

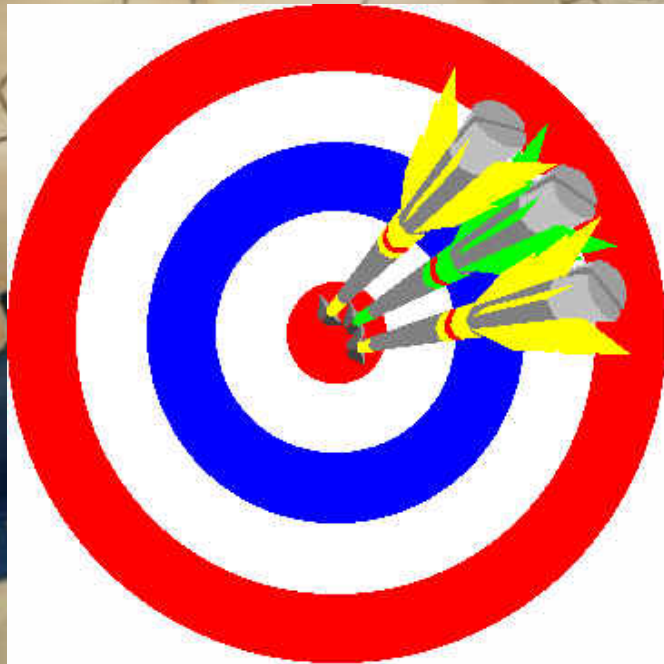


Market Segmentation

What You'll Learn

- What market segmentation is and the four methods used to segment a market
- Analyze a target market
- Differentiate between mass marketing and market segmentation

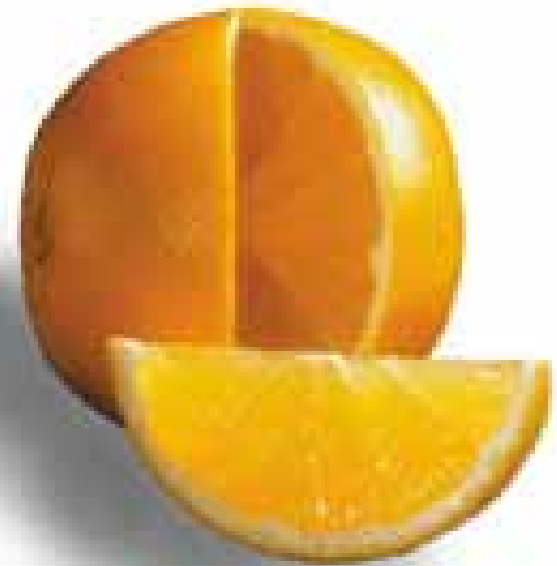
Analyzing Markets



Market segmentation is a way of analyzing a market by specific characteristics in order to create a **target market**

Types of Segmentation:

- Demographics
- Psychographics
- Geographics
- Behavioral





Demographics –

statistics that describe a population in terms of personal characteristics.

- Age
 - Woopies
 - Baby Boom Generation
 - Generation X
 - Generation Y
 - Generation Z
- Gender

- Income

- Disposable income
money left after taking out taxes

- Discretionary income
money left after paying for basic living necessities such as food, shelter, and clothing



