**MARKET SEGMENTATION SUMMARY (STEP 1,2,3)**

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

* **Implications of Committing to Market Segmentation:**

Committing to a market segmentation strategy requires a long-term commitment and substantial organizational changes and investments. Market segmentation involves significant costs for research, surveys, designing packages, advertisements, and communication messages. The strategy should only be pursued if the expected sales increase justifies the expenses. Necessary changes may include developing new products, modifying existing ones, altering pricing and distribution channels, and revamping communications, which may also necessitate internal structural adjustments. Organizations should be organized around market segments rather than products to maximize benefits. The decision to pursue market segmentation should be made at the highest executive level and consistently communicated and reinforced throughout the organization.

* **Implication Barriers:**

Several barriers can impede the successful implementation of a market segmentation strategy. These include:

1. Senior Management: Lack of leadership, commitment, and resource allocation from senior management can undermine segmentation efforts.

2. Organizational Culture: Resistance to change, lack of market orientation, poor communication, short-term thinking, and office politics can obstruct implementation.

3. Lack of Training and Expertise: Insufficient understanding of market segmentation among senior management and teams, and the absence of a formal marketing function or qualified data analysts, can hinder progress.

4. Objective Restrictions: Financial constraints and the inability to make necessary structural changes can limit segmentation efforts.

5. Process-Related Barriers: Poor planning, unclear objectives, lack of structured processes, insufficient allocation of responsibilities, and time pressure can negatively impact the segmentation process.

6. Operational Challenges: The complexity of management science and its techniques can deter usage if not presented in an understandable and interpretable manner.

Identifying and proactively removing these barriers is crucial. If removal is not possible, reconsidering the segmentation strategy might be necessary. Implementing segmentation requires a resolute sense of purpose, patience, and dedication to overcome inevitable challenges.