

# Example of zappos.com segmentation and targeting report

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Zappos. com is an online shoes and apparel retailer that was founded in 1999 in Henderson, Nevada. The company was originally established as a shoe store, however later it expanded its business into other areas, such as apparel, accessories, as well as products for home and beauty. However, shoes remain the core product of Zappos and the company managed to achieve market leadership in the online segment of shoe retail market. In 2009 Zappos announced its merger with Amazon. com in order to join capabilities and derive synergies from common operations.

Today the size of Zappos and the wide product range available in its stores makes it hard to identify just a few segments that the company targets. They aim to satisfy the needs of every customer and to “ sell anything and everything one day” (Zappos. com, Inc.). However, it is possible to pinpoint two distinct customer groups that are important for Zappos. First group represents the traditional segment of the company, that is comprised of young and stylish people in America, who are passionate about fashion and welcome the use of technology. The second segment are family shoppers, who do not have much time to shop and need a wide range of products to cater to the needs of every family member. These people are usually older than the first category and represent a larger share of the market. They look for higher quality items, but are more conscious about their budget.

Zappos has always been very creative in choosing advertising strategy. Its recent campaign featuring models, who perform their daily activities, such as riding a bike, but wear no clothes. The will also contains QR codes that add interactivity and allow smartphone users to choose clothes for the models, read related stories and shop online.

The segmentation strategy by Zappos has been a smart move that allowed the company to penetrate the segment of young customers, who seek variety and are more likely to purchase their clothes online. This choice of the target segment was especially important in the Zappo's early years, when internet and online shopping were not so widely spread. However, company's current expansion into new segments and products in combination with higher internet penetration makes traditional Zappo's ads less effective. Thus, using images of naked girls sends the wrong message to potential customers, and scares away rather than attracts family customers, in particular those who have children. Therefore, it is reasonable for the company to reshape its advertising strategy in order to create a new "family-friendly" image of the store, aiming to surprise and not to shock the clients.

## References

Zappos. com, Inc.. " In The Beginning - Let There Be Shoes." Part of the Zappos Family. N. p., n. d. Web. 29 Nov 2012. .