

MKTG1001 ASSESSMENT 3

by Thao Ly

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MKTG1001

**Assessment 3: Segmentation, Targeting, Differentiation and
Positioning (STDP)**

Due Date: Monday 22nd March 2021



Background

The pet industry within contemporary society is a prominent industry containing high levels of spending worldwide, where even the smallest subset of pet accessories itself is a billion-dollar industry (Daniel Roberts, 2016, p.1). An exemplar privately held organisation based in Taiwan focuses on the technology of monitoring pets is FURBO, they develop A.I supported home systems specialised for your pets. Its primary industry is the Electronics (B2C) industry and can also be considered to be in the application software industry. (Pitchbook, 2015, p.1.) Furthermore, the market's requirements for FURBO's technology include the safety and surveillance of owners' pets, which is addressed by specialised home systems and costly cameras. Individuals are returning back to workplaces, universities, offices, shops and cafes, etc. they do not have the spare time to monitor their pets thus through their application software their needs are met. Thus, FURBO is one of the leaders in pet safety and surveillance technology, remaining a leading business within a billion-dollar industry.



Market Segmentation

Segmentation Table



	Variables	Established Families	Young Adults	Moving Families
Geographic	<i>Region</i>	<i>Western NSW, Central Coast, Main City</i>	<i>Western NSW, Central Coast, Main City</i>	<i>Western NSW, Central Coast, Main City</i>
	<i>Population</i>	<i>500,000 – 1,000,000</i>	<i>3,000,000</i>	<i>100,000 – 1,000,000</i>
Demographic	<i>Occupation</i>	<i>Corporate, Education, Child Services based jobs. May include managerial positions.</i>	<i>Part-time and full-time Students, Casual and Part-time jobs, Hospitality focused jobs.</i>	<i>Corporate Positions, Full-Time, Managerial positions</i>
	<i>Income</i>	<i>Low to above average salaries. \$18,000 – \$90,000</i>	<i>Low to average salaries. \$0 – 20,000 \$20,000 to \$40,000</i>	<i>Average to High Salaries. \$60,000 to \$100,000</i>




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Psychographic	<i>Personality</i>	<i>Gregarious (tend to be gregarious due to their high ambition.), Ambitious (As they are hoping to advance in their position within the workplace.)</i>	<i>Non-chalant and carefree. May lack companionship, thus value their pets highly. They also have a low level of responsibilities which they tend to focus a lot of their efforts on their pets.</i>	<i>Ambitious, Focused, Gregarious, and Adventurous. (Willing to move location for their occupation to achieve higher salary or higher social status.</i>
	<i>Status</i>	<i>Medium to high level in their occupation, high education and medium to high income.</i>	<i>Low. Students who haven't fully completed their education with low income.</i>	<i>High social status. As they have high salaries and high in their job position with maximum education.</i>
Behavioural	<i>Benefits Sought</i>	<i>As they aren't home most of the day, it'll be beneficial to have an A.I system monitoring their pets which can be considered portable caring for their pets and very efficient.</i>	<i>Students who have to travel far or spend time outside of their home to focus on job commitments and university commitments will find this efficient and effective in caring for their pets.</i>	<i>For moving families, it is especially useful and efficient as they aren't in their main residence where the pets are and in certain situations, they may not bring their pet to where they are.</i>
	<i>Attitudes towards the product</i>	<i>Enthusiastic, and Positive as they can afford it and convenient for their work obligations.</i>	<i>They may be positive, indifferent/negative as they may not be able to afford this home system and may seem like a bother to control on top of their university commitments.</i>	<i>Enthusiastic and Positive as they can afford it with their high salary and their change of location.</i>


Target Market and Consumer Profile

Target Market


Within the three consumer segments identified in the segmentation table, the established family market is quite prominent and will be the most effective target market to achieve FURBO's primary goal of increasing their overall sales of their premier product *Dog Nanny*. Moreover, in 2016, Animal Medicines Australia released a pet ownership report showing that there were more than 24 million pets in Australia with 62% of pet households holding one of the highest percentages worldwide (Vetvoice, 2017, p.1). Hence, FURBO must utilise and direct their marketing budget and activities to the growing and established family target market as they're more than likely to reside in a household. Additionally, Australians had an estimated spending of \$13 billion on their pets in 2019 exemplifying that the pet industry within Australian households is a billion-dollar industry giving FURBO an incentive to direct its marketing activities (RSPCA, 2020, p.1). Furthermore, the pet ownership industry in Australia is increasingly prominent within households, implying that these pets are kept by established families. Thus, because of the high ownership statistics, rising sales would be more effectively achieved by targeting established families. 

