Segmentation the process of market segmentation is

Segmentation techniques are integral to an organization's entire marketing process from initial marketing research through marketing communication. Segmentation is a powerful way for marketers to understand who they are trying to reach, what is unique about each group and how to design, distribute, price and promote offerings accordingly. It helps marketers make wise, cost-effective choices. Health care marketers should understand and perform segmentation techniques particularly when health care organization's clear direction is essential to ensure its profitability. The purpose of segmentation is to design and deliver a service tailored for a particular segment of customers. In so tailoring the service, the health care provider should attempt to quantify the value of a particular customer segment. When a critical review of any market is undertaken it soon becomes clear that the notion of a single market for a given service is of limited use.

Many health care providers following a marketing aggregation policy (i. e. not recognising market segment) are increasingly considering means of appealing to different segments. In the recent past there has been a paradigm shift in marketing practices from transactional marketing to relationship (segment) marketing. The process of market segmentation is one of dividing a total market into a series of submarkets (market segments). The marketing segment approach is concerned with: a. Considering the interactive basis for segmentation b.

Choosing specific segments or a single segment within that base c. Determining appropriate service levels for these segments. Traditionally, seven broad elements are used in considering market segmentation.

1.

Geographical segmentation:

Customers are differentiated on the basis of where they are located (Urban, suburban or rural).

2. Demographic and socioeconomic segmentation:

Based on a wide range of factors including age, gender, family size, income, education, social class and ethnic origin

3. Psychographic segmentation:

Based on analysis of lifestyle characteristics, attitudes and personality characteristics.

4. ' Benefit' segmentation:

On the basis of the benefits the customers are seeking.

5.

Usage segmentation:

Divides customers into heavy users, medium users, occasional users or nonusers.

6. Loyalty segmentation:

Based on relative loyalty a customer has to a particular service provider.

7. Occasion segmentation:

Customers very in the usage of a service depending on different occasion. However, this is generally not applicable to health care segmentation.

The various elements of customer service that can be offered and possible differentiation in terms of service levels within this element represent considerable opportunity to design service packages appropriate to different market segments. However, as a precursor to the development of a relationship (segmental) strategy, service providers must establish a good quality service and then develop a segmented customer base.

7. Occasion segmentation: