Analysis of Market Segmentation and Target Market Positioning Strategy Based on Big Data

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Abstract: With the rapid development of information technology and the arrival of the big data era, market competition is becoming increasingly fierce. In this context, businesses need to have a more accurate understanding of consumer needs and behaviors in order to formulate effective marketing strategies. Market segmentation and target market positioning have become key to achieving personalized marketing for enterprises. This article aims to analyze the strategies of market segmentation and target market positioning based on big data, and explore how to use big data technology to identify and meet the needs of different consumer groups, thereby enhancing market competitiveness.

Keywords: big data, market segmentation, target market positioning

1. The Importance of Market Segmentation and Target Market Positioning

1.1 The Importance of Market Segmentation

Market segmentation is the activity of marketers in dividing a market into different groups where each group has the same or almost the same characteristics [1]. The use of big data allows companies to conduct in-depth analysis of consumer needs and preferences. By collecting and analyzing a large amount of consumer data, companies can understand consumer purchasing behavior, preferences, interests, and other information, which helps achieve accurate market segmentation by dividing consumers into groups with similar characteristics and needs, thus providing more personalized products and services. Furthermore, due to the increasing competition in the market, the pressure of competition for homogeneous products is growing. In such a market environment, market segmentation can help companies find their own positioning and enhance the competitiveness of products and services through customized marketing strategies. marketing is a social and managerial business activity, in which individuals and groups want to create valuable things and exchange them with each other[2].By providing exclusive product features, pricing strategies, promotional activities, and communication methods for different market segments, companies can better meet consumer needs, enhance brand loyalty, and gain competitive advantages.

1.2 The Importance of Target Market Positioning

Through target market positioning, companies can allocate resources more accurately, avoid resource waste and efficiency reduction. Secondly, target market positioning enables companies to concentrate limited time, manpower, and capital on the most potential and valuable target markets, improving the efficiency of market development and sales. Target market positioning allows companies to have a better understanding of consumer needs and preferences in the target market. By conducting in-depth research on the characteristics and needs of the target market, companies can customize products or services according to consumer needs, provide solutions that are closer to consumer psychology, and enhance consumer satisfaction and loyalty. Target market positioning helps companies determine their differentiation competitive advantages in the target market. Through positioning and promotion, companies can emphasize their uniqueness in product features, brand image, service quality, etc., thus establishing differentiated advantages over competitors in the target market, improving market share and profitability.

2. Application Strategies of Big Data in Market Segmentation

2.1 Personalized Recommendations through Data Analysis

In market segmentation, the application of big data can help companies make personalized recommendations. By collecting and analyzing a large amount of user data, companies can understand consumer interests, preferences, and purchasing behavior, and provide personalized product or service recommendations [3]. First, companies can analyze

consumers' historical purchase records and browsing behavior to understand their interests and preferences. Based on this data, companies can use machine learning and algorithm models to divide consumers into different groups or categories, further understanding the characteristics and needs of each group. Secondly, companies can provide personalized product or service recommendations based on consumers' personal characteristics and purchase history. By analyzing consumer data, predicting products or services that may be of interest, and conveying these recommendations to consumers, companies can improve purchase satisfaction and effectiveness. In addition, big data can also help companies conduct precision marketing. By analyzing consumer information such as geographic location, age, gender, etc., companies can more accurately target the desired customer group and carry out precise advertising and promotional activities. For example, Zalando, one of Europe's largest fashion e-commerce companies, successfully used big data technology to implement market segmentation strategies. Zalando's technology team uses big data technology to collect customer data, including browsing history, search behavior, shopping cart contents, complaints, etc. Through in-depth analysis of this data, Zalando gains insights into customer purchasing behavior and preferences, and formulates corresponding market strategies, improving customer experience and enhancing the company's competitiveness.

2.2 Regional Market Segmentation through Geographic Location Data

By understanding the geographic location of users, companies can more accurately provide customers with products or services related to their specific regions and segment the market based on the characteristics of different regions. Firstly, geographic location data can help determine the specific area where users are located, such as cities, regions, or rural areas, which helps understand the population structure, socio-economic conditions, cultural characteristics, etc., of that area, thus better understanding the needs and preferences of the target audience. Secondly, geographic location data can be used for regional market segmentation. Consumers in different regions may have different consumption habits, purchasing power, and demand characteristics [4]. By grouping users according to their geographic locations, companies can provide customized products or services for consumers in different regions. For example, in the city center of a certain city, consumers may pay more attention to fashion and taste, and be interested in high-end brands and luxury services; while in suburban or rural areas, consumers may focus more on practicality and price affordability, and be interested in convenience stores and household goods. By segmenting the market based on geographic location data, companies can better meet the needs of consumers in different regions and provide more targeted products and services.For example, McDonald's enterprises, McDonald's entered the China market, faced with different eating habits and cultural background. Initially, McDonald's adopted the strategy of spreading American culture and life concept, and used American-style product beef burger to attract China consumers. However, as time went by, McDonald's realized that China people's preference for chicken products and the demand more in line with China's taste. Therefore, McDonald's changed its original strategy, began to introduce chicken products, and gradually sold chicken in China market. The adjustment of this strategy was made in response to the changes in geographical factors and market demand in China, which accelerated the development of McDonald's in China market[5].