- Marital Status

Single

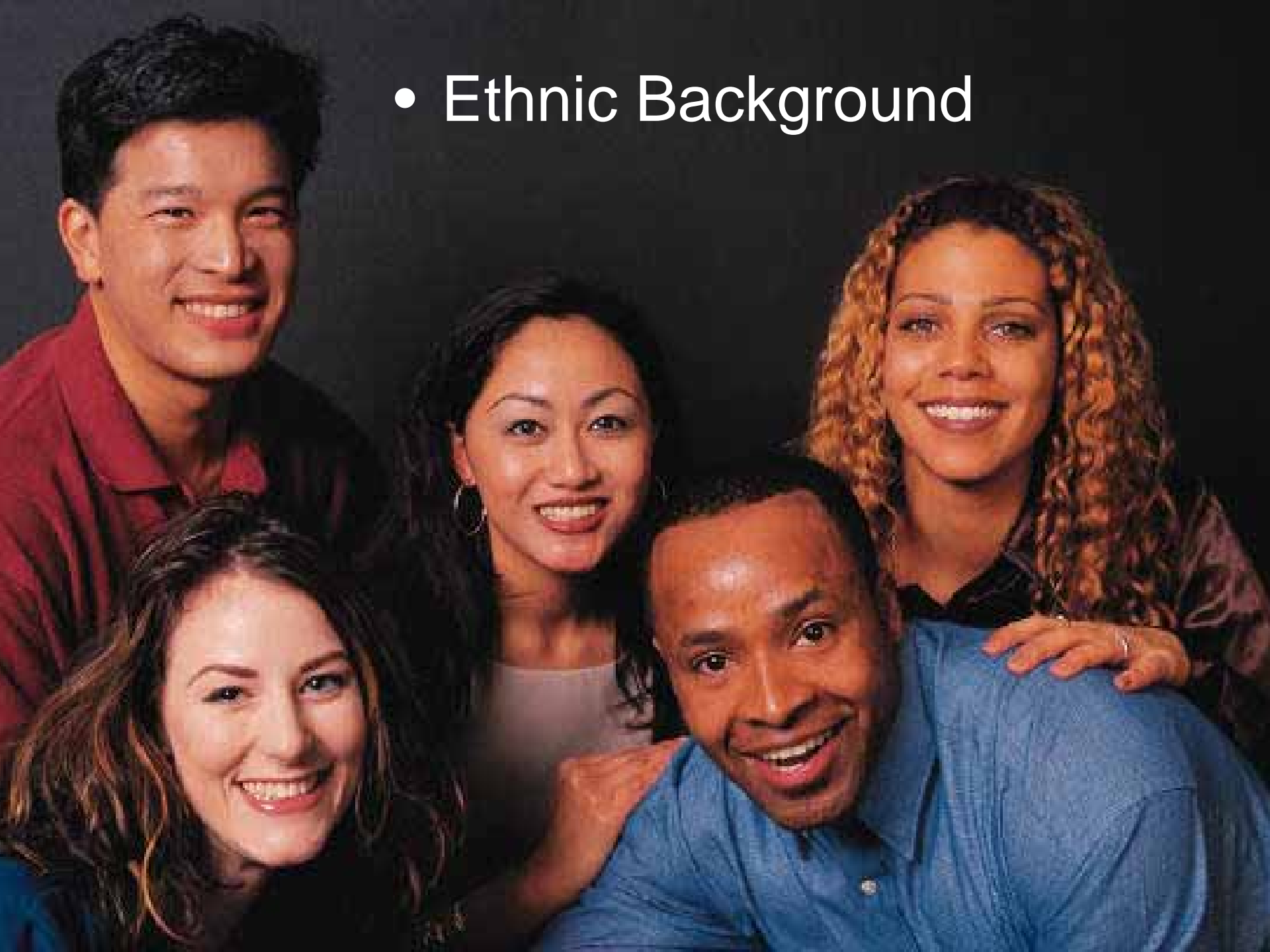
Married

Divorced

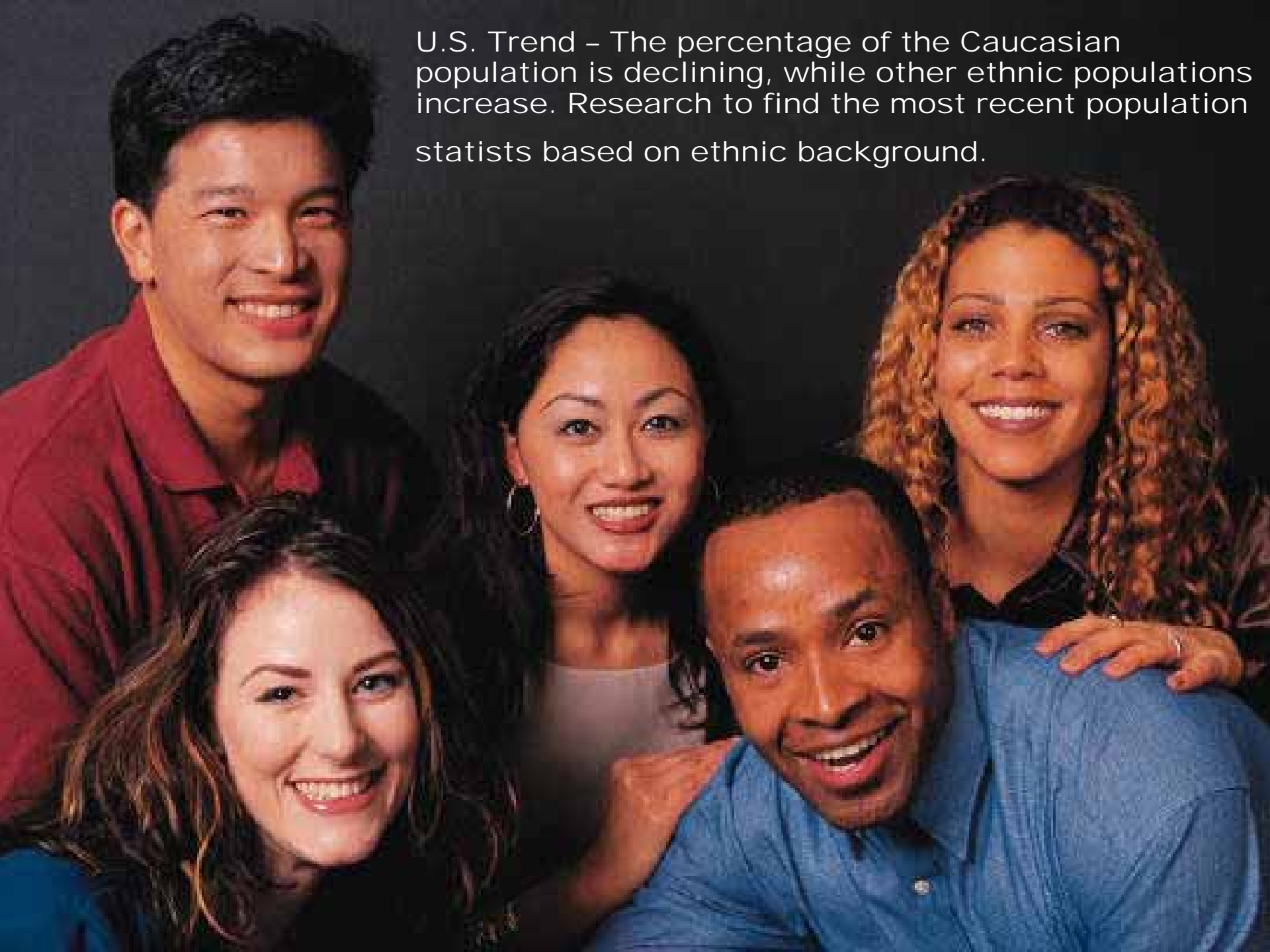
Widowed



- Ethnic Background



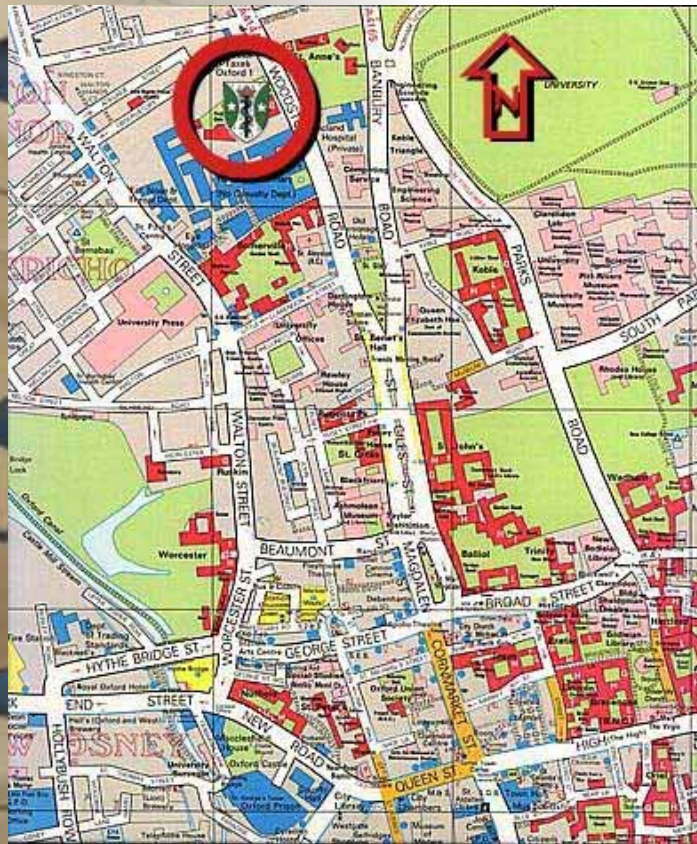
U.S. Trend – The percentage of the Caucasian population is declining, while other ethnic populations increase. Research to find the most recent population statistics based on ethnic background.





Psychographics

- Involves grouping people with similar lifestyles, as well as shared attitudes, values, and opinions.
 - Activities
 - Attitudes
 - Personality & Values



Geographics -
Segmentation
based on
where people
live



Behavioral Segmentation

- Looking at the benefits desired by consumers, shopping patterns, and usage rate. Market benefits, not just the physical characteristics of a product



Behavioral Segmentation

- Many businesses find that the 80/20 rule applies.
- 80 % of a company's sales are generated by 20 % of its loyal customers.

80/20



Mass Marketing VS Segmentation

- Mass marketing not as popular as it once was.
- Niche marketing (the current trend) – markets are narrowed down and defined with extreme precision.