

An evaluation of the impact on marketing segmentation on increasing market share i...

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AN EVALUATION OF THE IMPACT OF MARKETING SEGMENTATION ON INCREASING MARKET SHARE IN THE AUTOMOBILE INDUSTRY BY ALAGBO LATEEF OLUFEMI EAA090671 A PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTERS IN BUSINESS ADMINISTRATION (MBA). TO THE DEPARTMENT OF MANAGEMENT SCIENCE, FACULTY OF ENGINEERING AND TECHNOLOGY, LADOKE AKINTOLA UNIVERSITY OF TECHNOLOGY, OGBOMOSHO, NIGERIA. SEPTEMBER, 2010

DECLARATION I declare that apart from the references made to other works which have been duly acknowledged, this work is the result of my own research under the supervision of Dr.

Salami and it is to the best of my knowledge, never presented anywhere before for an academic purpose.

ALAGBO LATEEF OLUFEMI DATE EAA090671 CERTIFICATION This project entitled, " An evaluation of the Impact of Marketing Segmentation on Increasing Market Share in the Automobile Industry" submitted by Alagbo Lateef Olufemi has satisfied the regulations governing the award of the degree of Masters in Business Administration (MBA) of Ladoke Akintola University of Technology, Ogbomosho, Nigeria.

..... SUPERVISOR DATE

HEAD OF DEPARTMENT DATE DEDICATION This work is dedicated to Almighty Allah (SWT), to my dad, mum and my immediate family member for their love, support and above all, their understanding and co-operation throughout the course of this work. ACKNOWLEDGMENTS First and foremost, my special gratitude goes to Almighty Allah for making this work a reality.

I am also greatly indebted to acknowledge the tremendous efforts of my supervisor, Dr. Salami for his continuous understanding, co-operation and support which has glaringly manifested in the completion of this work. I must also not fail to forward my appreciation to Dr. Remi Aworemi for his unending supports throughout my stay and to the completion of this work. Thank you all. ABSTRACT An organization be it providing services or engaging manufacturing can not in some cases serve all customers in a broad market .

This is because customers are too numerous and diverse in buying or services requirements. Therefore an organization needs to identify the market segments it can serve effectively Therefore, the study evaluates the impact of market segmentation to increase market share in an automobile industry. The study also looks at to which market segmentation increase the profitability of automobile. In other to collect data for the study, the research makes use of survey research method through questionnaire administered to selected automobile dealers in Kwara state.

Likert scale method of questionnaire were employed . Analysis of the data was affected using a simple descriptive statistics comprising frequency tables and weighted scores . The findings from the questionnaire administered to selected automobile dealer in Kwara state form the basis of the findings and conclusion of the research . The major conclusions of the research are that: (i) adoption of market segmentation have increase the market shares of the automobile industry in Kwara state , hich have lead to the company profitability , product differentiation , increase in number of customers (ii) adoption of market segmentation among automobile industry

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have reduce the cost of traditional marketing and others marketing promotions tools Consequently, it was recommended that (i) A company should identified its market segments, it has to evaluate the various segments and decide how many and which ones to target, applying market segmentation can be a difficult tasks at the initial stage, however it can enhance the survival and growth of an organization.

The automobile business dealers should see market segmentation of their product as a continuing practice that must be applied to company's everyday activities (ii) Market segmentation should be undertaken where it is most effective and in the most economical way that the organization can appeal to customers. To some extent less efficient marketing methods must be substituted for market segmentation to enable the company concerned to realized their objectives

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CHAPTER ONE: INTRODUCTION 1. 1 Background to the study

An organization be it providing services or engaging manufacturing can not in some cases serve all customers in a broad market . This is because customers are too numerous and diverse in buying or services requirements. Therefore an organization needs to identify the market segments it can serve effectively . The marketer does not create the segments; the marketer's task is to identify the segments and decide which one (s) to target . An organization can create a more fine tuned products or service offering and price it appropriately to the target market.

Organization can easily select the best communication channels and it will also have a clearer picture of its competitors, which the companies are going after the same segment . Even a segment is partly a friction, in that not every one wants exactly the same thing . Some sellers engage in the mass productions, for all buyers which creates the potential market, which lead to the lowest cost, which in term can lead to lower process or higher margin. Some organizations on the other hand, define group seeking a distinctive mix of benefits .

