

# Discussion chapters 7, 9

## 1 - Case study: Marriott

Marriott International owns a number of different hotel chains that target specific consumer groups.<sup>1</sup> Specifically, we can find:

- Courtyard by Marriott
- Ritz-Carlton
- Marriott ExecuStay
- Moxy Hotels

## Questions

For each one of the Marriott offering:

1. Identify what each chain offers to their customers, and in which way they differ from each other (think about their value proposition).
2. Identify the market segment(s) of each one of the Marriott offerings.
3. How would Marriott target the different segments that you identified?
4. How each one of the offerings is positioned? Think about the value proposition of each one of the offering and draw a positioning map using two dimensions: price (from budget to luxury) and location (from suburbs to centric, i.e., downtown).

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<sup>1</sup> If you are not familiar with Marriott and its offering, use Google to obtain the relevant information you need to answer the questions.

## 2 – Case study: Whole Foods

Whole Foods Market IP, Inc., a subsidiary of Amazon, is an American multinational supermarket chain headquartered in Austin, Texas, which sells products free from hydrogenated fats and artificial colors, flavors, and preservatives. As a USDA Certified Organic grocer in the United States, the chain is popularly known for its organic selections. Whole Foods has 500 stores in North America and seven in the United Kingdom as of March 4, 2019. Amazon acquired the company for \$13.7 billion on August 28, 2017.

Whole Foods Market sells only products that meet its self-created quality standards for being "natural," which the store defines as minimally processed foods that are free of hydrogenated fats as well as artificial flavors, colors, sweeteners, preservatives, and many others as listed on their online "Unacceptable Food Ingredients" list. Whole Foods Market has also announced that it does not intend to sell meat or milk from cloned animals or their offspring, even though the U.S. Food and Drug Administration (FDA) has ruled them safe to eat. You can read about Whole Foods core values at: <https://www.wholefoodsmarket.com/mission-values/core-values>

### Questions

#### 1- Segmentation & Targeting

- a. Identify one or more segmentation methods that Whole Foods is currently using.
- b. What is the main segment of the population that Whole Foods is targeting? (i.e., if you have to describe the typical Whole Foods customer which words would you use?)
- c. Based on the answers above, what are some of the groups of customers (families, young professionals, etc.) that are part of Whole Food target market?

#### 2- Positioning

- a. What is Whole Foods position? (What differentiates Whole Foods from the competition? What is Whole Foods unique value proposition?)

#### 3- Identify Whole Foods marketing mix (4p's)

### 3 – Ethical dilemmas in segmentation in targeting

Although targeting selected market segments for advertising and marketing messages would seem to be a sound strategy for any company, there can be difficulties. Some companies have been accused of using segmentation approaches that discriminate against certain groups within society. Complaints have been raised about potential discrimination based on race, culture, age, gender, and sexual lifestyle.

Assume that you have been asked to review segmentation profile practices. Pick one company that you believe avoids discrimination in market targeting and one company that you believe does not. Compare the two companies with respect to their market target selection process and how the market targets are approached. Comment on any perceived ethical practices that you are aware of. Be sure to check any information on ethics provided by researching the websites of your two example companies. Lastly, list the ethical guidelines or best practices you believe organizations should follow when selecting market targets.