


# Market Segmentation

11

## Realizing the full potential of market mapping

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Design and setting by P.K. McBride



# 11

## Realizing the full potential of market mapping

### Summary

In Chapter 5 when we looked at using a market map to both illustrate how a market works and to identify decision-makers, it was pointed out that 'market mapping' as defined and developed by the authors has become an increasingly important part of the toolkit for marketers. Not only can it be used to provide an informative picture of the distribution and value-added chain that exists between final users and suppliers, it can also be used to present your own company's performance on these routes to market and illustrate where your sales and marketing resources are allocated. This provides a useful check when evaluating your sales and marketing strategies, especially when looking at predicted changes to the market's structure and when comparing yourself with your key competitors on where resources are committed.

A reminder: This book refers to those who produce the products or services supplied to a market as 'suppliers'.

This chapter looks at how to capture the above refinements on a market map. You are also at the stage where you can plot your selected segments on to the market map and consider what changes may occur in the market's distribution and value added chain during your chosen planning period. Examples of these more detailed market maps appear at the end of the chapter. A more detailed discussion about the future shape of markets, with particular reference to IT-enabled channels, occurs in the next chapter.

We recommend that Chapters 11 and 12 be read before proceeding to set marketing objectives and strategies, although it is an option to go straight to Chapter 13 if preferred.

This chapter is organized as follows:

- A brief review of marketing mapping in Chapter 5
- Time period for projecting market maps into the future
- Adding company share and quantities to the map, along with the number of companies/customers found at each junction

- Extending the detail to junction types and introducing segments on to the map
- Noting the quantities decided at each junction type (market leverage)
- Detailed market maps in the tabular form
- A review of the chapter
- Examples of market maps.

## ■ Enhancing the information on your market map

Definition reminder: ■  
A market map defines the distribution and value added chain between final users and suppliers, which takes into account the various buying mechanisms found in a market, including the part played by 'influencers'.

A '**market map**', you may recall from Chapter 5, defines the distribution and value added chain between final users and suppliers of the products or services included within the scope of your segmentation project. It was also pointed out that this should take into account the various buying mechanisms found in the market, including the part played by 'influencers', even though they may not actually feature in a transaction themselves.

As in Chapter 5, we will focus on the use of diagrams to illustrate the various points made in the text about market maps, but if you find that the diagrammatic approach to market mapping is not to your liking, we also include guidelines for constructing a market map in the tabular form.

### ■ Market mapping reviewed

We began by plotting the various stages that occur along the distribution and value added chain between the final users and all the suppliers of the products and services competing with each other in the market being covered by your project. These stages we referred to as 'junctions' and they were represented as cubes on the diagrammatic form of the market map. We then added the particular routes to market the products were sourced through. Then, to ensure that your map presented a complete picture of the specified market, we covered the inclusion of:

- Contractors or agencies who carry out the work on behalf of the final users and, therefore, appear to 'consume' the product on their behalf
- Third parties who make the purchase on behalf of the final user, such as parents on behalf of their children or company purchasing departments on behalf of employees
- Purchasing procedures, such as those seen in business-to-business markets

A reminder: We use the word 'product' to avoid unnecessary references to 'services', 'not-for-profit services', 'capital goods' and 'retail'. The text is equally relevant to these.

**Chapter extract**

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