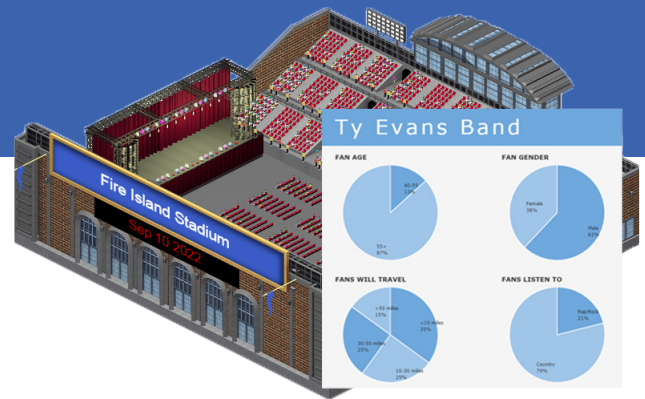


Case Briefing

Market Segmentation



Market Segmentation in the Simulation

The simulation gives you the tools that marketers use to reach targeted segments. It contains an advertising interface based on Facebook's advertising options. Facebook advertising revenues have soared past \$20 billion per year based on its ability to reach customer segments effectively. Within the simulation, thousands of potential customers with different attributes are modeled. Their likelihood of attending your concerts is influenced by impressions they see on social media. By targeting effectively, you can drive your attendance without overspending. Untargeted marketing will be expensive and ineffective.

Discussion Questions

Why is market segmentation and targeted marketing so important to marketers?

Under what circumstances does very broad marketing still make sense?

Why is social media a good channel for targeted marketing? How does Facebook support targeted marketing? Are there privacy issues with its approach?

Market segmentation means grouping people by age, income, race, behaviors. Is it ever unethical?

The Situation

A concert venue on Fire Island, NY, has booked a series of bands for its summer concert series. Traditionally, this venue has posted flyers around town, advertised in the local arts publication, and created a few radio ads. This year the management wants to target its advertising more effectively and make use of social media advertising opportunities.

Your Role

Because you are a recent graduate and grew up in the social media age, the venue's management has selected you to run this year's promotional campaign. You have a fixed budget and specific goals for ticket sales.

Learning Phase

Step-by-step instructions will guide you through a comparison of broad advertising and targeted marketing using market segmentation. After trying broad advertising to promote concerts at your 'practice' venue, you will research a band's appeal – discovering the customer segments with which they are strongest. After determining target segments, you will be guided through an interface patterned after Facebook's advertising interface. You will select segments and buy ads, trying to focus your marketing geographically, demographically, and by music interest – all without narrowing your target list too much. Finally, you will be shown how to track the results of your campaign and analyze ticket sales figures for a concert.

Challenge Phase

There are three more concerts left in the season at Fire Island Stadium. You have a limited budget and need to maximize attendance. Research the bands that are scheduled to play and use targeted social media advertising to reach the segments most likely to buy tickets. Spending money on segments not interested in the band will not produce ticket sales.

At the option of your Professor, you may be able to retry the Challenge Phase multiple times. Only your best grade will count.