



WEL COME TO THE PRESENTATION ON MARKET SEGMENTTION

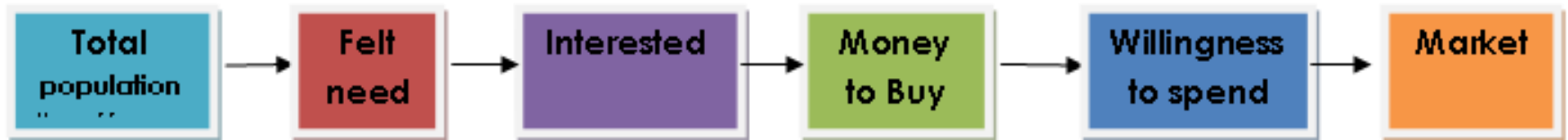
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MARKET SEGMENTTION

Functions of Marketing: Market Segmentation
and Targeting – Positioning functional strategies
– Identification of Market segments - marketing
strategies

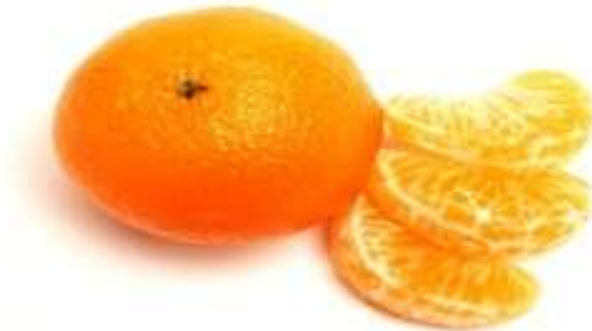
WHAT IS MARKET?

A market is a place which allows the purchaser and the seller to invent and gather information's and lets them carry out exchange of various products and services. In other words the Meaning of Market refers to a place where the trading of goods takes place



What is market segmentation?

- ✿ Markets are Heterogeneous; Segmentation divides them into Homogeneous Sub-Units
- ✿ The market for a product is nothing but the aggregate of the consumer of that product
- ✿ Markets break up the heterogeneous market for product into several sub units, or sub markets, each relatively more homogeneous within itself, compared to market into a number of sub markets/ distinct sub units of buyer , each with relatively more homogeneous characteristics, is known as market segmentation.



What is market segmentation?



What is market segmentation?

It is the Consumer who are Segmented, Not Product, nor Price

- ✿ It would be useful to provide one important clarification right at the beginning.
- ✿ Markets, sometime, speaks of product segments and price segments and use these expressions as synonymous with market segments.
- ✿ This can leads to a wrong understanding of what market segments, or for that matter, the process of market segmentation as a whole, actually connote
- ✿ We have to be clear that in market segmentation, it is the consumers who are segmented, not the product, nor price. Market is about people who consume the product, not about the product that's gets consumed

Example of market segmentation?

Titan Watches

Arrives in three broad Segments

- The Rich
- The Middle
- The Lower

For the Gold lovers:



For Children Segment



For the youth /the outdoor lovers:



For Designer Segment



Why segment the market?

