**Week 3: Assignment**

**Create the Value: Market Segmentation Analysis and a Value Proposition**

Your company has decided to explore the possibility of developing a new retail brand aimed at a specific target market. Please prepare a report that would form the basis of a planning discussion with your senior marketing managers. The term retail brand refers to a retail store concept, as opposed to a manufacturer’s product or service brand - the retail company is the brand - like Target, GAP or Victoria’s Secret.

Your report should include a detailed analysis of a potential market segment and a description of the proposed value proposition. Your report should be about 1,000–1,250 words and include a minimum of three references. Please use the APA format for your paper and references. Please include the following sections:

**1. Brief Description of the proposed retail brand concept**

**2. Potential Market Segment**

Identify the characteristics of your potential target market. The figure from the Week 2 lecture is helpful – you may also include other variables that you consider relevant. You also need to estimate the size of your target market and the revenue potential.

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| Major Segmentation Variables for Consumer Markets | |
| Geographic region | Pacific Mountain, West North Central, West South Central, East North Central, East South Central, South Atlantic, Middle Atlantic, New England |
| City or metro size | Under 5,000; 5,000–20,000; 20,000–50,000; 50,000–100,000; 100,000–250,000; 250,000–500,000; 500,000–1,000,000; 1,000,000–4,000,000; 4,000,000 or over |
| Density | Urban, suburban, rural |
| Climate | Northern, southern |
| Demographic age | Under 6, 6–11, 12–19, 20–34, 35–49, 50–64, 64+ |
| Family size | 1–2, 3–4, 5+ |
| Family life cycle | Young, single; young, married, no children; young, married, youngest child under 6; young; married, youngest child 6 or over; older, married, with children; older, married, no children under 18; older, single; other |
| Gender | Male, female |
| Income | Under $10,000; $10,000–$15,000; $15,000–$20,000; $20,000–$30,000; $30,000–$50,000; $50,000–$100,000; $100,000 and over |
| Occupation | Professional and technical workers; managers, officials, and proprietors; clerical salespeople; craftspeople; forepersons; operatives; farmers; retired people; students; homemakers; unemployed people |
| Education | Grade school or less; some high school; high school graduate; some college; college graduate |
| Religion | Catholic, Protestant, Jewish, Muslim, Hindu, other |
| Race | White, Black, Asian, Hispanic |
| Generation | Baby boomers, Generation Xers |
| Nationality | North American, South American, British, French, German, Italian, Japanese |
| Social class | Lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers |
| Psychographic lifestyle | Culture-oriented, sports-oriented, outdoor-oriented |
| Personality | Compulsive, gregarious, authoritarian, ambitious |
| Behavioral occasions | Regular occasion, special occasion |
| Benefits | Quality, service, economy, speed |
| User status | Nonuser, ex-user, potential user, first-time user, regular user |
| Usage rate | Light user, medium user, heavy user |
| Loyalty status | None, medium, strong, absolute |
| Readiness stage | Unaware, aware, informed interested, desirous, intending to buy |
| Attitude toward product | Enthusiastic, positive, indifferent, negative, hostile |

**3. The Value Proposition**

Describe the bundle of benefits/features that are offered to the target customer. Features are what the company offers and benefits are what the customer derives from these features.

* Functional Benefits – What basic features are offered?
* Emotional Benefits – What features are offered that make the customer feel good?
* Self-Expressive Benefits – What features are offered that help reflect and communicate the customer’s values to everyone in the social environment?

**4. Conclusions**

**Grading Rubric**

| **Outline** | **Points** | **Description** |
| --- | --- | --- |
| Description | 20/20 | Brief Description of the Retail Brand Concept |
| Potential Mkt Segment | 20/20 | Identify the characteristics of your potential target market; estimate the size of your target market and the revenue potential. |
| Value Proposition | 20/ 20 | Describe the bundle of benefits and features (Functional benefits; Emotional benefits; Self-expressive benefits) |
| Conclusion | 10/10 | Clear conclusions and summary |
| APA format/References  and Inline cites | 20/20 | Proper APA format, 1inch margins, 12 point font, title page,  headings used. |
| Editing, spelling,  grammar | 10/10 | Written at a graduate level, more than 5 error results in 0  points. |
| **Total** | 100 | Notes to student. |