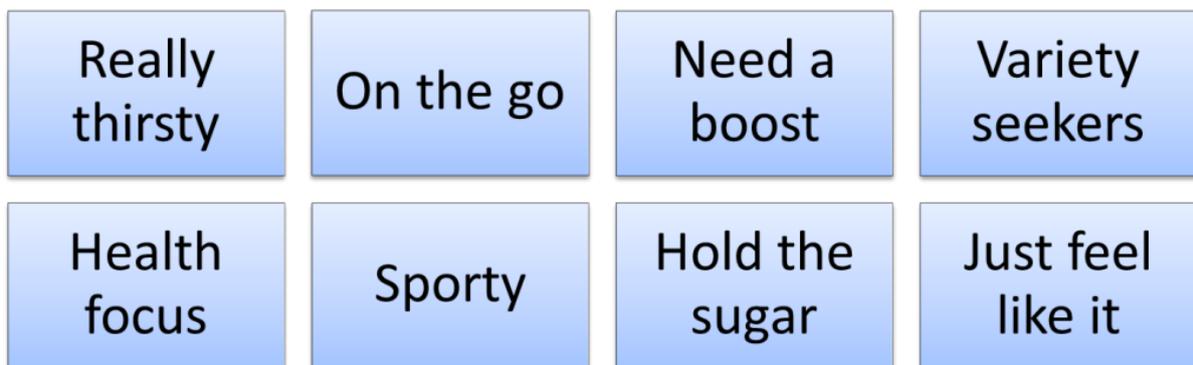


From Market Segmentation to Marketing Mix (Drinks)

The STP process (segmentation, targeting and positioning) is undertaken by marketers in order to have a better understanding of consumer needs so that a more effective marketing strategy can be developed. In this exercise, a total of eight different market segments for the cold beverage market have been provided.

Note: For the purpose of this discussion activity, let's assume that the cold beverage market extends to sodas, juice, energy drinks, milk-based drinks, water, sports drinks, and so on – but not alcohol products.



Quick Overview of Each Market Segment

Really thirsty

This group of consumers is seeking a fairly straightforward functional benefit from their consumption of a beverage.

On the go

The on-the-go market segment is a busy group of consumers who tend to eat and drink while they are traveling.

Need a boost

This market segment consists of those consumers who are feeling rundown or tired during the day.

Variety seekers

Variety seekers are consumers that have limited brand loyalty and will consume a broader selection of drinks, depending upon their taste and situation at the time.

Health focus

The health focused market segment consists of consumers who make their food and beverage choices based upon being healthy and eating well.

Sporty

This market segment consists of consumers looking for products that are helpful when playing sport or while exercising.

Hold the sugar

These consumers may have particular needs such as weight loss goals or being diabetic, but in most cases, they are looking to cut some calories from their daily diet.

Just feel like it

This consumer segment is attracted to drinks for enjoyment and refreshment, rather than for any functional (thirst) benefits.

Student Discussion Questions

1. Review the above market segments and identify which segments would make attractive target markets for drink companies. Outline the basis you used to select the most attractive segments.
2. Using your list of target market/s, identify the types of beverages (e.g. bottled water, soda, energy or sports drinks, juice, milk) and flavors that would best fit the needs of each target market.
3. In addition to the type of beverage and flavor, are there any other product attributes (e.g. packaging, container) that needs to be designed for the market's needs?
4. Outside of the product mix, in what ways should the other elements of the marketing mix be modified?