

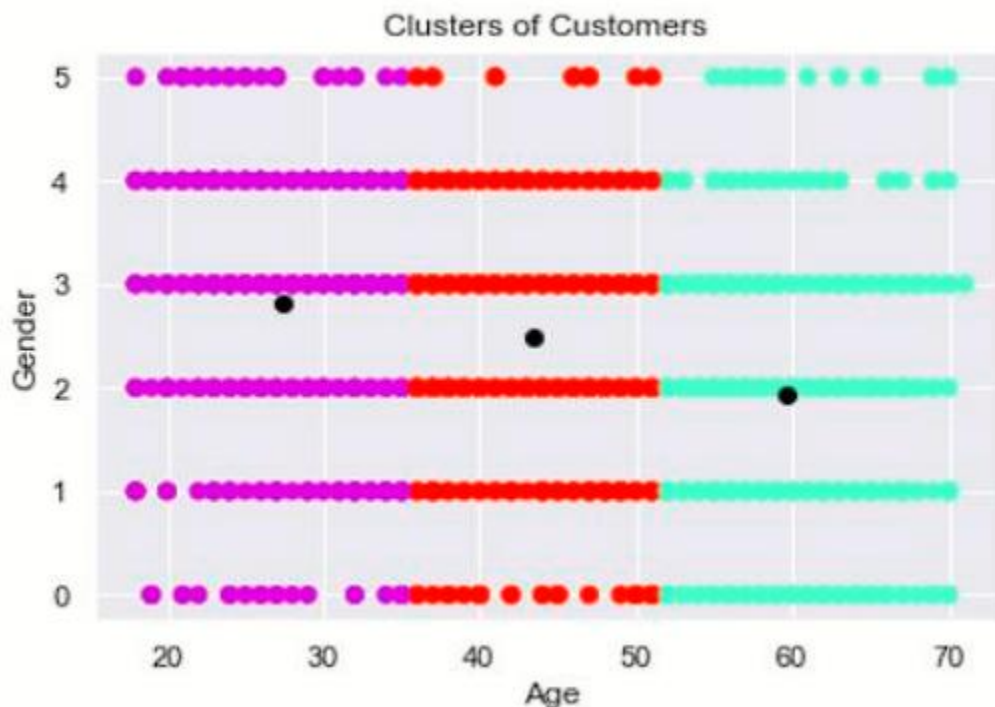
Selecting (the) Target Segment(s)

The segment evaluation plot in Figure is extremely simplified because only a small number of variables are available for the fast food data set. First, we compute the mean value of the visiting frequency of McDonald's for each segment. The bubble size represents the percentage of female consumers. We can obtain the values required to construct the segment evaluation Plot using the following commands.

The segment evaluation plot serves as a useful decision support tool for McDonald's management to discuss which of the four market segments should be targeted. Members of market segment 1 present as a viable target in Step 9. Marketing action could attempt to address the negative perceptions of this segment, and re-inforce positive perceptions. As a result, McDonald's may be able to broaden its customer base. The plot is a simplified example of a segment evaluation Plot. The plot is done by using the `pivot_table` and `pd.scatter` commands in python which are the alternate of `tapply` in R

