

Segmentation

Market segmentation is the process of dividing a market up into different groups of customers, in order to create different products to meet their specific needs. The most obvious type of segmentation is between customers who buy distinctly different products. For example, in manufacturing sandwiches, you would clearly be able to make a distinction between creating sandwiches for vegetarians and those for meat eaters.

here are many others segmentation, market, selling, purchase, frequent/infrequent, brands, sale, income, countries, stouts, beers, Guinness, experienced drinker, loyalty, consumer behaviour pattern say of dividing up your market, e.g. into age group segments, or into psychographic segments (according to lifestyle). A person's lifestyle is their individual pattern of behaviour, made up of their attitudes, beliefs, interests and habits. A frequently used distinction in this respect is between 'upmarket' and 'downmarket' customers e.g. between customers such as students who want to buy the cheapest available coffee pot, and those that want an expensive and stylish coffee pot as a 'life style symbol'.

A good example of market segmentation is that used by health and leisure clubs in the UK today. For example, there is a clear distinction between daytime users who are often young mothers with children, and older retired people, and evening users who are people who like to keep fit after a busy day at work. Leisure clubs tailor their facilities to cater for the needs of these different segments, for example by providing creche facilities during the day.

They also charge different rates according to time of use. Prices tend to be higher in the evenings when there is a bigger demand and therefore higher use of facilities.

Geographic segmentation is a simple form of market segmentation. Certain countries, regions, etc. are assumed to have common characteristics which influence buying attitudes. In international marketing it makes sense to analyse particular market segments in terms of such characteristics as population, income per head, trade carried out by the country, as well as tastes, and the nature of competition in the market.

Demographic segmentation involves dividing the population into discrete segments either by age (e.g. for clothes retailing), or by sex (e.g. for the sale of cosmetics), or by family size (e.g. for selling different sizes of breakfast cereals), or by income group (e.g. in selling own-brand and manufacturers' brands in a supermarket), or by occupation (e.g. in selling life insurance to teachers or stunt drivers).

Psychographic segmentation is concerned with identifying personality traits and distinguishing characteristics in groups of the population. Examples are young and outgoing (for the sale of new forms of music) or grey and conservative (for classical and 60s music).

Behaviouristic segmentation looks at consumer behaviour patterns - frequent/infrequent purchase, loyalty to a product etc. For example, one segment of the market may always purchase your product while another is made up of people who switch frequently between brands. An experienced drinker may stick with Guinness, while an inexperienced one may try out a range of beers and stouts.