Marketers here normally identify niches by dividing a segment into sub-segments. The idea, however, behind that is customers with distinct set of needs; they will pay a premium to the firm that best satisfies their needs. In light of the above, the study intends to evaluate the impact of market segmentation on increasing market share in automobile industry 1. 2

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Statement of the Problem With market increasingly adopting more and more refined marketing segmentation scheme by the internet and other customized efforts, some critics claim that mass marketing is dead .

For example despite the aggressive marketing efforts of some GSM operators or banks in Nigeria, customers sometime reacted in a negative way, this led to increasing number of promotion by some of this bank to reach out to customers. Others countered that there will always be room for large brands that employ marketing programs targeting the mass market (Kotler, 2003). In other to improve market share in the industry, company finds it expedient to engage in market segmentation as to pool it resources together and specialize in a certain target market because of the diverse and numerous customers.

Two broad groups of variables are used to segment looking at customer characteristics: geographic which calls for segmenting market into geographical set up or demographic which the market is divided into age, family size, family life cycle and so on or psycho graphical set up or demographic which the market is divided into age, family size, family life cycle and so on or psychographic which calls for life styles or personality or values.

In order to address the major issues underlining the research, an attempt will be made to provide answers to the following questions; I. Does adoption of market segmentation increase market shares among automobile industry in Kwara state? II. What are the strategies employ by automobile dealer in

Kwara state in order to attract customers to their product. III. Has market segmentation improved the specialization of automobile dealers in Kwara state? IV. What is the effect of market segmentation on the profitability of the automobile dealers in Kwara state? . 3 Objective of the study The general objective of the study is to make an evaluation of the effect of market segmentation on the market share of some selected companies in the automobile industry . More specifically, it will address the following: To determine the extent market segmentation improves the market shares of automobile industry in Kwara state To look at the extent market segmentation affects the profitability of Nigeria automobile industry in Kwara state 1. 4 Significance of the Study

This study is significant in several respects. These include: The study will be a reference material for further study on the impact of marketing segmentation on increasing market shares in the automobile industry. Business executives, individual and corporate organizations will find the study valuable in educating as well as informing them on the need to adopt market segmentation as a means of reaching out to their customers. The study will be a reading companion to other researchers, academics and students of marketing.

The outcome of the study will add to the existing body of knowledge on marketing segmentation in Nigeria 1. 5 The Scope and Limitation of the Study The study will not in any way dwell on the technical issues relating to automobile and its associated processes , rather , it will attempt to evaluate the possible impact of market segmentation on increasing market shares in

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automobile industry . The study will be carried out in Kwara Metropolitan with its heterogeneous population .

Hence the result cannot be generalized for the rural populace because of the nature of the research in terms of end users. CHAPTER TWO LITERATURE REVIEW 2. 1 Introduction Marketing segmentation as a variable in the marketing mix is an important as product, promotion and price. It plays a very important role in marketing process . There would be no trade if means of distribution were not created . Marketing segmentation provides time, place and ownership utilities by bringing the goods and services at the time and place where they are needed and to who needs them .

However, one of the major marketing problems facing most Nigeria companies is in ability to effectively segment their product to reach consumer. According to Ayozie (2008) noted that Nigeria companies marketing effort lack the knowledge and skills of basic marketing ingredients- marketing research , marketing planning and effective distribution network . The outcome of this is poor quality products, unawareness of competitors, poor promotion, poor distribution, and poor pricing methods.

In a developing country like ours with low income and high level of poverty, the need for effective marketing segmentation of product is very imperative if an organization hope to achieve any success , Kotler (2004) opined that production is incomplete until the goods produce by the company get to the consumers and the only means this can happened is for organization to

identified appropriate means of method of segmenting her product . No organization succeeds by accident , every organization whether small or big must ensure that after production , it must device appropriate methods of distributing its product .

This sections examine the concept of market segmentation , the study also examine different ways by which companies segment their market to reach out to target audiences . The study further examine Nested approached model to market segmentation

2. 2 Concept of Market Segmentation

According to Kotler, (2005) a market segment is a subgroup of people or organizations sharing one or more characteristics that cause them to have similar product and/or service needs.