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```
data.pivot_table(index='segments', columns=['VisitFrequency','Like'],  
values='Gender', aggfunc='mean')
```

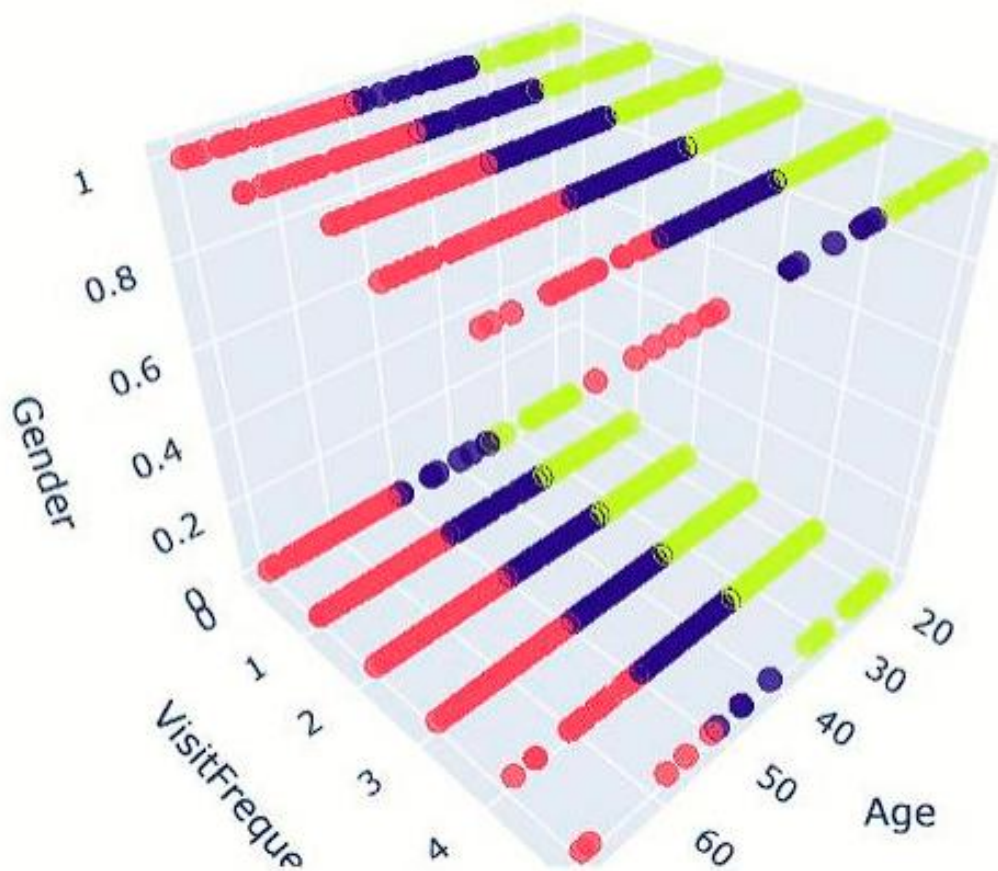


And finally we will plot the scatter plot of each segment

```
plt.scatter(X1[:,0], X1[:,1] , c=kmeans.labels_ , cmap= 'rainbow')
plt.scatter(kmeans.cluster_centres[:,0] , kmeans.cluster_centres[:,1],
color = 'black')
plt.title('Clusters of Customers ')
plt.xlabel('Age')
plt.ylabel('VisitFrequency')
plt.show()
```

where

```
X1 = df.loc[:, ["Age", "VistFrequency"]].values
```



Customising the Marketing Mix

Commonly the marketing mix is understood as consisting of the 4Ps: Product, Price, Promotion and Place. Market segmentation does not stand independently as a marketing strategy. Rather, it goes hand in hand with the other areas of strategic marketing, most importantly: positioning and competition. Product - One of the key decisions an organization needs to make when developing the product dimension of the marketing mix, is to specify the product in view of customer needs. Other marketing mix decisions that fall under the product dimension are: naming the product, packaging it, offering or not offering warranties, and after sales support services. Price - Typical decisions an organization needs to make when developing the price dimension of the marketing mix include setting the price for a product, and deciding on discounts to be offered. Place - The key decision relating to the place dimension of the marketing mix is how to distribute the product to the customers. This includes answering questions such as: should the product be made available for purchase online or offline only or both; should the manufacturer sell directly to customers; or should a wholesaler or a retailer or both be used. Promotion - developing an advertising message that will resonate with the target market, and identifying the most effective way of communicating this message. Other tools in the promotion category of the marketing mix include public relations, personal selling, and sponsorship.

So from the analysis we can see that the optimum customer base or the targeted customers should be of age less than 40 and greater than 20 with visit frequency once at a time in a month.

Also for pricing issue as an example:

McDonald's could offer a MCSUPERBUDGET line to cater specifically to the price expectations of this segment. The advantage of such an approach might be that members of segment 3 develop to become loyal customers who, as they start earning more, will not care about the price any more. To not cannibalise the main range, the product features of the new range would have to be distinctly different (4Ps: Product). Distribution channels would have been the same given that all McDonald's food is sold in McDonald's outlets. But the wait in the queue might be slightly longer in an attempt not to cannibalising the main product line. It could also be possible to offer a 'specialty' range of products to cater to a different segment of the market, rather than just a regular range of food.