioned as high-end?
2. Are there discounts, deals or special offers available?

Example:

Primark draws many shoppers with low prices (cost leader), while Nike charges more due to the quality of its products and strong brand reputation (differentiation).



(Lamb, Hair and McDaniel, 2020)

3. Place

Place means how and where the product is sold — whether through physical stores, online platforms, or other sellers.

Questions to consider:

1. Is the product available online, in physical shops, or both?
2. Is it easy for customers to find and purchase the product?

Example:

Amazon sells products online only, while a local café sells exclusively from its physical location.



(Lamb, Hair and McDaniel, 2020)

4. Promotion

Promotion includes all the ways a business communicates with customers — through advertising, social media, events, and more.

Questions to consider:

1. How do you capture people's attention?
2. What key message do you want to share with your audience?



Example:

A coffee shop might post attractive photos of their drinks on Instagram or distribute flyers in the local neighbourhood to attract customers.

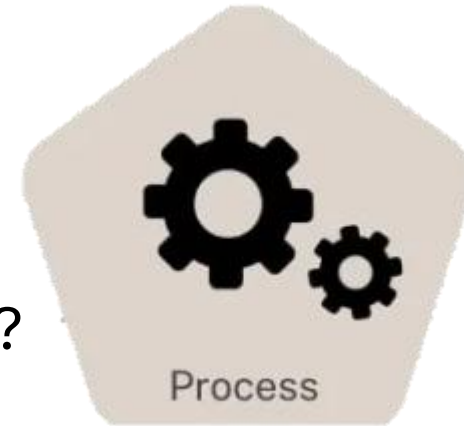
(Lamb, Hair and McDaniel, 2020)

5. Process

Process refers to the series of steps involved in delivering a product or service — from placing an order to delivery and customer support.

Questions to consider:

1. Is the process easy and smooth for the customer?
2. Are there delays or problems that could affect customer satisfaction?



Example:

An online store that offers a simple checkout experience and fast delivery provides a positive and efficient customer process.

(Lamb, Hair and McDaniel, 2020)

6. Physical Evidence

Physical evidence includes everything customers can see or touch that supports the brand — such as packaging, branding, the website, customer reviews, and the physical environment.

Questions to consider:

1. Does your business look professional and trustworthy?
2. Is your product or service presented in an attractive and appealing way?



Example:

A salon with a clean, modern space and visible customer reviews builds trust through physical evidence.

(Lamb, Hair and McDaniel, 2020)

7. People

"People" refers to everyone involved in providing the product or service — including staff, customer service teams, and the customers themselves.

Questions to consider:

1. Are staff friendly and helpful?
2. Do customers feel appreciated and valued?

Example:

In a restaurant, the attitude and service provided by the staff can make the dining experience either excellent or disappointing.



(Lamb, Hair and McDaniel, 2020)

Competitor Analysis

Competitor Analysis means examining other businesses that offer similar products or services to yours, to understand their strengths and find opportunities to improve.

Why it's important:

1. Helps you identify who your competitors are
2. Lets you learn from their successes and mistakes
3. Reveals ways for you to stand out in the market

Competitor Analysis

What questions should we consider when undertaking competitor analysis?

- ☐ Who are our competitors?
- ☐ What threats do they pose?
- ☐ What is the profile of our competitors?
- ☐ What are the objectives of our competitors?
- ☐ What strategies are our competitors pursuing and how successful are these strategies?
- ☐ What are the strengths and weaknesses of our competitors?

End of Class Activity

Think about your business idea and answer the following questions:

- What is your specific market segment? (Who, what, where are you targeting?)
- What is the size of your market? (If your business is a dog grooming service for example– how many dogs are there are in the area?)
- How will you market your business? (Leaflet drop, Newspaper ads, local radio ads etc).

Lesson Recap

Today, we have...

- How to segment your audience effectively
- Choose the right target market
- Position your offering clearly and competitively
- Set SMART (Specific, Measurable, Achievable, Relevant, Time-bound) objectives
- Apply the 7Ps of marketing (Product, Price, Place, Promotion, People, Process, Physical evidence)
- Analyse your competitors to stay ahead

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Vevox Quiz

Next Week

Week 3: Human and Physical Resources

For your business plan, I suggest working on the following:

- **Marketing Activities:** Detail the marketing and promotional strategies you will employ to sell your product/service. Provide examples of marketing and PR initiatives (e.g., business cards, flyers, social media posts).

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- Porter, M.E. (1980) *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: Free Press.
- Solomon, M.R., Bamossy, G., Askegaard, S. and Hogg, M.K. (2016) *Consumer Behaviour: A European Perspective*. 6th edn. Harlow: Pearson

If you have any questions, then please
do not hesitate to reach out.

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