**1.Segmentation: The College Food Industry**

Sodexho USA's Campus Services Division offers a broad range of service styles, price points, and menu selections with customizable options to suit the needs of different groups. These innovative food programs are the result of extensive research into student dining trends and preferences and are designed to better serve the company's food service markets.

Firms choose from various segmentation methods based on the type of goods/services offered and on their segmentation goals. Many firms use basic demographic or geographic variables as a segmentation tool to identify a target market, but if a firm wishes to dig deeper into why customers might purchase a product, the firm might also wish to investigate lifestyle, loyalty, or benefit segmentation. There are many segmentation tools that firms can use to best identify a market that will be responsive to their product offerings.

*Read the case below and answer the questions that follow.*

Sodexho USA’s Campus Services Division realized that customer segmentation would help the firm better serve its food service markets, so it embarked on a program to isolate and understand different market segments. As a foundation for its research efforts, Sodexho started with secondary research from syndicated sources. It accessed the Student Monitor's Lifestyle and Media Survey, which identifies student trends and lifestyles. It also partnered with Claritas, which specializes in geodemographic segmentation. After gaining important insights from this research, marketers at Sodexho developed and administered questionnaires to thousands of students to learn more about their specific preferences in areas such as portion size, taste, brands, price, and dining atmosphere.

One tool developed from these efforts, LifeSTYLING, allows the company to segment its markets using student zip codes. LifeSTYLING has identified six unique segments: Metro Fusion, Main Streamers, Fun Express, Time Liners, Dream Catchers, and Trend Setters. Each segment has its own lifestyle characteristics that influence consumers' preferences for menu items, specific brands, and meal times. Sodexho relies on this market information to customize the products and dining venues it offers to suit the specific tastes of different segments.

The company has found this segmentation approach useful in a variety of college settings. As Glenn Kvidahl, director of Indiana State University's dining services, explains, "Through that research, they found that about 24% of the population at Indiana State are trendsetters. They're a little more adventuresome in their tastes. They may like bagels but not plain bagels. They would rather have jalapeno bagels or blueberry bagels. They like food with a twist—authentic pastas and sauces, vegetarian dishes. In the Commons, we didn't have a lot to attract that group. What we're trying to do with the Global Market Cafe is appeal to the trendsetters." At Sodexho, understanding the needs of different customer segments is part of everyday business.

1.Which of the following segmentation methods is Sodexho LEAST likely to use in developing its market segments?

Psychographic

Geographic

Benefits

Loyalty

Demographic

2.Sodexho has identified six unique segments: Metro Fusion, Main Streamers, Fun Express, Time Liners, Dream Catchers, and Trend Setters. Sodexho is working on developing product offerings that meet the needs of each of these types of market segments. This is an example of what type of segmentation strategy?

Concentrated segmentation strategy

Mass customization

Undifferentiated segmentation strategy

Differentiated segmentation strategy

Micromarketing

3.\_\_\_\_\_\_\_\_\_\_ is(are) the image people have of themselves. An example of this would be if Sodexho offered an organic line of fruits and vegetables to appeal to consumers who perceived themselves as being super health-conscious.

Psychographics

Lifestyles

Psychologists

Self-concept

Self-values

4.One of the main variables for evaluating whether a segment is attractive is whether the segments are \_\_\_\_\_\_\_\_\_\_.  Sodexho was able to recognize six segments that would respond favorably to its product offerings, thus fulfilling the first requirement of segment attractiveness.

attractive

honest

responsive

profitable

identifiable

5.Mr. Kvidahl at Indiana State explained that students at his school are mostly trendsetters. Based on Sodexho’s research, he worked with Sodexho to develop a \_\_\_\_\_\_\_\_\_\_ that would meet the needs of those students and separate its product offerings from the offerings of Sodexho's competitors.

proposal

perceptual map

positioning strategy

salient attribute

proposition

2.How do you see yourself?

00:00:03First of all, you're male or female, you're

00:00:06probably in your late teens or early

00:00:08twenties, you're going to college.

