

LECTURE 12 ON RELEVANT TOPICS OF INTERNATIONAL MARKETING FOR B.COM.HONS BBA HONS AND M.COM CBCS STUDENTS BY DR.NEHA MATHUR

MARKET SEGMENTATION

Market segmentation is a marketing strategy which involves separating a wide target market into subsets of customers, enterprises, or nations who have, or are perceived to have, common requirements, choices, and priorities, and then designing and executing approaches to target them.

Market segmentation approaches are basically used to identify the target clients, and provide assisting data for marketing plan components like positioning to get certain marketing plan objectives.

Businesses may discover product differentiation approaches, or an undifferentiated approach, including specific goods or product lines relying on the precise demand and attributes of the target segment.



The most common forms of market segmentation practices are as follows –

Geographic Segmentation

Dealers can segment market according to geographic criterion that is nations, states, regions, countries, cities, neighborhoods, or postal codes. The geo-cluster strategy blends demographic information with geographic data to discover a more precise or specific profile. For example, in rainy areas dealers can easily sell raincoats, umbrellas and gumboots. In winter regions, one can sell warm clothing.

A small business product store focuses on customers from the local neighborhood, while a larger departmental store focuses its marketing towards different localities in a larger city or region. They neglect customers in other continents. This segmentation

is very essential and is marked as the initial step to international marketing, followed by demographic and psychographic segmentation.

Demographic Segmentation

Segmentation on the basis of demography relies on variables like age, gender, occupation and education level or according to perceived advantages which an item or service may provide.

An alternative of this strategy is called firmographic or character based segmentation. This segmentation is widely used in business to business market. It's estimated that 81% of business to business dealers use this segmentation.

According to firmographic or character based segmentation, the target market is segmented based on characteristics like size of the firm in terms of revenue or number of employees, sector of business or location like place, country and region.

Behavioral Segmentation

This divides the market into groups based on their knowledge, attitudes, uses and responses to the product.

Many merchants assume that behavior variables are the best beginning point for building market segments.

Psychographic Segmentation

Psychographic segmentation calls for the division of market into segments based upon different personality traits, values, attitudes, interests, and lifestyles of consumers.

Psychographics uses people's lifestyle, their activities, interests as well as opinions to define a market segment.

Mass media has a dominating impact and effect on psychographic segmentation. To the products promoted through mass media can be high engagement items or an item of high-end luxury and thus, influences purchase decisions.

Occasional Segmentation

Occasion segmentation is dividing the market into segments on the basis of the different occasions when the buyers plan to buy the product or actually buy the product or use the product. Some products are specifically meant for a particular time or day or event. Thus, occasion segmentation helps identify the customers' various reasons to buy a particular product for a particular and thus boosts the sale of the product.