

FOCUSING ON KEY TERMS

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market segmentation p. 224
market-product grid p. 225

perceptual map p. 241
product differentiation p. 224
product positioning p. 240

product repositioning p. 240
usage rate p. 230

APPLYING MARKETING KNOWLEDGE

- 1 What variables might be used to segment these consumer markets? (a) lawn mowers, (b) frozen dinners, (c) dry breakfast cereals, and (d) soft drinks.
- 2 What variables might be used to segment these industrial markets? (a) industrial sweepers, (b) photocopiers, (c) computerized production control systems, and (d) car rental agencies.
- 3 In Figure 9–9, the dormitory market segment includes students living in college-owned residence halls, sororities, and fraternities. What market needs are common to these students that justify combining them into a single segment in studying the market for your Wendy's restaurant?
- 4 You may disagree with the estimates of market size given for the rows in the market-product grid in Figure 9–9. Estimate the market size, and give a brief justification for these market segments: (a) dormitory students, (b) day commuters, and (c) people who work in the area.
- 5 Suppose you want to increase revenues for your fast-food restaurant even further. Referring to Figure 9–10, what advertising actions might you take to increase revenues from (a) dormitory students, (b) dinners, and (c) after-dinner snacks consumed by night commuter students?
- 6 Locate these drinks on the perceptual map in Figure 9–11: (a) cappuccino, (b) beer, and (c) soy milk.

BUILDING YOUR MARKETING PLAN

Your marketing plan needs a market-product grid to (a) focus your marketing efforts and (b) help you create a forecast of sales for the company. Use these steps:

- 1 Define the market segments (the rows in your grid) using the bases of segmentation used to segment consumer and organizational markets.
- 2 Define the groupings of related products (the columns in your grid).
- 3 Form your grid and estimate the size of the market in each market-product cell.
- 4 Select the target market segments on which to focus your efforts with your marketing program.
- 5 Use the information and the lost-horse forecasting technique (discussed in Chapter 8) to make a sales forecast (company forecast).
- 6 Draft your positioning statement.



VIDEO CASE 9

Prince Sports, Inc.: Tennis Racquets for Every Segment

QR 9-4
Prince Sports
Video Case



“Over the last decade we’ve seen a dramatic change in the media to reach consumers,” says Linda Glassel, vice president of sports marketing and brand image of Prince Sports, Inc.

PRINCE SPORTS IN TODAY'S CHANGING WORLD

“Today—particularly in reaching younger consumers—we’re now focusing so much more on social marketing and social networks, be it Facebook, Twitter, or internationally with Hi5, Bebo, and Orkut,” she adds.

Linda Glassel’s comments are a snapshot look at what Prince Sports faces in the changing world of tennis in the 21st century.

Prince Sports is a racquet sports company whose portfolio of brands includes Prince (tennis, squash, and badminton), Ektelon (racquetball), and Viking (platform/paddle tennis). Its complete line of tennis products alone is astounding: more than 150 racquet models; more than 50 tennis strings; over 50 footwear models; and countless types of bags, apparel, and other accessories.

Prince prides itself on its history of innovation in tennis—including inventing the first “oversize” and “longbody” racquets, the first “synthetic gut” tennis string, and the first “Natural Foot Shape” tennis shoe. Its

challenge today is to continue to innovate to meet the needs of all levels of tennis players.

“One favorable thing for Prince these days is the dramatic growth in tennis participation—higher than it’s been in many years,” says Nick Skally (center in the photo below), senior marketing manager. A recent study by the Sporting Goods Manufacturers Association confirms this point: Tennis participation in the United States was up 43 percent—the fastest-growing traditional individual sport in the country.

TAMING TECHNOLOGY TO MEET PLAYERS’ NEEDS

Every tennis player wants the same thing: to play better. But they don’t all have the same skills, or the same ability to swing a racquet fast. So adult tennis players fall very broadly into three groups, each with special needs:

- *Those with shorter, slower strokes.* They want maximum power in a lightweight frame.
- *Those with moderate to full strokes.* They want the perfect blend of power and control.
- *Those with longer, faster strokes.* They want greater control with less power.

To satisfy all these needs in one racquet is a big order.

“When we design tennis racquets, it involves an extensive amount of market research on players at all levels,” explains Tyler Herring, global business director for performance tennis racquets. Prince’s research led it to introduce its breakthrough O³ technology. “Our O³ technology solved an inherent contradiction between racquet speed and sweet spot,” he says. Never before had a racquet been designed that simultaneously delivers faster racquet speed with a dramatically increased “sweet spot.” The “sweet spot” in a racquet is the middle of the frame that gives the most power and consistency when hitting. Recently, Prince introduced its latest evolution of the O³ platform called EXO³. Its newly patented design suspends the string bed from the racquet frame—thereby increasing the sweet spot by up to 83 percent while reducing frame vibration up to 50 percent.