A true market segment meets all of the following criteria: it is distinct from other segments (different segments have different needs), it is homogeneous within the segment (exhibits common needs); it responds similarly to a market stimulus, and it can be reached by a market intervention. The term is also used when consumers with identical product and/or service needs are divided up into groups so they can be charged different amounts. These can broadly be viewed as ' positive' and ' negative' applications of the same idea.

When the term " market segmentation" is used, most of us immediately Think of psychographics, lifestyles, values, behaviours, and multivariate Cluster analysis routines. Market segmentation is a much broader Concept, however, and pervades the Practice of business throughout the World. What

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is market segmentation? At its most basic level, the term “ market segmentation” refers to subdividing a market along some commonality, similarity, or kinship. That is, the members of a market segment share something in common.

Kotler, (2005) say that the purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment. It’s analogous to the military principle of “ Concentration of Force” to overwhelm an enemy.

Afolabi (2006) says that concentration of marketing energy (or force) is the essence of all marketing strategy, and market segmentation is the conceptual tool to help achieve this focus.

Before discussing psychographic or lifestyle segmentation (which is what most of us mean when using the term “ segmentation”), let’s review other types of market segmentation Our focus is on consumer markets rather than business markets. Techniques and types of market segmentation Market segmentation can be examined using the following; 2. 3 Types of Market Segmentation 2. 3. 1 Geographic Segmentation Geography segmentation is perhaps the most common form of market segmentation, wherein companies segment the market by attacking a restricted geographic area.

For example, corporations may choose to market their brands in certain countries, but not in others. A brand could be sold only in one market, one state, or one region of the Nigeria. Many restaurant chains focus on a limited geographic area to achieve concentration of force. Regional differences in

consumer preferences exist, and this often provides a basis for geographic specialization. The purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment.

Sauce might concentrate its distribution and advertising in the southwest. A chainsaw company might only market its products in areas with forests.

Geographic segmentation can take many forms (urban versus rural, north versus south, seacoasts versus interior, warm areas versus cold, high-humidity areas versus dry areas, high elevation versus low elevation areas, and so on). These examples also reveal that geographic segmentation is sometimes a surrogate for (or a means to) other types of segmentation.

2 Distribution Segmentation

Kotler (2004) says that different markets can be reached through different channels of distribution. For example, a company might segment the "tick and flea collar" market by selling the product to supermarkets under one brand name, to mass merchandisers under another brand, to pet stores under another brand name, and to veterinarians under yet another brand name. This type of distributional segmentation is common, especially among small companies that grant each channel a unique brand to gain distribution within that channel.

3 Media Segmentation

Media segmentation is sometimes a possibility. It is based on the fact that different media tend to reach different audiences. Media segmentation is most often practiced by companies that have some control over the media, and can somehow discourage competitors from using that media.

4 Price Segmentation

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Kotler, (2005) say that where a monopoly exists, the price of a product is likely to be higher than in a competitive market and the quantity sold less, generating monopoly profit for the seller.

These profits can be increased further if the market can be segmented with different prices charged to different segments (referred to as price discrimination), charging higher prices to those segments willing and able to pay more and charging less to those whose demand is price elastic. The price discriminator might need to create rate fences that will prevent members of a higher price segment from purchasing at the prices available to members of a lower price segment.

This behaviour is rational on the part of the monopolist, but is often seen by competition authorities as an abuse of a monopoly position, whether or not the monopoly itself is sanctioned. Examples of this exist in the transport industry (a plane or train journey to a particular destination at a particular time is a practical monopoly) where Business Class customers who can afford to pay may be charged prices many times higher than Economy Class customers for essentially the same service. Microsoft and the Video industry generally also price very similar products at widely varying prices depending on the market they are selling to.

Kotler (2004) says that price segmentation is common and widely practiced. Variation in household incomes creates an opportunity for segmenting some markets along a price dimension. If personal incomes range from low to high, the reasoning goes, and then a company should offer some cheap products,

some medium-priced ones, and some expensive ones. 2. 3. 5 Demographic segmentation Gender, age, income, type housing, and education level are common demographic variables. Some brands are targeted only to women, others only to men. Music downloads tend to be targeted to the young, while hearing aids are targeted to the elderly.