00:00:11Gender, age, and education are all parts of

00:00:14what marketers call your demographic segment.

00:00:18But there's more to segmenting

00:00:20than demographics.

00:00:21There's also psychographics.

00:00:23Your wants, needs, and lifestyle choices are

00:00:27all part of your psychographic make-up.

00:00:29However you see yourself, Thermos has created

00:00:33a product for you.

00:00:35Thermos is the global market leader in

00:00:38insulated food and beverage containers.

00:00:41Since their founding in 1904, the company has

00:00:44developed thousands of different products.

00:00:47With such an extensive product line, it's

00:00:49important for Thermos to be able to target

00:00:52their products to specific customer segments.

00:00:56-Thermos needed to really create a defined

00:00:58consumer segmentation strategy, because we've

00:00:60got such a tremendous product assortment

00:01:02to work with.

00:01:03We've got over hundreds of items within our

00:01:04assortment, and we needed to make sure that

00:01:06we targeted them to

00:01:07specific consumer segments.

00:01:09-In 2010, Thermos redesigned their website to

00:01:12appeal more directly to

00:01:13their customer segments.

00:01:15As part of the launch, Thermos needed to

00:01:17clarify and redefine these segments.

00:01:20-To really figure out who our consumer

00:01:22segments were, we went to the retailers first

00:01:24to find out what exactly that they were

00:01:25looking for and what products really

00:01:27worked for them.

00:01:28We also did a tremendous amount of online

00:01:30surveys with our customers to really see what

00:01:32products they were purchasing as well as more

00:01:34information about what their likes and

00:01:36dislikes were, their interests, and various

00:01:39psychographics from those consumers.

00:01:42Thermos used this insight to create seven

00:01:44main segments - purposeful moms, super

00:01:48commuters, outdoor enthusiasts, fashionistas,

00:01:52active achievers, epicurean, and tradesmen.

00:01:57Each is clearly defined.

00:01:59-For all of our consumer segments, we really

00:02:01try to gather some demographic and

00:02:02psychographic information for

00:02:04each of those segments.

00:02:05For example, we have our super commuter, and

00:02:07that's a male or female that's 21 to 55 years

00:02:10old, they're college graduates that are

00:02:12professionally employed, they're married with

00:02:15or without children, and they're on their way

00:02:17to work every day, looking for a product

00:02:19that's going to keep their beverages warm or

00:02:21cold throughout their commute.

00:02:23-Though Thermos uses specific segments for

00:02:25marketing, they recognize that there is

00:02:27often some crossover.

00:02:29-A number of our consumer segments really

00:02:30can cross over.

00:02:31For example, we have the purposeful mom

00:02:33consumer segment that's really concerned

00:02:35about the health and well-being of everything

00:02:37that her family is carrying with them to and

00:02:39from work or school every day.

00:02:41She also is the main purchaser for her

00:02:43household, so she may be purchasing for the

00:02:45super commuter and wants to make sure that

00:02:47her husband has the appropriate food storage

00:02:49or beverage product to get him to and from

00:02:51work during the day.

00:02:53We also know that she may be very fashion

00:02:55conscious, so we really will put her in the

00:02:56fashionista product category as well and then

00:02:59make sure that she has products that are

00:03:00targeted to her outfit for the day.

00:03:03-In addition to reaching customers,

00:03:05segmentation helps Thermos

00:03:06communicate with retailers.

00:03:09-Our consumer segmentation strategy is

00:03:10critical when working with retailers because

00:03:12oftentimes we'll go into a retail sales call

00:03:14and they'll say, "Why do I need ten mugs

00:03:17within my assortment?"

00:03:18Well, when we go in there with a strong

00:03:19consumer segmentation strategy, we can say,

00:03:22"You need one for the super commuter.

00:03:23You need something for the fashionista.

00:03:25You need something for

00:03:26the outdoor enthusiast."

00:03:28So it's really important for us to be able to

00:03:29have that strong consumer segmentation to

00:03:31present to retail and really get that full

00:03:33breadth of product on the store shelf.