Facilitates Right Choice of Target Market

Facilitates Effective Tapping of the Chosen Market

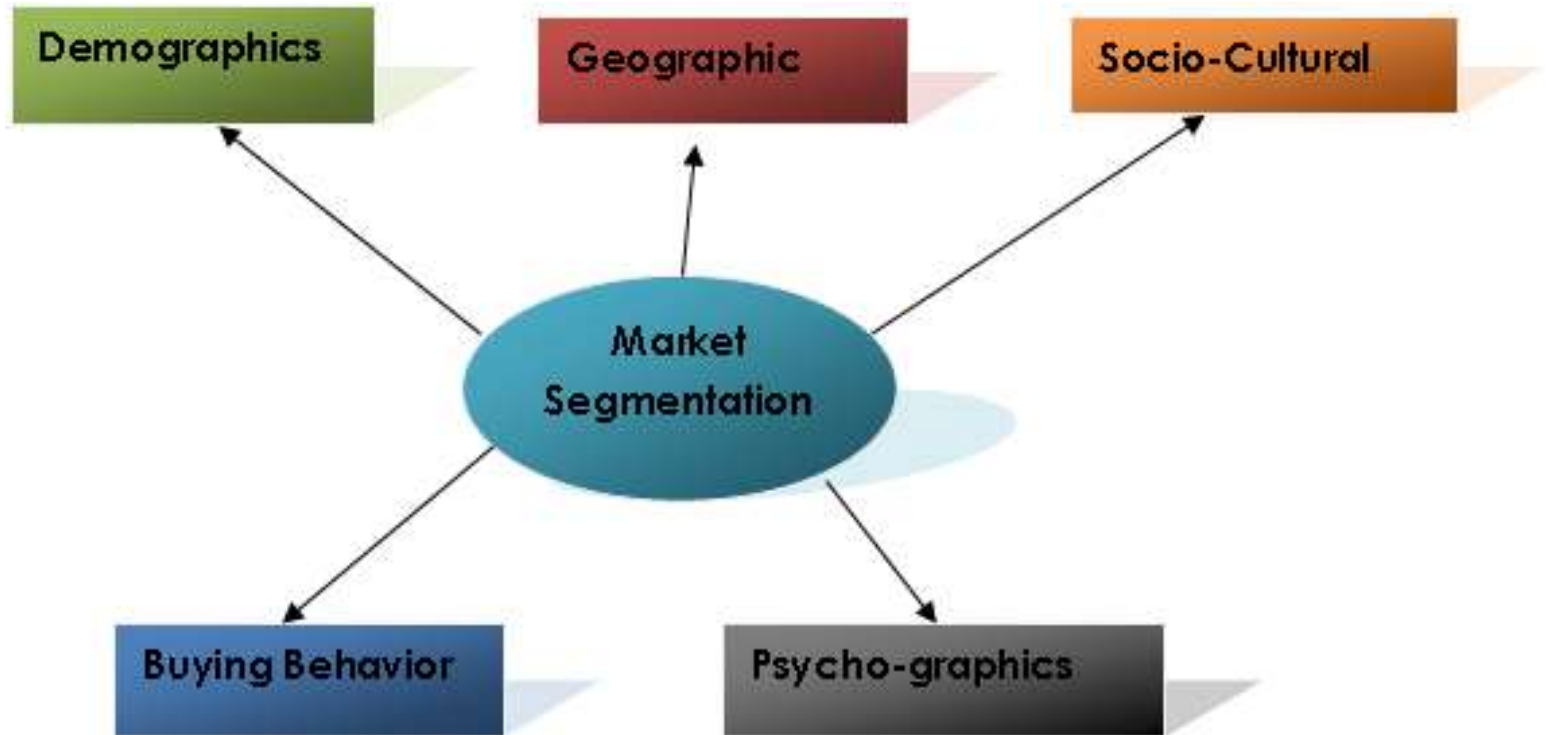
Makes the Marketing Effort More Efficient and Economic

Helps Identify Less Satisfied Segments and Concentrate on Them

BASES FOR SEGMENTATION

- A market/ consumer population for a product can be segmented using several relevant bases. The major ones include:
- Geographic
- Demographics
- Socio-cultural
- Psychographic
- Buying Behavior

Bases for segmentation



Bases for segmentation

Geographical Segmentation

- Segmentation of consumer based on factors like climate zone, continents/ country, region, state, district, and urban/rural area, constitutes geographic segmentation
- Marketer, who operate globally, often segment the market segments the market by continents/country/region in the first instance, and then go for segmentation on other bases.
- National markets within a country like India, often segment the market by region, state, district and urban/rural area, in the first instance, and then go for segmentation on other bases.

Bases for segmentation

Geographical Segmentation



Bases for segmentation

Demoraphical Segmentation

- Segmentation of consumer based on variables such as race, religion, community, language, age, stage in family cycle, gender, marital status, family size, occupation, economic position/income/purchasing capacity level, and social status ,of the consumer demographic segmentation

- Age: Based on age on can have the 1) Infants 2) Child Market Teen Market 3) Youth Market 4) Middle Aged Market 5)Elders Market

- Genders: On the basis of gender, the consumer market may be classified into male market female market.

