

Sampling & Target Segment

Sampling

How do you select some of your customers; probable customers whom you are going to research on.

Methods of Sampling

→ Random sampling

Everyone from your target audience should have an equal opportunity of being selected as a part of the sample.

→ Cluster

- Select one cluster from your overall customer base or your target customers.
- The cluster is more geographic in nature (random sampling is then done)
- Eg: any area

→ Stratified

- Select one strata from your overall customer base
- It is more in terms of qualities & features
- Eg: gender, people between 40 to 60 age group. (random sampling is then done)

* Cluster & stratified are closely related. While talking about them, the marker should be clearly mentioned.

Quota sampling

- Where the sample size is selected based on subdivisions of a particular segment. Eg. Age, gender; where the segment sample size of each subdivision is equally proportional to the percentage (which differs from market to market) of overall sales within that subdivision (random sampling is then done)

Market segmentation is an identifiable section of a market with similar features. Market segmentation is the process by which businesses divide their market into different segments.

There are 3 common methods of segmenting:

(1) Geographic

All businesses which are nation wide divide business according to geographic segmentation into different segments.

Eg. Coca Cola sold in hilly areas & densely populated areas.

(2) Market based on Behavior / Culture / Tastes & Preferences.

Eg. ^{Coca Cola} Focus on diet coke by now a days due to increase in health conscious people.

(3) Demographic

- Segmenting market on the basis of age, gender, qualification, literacy level etc.
- Almost all businesses would look at age & income.

Eg: Segmentation of Mercedes is purely based on income.

Benefit of Market segmentation:

Creating all the 4Ps differently for each of the segment.

★ Prototype is a functional model of the product.