Consumer Profile:

Established Families

- A group of people including one or two parents and a child/ren who all reside in the same household living in Western NSW, The Central Coast or the Main City, having a population between 500,000 and 1,000,000 people. The parents have a full-time job that could be a corporate job, educational, child services or even managerial positions that pays a salary ranging from \$18,000 - \$90,000. They tend to be gregarious due to their high ambition as a parent to make money for their family, thus through advancing positions within their job and working long hours allowing them to have a higher income. Moreover, their social status includes having completed tertiary education with either a medium or high-level position in their job producing a medium to high income. Furthermore, as they are not home 24/7 due to their work and life commitments they will seek for convenience and efficiency in products. 

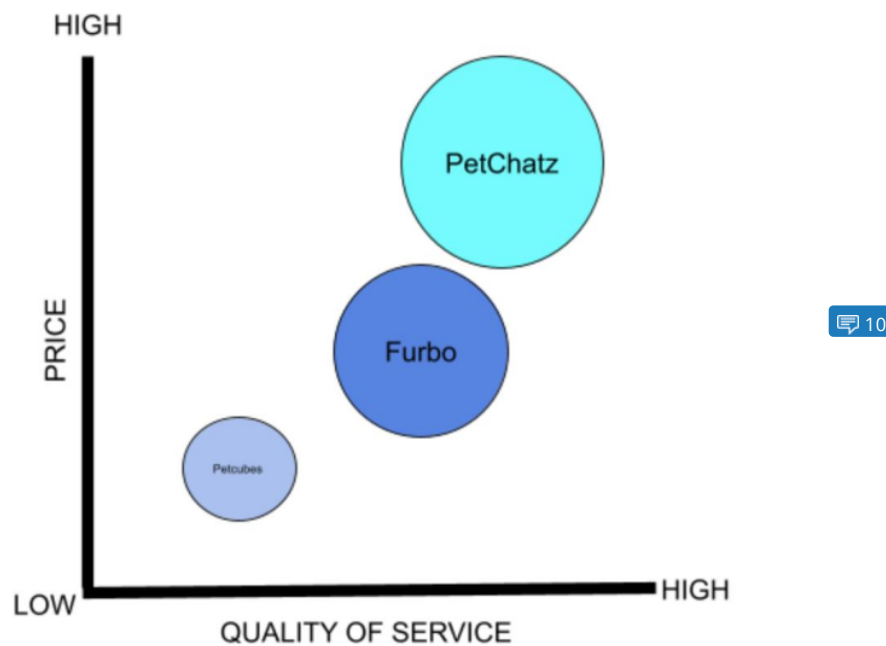
Differentiation and Positioning

There are a variety of differentiation and positioning strategies to boost sales in the established family target market. FURBO must choose a value proposition or differentiation strategies to create a differentiated value for targeted segments (Gary Armstrong, Sara Denize, 2020, p 190). Thus, there are five bases of differentiation and product, service and channel. As a result, differentiating the product aspect of *Dog Nanny* will allow it to add additional value to their brand and develop brand loyalty distinguishing itself from its competitors ultimately increasing their sales (Meridith Hart, 2019, p1). To achieve a great result, FURBO may develop a physical product rather than an application software to monitor their pets as consumers have a higher willingness to pay for products as opposed to a software application. This will give established families who aren't adept with software application technology an incentive to use the physical electronic device as it has a higher perceived value due to the fact that it is tangible and, in their hands, (Alexey Rom, 2016, p1). Additionally, whether it is the physical product or the application, FURBO may differentiate itself from its competitors by setting an attractive price tag and implementing warranties, reward programs. Moreover, they may differentiate their service having a more specialised customer service team to assist in application issues or guidance for established and growing families which would ultimately increase the reputation and reliability of the business (Hitesh Bhasin, 2017, p.1). Additionally, FURBO may direct their marketing activities into stating they are socially responsible; according to a Nielson Survey (Mike Hower, 2014, p1) 50% of customers choose socially responsible products. Hence, 80% of customers are willing to pay more 