00:03:35-Thermos' segmentation strategy also plays a

00:03:38key role in helping them expand

00:03:40into new markets.

00:03:42When they see a new opportunity, they create

00:03:44a new customer segment along with a new line

00:03:47of products.

00:03:48-One of the newest consumer segments that

00:03:50we've defined is really this epicurean.

00:03:52This is a consumer that's really interested

00:03:54in entertaining at home.

00:03:55There's been a significant trend in what

00:03:57they're calling homegating in that

00:03:59marketplace, and we really needed to have a

00:04:01product assortment that was targeted to that

00:04:03guest, therefore we've come up with a new

00:04:05line of product, one of which includes what

00:04:08we call our Cook 'N Carry.

00:04:09The Cook 'N Carry is a similar product to a

00:04:11Crock-Pot, but without the cord, so it makes

00:04:13it really easy to take it right from home

00:04:16and bring it to a family or

00:04:17friend's house for entertaining.

00:04:19-Thermos' segmentation strategy has been

00:04:21a great success.

00:04:24By clearly defining their consumer segments

00:04:26and by creating new segments, they've been

00:04:29able to expand their offerings in existing

00:04:32markets and grow into new markets.

00:04:35-Having such a defined consumer segmentation

00:04:37strategy has really helped Thermos grow our

00:04:39channels of distribution.

00:04:40We've expanded into various departments

00:04:43within the mass retailers, as well as we've

00:04:45grown outside of the mass channels and gone

00:04:47into specialty markets and specialty

00:04:49housewares as well as

00:04:50specialty sporting goods.

00:04:51And without these defined consumer segments,

00:04:53we wouldn't been able - wouldn't have been

00:04:55able to have gone out into those markets.

1.The video mentions how Thermos considers "how you see yourself" when segmenting its market. In psychographic terms "how you see yourself" is called \_\_\_\_\_\_.

self-values

geodemographics

lifestyle

self-concept

a VALS group

2.Thermos develops different mugs and containers for different segments. Thermos is using a(n) \_\_\_\_\_ targeting strategy.

differentiated

micromarketing

undifferentiated

mass marketing

concentrated

3.In identifying market segments, Thermos combines geography, demographics, and lifestyle measures. This mixture of segmentation schemes is called \_\_\_\_\_\_\_\_.

VALS

geodemographics

psychographics

positioning

segment mixing

4.In communicating the unique customer benefits of its various products to its target segments, Thermos is defining its \_\_\_\_\_\_\_\_, which is an important element of its overall \_\_\_\_\_\_\_ strategy.

target market; positioning

value proposition; positioning

value proposition; perceptual mapping

value proposition; segmentation

value proposition; targeting

5.Which element of segment attractiveness is Thermos addressing by increasing the availability of its products on retailers' shelves by working with retailers so that they understand Thermos's segmentation strategy?

Profitable

Reachable

Responsive

Identifiable

Substantial

6.The Cook and Carry, targeted to Epicureans, is cordless and easily portable. This is an example of \_\_\_\_\_\_\_\_.

benefit segmentation

behavioral segmentation

demographic segmentation

geographic segmentation

psychographic segmentation

1..Branding provides a way for a firm to differentiate its product offerings from those of its \_\_\_\_\_.

customers

partners

retailers

distributors

competitors

2.Brand awareness measures how many \_\_\_\_\_ in a market are familiar with the brand.

distributors

consumers

store owners

adults

retailers

3.Doritos's new color scheme and bold logo are part of its \_\_\_\_\_.

brand equity

product plan

rebranding strategy

co-branding

pricing strategy

4.Frito-Lay's spending on advertising and promotion of Doritos's taste and smell was designed to create \_\_\_\_\_.

entertainment

higher prices

quality

brand associations

5.Consumers' trust for Frito-Lay's brands leads to \_\_\_\_\_.

more costs

new products

brand loyalty

competition

better distribution

6.The relationship between the benefits and cost of Doritos is called \_\_\_\_\_.

perceived value

brand extension

market potential

sales potential

market share

**4.Band-Aid: Building on the Value of the Brand**

The Band-Aid brand, which is a part of global consumer goods giant Johnson & Johnson, is widely known as a leader in the wound-care market. Band-Aid has built its brand reputation through continued product innovations and line expansions, helping Band-Aid become one of the most recognized names in bandages, gauzes, and tapes. In this mini-case, we focus on Band-Aid's branding and product strategies.

