

Market segmentation

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



Segmentation and segmenting characteristics are vital to helping a company to satisfy the requirement of her clients as well as broaden her clients' base. In today's economy, the ability of a business to compete favorably depends on specifically targeting specific subgroup of people with similar characteristics. Market segmentation refers to classifying prospective consumers according to their characteristics to identify their needs for a particular product.

Segmenting is crucial and is applied by many businesses not only to meet the needs of their consumers but also to ensure continued provision of quality products and services to keep their customers (Cahill, 2006). Several advantages are derived from segmentation including isolating specific market segments that are more interested in what a business offers based on demographic. For example, the toy manufacturing company mainly targets children while cosmetic companies target women. Salespersons would consider multiple demographic characteristics to segment consumer markets according to age, gender, income, and social class. In this way, an organization can bring suitable products or services to the market.

People's thinking and their favorite activities can be used to segment a niche market. Personal attributes linked to personality, attitudes, interest, and lifestyles are characteristics that marketers focus on the market segment. This segmentation allows an organization to cater to personal consumer interests (Croft, 1994). Another way in which segmentation is important is allowing marketers to identify customers' preferences and target them with similar offers. A business itself could glean potential opportunities in filling the gaps assumed by businesses dealing in similar products or services. In

their direct marketing effort, the marketers could acquire lists of customers and send them mails or call them to introduce their services.

The more cost-effective a business marketing effort can become relies on more segments identified and brought together to reach more expected customers. Proper understanding of the client's needs is key to offering quality products and services. When customers derive ultimate satisfaction, they are likely to entice non-customers who share similar traits and characteristics, which is a relatively low-cost marketing strategy (Weinstein, 2004). Both the firm and the client thus benefit through market segmentation.

A well-defined target market enhances the capacity of a firm to concentrate on quality production while marketers are able to formulate effective marketing strategies with high impact. A firm can integrate suitable advertising techniques particularly tailor-made for the segment market including press, radio, TV, banner, flyers, or billboards (Croft, 1994). Thorough marketing campaigns and appealing promotions flare once confined to a segmented market and go hand in hand.

An organization has a choice on how to price the products or services to bring to the market at a level that the consumers can easily afford them. The firm can further blend offers like discounts on products and services purchased by the specific segments of her market. Another way to link the marketing mix is by deciding on which place to locate a firm.