for better customer service ultimately increasing brand awareness through positive reviews, and word of mouth (Capgemini, 2017, p1.) Furthermore, channel differentiation can help gain a competitive advantage as it may find experts and professionals in the application software and home security industry to improve its overall quality and performance which for example may be a smooth-functioning app with clear, direct and customisable options to pick from scarce issues. (Maximilian Claessens, 2015, p1). Additionally, utilising a 3rd party to assist in application software and home security will allow FURBO to prioritise their marketing activities for their product *Dog Nanny* reaching out to more established families within Australia. As a result, utilising channel differentiation will prove to be time and cost efficient leading to a competitive advantage. Thus, through differentiation of product, service and channel aspects of the Dog Nanny, FURBO will gain a competitive advantage and ultimately increase their sales.

Positioning Statement

For established families with pets at home, Furbo's experience and expertise within the pet industry ensures that you have 'Dog Nanny', the perfect monitoring system for your pets at home.



Conclusion

In conclusion, Furbo's leading-edge technology had produced an innovative product 'Dog Nanny' serving as a home surveillance system for pet-owners when they aren't at home. Moreover, through segmenting the Australian Market, three markets were compared to decide which segment would help the most in Furbo achieving their goals of increasing overall sales. As a result, the target market came to be Established Families as they have high rates of pet-ownership and thus Furbo implemented differentiation and positioning strategies to distinguish itself from its top competitors *Petcubes* and *Petchatz*. Thus, through careful and strategic implementation of segmenting, differentiation and positioning Furbo will increase their overall sales for their premier product 'Dog Nanny'.

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ORIGINALITY REPORT

0%

SIMILARITY INDEX

0%

INTERNET SOURCES

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PRIMARY SOURCES

Exclude quotes Off

Exclude bibliography Off

Exclude matches < 5%

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GRADEMARK REPORT

FINAL GRADE

GENERAL COMMENTS

Instructor

62 /100

PAGE 1



Comment 1

would be good to put the actual word count here.

PAGE 2



Comment 2

No need to highlight the reference.

Page number required for direct quotes only.



Comment 3

Good effort here. Good work on background info. Would be good to plugin more info. on pet owners. More info. around an overview of that industry stating key industry data would elevate the section.



Comment 4

Interesting choice of segments.



Comment 5

huge range here.....more justification/links to the segments required.

PAGE 3



Comment 6

avoid using long description in the table.

PAGE 4



Comment 7

Would encourage you to do some in-depth analysis on the choice of target market.
i.e structural attractiveness and alignment with the company's objectives and resources.



Comment 8

Integrating more literature/theory in this section will elevate the report.



Comment 9

do not highlight the references.

No need for page number unless direct quotes.

PAGE 5



Comment 10

Good effort here. More explanation/discussion required on why you have positioned the companies in this way. This will help elevate the section.



Comment 11

Overall decent effort.

CRITERION 1 (10%)

65 / 100

Analyse market situation ULO1, ULO2

ZERO (0)	The required elements have not been included, this may include some or all of the following: • A description of the industry has not been included • No or very little explanation of the market offering provided
FAIL (30)	May include some or all of the following: • The industry is described in very generic terms • Poor or limited explanation of the market offering provided
PASS (50)	May include some or all of the following: • The industry has been somewhat explained • A fair explanation of the market offering provided • Somewhat supported with sources.
CREDIT (65)	May include some or all of the following: • The industry has been reasonably explained • A good explanation of the market offering provided • Sources necessary for understanding mostly used.
DISTINCTION (75)	May include some or all of the following: • A very good explanation including the industry, the organisation, and the needs of the market • A very good explanation of the market offering provided. • Described clearly in context and using relevant sources for understanding.
HIGH DISTINCTION (85)	May include some or all of the following: • An excellent explanation including the industry, the organisation, and the needs of the market • An excellent explanation of the market offering provided • Described insightfully in context and using sources necessary for understanding.
PERFECT (100)	Perfect/Flawless

