CONCEPTS AND BASES FOR MARKET SEGMENTATION

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Segmentation

Segmentation refers to a process of dividing a large unit into various small units which have more or less similar or related characteristics.

Market Segmentation

Implementing a marketing plan with market segmentation is a way to deploy new vistas in your marketing strategy.

As society becomes more diverse, it becomes counterproductive for an organization to offer the same marketing mix to such different and heterogeneous people.

Market segmentation avails businesses with the possibility of customization of a unique set of elements known as the 4P’s (product, price, place, and promotion) for specific target markets.

Market segmentation is a marketing concept that divides a large heterogeneous market into smaller homogeneous subsets comprising of consumers with a similar taste, demand and preference.

These smaller units are the Target market, which is the specific audience to whom you will be directing all of your marketing strategies.

Defining your target market gives you an enhanced chance to communicate better with potential customers.
**Conditions For Successful Segmentation**

These conditions are the criteria for segmentation to be positively feasible:

- Clear identification of the segment
- Accessibility through advertising, communication, promotion and other marketing mix
- Appropriateness to the resources of the firm
- Measurability of its size and scope
- Stability of the segment (not changing frequently)
- Substantial enough to be profitable
- Uniqueness of the segment

**Bases for market segmentation**

The market can be broadly segmented on the basis of the following:

- **Gender**: The basis for this segmentation arises from the obvious fact that men and women have different preferences and interests. The marketing strategy for men would not work for women. This gender-based segmentation is most important for industries such as jewelry, footwear, cosmetics, and apparels.

- **Age Group**: Another effective way of market segmentation is on the basis of the target market’s age group. The marketing strategies and products for kids would be different from those of teenagers, which would again be different from adults or aged people.
  - Up to 10 years – Toys, diapers, baby food;
  - From 10 to 20 years – Music videos, hippy fashion, books, cameras
  - 20 years and beyond – real estate, magazines, anti-
ageing products, cosmetics, automobiles.

- **Income**: This is based on the monthly earnings of individuals. Broadly, there are three groups, namely, high-income, middle-income, and low-income. Thus, businesses which target the high-income group would have different range of products and different marketing mix compared to businesses that serve the low-income group.

- **Marital Status**: this dichotomy is most applicable to travel agencies. Holiday packages for married couples would be different from that for single individuals.

- **Occupation**: Preferences of different professionals would be different.

#### Types Of Market Segmentation

1. **Demographic segmentation** means dividing groups by age, gender, religion, language, income, ethnicity and education.

2. **Geographic segmentation** divides the market based on location such as county, city, country, or continent. The market can also be broken into urban, suburban and rural markets.

3. **Psychographic segmentation** includes interests, hobbies, lifestyles, values, and attitudes.

4. **Behavioralistic segmentation** Behavioralistic segmentation includes benefits sought, the degree of loyalty and rate of use.
References


Eliya, Susan A. "No Sweat: Segmentation continues to create opportunities for growth." Household & Personal Products. March 2006
