

MARKET SEGMENTATION

'Market Segmentation'

Market Segmentation is the **sub-dividing** of customers into **homogenous** sub-set of customers where any sub-set may conceivably be selected as market target to be reached with **distinct Marketing Mix** – Philip Kotler

- Segmentation is essentially the **identification** of subsets of buyers within a market that share **similar needs** and demonstrate similar buyer behaviour. The world is made up of billions of buyers with their own sets of needs and behaviour. Segmentation aims to **match groups of purchasers** with the same set of needs and buyer behaviour. Such a group is known as a '**segment**'.

- The process of **defining and subdividing** a large **homogenous** market into clearly **identifiable segments** having similar needs, wants, or demand characteristics is called Segmentation. Its objective is to design a **marketing mix** that precisely matches the expectations of customers in the targeted segment.

- Market Segmentation consists of taking the total **heterogeneous market** for a product & dividing into several **sub-market of segments**, each of which tends to be homogenous in full significant aspects – William Stanton

- Market Segmentation is the process of **splitting customers**, or **potential customers**, in a market into different groups, or segments, within which customers share a **similar level of interest** in the same or comparable set of needs satisfied by a **distinct marketing proposition**.

Benefits and Limitations

Benefits:

The Organisation gets to know its customers better.
Provides guidelines for resource allocation.
It helps focus the strategy of the organisation.

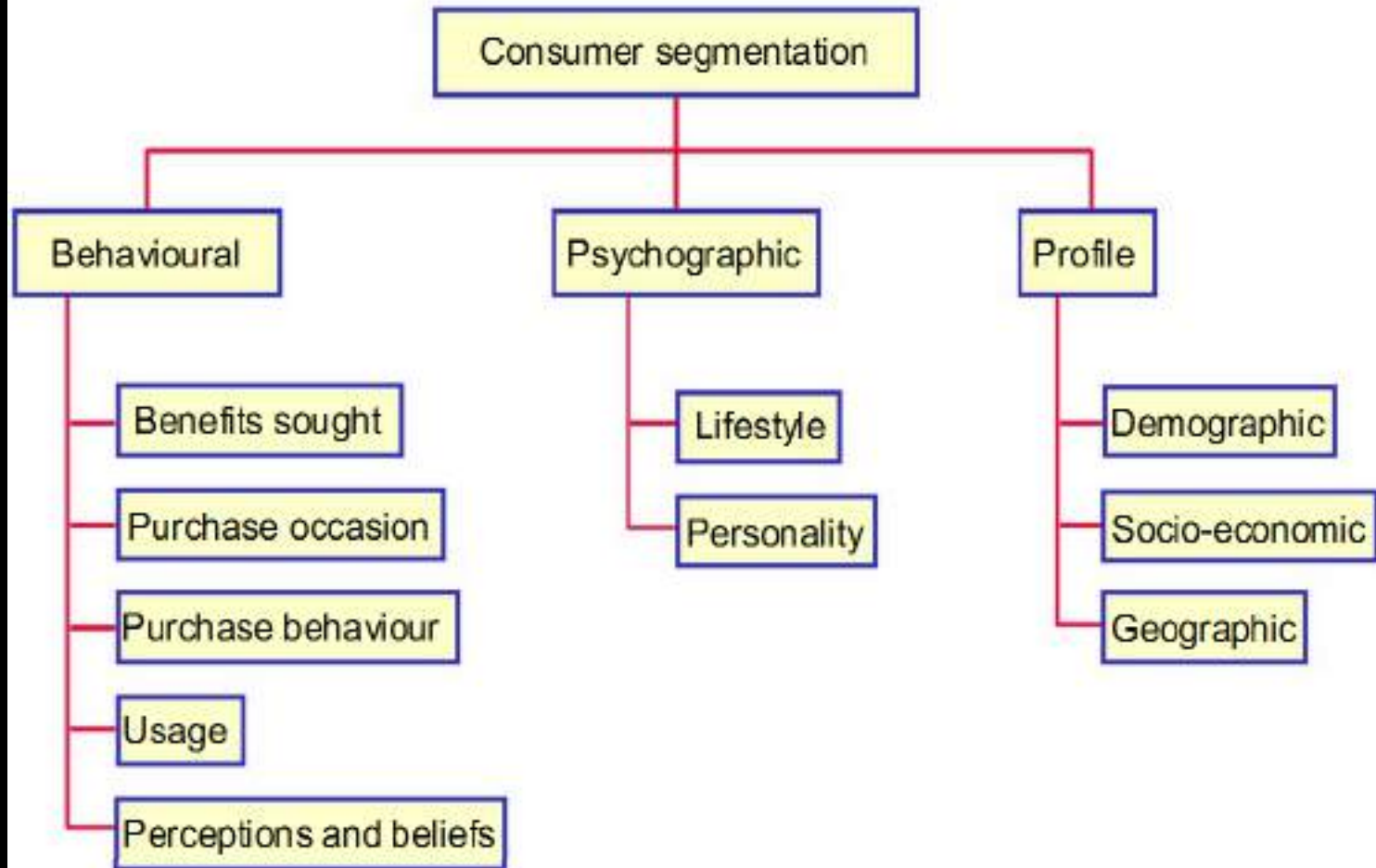
Limitations:

Targeting multiple segments increases marketing costs.
Segmentation can lead to proliferation of products.
Narrowly segmenting a market can hamper the development of broad-brand equity.

Why Segmentation?

- To develop marketing activities
- Increase marketing effectiveness
- Generate greater customer satisfaction
- Create savings
- To identify strategic opportunities and niches
- Allocation of marketing budget
- Adjustment of product to the market need
- To estimate the level of sales in the market
- To overcome competition effectively
- To develop effective marketing programmes
- To contribute towards achieving company goals

Segmenting consumer markets



Geographic Segmentation

The following are some examples of geographic variables often used in segmentation.

- **Region:** by continent, country, state, or even neighbourhood.
- **Size of metropolitan area:** segmented according to size of population.
- **Population density:** often classified as urban, suburban, or rural.
- **Climate:** according to weather patterns common to certain geographic regions.



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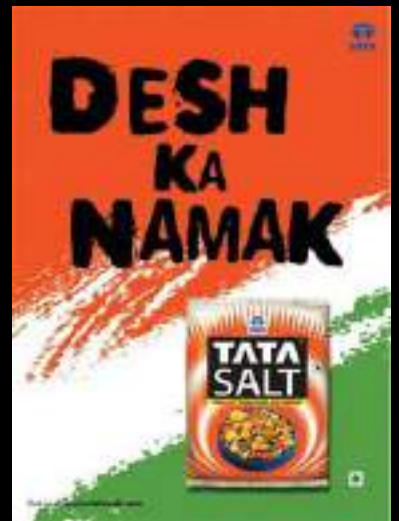
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यहाँ इस्तेमाल करें
सिर्फ विश्वास करें

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(approx. 2.2 lbs.)
M.L.F. No. 1001
(According to Trade)

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PSYCHOGRAPHIC SEGMENTATION

Experiencers

They're the young enthusiastic, impulsive people who seek variety and excitement. They spend a comparatively high proportion of income on fashion, entertainment, and socializing.



Thinkers

They're mature, satisfied, and reflective people motivated by ideals and who value order, knowledge, and responsibility. They seek durability, functionality, and value in products. Here we're considering Mont-Blanc



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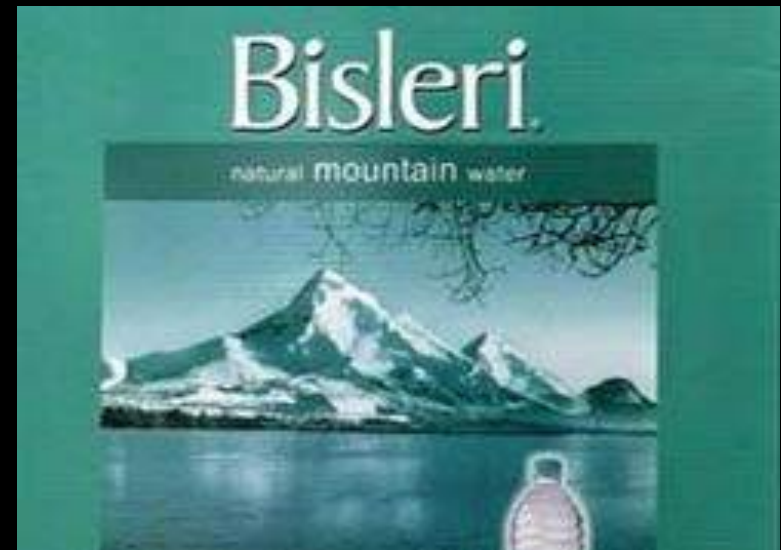
Achievers

They're successful, goal oriented people who focus on career and family. They favour premium products that demonstrate success to their peers. In this segment we can consider most of the premium timeless luxury watches, such as Rolex, TAG Heuer, and Omega. Neil Armstrong gave Omega speed master the ultimate endorsement when he wore it on his historic moon walk in 1969.