The value of a brand translates into brand equity, or the set of assets and liabilities linked to a brand that add to or subtract from the value provided by the goods or service. Firms institute a variety of brand-related strategies to create and manage key brand assets. These strategies can include branding policy, decisions to extend the brand name to other products and markets, using the brand name cooperatively with that of another firm, and licensing the brand to other firms.

*Read the case below and answer the questions that follow.*

"Necessity is the mother of invention," says the old cliché, and in the case of Band-Aid, the saying applies. Back in 1920, when Earl Dickson came home from his cotton-buying job at Johnson & Johnson, he always found a hot meal waiting for him prepared by his wife, Josephine. He also found visible burns and cuts on Josephine from her kitchen labors, which prompted Earl to piece together gauze squares and adhesive tape to cover her wounds. The Band-Aid brand is widely recognized and respected by consumers and health care professionals alike, which accounts for its dominant share of the market. People around the world see the value of Band-Aid products to heal, protect, and repair minor nicks, cuts, scrapes, wounds, and bruises.

In keeping with its long history of product innovation, the company continues to invest in new product development and marketing. Band-Aids come in a host of styles, including those with popular characters for kids, uniquely shaped bandages for various parts of the body, antibiotic Band-Aids to help fight germs, waterproof products with aloe to treat burns, scar-healing strips, and both treated and untreated pads. Moreover, the Band-Aid franchise has expanded to include ointments, gauze, tape, and first-aid kits to meet a variety of needs. For example, One-Step Cleansing + Infection Protection Foam antiseptic cleans and heals wounds without the need for antibiotic ointment; and First Aid to Go! Mini First Aid Kits include essential travel-sized products.

These new product introductions do not come cheap for Band-Aid. In one recent year, $17 million of Band-Aid's $28 million marketing budget was earmarked for three new products. Advanced Healing Blister Block, a round, waterproof cushioning strip to heal and prevent foot blisters, received $7 million in marketing support to tout its ability to promote fast, natural healing. Finger Care Tough Strips received a marketing budget of $5 million and were rolled out as an extension of regular finger care products. Finally, Extra Large Tough Strips were also supported with $5 million for marketing. Previous years' launches were similarly supported, including Liquid Bandages ($7 million), Water Block Bandages ($8 million), and Hurt-Free Antiseptic Wash ($5 million).

1.Through Band-Aid’s continuous commitment to quality and constant product innovations, Band-Aid has been able to increase the consumer’s \_\_\_\_\_\_\_\_\_\_\_\_\_ of the Band-Aid brand.

perceived association

perceived benefit

perceived extension

perceived value

perceived cost

2.When Band-Aid decided to expand into ointments, gauze, tape, and antibiotic treatments, the company engaged in what type of branding strategy?

Co-branding

Brand awareness

Brand extension

Brand equity

Brand association

3.Band-Aid introduced First Aid to Go! in response to travelers’ needs for smaller carry-on items. This new line of products added to the breadth of Band-Aid’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

perceived value

associated services

brand dilution

rebranding

product mix

4.Band-Aid allocated $5 million to the promotion of the Finger Care Tough Strips as a commitment to increase the product \_\_\_\_\_\_\_\_\_\_\_ of the existing finger care product line.

depth

breadth

height

volume

width

5.Many consumers in the United States use the term “Band-Aid” to refer to all types of bandages and wound care products, regardless of the brand. This indicates that Band-Aid has done a great job at building \_\_\_\_\_\_\_\_\_\_\_.

brand awareness

brand equity

brand mix

brand personality

brand exclusivity

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