- Social Class: Companion design their products and services for particular social classes. There are three social classes: 1 Upper classes 2. Middle classes 3. Lower class

Bases for segmentation

Demographical Segmentation



Coffee and
snacks

I like to
customize
entrées

I want more
healthful
menu options

I consider
price in picking
a restaurant



I stick with
familiar
restaurants

I'll order the
same foods I
eat at home

Bases for segmentation

Demographical Segmentation



Bases for segmentation

Socia Culture Segmentation

Culture and social class are the two main bases of segmentation here.

Culture: Culture influence consumer behavior, deeply. A given culture brings in its own unique pattern of social conduct. A person usually acquires his cultural attributes right at his childhood. Culture includes religious, caste, traditional, language, pattern of social behavior .

Social Factor: Social group of varying types exert influenced on the consumer. Social group include family, peer group, close colleges. They adopt their common life style.

Bases for segmentation

Socio Culture Segmentation

Example:

- ✿ Zee Televisions deals with variety of channels regional channel, sports channel, movie channel.
- ✿ McDonald has both veg and non veg burger. McDonald has veg burger for vegetarian and nonveg burger for non vegetarian.



Bases for segmentation

Socio-Culture Segmentation

Example:

- ❖ Zee Televisions deals with variety of channels regional channel, sports channel, movie channel.
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Bases for segmentation

Psychographic Segmentation

- ✿ Psychographic Segmentation groups customers according to their life-style and buying psychology.
- ✿ Many businesses offer products based on the attitudes, beliefs and emotions of their target market
- ✿ The desire for status, enhanced appearance and more money are examples of psychographic variables.
- ✿ They are the factors that influence your customers' purchasing decision.
- ✿ In psychographic segmentation, elements like life style, attitude, self-concept and value system, form the base.
- ✿ A person's pattern of interests, opinions, and activities combine to represent his or her lifestyle.

Bases for segmentation

Psychographic Segmentation

- ✿ Knowledge of lifestyle can provide a very rich and meaningful picture of a person.
- ✿ It can indicate whether the person is interested in outdoor sports, shopping, culture, or reading.
- ✿ It can include information concerning attitudes and personality traits.
- ✿ Lifestyle also can be used to define a segment empirically; this is often called psychographic (as opposed to demographic) segmentation..

Bases for segmentation

Psychographic Segmentation



Bases for segmentation

Behavioural Segmentation

✿ The customer can also be divided into certain segments on the basis of their knowledge, attitude, use, or response to a product. Such behavioural variables are discussed below

✿ Occasions : (Marraiges, festival occasasions)

✿ Benefits sought : (Colgate- White teeth stops bad breath, Cibaca Provides Therapeutic benefits, Vicco vajradanthi and neem gives ayurvedic benefit)

✿ User Status: (Ex-users, first users, regular users, Potential users)