Education levels often define market segments. For instance, private elementary schools might define their target market as highly educated households containing women of childbearing age. Demographic segmentation almost always plays some role in segmentation strategy. 2. 3. 6 Product Differentiations Schiffman et al (2003) posits that in marketing, product differentiation (also known simply as “differentiation”) is the process of distinguishing the differences of a product or offering from others, to make it more attractive to a particular target market.

This involves differentiating it from competitors’ products as well as one’s own product offerings. Differentiation is a source of competitive advantage. Although research in a niche market may result in changing your product in order to improve differentiation, the changes themselves are not differentiation. Marketing or product differentiation is the process of describing the differences between products or services, or the resulting list of differences. This is done in order to demonstrate the unique aspects of your product and create a sense of value.

Marketing textbooks are firm on the point that any differentiation must be valued by buyers (e. g. the term unique selling proposition refers to

advertising to communicate a product's differentiation. In economics, successful product differentiation leads to monopolistic competition and is inconsistent with the conditions for perfect competition, which include the requirement that the products of competing firms should be perfect substitutions. Schiffman (2003) says that the brand differences are usually minor; they can be merely a difference in packaging or an advertising theme.

The physical product need not change, but it could. Differentiation is due to buyers perceiving a difference; hence causes of differentiation may be functional aspects of the product or service, how it is distributed and marketed, or who buys it. The major sources of product differentiation are as follows. Differences in quality which are usually accompanied by differences in price Differences in functional features or design Ignorance of buyers regarding the essential characteristics and qualities of goods they are purchasing Sales promotion activities of sellers and, in particular, advertising Differences in availability (e. . timing and location). The objective of differentiation is to develop a position that potential customers see as unique. Differentiation primarily impacts performance through reducing directness of competition: As the product becomes more different, categorization becomes more difficult and hence draws fewer comparisons with its competition. A successful product differentiation strategy will move your product from competing based primarily on price to competing on non-price factors (such as product characteristics, distribution strategy. 2. Nested Approach to Segmentation (Bonoma & Shapiro Model) Kotler (2004) holds

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that taking the Wind & Cardozo model, Bonoma & Shapiro extended this into a multi-step approach in 1984. As the application of all the criteria recommended by Wind and Cardozo and subsequent scholars who expanded upon their two-stage theory became increasingly difficult due to the complexity of modern businesses, Bonoma and Shapiro suggest that the same / similar criteria be applied in multi-process manner to allow flexibility to marketers in selecting or avoiding the criteria as suited to their businesses. They proposed the use of the following five general segmentation criteria which they arranged in a nested hierarchy:

Demographics: industry, company size, customer location
Operating variables: company technology, product/brand use status, customer capabilities
Purchasing approaches: purchasing function, power structure, buyer-seller relationships, purchasing policies, purchasing criteria
Situational factors: urgency of order, product application, size of order
Buyers' personal characteristics: character, approach

The idea was that the marketers would move from the outer nest toward the inner, using as many nests as necessary". (Kalafatis & Cheston, 1997). As a result this model has become one of the most adapted in the market, rivalling the Wind & Cardozo model head-on. One of the problems with the nested approach " is that there is no clear-cut distinction between purchasing approaches, situational factors and demographics".

Bonoma and Shapiro are aware of these overlaps and argue that the nested approach is intended to be used flexibly with a good deal of managerial judgment" (Webster, 2003). 2. 5 Niche market Schiffman (2003) say that a

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niche market is the subset of the market on which a specific product is focusing on; Therefore the market niche defines the specific product features aimed at satisfy specific market needs, as well as the price range, production quality and the demographics that is intending to impact. Every single product that is on sale can be defined by its niche market.

As of special note, the products aimed at a wide demographics audience, with the resulting low price (due to price elasticity of demand), are said to belong to the Mainstream niche, in practice referred only as Mainstream or of high demand. Narrowed demographics though lead to elevated price because of the same principles. In practice, product vendors and trade business are commonly referred as mainstream providers or narrow demographics niche market providers (colloquially shortened to just niche market providers). Small capital providers usually opt for a niche market with narrow demographics as a measure of increasing their gain margins.