CRITERION 2 (30%)

50 / 100

Segment market ULO1, ULO2

ZERO (0)	The required elements have not been included, this may include some or all of the following: • Market segmentation has not been discussed and no sources have been used. • The segmentation table is missing. • None or less than three (3) segments identified.
FAIL (30)	May include some or all of the following: • Market segmentation discussed in very generic terms with no or very few sources used to justify discussion. • No evidence of a segmentation table being used, or it is incomplete. • Less than three (3) segments identified.
PASS (50)	May include some or all of the following: • Market segmentation bases and strategies have been identified and somewhat explained. Sources are somewhat relevant. • Market segmentation bases are discussed in some context in relation to the organisation and market offering. • Some attempt at the use of a segmentation table with three (3) segments identified.

CREDIT (65)	May include some or all of the following: • Market segmentation bases and strategies have been identified and are reasonably explained. Sources are relevant and credible. • Market segmentation bases are reasonably well discussed in relation to the organisation and market offering. • Good attempt at the use of a segmentation table with three (3) segments identified.
DISTINCTION (75)	May include some or all of the following: • Market segmentation bases and strategies have been identified and are explained well. Sources are relevant and credible. • Market segmentation bases are explained well and discussed in relation to the organisation and market offering. • Very good attempt at the use of a segmentation table with three (3) segments identified.
HIGH DISTINCTION (85)	May include some or all of the following: • Excellent identification and explanation of market segmentation bases and strategies. Sources are relevant and credible. • Market segmentation bases are very clearly explained in relation to the organisation and market offering. • Excellent attempt at the use of a segmentation table with three (3) segments clearly identified.
PERFECT (100)	Perfect/Flawless

CRITERION 3 (20%)

65 / 100

Profile and target market ULO1, ULO2

ZERO (0)	The required elements have not been included, this may include some or all of the following: • Target market has not been identified or is inappropriately identified. • Consumer profile is not provided.
FAIL (30)	May include some or all of the following: • Target market either not identified or inappropriately identified with little discussion. • Consumer profile not provided or not aligned with the segments provided.
PASS (50)	May include some or all of the following: • Target market identified but lacks detail. • Some justification provided for the selection of the target market. • Consumer profile provided but lacks detail.
CREDIT (65)	May include some or all of the following: • Target market profile appropriately identified. • Provides good justification for the selection of the target market. • Consumer profile appropriately identified.
DISTINCTION (75)	May include some or all of the following: • Target market profile appropriately identified. • Provides very good justification for the selection of the target market. • Consumer profile appropriately identified.
HIGH DISTINCTION (85)	May include some or all of the following: • Target market profile appropriately identified. • Provides excellent justification for the selection of the target market. • Consumer profile appropriately identified.
PERFECT (100)	Perfect/Flawless

CRITERION 4 (30%)

65 / 100

ZERO (0)	The required elements have not been included, this may include some or all of the following: • Differentiation and positioning strategies are not explained or applied with no evidence of access to any literature. • Positioning Statement is not provided. • Positioning Map is not included
FAIL (30)	May include some or all of the following: • Differentiation and positioning strategies are not explained or applied with little or no evidence of access to any literature. • Positioning statement not included or inappropriately identified. • Positioning Map not included or inappropriately identified.
PASS (50)	May include some or all of the following: • Differentiation and positioning strategies are somewhat explained or applied with some evidence of access to the literature. • Some attempt at a positioning statement but not linked or only partially linked with the differentiation strategy. • Some attempt at a positioning map but not linked or only partially linked with the differentiation strategy and positioning statement.
CREDIT (65)	May include some or all of the following: • Differentiation and positioning strategies are appropriately explained or applied with good evidence of access to the literature. • Good attempt at a positioning statement linked to differentiation strategy and target market • Good attempt at a positioning map with variables on the axes linked to the differentiation strategy and positioning statement.
DISTINCTION (75)	May include some or all of the following: • Differentiation and positioning strategies are appropriately explained or applied with very good evidence of access to the literature. • Very Good attempt at a positioning statement linked to differentiation strategy and target market • Very Good attempt at a positioning map with variables on the axes linked to the differentiation strategy and positioning statement.
HIGH DISTINCTION (85)	May include some or all of the following: • Differentiation and positioning strategies are appropriately explained or applied with excellent evidence of access to the literature. • Excellent attempt at a positioning statement linked to differentiation strategy and target market • Excellent attempt at a positioning map with variables on the axes linked to the differentiation strategy and positioning statement.
PERFECT (100)	Perfect/Flawless