2.3 Personality Market Segmentation through Profiling Technology

Personality market segmentation refers to dividing the market into different groups based on consumers' personalities, interests, preferences, and other characteristics. Traditional market segmentation is usually based on basic demographic factors such as age, gender, income, etc. However, this approach cannot fully understand consumer needs and behaviors, nor provide accurate marketing strategies. Through big data profiling technology, it is possible to obtain more accurate information about consumers' interests, preferences, purchasing behavior, etc., and achieve more refined market segmentation. Specifically, by analyzing and mining massive consumer data, consumer profiles can be established to describe and analyze consumer characteristics. Profiling technology can describe consumers from multiple dimensions, such as consumption habits, shopping preferences, hobbies, social media behavior, etc. By analyzing this data, consumers can be divided into different groups, such as young people, housewives, high-end consumers, etc. In this way, companies can develop corresponding marketing strategies based on the characteristics and needs of different groups, providing more personalized products and services. For example, Bear Electric(Bear Enterprise is a famous electrical appliance enterprise in China, which is engaged in the research, development, design, production and sales of creative small household appliances.) regularly conducts in-depth analysis of users through words, drawings and other means, including users' age, gender, income, interests and preferences, living habits and so on. Through these analyses, Bear Electric can draw accurate user portraits for different user groups. Through in-depth understanding of users, Bear Electric can better grasp the needs and preferences of users and provide accurate support for subsequent product development. According to the characteristics and needs of users, Bear Electric can develop products that are more suitable for different user groups and provide better experience.

3. Application Strategies of Big Data in Target Market Positioning

3.1 Market Leader Positioning Strategy

Market leader positioning strategy, also known as first-mover advantage strategy, refers to a strategy where a company enters and occupies a market before competitors discover it. However, adopting this positioning strategy requires meeting certain conditions. First, the target market must align with the consumer development trend and have great market prospects. Only by selecting markets with potential and growth space can companies gain advantages in competition. Secondly, companies must have the conditions and strength to enter the market, including advantages in resources, technology, brand, and the ability to meet market demand with products or services. For example, Apple has always been famous for its creativity and expressiveness, and at the same time, it has always focused on choosing the target market that is consistent with its brand positioning. Before Apple enters the market, it conducts full research and analysis on the market to determine whether it is in line with its products and brand values, and can attract the target consumer groups, so that no matter what new products Apple releases, consumers will believe that it must be highly intelligent and fashionable, which will improve our communication, work or leisure entertainment life.

3.2 Market Challenger Positioning Strategy

Market challenger positioning strategy is a positioning strategy that aims to replace the existing market position of another company. To adopt this positioning strategy, companies need to have sufficient potential market capacity, abundant resources, strong market competitiveness, and the ability to provide customers with better quality products and services. At the same time, companies should closely monitor the market environment and dynamics of competitors, in order to develop new positioning strategies that are in line with market trends and their own advantages, achieving long-term development and competitive advantage. For example, Arowana Blended Oil has been the first brand in the small package edible oil industry for 10 years with absolute advantage, because it meets the market demand and provides high-quality products and services. In addition, Arowana blended oil pays close attention to the market environment and competitors' dynamics, and constantly innovates and improves its products to meet the needs of consumers and market trends. Through advertising and marketing, active communication's new marketing communication concept of "1: 1: 1" not only vividly conveys the characteristics of Arowana blended with three oils, but also makes consumers "mistakenly think" that only "1: 1" Arowana is the best edible oil.

3.3 Follower Positioning Strategy

Follower positioning strategy is a strategic choice when a company finds that the target market is full of competitors but still has great potential demand. It involves entering the market and positioning oneself at the same level as competitors. Before adopting this strategy, companies need to conduct market research and analysis to ensure that the target market still has sufficient potential demand to support their entry into the market and gain market share. Secondly, although there are competitors in the market, companies need to evaluate the market share and market occupancy of competitors. If competitors have already monopolized the market, the opportunity for companies to enter the market may be very limited. Therefore, it is crucial to ensure that there is still market space and opportunities in the target market. For example, Coca-Cola and Pepsi are two main competitors in the beverage industry. If a new beverage company decides to enter the market and choose to follow the market positioning strategy of these two giants, then they need to ensure that there are still some demands and opportunities in the market. In addition, they need to consider how to compete with existing brands such as Coca-Cola and Pepsi, and how to find their own positioning and competitive advantages in the market.

4. Conclusion

In conclusion, market segmentation and target market positioning based on big data are important means for companies to achieve personalized marketing. By fully utilizing big data technology, companies can accurately identify and meet the needs of different consumer groups, thus gaining a competitive advantage. This article provides theoretical and practical guidance on market segmentation and target market positioning based on big data through in-depth analysis and practical cases.

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