**Market Segmentation**

Market segmentation is the process of dividing a big target market into smaller group of consumers with some similarities like goegraphy, needs, behaviour etc.

**The task is divided among the team below:**

**Md Ismail Quraishi:** [1, 2, 3, 5]

**Asad Ahmad Mohammad Soeb:** [4, 8]

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**Step 1: Deciding (not) to Segment:**

While making segmentation we have to keep some points so that we can make segment effectively.

* The author compares segmention with marriage rather than a date, it is because market segmentation is a long term process. If organization has patient and have a long time goal then go for segmentaion else not.
* Segmentaion requires changes, if the organization is ready for big changes then go for segmentaions else avoid.
* There are some cost for performing research and survey. If the organization is financially strong then segmentation should be successful.

**Step 2: Specifying the Ideal Target Segment:**

There are some standard criteria we should follow to make an effective segmentation. We have keep some points while making segmentation.

**Knock-out criteria:**

* All the members inside a segment/group must be homogenous/similar.
* Members from one segment must be dissimilar from the members of another segments.
* Segment should be large enough so that the generated profits should be greater than the expenses in making segmentation.
* Segmentaion must be matching the organization’s strength, so that organization have the ability to satisfy members’ needs.
* Members of the segmentaion must be identifiable so that organization can spot them int the market place.
* There must be a way to get in touch with the members of the segment.

**Attractiveness criteria:**

In addition to knock-out criteria also assign some attractiveness score to each segment based on how useful the segments are. For example : There are 4 segments where organization generates 40% of profits from segment two and 30% from segment four then we may assign a attractiveness score for segment One = 15, segment Two = 40, segment Three = 15 and segment Four = 30.

**Step 3: Collecting Data**

Data collection is most difficult part in any organization there are some