CRITERION 5 (5%)

75 / 100

Conclusion ULO1, ULO2

ZERO (0)	May include some or all of the following: • No conclusion is provided • Conclusion is mostly not relevant
FAIL (30)	May include some or all of the following: • Conclusion is cursory or simplistic. • No implications to the organisation included.

PASS (50)	May include some or all of the following: • Conclusion offers a basic and superficial summary. • Some but limited implications for the organisation are offered
CREDIT (65)	May include some or all of the following: • Conclusion offers a good summary. • Good/adequate implications for the organisation are offered.
DISTINCTION (75)	May include some or all of the following: • Conclusion offers a very good summary. • Very good/Good implications for the organisation are offered.
HIGH DISTINCTION (85)	May include some or all of the following: • Conclusion offers an excellent summary. • Excellent/very good implications for the organisation are offered.
PERFECT (100)	Perfect/Flawless

CRITERION 6 (5%)

75 / 100

Professional presentation ULO1, ULO2

ZERO (0)	May include some or all of the following: • Follows stated submission guidelines, including correctly formatted title page, table of contents, headings, sub-headings, reference list, business report styling, etc. with a high number of errors/omissions • Demonstrates no use of academic sources and no peer-reviewed sources. • A high number of errors impacts extensively on meaning. • Harvard Referencing is not used or if used is used incorrectly
FAIL (30)	May include some or all of the following: • Follows stated submission guidelines, including correctly formatted title page, table of contents, headings, sub-headings, reference list, business report styling, etc. with many errors/omissions • Demonstrates no or very little use of academic sources and less than two (2) peer-reviewed sources. • A high number of errors impacts extensively on meaning. • Harvard Referencing is not used or if used is used incorrectly
PASS (50)	May include some or all of the following: • Follows stated submission guidelines, including correctly formatted title page, table of contents, headings, sub-headings, reference list, business report styling, etc. with some errors/omissions • Demonstrates limited use of academic sources (less than 5 different sources used) but has used at least two (2) peer-reviewed sources throughout. • Several errors impact somewhat on meaning. • Harvard Referencing is attempted but many errors evident
CREDIT (65)	May include some or all of the following: • Follows stated submission guidelines, including correctly formatted title page, table of contents, headings, sub-headings, reference list, business report styling, etc. with occasional errors/omissions • Demonstrates good use of academic sources (minimum of 5 different academic sources) with at least two (2) being peer-reviewed sources throughout. • Occasional errors impact on times on meaning. • Harvard Referencing is mostly well applied
DISTINCTION (75)	May include some or all of the following: • Follows stated submission guidelines, including correctly formatted title page, table of contents, headings, sub-headings, reference list, business report styling, etc. with very few errors/omissions • Demonstrates very good use of academic sources (minimum of 5 different

academic sources) with at least two (2) being peer-reviewed sources throughout. • Very few errors therefore meaning is consistently communicated. • Harvard Referencing is applied consistently well.

HIGH DISTINCTION
(85)

May include some or all of the following: • Follows stated submission guidelines, including correctly formatted title page, table of contents, headings, sub-headings, reference list, business report styling, etc. with virtually no errors/omissions • Demonstrates excellent use of academic sources (minimum of 5 different academic sources) with at least two (2) being peer-reviewed sources throughout. • Virtually no errors therefore meaning is effectively communicated. • Harvard Referencing is applied consistently well.

PERFECT
(100)

Perfect/Flawless