

Marketing segmentation

[Business](#), [Marketing](#)



Customers playing golf would need a differently designed shoes to what a long distance runner loud need. Advertisements are adjusted accordingly to reach all the target audiences. Consumer behavior is looking at the psychology of why we buy particular items. This study of the the consumers behaviors can be broken down into psychological and sociological. Looking at the individual's motivation, their personality traits and their learning patterns (psychology) and looking at the behavior of individual and groups when interacting with each other (sociology).

Since consumer behavior and segmentation are dynamic and involve many variables it is unrealistic to assume a basic segmentation by demographic and core levels are going to be the only factors Influences consumer decisions. Purchase Behavior Consumption variables such as the size and frequency of a purchase are useful In segmenting consumer and business markets. Marketers of Industrial products often classify customers and prospects Into categories on the basis of the volume of the purchase.

For example, a specialty chemical producer concentrates Its marketing efforts on chemical users that purchase at least \$100, 000 of chemicals each year. The firm further segments the market on the basis of how the customer uses the Heimlich. The development of CRM systems offers fast access to records of actual customer purchase behavior and characteristics. CRM and loyalty programs are generating insights Into customer behavior and segment differences, and providing the ability to respond more precisely to the needs of customers In different segments.

We discuss the Impact of CRM on analyzing customer characteristics In Chapter 4. Interestingly, level of product use may not necessarily Identify the best value opportunities. While casino companies call their best customers (gamblers) "whales" (and give them free hotel rooms and special tables with high limits), yet In the cell phone business the top 1 percent of wireless data customers who provide 30 percent of the traffic are stigmatized as "gluttons" or "bandwidth hogs" (and operators want to penalize them with higher prices).

Since buying decisions vary In Importance and complexity, It Is useful to classify them to better understand their characteristics, the products to which they apply, and the marketing strategy Implications of each type of purchase behavior. Buyer decisions can be classified according to the extent to which the buyer Is Involved In the decision. 27 A high- Involvement decision may be an expensive purchase, have Important personal consequences, and Impact the consumer's ego and social needs.

The decision situation may consist of extended problem solving (high Involvement), Limited problem solving, or routine problem solving (low Involvement). BY evaluation beliefs are going to be the only factors influences consumer decisions. Purchase Consumption variables such as the size and frequency of a purchase are useful in segmenting consumer and business markets. Marketers of industrial products often classify customers and prospects into categories on the basis of the volume of the purchase.

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