SEGMENTING THE TENNIS MARKET

“The three primary market segments for our tennis racquets are our performance line, our recreational line, and our junior line,” says Herring. He explains that within

each of these segments Prince makes difficult design trade-offs to balance (1) the price a player is willing to pay, (2) what playing features (speed versus spin, sweet spot versus control, and so on) they want, and (3) what technology can be built into the racquet for the price point.

Within each of these three primary market segments, there are at least two subsegments—sometimes overlapping! Figure 1 gives an overview of Prince’s market segmentation strategy and identifies sample racquet models. The three right-hand columns show the design variations of length, unstrung weight, and head size. The table shows the complexities Prince faces in converting its technology into a racquet with physical features that satisfy players’ needs.

DISTRIBUTION AND PROMOTION STRATEGIES

“Prince has a number of different distribution channels—from mass merchants like Walmart and Target, to sporting goods chains, to smaller specialty tennis shops,” says Nick Skally. For the large chains, Prince contributes co-op advertising for its in-store circulars, point-of-purchase displays, in-store signage, consumer brochures, and even

“space planograms” to help the retailer plan the layout of Prince products in its tennis area. Prince aids for small tennis specialty shops include a supply of demo racquets, detailed catalogs, posters, racquet and string guides, merchandising fixtures, and hardware, such as racquet hooks and footwear shelves, in addition to other items. Prince also provides these shops with “player standees,” which are corre-



gated life-size cutouts of professional tennis players.

Prince reaches tennis players directly through its website (www.princetennis.com), which gives product information, tennis tips, and the latest tennis news. Besides using social networks like Facebook and Twitter, Prince runs ads in regional and national tennis publications and develops advertising campaigns for online sites and broadcast outlets.

In addition to its in-store activities, advertising, and online marketing, Prince invests heavily in its Teaching Pro program. These sponsored teaching pros receive all the latest product information, demo racquets, and equipment from Prince, so they can truly be Prince ambassadors in their community. Aside from their regular lessons, instructors and teaching professionals hold local “Prince Demo events” around the country to give potential customers a hands-on opportunity to see and try various Prince racquets, strings, and grips.

MARKET SEGMENTS			PRODUCT FEATURES IN RACQUET			
Main Segments	Subsegments	Segment Characteristics (Skill level, age)	Brand Name	Length (Inches)	Unstrung Weight (Ounces)	Head Size (Sq. in.)
Performance	Precision	For touring professional players wanting great feel, control, and spin	EXO ³ Ignite 95	27.0	11.8	95
	Thunder	For competitive players wanting a bigger sweet spot and added power	EXO ³ Red 95	27.25	9.9	105
Recreational	Small head size	For players looking for a forgiving racquet with added control	AirO Lightning MP	27.0	9.9	100
	Larger head size	For players looking for a larger sweet spot and added power	AirO Maria Lite OS	27.0	9.7	110
Junior	More experienced young players	For ages 8 to 15; somewhat shorter and lighter racquets than high school or adult players	AirO Team Maria 23	23.0	8.1	100
	Beginner	For ages 5 to 11; much shorter and lighter racquets; tennis balls with 50% to 75% less speed for young beginners	Air Team Maria 19	19.0	7.1	82

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FIGURE 1

Prince targets racquets at specific market segments.

Prince also sponsors over 100 professional tennis players who appear in marquee events such as the four Grand Slam tournaments (Wimbledon and the Australian, French, and U.S. Opens). TV viewers can watch Russia's Maria Sharapova walk onto a tennis court carrying a Prince racquet bag or France's Gael Monfils hit a service ace using his Prince racquet.

Where is Prince headed in the 21st century? "As a marketer, one of the biggest challenges is staying ahead of the curve," says Glassel. And she stresses, "It's learning, it's studying, it's talking to people who understand where the market is going."

Questions

1 In the 21st century what trends in the environmental forces (social, economic, technological, competitive,

and regulatory) (a) work for and (b) work against success for Prince Sports in the tennis industry?

2 Because sales of Prince Sports in tennis-related products depends heavily on growth of the tennis industry, what marketing activities might it use in the United States to promote tennis playing?

3 What promotional activities might Prince use to reach (a) recreational players and (b) junior players?

4 What might Prince do to gain distribution and sales in (a) mass merchandisers like Target and Walmart and (b) specialty tennis shops?

5 In reaching global markets outside the United States (a) what are some criteria that Prince should use to select countries in which to market aggressively, (b) what three or four countries meet these criteria best, and (c) what are some marketing actions Prince might use to reach these markets?