Nevertheless, the final product quality (low or high) is not dependant on the price elasticity of demand though, it is more associated with the specific needs that the product is aimed at satisfy and in some cases with brand recognition which the vendor wants to be associated with (i. e. Prestige, Practicability, Money saving, Expensiveness, Planet environment conscience, Power, etc) CHAPTER THREE RESEARCH METHODOLOGY 3. 1 Introduction Descriptive and explanatory research design was adopted. Survey method was equally used through the use of questionnaire to generate data.

The research adopts attitude survey questionnaire method. The questionnaire is constructed in the likert scale and closed ended method based on his understanding of the subject matter.

3. 2 Location /area of study

The study was carried out in Kwara state, Ilorin metropolitan area . Ilorin city is both the commercial and industrial centre as well as capital to the state . It was the belief of the research that there is reasonably large presence of car owners and dealers in this city

3. 3 Research design

The research design employed for the study is a survey method.

The choice of this design was influenced by the fact that survey is capable of collecting mass data from a large sample . The data collection instrument is a self-designed structural questionnaire tailored towards collecting relevant data that are pertinent to addressing issues raised by the research questions

3. 4 Population of the study

The population of this study includes all automobile dealers in Nigeria; from corporate organization to individual . Nigeria automobile who are estimated to be more than four thousand in Nigeria registered with corporate affairs commissions (CAC)

3. Sample size and sampling techniques

The study may not be able to conduct or reach out to all automobile dealers in Nigeria, due to cost and financial difficulties and the deadline for the submission of this research work . Hence, Kwara state will be used as sample size for the study . This is because there is quite a number of automobile dealers in Nigeria due to the market for automobile parts and vehicle. The study will cover some selected Automobile dealer within metropolitan city in Kwara state . In all 60 automobile dealers in Kwara state will be selected for the study, using simple random sampling

techniques . 6 Instrument of Data Collection The major instrument used for data collection is questionnaire. Structured questionnaires were used to create room for easy analysis and good judgment. The research instrument was based on the research questions stated earlier. The questionnaire is in two parts namely; sections A and B. Section A comprises respondent's bio data while section B is the structured part of the questionnaire; this will be directed to selected automobile dealers in Kwara State 3. 7 Method of Data Analysis

Descriptive statistics will be employed in the analysis. The use of tables, frequencies and percentages will be made as statistical tools to analyze the data collected then employed in the analysis . Also the study will employed the use of chi-square method to test the hypotheses CHAPTER FOUR DATA PRESENTATION AND ANALYSES 4. 1 Introduction This Chapter focuses on data presentation, analysis, and interpretation. Based on the responses from questionnaire distributed, the results obtained from the analysis form the basis of findings, conclusion and recommendations of the study.

Out of the 60 questionnaires that were distributed 55 questionnaires were duly completed and returned. This shows that respondents took interest in the subject matter 4. 2 Data Analysis and Presentation Feature of the sample Out of the total number of respondents, 52 or 94. 5% are male, while 3 or 5. 5% are female. This shows that more male are in automobile business at Kwara state compare to female. The study shows that majority of the respondents 42 or 76% are within the age bracket of 35-40 years , 10 or 18%

of the respondents are within the age bracket of 50 years and above , while 3 or 16 are less than 25 years .

This shows that majority of those in automobile business at Kwara state are matured by age. The marital status of the respondents indicates that majority of the respondents are married . This accounted for 49 or 89% of the respondents, 5 or 9% are single and only one of the respondents are divorced In terms of academic qualification, 46 or 83% of the respondents are holders of secondary school certificate, while only 6 or 11% have first degree certificate or higher National Diploma (HND) TABLE 1

Summary of Responses to extent of using marketing segmentation to increase market shares

To a very large extent	To a large extent	Not sure	To a little extent	Not sure	Weighted score	Rank
34	12	9	23	6	1st	2
Adopting marketing segmentation is a waste of time and does not improve or increase market share						
94	42	14	5	2nd	3	market segmentation does not work , especially in the automobile industry in kano state
6	12	37	15	23rd	Sources: Field Survey 2009	

The study indicates the respondent responses to the extent of using marketing segmentation to increase their market shares. The table above show the order of ranking using weighted score , the highest respondents indicates that market segmentation have greatly increase the market shares (WS-236) follow by respondent who indicate that adoption of market shares is a waste of time (SW-145) And market segmentation does not work in automobile sector in Kano state (SW -152) Table 2