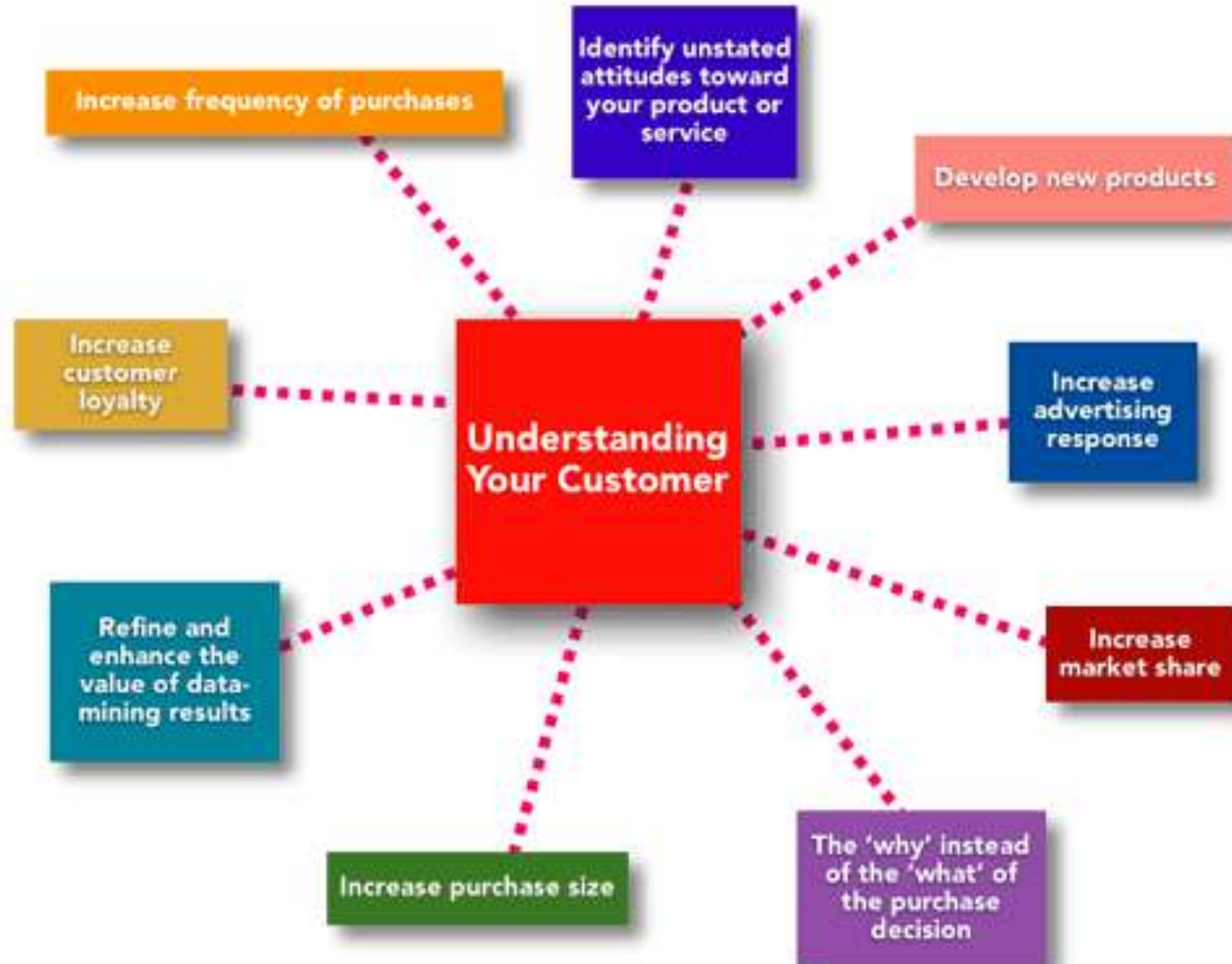
✿ Usage rate: (Light, Medium, and heavyu user segments)

✿ Loyalty status: (Hard core loyals, Split Loyals(Two r Three brans), Shifting Loyals (Shift from one brand to another), Switchers (No loyalty to any brand))

✿ Attitude: Customers are divided into five groups(Enthusiastic, Positive, Indifferent, Negtive and Hostile)

Bases for segmentation

Behavioural Segmentation



Advantages of Segmentation

Various advantages of market segmentation are:-

- ✿ Helps distinguish one customer group from another within a given market
- ✿ Facilitates proper choice of target market.
- ✿ Facilitates effective tapping of the market.
- ✿ Helps divide the markets and conquer them.
- ✿ Helps crystallize the needs of the target buyers
- ✿ Makes the marketing effort more efficient and economic
- ✿ Helps spot the less satisfied segments and succeed by satisfying such segments.
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- ✿ Helps spot the less satisfied segments and succeed by satisfying such segments
- ✿ Brings benefits not only to the marketer but also to the customer as well.

Effective Market Segmentation

- ✱ Measurability (Interms of size and purhcasing power)
- ✱ Accessibility (Reached and served through suitable means of distribution of promotion)
- ✱ Substantiality (Large and profitable)
- ✱ Differentiability (Clearly distinguishable)
- ✱ Actionability. (to be effective makers of segmentation should be compatible with the manpower, financial and managerial resources)

Market Targeting



SEGME

Identify
groups o

CE



TION

Market Targeting

- ✿ Market targeting refers to picking a specific group or small set of groups to which a business will advertise.
- ✿ It is based on the idea that, because it's not really possible to make or do something that will please everyone, a business has to specialize.
- ✿ Companies select an advertising group to strengthen their brands, as well as to get an idea of potential sales for production or financing purposes.
- ✿ They can use three main approaches for this: universal, selective or concentrated.
- ✿ It is common for an organization to reevaluate its target groups and related campaigns over time because markets are always somewhat flexible

