

# [Segmentation: marketing](https://assignbuster.com/segmentation-marketing/)

[Business](https://assignbuster.com/essay-subjects/business/), [Marketing](https://assignbuster.com/essay-subjects/business/marketing/)

What are the weaknesses of mass marketing, as opposed to segmented marketing? What advantages does a company gain from market segmentation, as opposed to treating the market as single entity?

## Mass Marketin

Mass marketing is a market strategy in which firm or industry treat market with single offer or one strategy. In this marketing term wide range of customers and audience are concentrated. As there is no segmentation and focusing concern so large amount of customers are possibly exposed to the product.

For example as audience is focused on radio, television and newspapers in which large and broad audience are targeted by the companies and industries towards their product. Mass marketing is the opposite of segmented marketing as it focuses on high sales and low prices. Mass marketing aims is to provide services and products that will appeal to the whole market. Segmented marketing targeted a specific or particular segment of the market for example specialized services or goods with few or no competitors.

## Weaknesses of Mass Marketing as Opposed to Segment Marketing

Mass marketing focus to produce one type of goods and services to consumers, it is possible to reduce the level of risk involved in implementing this marketing term by market research although there is always a danger that demand for the product may fall. To determine any risks that may occur, a business must continuously examine the life cycle of their products and to analyze their product portfolios, this should ensure that the business goods continue to satisfy the market. The high cost of fixed capital costs that are incurred may prevent many businesses from operating a market.

Developing a product that would appeal to a mass market is difficult as it must appeal to all customers. Appealing to individual customers would be very challenging for the business.

Businesses in mass marketing can be defenseless to fluctuations in demand. A decrease in demand would lead to unused spare capacity that would effectively increase the unit cost per product.

## Segmentation

Market segmentation is the concept in which markets certain group or people are targeted and focused.

Researcher has shown that racial similarity, role congruence, labeling intensity of ethnic identification, shared knowledge and ethnic salience all promote positive effects on the targeted market. In market segmented we have seen that their customers and consumers are loyal and strongly affinity to the particular brand or product. As in market segmenting the market is divided into individual markets with similar wants and needs as on the products consumption. Broadly markets can be divided according to a number of general criteria, such as by industry or public versus private.

Although there is difference in industrial and consumer market segmentation but both of them have similar objectives. Why segmentation? One of the main reasons for using market segmentation is to help companies to better understand the needs of a specific customer base. Mass marketing assumes that all customers are the same and will respond to the same advertising. By looking at ways in which potential customer groups are different from each other, the marketing message can be better targeted to the needs and wants of those people.

Often. Dividing consumers by clearly defined criteria will help the company identify other applications for their products that may not have been obvious before. These revelations often help the company target a larger audience in that same demographic classification, improving market share among a specific base. Segmenting the market can also serve to identify smaller groups of people who make up their own, previously unknown subsets.

## Segmentation or Single Entity Market

Segmentation is much more valuable market strategy as compare to the market as a single unit because it’s much more hard and difficult to focus and know about the demands and needs of, customers and consumers if they are spread in a larger quantity. Market as a whole is difficult to handle if the areas of it are specifically are not defined and segmented well enough to know about them. There are all sort of customers found in market, each of them are different in needs and wants, and their budgets and choices also differ, so to reach and fulfill their necessities market must be segmented and defined sufficiently.

Is it possible to segment a market too far? What are the potential disadvantages of segmenting a market? Choose a market to provide examples of these potential disadvantages? Market segmentation is one of the best market strategies to apply and survive in market conditions. As in it product and services are enhanced and polished for the specific audience who demand, need and purchase them. In big wide world of billions of different types of people each and every company or industry first of all have to segment and target the specific group to at least introduce their product and check the result from audience as it goes in profit or loss.

But if the segmenting occurs again and again and went to deep in the specification and selection then it will be quit a difficult issue to solve and face, because there are certain criteria for segmentation if those will not be fulfilled then segmentation will give negative effect, some of them are given as follow:

* It is potential to measure.
* It must be large enough to earn profit.
* It must be stable enough that it does not vanish after some time.
* It is possible to reach potential customers via the organization's promotion and distribution channel. It responds consistently to a given market stimulus.
* It can be reached by market intervention in a cost-effective manner.
* It is useful in deciding on the marketing mix. As it’s obvious that each an everything, strategy or planning have its own positive and negative side as well, so we can only try to minimize those disadvantages by research and investigations.

Some of the disadvantages of over segmenting market are given below:

* The segment will be simply too small to be addressed economically or meaningfully.
* Customers are misinterpreted on their needs by too much segmentation. As there is always competitor market segment also working in market which will increase the costs and lesser profit margin of your product.
* Further segmenting introduce new products in market which need higher mass ofadvertisementto make its place in market, which will be needing lots of market research and risk as well because of new entry in market.

The type of segmentation you use will depend on a lot of factors including the cost not only of conducting the research, but also of implementing the solution and the business impact.

Consequently ideally for each segment or group you want to know what the economic value and the economic potential for each group is and have some idea as to whether this is increasing or falling. Consequently most quantitative segmentation studies are detailed and complex. A more cost-effective approach is to develop groups based on qualitative research. Typically a business wants to minimize the number of segments it has as each costsmoneyto target properly (database marketing and digital printing techniques allow for far finer targeting without too much additional cost).

With small numbers of big segments, a good researcher will be able to identify these groups within a programmer of qualitative research. This will not gather economic data, but it enables deeper insight into each group and, if monitored over time, provides core information about how segments change and develop. For example:- As we have seen that APPLE products and software’s are well known in market and are consume by thousands of customers around the world. They target the lead class of public with higher prices and best services in return.

There applications can only be installed by APPLE STORE as from which soon of them are free and others are paid as well as they bound their customers to do so. But if to maintain or increase their prestige, they will further segment there applications only to be installed after payment, then it will be too much expensive to afford that market term which will for sure affect their sells. As in market their competitors are developing day by day and offering really cheap amount for the look alike product and services as compare to them. The application provided by them are also free and approx. similar as given on APPLE STORES.