Introduction to segmentation and marketing mix marketing essay

Market segmentation is the process by which a market is divided into distinct subjects of customers with similar needs characteristics that lead them to respond in similar ways to a particular product offering and marketing programme.

Most markets are rarely homogeneous in benefits wanted, purchase rates, and price and promotion elasticities, their response rates to product &marketing programmes different variation among market segmentation in product preferences , size &growth in demand, media habits and competitive structures further affect the differences and response rates, Thus markets are complex entities that can be segmented in a variety of ways. The critical issue is to find an appropriate segmentation scheme that will facilitate target marketing, product positioning and the formulation of successful marketing strategies and programmes.

1. 2. Today's market realities often make segmentation impetrative;

Market segmentation has became increasingly important in the development of marketing strategies for several reasons.

1) Population growth has slowed and more product-markets are maturing. This creates a more competition among firms to seek growth via gain in market shares.

2)Social and economic forces as expanding disposable income, higher educational levels, and more, and more awareness of the word have produced customer's with more varied and sophisticated needs, tastes , and lifestyles than ever before.

3) There is an increasingly important trend towards micro segmentation in which extremely small market segments are targeted.

02) How Airlines has segmented the market and what are its marketing mix strategies.

Airline industry is a quickly growing industry in these days. Thus, Airline firms adopt different programmes and strategies to attract customers towards them, All these strategies are based on segmentation.

First they segment the market according to specific criteria and the use marketing mix strategies to expand their market share.

Sri Lankan Airlines is one of the largest Airlines in Sri Lanka and provide many services other than flying. They are childcare, Sri Lankan holidays, Night shop and cargo services. The company segment the market based on the following criteria.

2. 1. Demographic segmentation:

Income: Higher income households interested in seasonal family holiday journeys. Sri Lankan Airline indentified this opportunity and offered different family packages on their holiday journeys.

Geography: They offered different packages based on countries and cities. Specific packages on changes in these geographical character tics . xxxx

Race and ethnic origin: Focussing difference race and ethnic origin . Sri Lankan airline offers differentiated products. Muslim people visit Mecca once

a year on February. Thus the company offered family packages with different services such as hotel, cargo and other services. xxxx

2. 2. Psychographic segmentations:

Psychographic segmentation is concerned with indentifying personality traits and distinguishing characterises in groups of population . Sri Lankan Airline indentified this characterises properly and introduced new packages based on their life style. A life style is build up from his or her attitudes, beliefs, interest First they segment the market according to specific criteria and the use marketing mix strategies to expand their market share and habits . Introduction of economy class and Business class seats is a one example for this psychographic segmentation. They offered different holiday packages for different interest and habits. Some people like to visit religious places and others like for enjoyable journey with lots of fun. Thus Sri Lankan Airline offered packages based on these differences. Xxxx

2. 3. Behavioural segmentation:

Behavioural segmentation divides customers in to groups based on the way they respond to use or know of a product.

Behavioural segmentation can group consumers in terms of,

-occasional

-usage

-loyalty

-Benefits segment

Usage.

Sri Lankan Airline segmented their customers in to light, medium and heavy user groups. Some passengers regularly use Sri Lankan Airlines for their business tours. Sri Lankan Airlines offer some discounts on these regular customers. xxxxxx

Introduction to segmentation and marketing mix strategies.

1. 1 Why do market segmentation make sense?

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Income: Higher income households interested in seasonal family holiday journeys. Sri Lankan airlines indentified this opportunity and offered different family packages on their holiday journeys xxxx

Geography: They offered different packages based on countries and cities. Specific packages for different countries based on climate, ethnically and weather. And seasonal packages on changes in these geographical characterises. xxxxx

Race and ethnic origin: Focussing difference race and ethnic origin. Sri Lankan airline offer differentiated products. Muslim people visit Mecca once a year on February. Thus the company offered family packages with different services, such as hotel cargo and other services. xxxxx

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