Summary of Responses to extent of feeling about using specialize market segmentation To very large extent To large extent Not sure To little extent Not at all Weighted score Rank Specialization market segmentation is the best approached for automobile in Kano state 35104512381st Specialization market segmentation bring about a particular types of customer 20272422243rd Specialization market segmentation reduce the cost of traditional marketing and advertisement 1218 25 1824th Specialization brings about better product quality 1734 312282nd N- 55

Sources: Field Survey 2009 The respondents on the above table were asked to indicate the extent to which specialized market segmentation have be adopted to improve on the performance of their market share.

Majority of the respondents (WS -238) say that the method is one of the best approach they have move their business , another set of respondents mentioned indicates that it has brought about better product quality (SW-228) , follow by the respondents who indicate that specialization market segmentation has enable a particular type of customer to patronized them (SW-224) The last on the table shows that specialization marketing have reduce the cost of traditional marketing of their product (SW-182) Table 3

Summary of Responses to extent customers patronage your using specialization market segmentation To very large extent To large extent Not sure To little extent Not at all Weighted score Rank Government agencies/ministry 1417 24 1863rd Individual 2129 5 2311st Corporate organization 1823 14 2102nd Sources: Field Survey 2009 N- 55 Majority of

the respondent on above table indicate that the main categories of people that patronize their product are high network individual (SW -231), follow by corporate individual, mainly from the private sector (SW-210), the list types of customers are Government agencies (SW-186)

Table 4: Summary of Responses to extent of adoption of market segmentation to enhanced market share

To very large extent	To large extent	Not sure	To little extent	Not at all	Weighted score	Rank	Enhanced
455	525	51	5	1	5.25	1st	Increase turnover of my business
1436	412	174	4	1	4.12	4th	Increase Return on capital employed of my business
812	075	8	1	2	3.075	5th	Increase in number of customer to my business
1930	622	73	3	0	6.227	3rd	My company is distinctive from others as a result of adoption of market segmentation

Sources: Field Survey 2010 The above table indicate that some of the automobile dealers that adopted market segmentation to increase the market share of their business have impacted significance on their business profit (SW-255) , bring distinctive customer to their business (SW-230) increase number of customer that patronize their business (SW-227) and the list effect are on increase in market turnover (SW -217) Table 5 Summary of Responses to extent of classes of customers that Patronize automobile industry in Kwara State

To very large extent	To large extent	Not sure	To little extent	Not at all	Weighed score	Rank	higher income group
401	114	25	1	1	4.251	1st	Middle income level
1427	1424	62	84	43	1.423	3rd	Lower income level

Sources: Field Survey

2010 N- 55 The respondents were asked the classes of customers that patronized their business based on the income group , the highest classes of income group are higher income group (SW-252) , follow by middle income group (SW -246) and the list income group that patronized automobile dealers in Kwara state are the low income earners (SW -142) Table 6

Summary of Responses to extent of using market segmentation to achieve market growth To very large extent To large extent Not sure To little extent

Not at all Weighted score rank Geographical location 2518 12 2212nd

Product segmentation 1623 16 2044th Price segmentation 1119 25 2093rd

Demographic segmentation 1412226 1885th Specialize market

segmentation 1736 2 2311st Sources: Field Survey 2010 N- 55 The verall

picture of the above table suggests that one of the techniques that mainly used by automobile dealers in Kwara state , using market segmentation are in the area of specialized market segmentation (SW-231) , follow by these assertion are geographical segmentation , , while some respondents indicate price segmentation (SW-209) , product segmentation (SW-204) and demographic segmentation (SW-188) CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS 5. 1 Summary of Major

Findings The study attempted to evaluate the impact of market segmentation increasing market shares in automobile industry The research reviewed the relevant literature on the subject matter of market segmentation. The reviewed literature focused on how the subject of market segmentation evolved over the years and how various authors had treated the subject matter.

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In addition current articles in renowned management books, journals, newspaper, similar papers and conference proceedings were also reviewed on market segmentation there is overwhelming evidence that despite the volumes of texts and articles that have been written; the subject of market segmentation continues to attract the interest of scholars. This is because the subject is as complex, dynamic and evergreen as human nature.