Market Targeting

- ❁ Single segment concentration
- ❁ Selective specialization
- ❁ Product specialization
- ❁ Market specialization
- ❁ Full market coverage (Coke ,IBM)

❁ Single segment concentration:

The company selects a single segment

Ex: Nirma selected only price sensitive segment

For its washing powder

	M ₁	M ₂	M ₃
P ₁			
P ₂			
P ₃			

Market Targeting

* Undifferentiated Marketing:

The firm tries to select a single marketing mix for all the people in the market. This is called full coverage coverage. This strategy is suitable for firms to adopt in very big companies adopted by very big institutions, governments, and large individuals. Marketers attempt to cover the market through undifferentiated marketing or differentiated marketing strategy.

	M_1	M_2	M_3
P_1			
P_2			
P_3			

Marketing Strategies

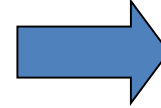
- ✿ An organization's strategy that combines all of its marketing goals into one comprehensive plan.
- ✿ A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business.
- ✿ The marketing strategy is the foundation of a marketing plan.

Marketing Strategies

Undifferentiated
Strategy



Marketing Mix

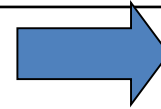


Entire Market

Concentrated
Strategy

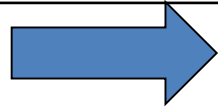


Marketing Mix



Target Market

Differentiated
Strategy

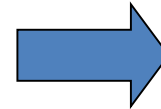


Marketing Mix



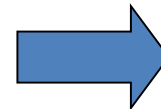
Segment 1

Marketing Mix



Segment 2

Marketing Mix



Segment 3

Target Marketing Strategies

- Undifferentiated marketing
- Differentiated marketing
- Concentrated/Focused marketing
- Customized marketing (Levis, Mattel, De beers)

Target Marketing Strategies

Undifferentiated Marketing

Marketing mix



Whole market

Differentiated Marketing

Marketing mix 1



Segment 1

Marketing mix 2



Segment 2

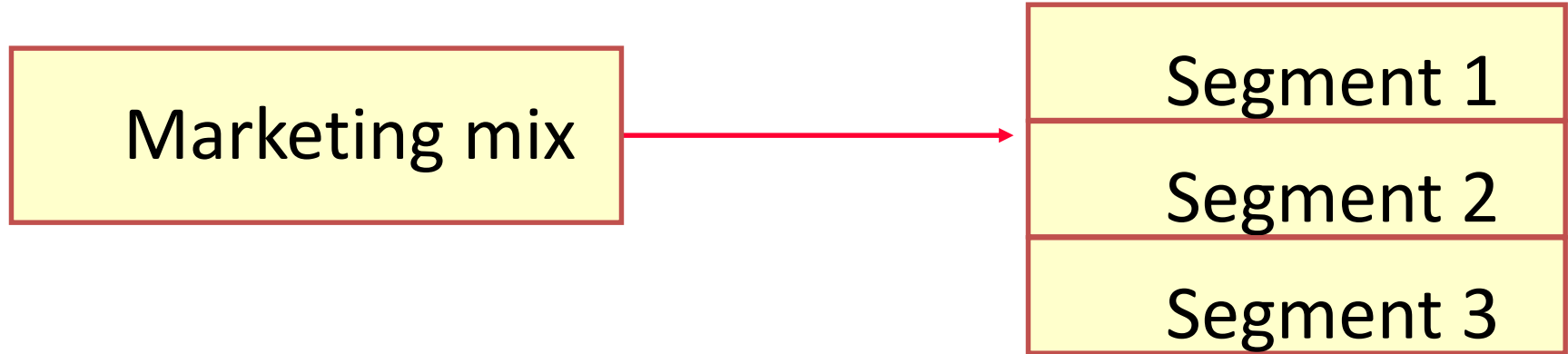
Marketing mix 3



Segment 3

Target Marketing Strategies

Concentrated/ Focused Marketing



Customized Marketing