Believers

They're conservative, conventional, and traditional people with concrete beliefs. They prefer familiar, Indian made products and are loyal to established brands. Here we consider Bisleri. As one of the world's most trusted brands, Bisleri is leading the way in bringing about positive change in our daily lives. They believe in being a part of a meaningful movement called the 'Aqua Green Revolution'



Strivers

They're trendy fun loving people who are resource constrained. They favour stylish products that emulate the purchases of those with greater material wealth. They favour stylish products that emulate the purchases of those with greater material wealth



The Bata logo is displayed in a white rectangular box. It features the word "Bata" in a bold, red, cursive script font.

Survivors

They're elderly, passive people concerned about change and loyal to their favourite brands.

While to the consumers it's a beacon of faith and trust, competitors look upon them as an example of marketing brilliance.



BEHAVIOURAL SEGMENTATION

Usage

Customers can be segmented on the basis of usage status- heavy users, light users & non-users of a product category. The profiling of heavy users allows this group to receive most marketing attention (particularly promotion efforts) on the assumption that brand loyalty among these people will pay heavy dividends.



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Make free local calls from Reliance Mobile to Reliance Mobile with Weekend Masti Pack.
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'Talk all you want' CDMA STV
Talk to your heart's content to any network.
▶ Local Pack - Rs. 399/month
▶ National Pack - Rs. 599/month
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RELIANCE
FREE STD & Local calls at night
Bright night pack at Rs. 699
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User status

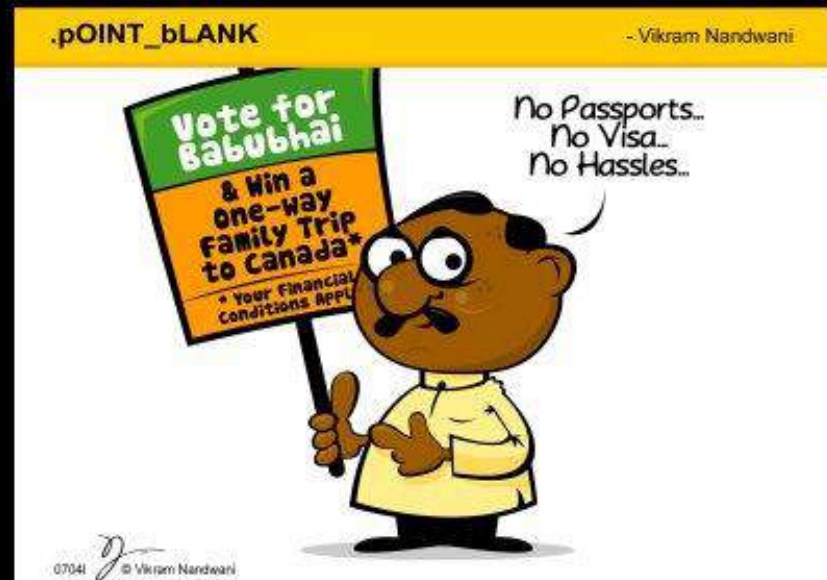
Every product has its nonusers, ex-users, potential users, first-time users and regular users. A company cannot always rely on the regular users, it has to attract the other types as well. The key to attracting potential users, or possibly, even non-users, is understanding the reasons due to which they are not using your product.





Attitude

Attitude is defined as a learned tendency to respond towards something. People's response towards a product may range from – Enthusiastic, Positive, Indifferent, Negative, Hostile .



Brand Loyalty

Johnson's®



Benefit Sought



TARGET MARKETING

TARGET MARKET

- Firm evaluates its various segments and selects the one which it can serve best.

Firms look into 3 factors:

- Segment size and growth.
- Structural attractiveness.
- Company objective and resources.



TARGET MARKETING STRATEGIES

- Undifferentiated Marketing. (Mass Marketing)
- Differentiated Marketing. (Segmented Marketing)
- Concentrated Marketing. (Niche Marketing)
- Micro Marketing. (Local or Individual Marketing)



THANK YOU