



MARKET SEGMENTATION

CHAPTER 37

SDP





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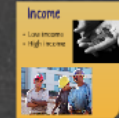
GEOGRAPHIC

Divides the market into different units such as countries, regions, provinces, cities, and towns.



DEMOGRAPHIC

The study of facts about people and populations.



BENEFITS

Businesses are more able to meet the needs of different customer groups if the market is segmented.

OTHER METHODS

Repeat Customers: loyal and keep returning.



MASS AND NICHE MARKETS

Mass markets: is when a business sells the same products to all consumers and markets in the same way.
Niche markets: is a small market segment. It involves selling to a small customer group, sometimes with specific needs.



Market segmentation

Markets can be divided into different sections or **segments**.

Each segment is made up of consumers that have similar need.

Businesses recognise this and target particular market segments with their products.



Dividing the markets into
segments businesses can more

Dividing the markets into segments businesses can more easily supply products that meet customer's need



You**Tube**

GEOGRAPHIC

Divides the market into different units such as countries, regions, provinces, cities, and towns.

Regional Differences

- Vancouver

More casual



- Toronto



More conservative

Urban/Rural Differences

- City



- Country



Urban/Suburb Differences

- Vancouver Yaletown



- Coquitlam



Areas within a City

- Downtown core



- Coquitlam Korea Town



Climate

- Sunny day



- Snowy day



DEMOGRAPHIC

The study of facts about people and populations.

Age

- Teens
- Middle age
- 20's
- 30's



Gender

Male or female?

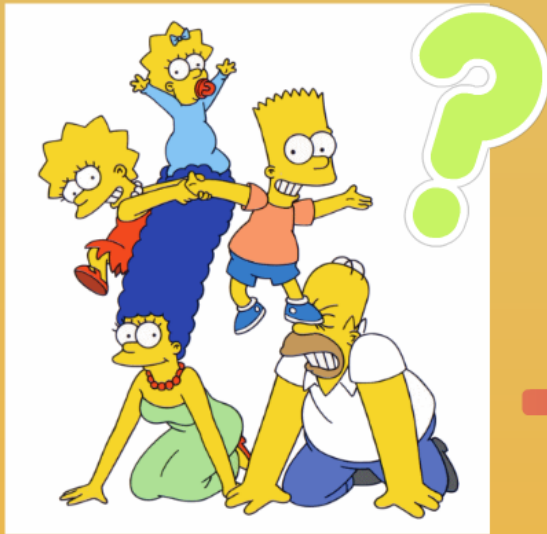


or



Social class

How many are living in the house?



Income

- Low income
- High income



Ethnic Background

- Russian
- Japanese



Religion



OTHER METHODS

Repeat Customers: loyal and keep returning.

BENEFITS

Businesses are more able to meet the needs of different customer groups if the market is segmented.



- Businesses that produce different products for different market segments can increase revenue.
- Customers may be more loyal to a business that provides products which are made tailored specifically to them.
- Businesses may avoid wasting promotional resources by targeting products at customers that do not want them.
- Some businesses can market a wider range of goods to different customer groups.



MASS AND NICHE MARKETS

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Niche markets:

Is a small market segment. It involves selling to a small customer group, sometimes with specific needs.

Mass markets



Businesses can produce large quantities at a lower unit cost by exploiting economies of scale.

Niche markets



Small firms can often survive by supplying niche markets. They can often avoid competition.



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