The research posed certain questions in order to generate data for the study, making use of questionnaire distributed to selected automobile industry in Kwara state. The responses in the returned questionnaire were collected, processed and analyzed. Simple percentages were used to analyze the data. The response obtained from questionnaire forms the basis of the findings drawn below: I.

That the adoption of market segmentation has increased the market shares of the automobile industry in Kwara state, which has led to the company's profitability, product differentiation, and increase in number of customers to mentioned but few II. The study shows that the adoption of market segmentation among automobile industry has reduced the cost of traditional marketing and other marketing promotion tools.

5. 2 Conclusions

Market segmentation and diversity are in natural harmony, without a diverse marketplace, composed of many different peoples, with different backgrounds, different interests, different needs and wants. Before the widespread of the marketing concept, mass marketing offering the same products or marketing mix to everyone was the marketing strategy mostly used. The study has shown that market segmentation is widely used by most automobile industry

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as a process of dividing a potential market into distinct subsets of consumers with a common need or characteristic and selecting one or more segments to target with a specially designed marketing mix.

The study further shows that segmentation strategies benefit both the marketers and consumers, they have received wide support from both sides of the marketplace. Market segmentation now is widely used by manufacturers, by retailers and auto industry in particular. However, businesses managers should note that the marketers does not create the segments; the marketers task is to identify the segments and decide which one(s) to target ; segment marketing as seen in the study offers several benefits over mass marketing .

The company can create a more fine tuned product or services offering and price it appropriately for the target segment . The best segmentation strategy is to use all the variables to come with a consumer profile (a target market) that's sizable, reachable, and profitable. On the other hand, that may meant not segmenting the market at all and instead going after the total market (everyone) . On the other hand it may mean going after a particular group such high income group as shows in the study above 5.

Recommendations The following recommendation will assist the automobile dealers in Kwara state and other similar organization on how they can achieve their marketing aims and objectives within the resources available using market segmentation; A company should identified its market segments, it has to evaluate the various segments and decide how many and which ones to target, applying market segmentation can be a difficult

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tasks at the initial stage, however it can enhance the survival and growth of an organization.

The automobile business dealers should see market segmentation of their product as a continuing practice that must be applied to company's everyday activities. Therefore, the need to keep abreast of changes in technology, consumer expectation that is likely to impact on the image of the company. The automobile dealers, especially at Kwara state must recognize the enormous responsibilities of the market segmentation strategy and strengthen them accordingly, to be able to perform these responsibilities efficiently and effectively.

Market segmentation should be undertaken where it is most effective and in the most economical way that the organization can appeal to customers. To some extent less efficient marketing methods must be substituted for market segmentation to enable the company concerned to realize their objectives

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(McGraw-Hill, 16th Ed. APPENDIX Questionnaire ??? survey Faculty of
Engineering and Technology, Department Of Management Science Ladoke
Akintola University of Technology, Ogbomosho, Oyo State Dear Respondents

An evaluation of the impact of marketing segmentation on increasing market
share in automobile industry. I am currently carrying out a research on “ An
evaluation of the impact of marketing segmentation on increasing market
share in automobile industry ” with your organization as a case study. The
purpose of this research is to look at marketing segmentation among and the
impact on market shares among automobile dealers in Kwara state. The
research is for academic purposes only and all information will be held in
strict confident.

Kindly answer the questions in the attached questionnaire. We will come
back at your own convenience to collect the completed questionnaire. Thank
you. 1. Sex: Section 1 - bio-data Male Female 2. Age: Less than 25 yrs 25 ???
30yrs Between 35 ??? 50 yrs 50 yrs and above 3. Marital Status: Single

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Married Separated Divorced 4. Academic Qualifications: GCE/WASCE
OND/NCE HND/B. Sc

MBA/M. Sc/MA QUESTION 1: Please indicate the extent of your agreement with each of the following in terms of using marketing segmentation to increase market shares of your product To a very large extent To a large extent Not sure To a little extent Not sure 1Marketing segmentation have increase market shares of my business 2Adopting marketing segmentation is a waste of time and does not improve or increase market share 3market segmentation does not work , especially in the automobile industry in Kwara state