

# Market segmentation

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



The definition of market segmentation has been explained differently by different theorists for an instance according to Philip Kotler the definition of, market segmentation means " the act of dividing a market into distinct groups of buyers who might require separate products and/or marketing mixes", And according to William J. Stanton, " Market segmentation in the process of dividing the total heterogeneous market for a good or service into several segments. Each of which tends to be homogeneous in all significant aspects", the business dictionary states market segment as an identifiable collection of people, families, businesses, or organizations, which share similar characteristics or are otherwise a homogeneous or equal market[Businessdictionary. com , 2012].

We segment markets for various reasons such as to better match customer needs as segments generally react in a predictable manner to marketing, it also it also helps in creating separate offers for individual segments as customer needs differ. Markets are also segmented in order to enhance profits for businesses this is because individual customers have different disposable incomes therefore they are different in how sensitive their reaction to price can be by segmenting the market businesses can raise average prices and increase profits.

Market segmentation also helps to retain more customer's customer situations change for an instance they may age or have families change profession or even be promoted so by marketing products to appeal to stages in an segments life a business can retain customers who would have otherwise changed to a competing product or brand and most importantly if a business has a strong or leading share of the market then it is probably not

maximising profitability, companies can often achieve competitive production and marketing costs and therefore become the preferred choice of customers and suppliers.

In other words market segmentation gives small businesses the opportunity to compete with the larger ones [Tutor2u. com, 2012]. There are various different types of market segmentation each applying to a different section of society such being geographic segmentation, demographic segmentation, psychographic or lifestyle segmentation. When putting the baby Prada product into consideration, Psychographic segmentation would be more applicable; psychographic segmentation meaning the division of buyers into groups based on social class and lifestyle taking into consideration both the economic and social factors [Principles of marketing third edition, 2002]. The reason why psychographic segmentation would be best applicable to our product is due to the high class market that the Prada brand already holds, Prada as a brand has a very particular market with people who aren't too particular about what they spend, and this will help us in many ways such as pricing, placing and so on.

How will I target my market? The idea of target marketing is to direct a company's efforts towards serving one or more groups of customers sharing common needs or characteristics this is usually done easiest through market segmentation [principles of marketing, 2002] Most market segments are usually large and identifiable within a market for example expensive jewellery buyers or utility car buyers [P. Kotler, 2002] as we have already decided to divide the market psychographically in order to maximise customer awareness we have decided to focus on subgroups within the

segment, this method is called niche marketing, where we adapt a company's offerings to more closely match the needs of one or more sub segments.

As baby Prada is in fact a product for babies it is obvious that children under the age of four do not have the income to afford such a product neither are they susceptible to any type of marketing for this reason we have decided to target middle class mothers.

Under the micromarketing theory I will target these mothers with individual marketing, tailoring the products and promotion programmes to meet the needs and preferences of middle class mothers this form of marketing is also known as one to one marketing. Although this is time consuming and rather expensive it makes it easier to target the desired market and it will also be the start of the type of relationship that Prada as a brand aim to achieve with their customers in the long run.