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Bases for Segmentation: Consumer Markets

- Geography
 - Global region
 - Market size
 - Market density
 - climate
- Demographics
 - Age
 - Gender
 - Income
 - ethnicity
- Psychographics
- Benefits Sought
 - Grouping customers into market segments according to the benefits they seek from the product
- Usage Rate
 - Dividing a market by the amount of product bought or consumed
 - 80/20 principle - 20% of all customers generate 80% of the demand

Bases for Segmentation: Business Markets

- Producers
- Resellers
- Government
- Institutions

Buying Processes

- Satisfiers - place an order with the first familiar supplier to satisfy product and delivery requirements
- Optimizers - consider numerous suppliers and study all proposals carefully before selecting one

Buyers' Personal Characteristics

- Demographic characteristics
- Decision style
- Tolerance for risk
- Confidence level
- Job responsibilities

Steps in Segmenting a Market

1. Select a market for study
2. Choose bases for segmentation
3. Select descriptors
4. Profile and analyze segments
5. Select markets
6. Design, implement and maintain marketing mix

Strategies for selecting target markets

- Undifferentiated strategy
- Concentrated strategy
- Multisegment strategy

Positioning – developing a specific marketing mix to influence potential customers' overall perception or a brand, product line, or organization in general

Product differentiation – distinguish their products from those of competitors