

MARKETING ANALYTICS: Case Study

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Name: _____

Date: _____

Case No.	Chapters	Case Title
3A	3	Targeting: Hair Care Market

Background:

You are the marketing manager for Acme Cosmetics, a manufacturer and seller of hair color and other cosmetic products. Acme Cosmetics is a fairly young, small company with limited resources. Acme faces major brands as competitors, such as Clairol, L'Oreal, and Revlon. Acme needs to decide which market segment(s) it wishes to target with its products.

Acme has identified four potential segments within the market for hair color products. Acme has paired up potential Acme Cosmetics products for each of the potential segments:

Market Segment	Product	Description
General consumer market	Acme Beauty	Acme Beauty is a line of hair color products available in standard colors and finishes.
Specialty consumer market	Acme Specialty	Acme Specialty is a line of hair color products for special circumstances, such as highlights, brassiness banishment, and short hair.
Luxury consumer market	Acme Luxe	Acme Luxe hair care products blend ancient Vietnamese botanicals with the latest French nanotechnology for a luxury hair experience.
Hair salon market	Acme Pro	Acme Pro is a line of hair color products for professionals, designed to treat client hair problems such as dry and frizzy hair.

1. Rate potential, alignment, and marketability for the four segments on a scale of 1 to 5, with 5 best. Follow the approach shown in the example entries for the "Hair Salon Market" targeting professional hairdressers. (Market data available at sources such as: <http://www.prweb.com/releases/2012/3/prweb9313396.htm>)

Segments	Potential	Alignment	Marketability
General consumer market			
Specialist consumer market			
Luxury consumer market			
Hair salon market	4/5; Salon product sales at \$72.4 billion with 3.6% growth	3/5; Poor brand awareness due to young company	5/5; Many venues to reach market, such as modernsalon.com

2. State advantages and disadvantages of different segment targeting strategies. Follow the approach shown in the example entries for the "single segment concentration."

Segment Strategy	Description	Advantages	Disadvantages
Single-Segment Concentration	<i>Sell pro-line products to hair salons only</i>	<i>Focus</i>	<i>Exposed to changes in demand</i>
Selective Specialization			
Product/ Service Specialization			
Market Specialization			
Full Market Coverage			