

# *MARKET* *SEGMENTATION*



**“Market Segmentation consists of taking the total, heterogeneous market for a product and dividing it into several sub markets or segments each of which tends to be homogeneous in all significant aspects”**

**WILLIAM J STANTON**

# **BASES FOR MARKET SEGMENTATION**



## **SEGMENTATION OF CONSUMER MARKET**

Demographic  
Geographic  
Psychographic  
Behavioural

## **SEGMENTATION OF INDUSTRIAL MARKETS**

Types of business activity  
Geographical Location of the user  
Usual purchasing procedure  
Size of the user

# Segmentation Variables

## **Demographic variables**

- ▶ Age
- ▶ Gender
- ▶ Race
- ▶ Ethnicity
- ▶ Income
- ▶ Education
- ▶ Occupation
- ▶ Family size
- ▶ Family life cycle
- ▶ Religion
- ▶ Social class

## **Geographic variables**

- ▶ Region
- ▶ Urban, suburban, rural
- ▶ City size
- ▶ County size
- ▶ State size
- ▶ Market density
- ▶ Climate
- ▶ Terrain

## **Psychographic variables**

- ▶ Personality attributes
- ▶ Motives
- ▶ Lifestyles

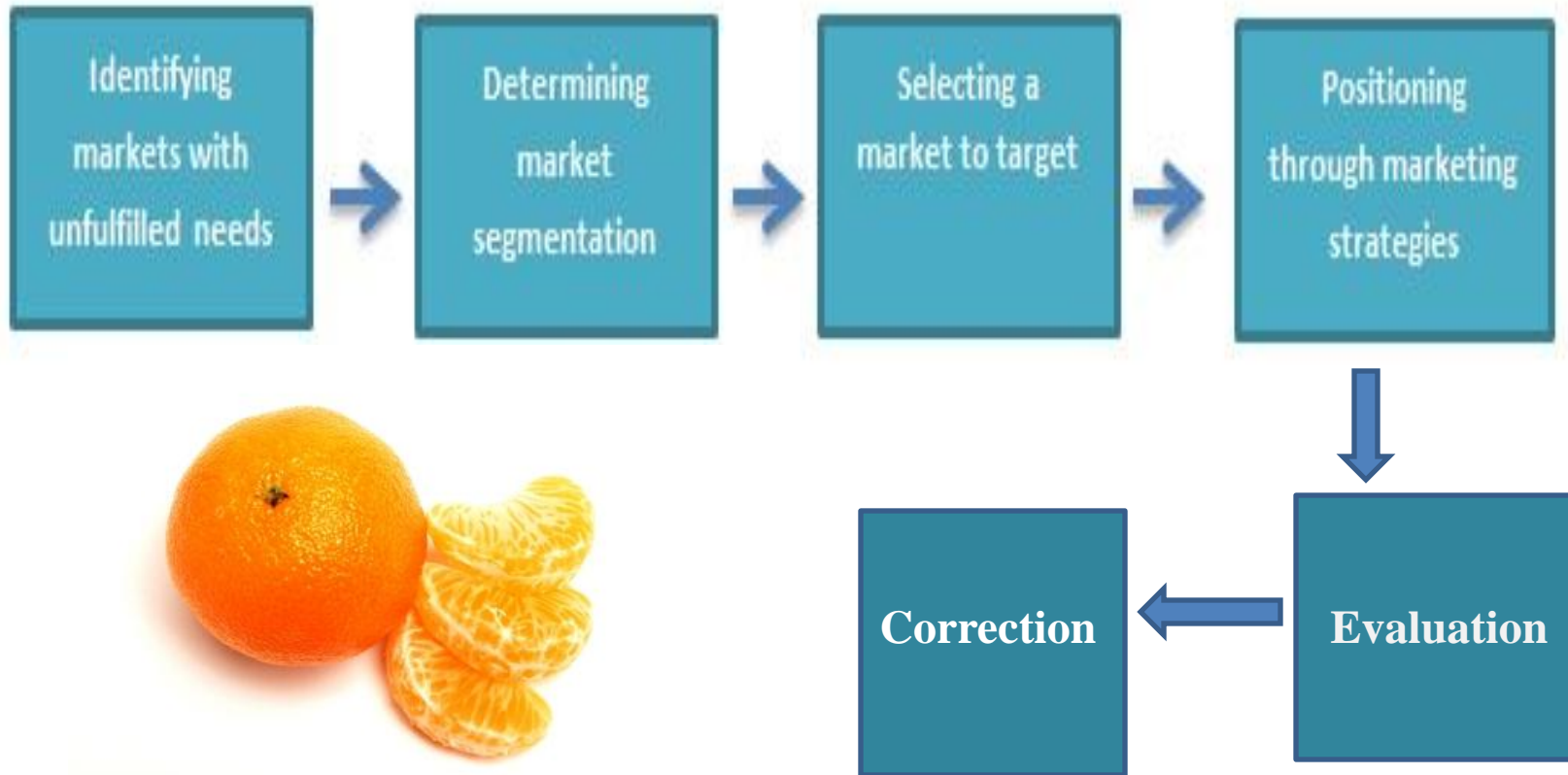
## **Behavioristic variables**

- ▶ Volume usage
- ▶ End use
- ▶ Benefit expectations
- ▶ Brand loyalty
- ▶ Price sensitivity

# **ELEMENTS OF MARKET SEGMENTATION**

- Availability of enough resources
- Characteristics of products
- Various stages of a PLC
- Marketing Strategies of Competitors

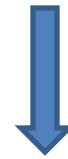
# Process / Steps In Market Segmentation



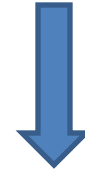
# TARGET MARKET



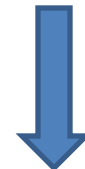
*Specific Market*



*Focused by a firm*



*To carry out*



*Market activities*

# TARGET MARKETING

*Overall Marketing efforts*



*By a company*



*To meet*



*Requirements of*  
**TARGET MARKET**



# MARKET TARGETING

## SEGMENTATION

*One / more market segment*



*previously identified*



*are evaluated & selected*

*First step of  
MARKET  
TARGETING*

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- Market targeting is a process of taking decision regarding the market segments to be served.
- Firms have to evaluate the segments & decide how many segments are to be served.

Ex: Firms supplying text books may form segments of the market as

- (a) School books
- (b) College Books
- (c ) General Books
- (d) G.K..Books



for each segment sub-segments  
(based on university) can be formed.

# STEPS IN MARKET TARGETTING

## **I. Evaluating the market segments**

- A. Segment size & growth
- B. Segment Structural attractiveness
- C. Company objectives & resources

## **II. Selecting the Market Segments**

- A. Single Segment Concentration
- B. Selective Specialization
- C. Product Specialization
- D. Market Specialization
- E. Full Market Coverage



## Target marketing

```
graph TD; A[Target marketing] --- B[1. Undifferentiated marketing]; A --- C[2. Differentiated marketing]; A --- D[3. Concentrated marketing]; A --- E[4. Micro marketing];
```

**1. Undifferentiated marketing**

**2. Differentiated marketing**

**3. Concentrated marketing**

**4. Micro marketing**







