

# Market segmentation

Business



Consumers will also be willing to pay different prices for products, and this means that segmentation will help in determining the right price for the right target group. Consumers can also be reached through a different medium in different places and segmentation will help in deciding the outlets that best suit the different customers. Lastly, consumers will react differently to the promotion and the management should know the right promotion strategies to capture specific target groups.

Segmenting characteristics are important as they will help the business in knowing how to segment their target market. Behavioral segmentation enables an organization to determine the benefits consumers want from the product and how they use the product. Demographic segmentation will help an organization in determining the how factors such as age, ethnicity, gender and other demographic features affect consumer choices (McDonald & Dunbar, 2004). Geographic segmentation will help in determining where consumers are located, how to reach them and what products they will need based on their location. Psychographic segmentation will enable an organization to know what consumers think, what they value, and how they live their lives, and this will help in determining the right product.

Market segmentation is crucial as it will enable organizations to focus their products on a group that is predicted to bring maximum profitability. Target segmentation will enable a business to distinguish itself from competitors by attending to a group that other competitors have not yet established. This, in turn, translates to increased revenues because resources are not wasted on unproductive ventures.