

OPENING EXAMPLE

A Fall Prevention Program for Seniors Succeeds Through Segmentation and Targeting In Washington State, more people aged sixty-five and older are hospitalized due to falls than people of all other age groups are hospitalized due to motor vehicle accidents. This statistic was at the heart of a comprehensive report prepared by the Washington State Injury Prevention Program, which led to a three-year, \$900,000 CDC grant to develop a fall prevention program.

The Washington State Department of Health—believing that a physical fitness program for seniors could decrease the number of falls and, therefore, reduce health care costs—decided to use a marketing approach to test this hypothesis. First, they conducted a market segmentation analysis of the senior population. The analysis divided the senior population by age, fall incidence, and physical fitness level. From the resulting information, the Department found that their target market—people aged seventy to seventy-nine—seemed to have a fall incidence and fitness capacity that could be most easily improved through the physical fitness program.

The Department then selected one county for a test market. Qualitative market research was conducted to understand the target market's perceptions of the fitness program concept. The research asked potential participants about their preferences related to program benefits, barriers to joining, and barriers to regular attendance, and competing programs.

The marketing research conclusions were used to develop the product and a positioning strategy that focused on the particular benefits that were important to the target market. The positioning statement read: "A fitness class for seniors that *works*, as it will improve strength and balance; is *safe*, as it has experienced skilled instructors offering tested exercises; and is *fun*, as it offers an opportunity to meet others and get out of the house. It is an important and worthwhile activity for seniors wanting to stay *independent*, be *active*, and *prevent falls*."

The fitness program was named *S.A.I.L.* (Stay Active and Independent for Life), with a tagline of "A Strength and Balance Fitness Class for Seniors." It consisted of a one-hour strength and balance fitness class that met three times a week with up to twenty participants. A fall prevention booklet was created and distributed that advised seniors how to create an exercise plan, manage health care needs, build a strong foundation for balance, and make a safe home. An optional safety effectiveness assessment was also developed. The research indicated that pricing each *S.A.I.L.* class at \$2.50 would be acceptable. The scheduled meeting times and locations were arranged for the convenience of the prospective participants based on the research respondents' preferences.

Promotional messages built brand awareness, and the media used to deliver the messages were "senior-based" and included senior center newsletter ads and articles,

brochures for physicians and senior center staff members, and sandwich board signs at senior centers.

S.A.I.L. has been successful in reducing injuries from falls among Washington State seniors. It has also been adopted by other state health departments throughout the nation.

One important reason for the successful approach used by the Washington State Health Department's *S.A.I.L.* program was that it employed target marketing. To compete more effectively and reach appropriate customers, many organizations are now embracing this strategy. Instead of scattering their marketing effort using a "shotgun" approach, they focus on those consumers they have the greatest chance of satisfying, through a "rifle" approach. Target marketing requires that marketers (1) identify and profile distinct groups of buyers who differ in their needs and preferences (market segmentation), (2) select one or more market segments to enter (market targeting), and (3) establish and communicate the distinctive benefits of the organization's market offering (market positioning).

OVERVIEW: MARKET SEGMENTATION

Sellers that use *mass marketing* engage in the mass production, distribution, and promotion of one product for all buyers. Henry Ford epitomized this strategy when he offered the Model-T Ford "in any color, as long as it is black." Coca-Cola also practiced mass marketing when it sold only one kind of Coke, in a 6.5-ounce bottle.

The argument for mass marketing is that it creates the largest potential market, that leads to the lowest costs, that in turn can lead to lower prices or higher margins. Critics note that the increasing splintering of the market and the proliferation of advertising media and distribution channels make it more difficult and increasingly expensive to reach a mass audience. Some claim that mass marketing is dying. Not surprisingly, therefore, many organizations are turning to *micromarketing* at one of four levels: segments, niches, local areas, and individuals.

Segment Marketing

A market segment consists of a group of customers who share a similar set of *needs* and *wants*, such as health insurance customers who want low premiums versus other customers who want generous health care benefits. A *segment* is not a *sector*. "Young, middle-income health insurance buyers" is a sector, not a segment, because these buyers will differ in what they want in a health insurance product. Marketers do not create the segments; their task is to identify different benefit segments and decide which to target.

OPENING EXAMPLE

A Fall Prevention Program for Seniors Succeeds Through Segmentation and Targeting

In Washington State, more people aged sixty-five and older are hospitalized due to falls than people of all other age groups are hospitalized due to motor vehicle accidents. This statistic was at the heart of a comprehensive report prepared by the Washington State Injury Prevention Program, which led to a three-year, \$900,000 CDC grant to develop a fall prevention program.

The Washington State Department of Health—believing that a physical fitness program for seniors could decrease the number of falls and, therefore, reduce health care costs—decided to use a marketing approach to test this hypothesis. First, they conducted a market segmentation analysis of the senior population. The analysis divided the senior population by age, fall incidence, and physical fitness level. From the resulting information, the Department found that their target market—people aged seventy to seventy-nine—seemed to have a fall incidence and fitness capacity that could be most easily improved through the physical fitness program.

The Department then selected one county for a test market. Qualitative market research was conducted to understand the target market's perceptions of the fitness program concept. The research asked potential participants about their preferences related to program benefits, barriers to joining, and barriers to regular attendance, and competing programs.

The marketing research conclusions were used to develop the product and a positioning strategy that focused on the particular benefits that were important to the target market. The positioning statement read: "A fitness class for seniors that works, as it will improve strength and balance; is safe, as it has experienced skilled instructors offering tested exercises; and is fun, as it offers an opportunity to meet others and get out of the house. It is an important and worthwhile activity for seniors wanting to stay independent, be active, and prevent falls."

The fitness program was named S.A.L.L. (Stay Active and Independent for Life), with a tagline of "A Strength and Balance Fitness Class for Seniors." It consisted of a one-hour strength and balance fitness class that met three times a week with up to twenty participants. A fall prevention booklet was created and distributed that advised seniors how to create an exercise plan, manage health care needs, build a strong foundation for balance, and make a safe home. An optional safety effectiveness assessment was also developed. The research indicated that pricing each S.A.L.L. class at \$2.50 would be acceptable. The scheduled meeting times and locations were arranged for the convenience of the prospective participants based on the research respondents' preferences. Promotional messages built brand awareness, and the media used to deliver the messages were "senior-based" and included senior center newsletter ads and articles.

brochures for physicians and senior center staff members, and sandwich board signs at senior centers.

S.A.L.L. has been successful in reducing injuries from falls among Washington State seniors. It has also been adopted by other state health departments throughout the nation. One important reason for the successful approach used by the Washington State Health Department's S.A.L.L. program was that it employed target marketing. To compete more effectively and reach appropriate customers, many organizations are now embracing this strategy. Instead of scattering their marketing effort using a "shotgun" approach, they focus on those consumers they have the greatest chance of satisfying, through a "rifle" approach. Target marketing requires that marketers (1) identify and profile distinct groups of buyers who differ in their needs and preferences (market segmentation), (2) select one or more market segments to enter (market targeting), and (3) establish and communicate the distinctive benefits of the organization's market offering (market positioning).

OVERVIEW: MARKET SEGMENTATION

Sellers that use *mass marketing* engage in the mass production, distribution, and promotion of one product for all buyers. Henry Ford epitomized this strategy when he offered the Model-T Ford "in any color, as long as it is black." Coca-Cola also practiced mass marketing when it sold only one kind of Coke, in a 6.5-ounce bottle.

The argument for mass marketing is that it creates the largest potential market, that leads to the lowest costs, that in turn can lead to lower prices or higher margins. Critics note that the increasing splintering of the market and the proliferation of advertising media and distribution channels make it more difficult and increasingly expensive to reach a mass audience. Some claim that mass marketing is dying. Not surprisingly, therefore, many organizations are turning to *micromarketing* at one of four levels: segments, niches, local areas, and individuals.

Segment Marketing

A market segment consists of a group of customers who share a similar set of *needs and wants*, such as health insurance customers who want low premiums versus other customers who want generous health care benefits. A *segment* is not a *sector*. "Young, middle-income health insurance buyers" is a sector, not a segment, because these buyers will differ in what they want in a health insurance product. Marketers do not create the segments; their task is to identify different benefit segments and decide which to target.