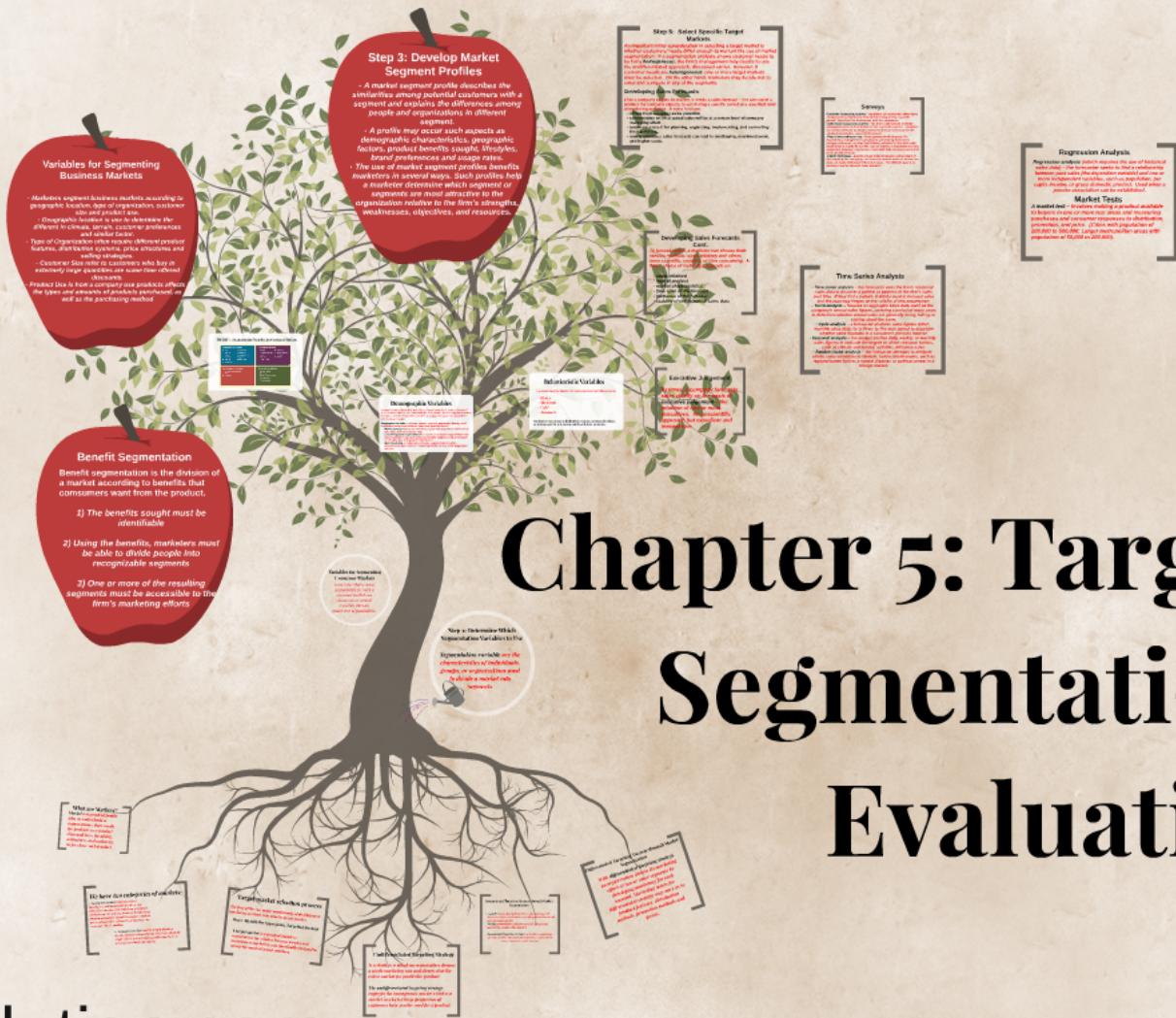


Chapter 5: Target Market Segmentation and Evaluation



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What are Markets?

Market is a group of people who, as individuals or organizations, have needs for products in a product class and have the ability, willingness, and authority to purchase such product.

We have two categories of markets:

1. Consumer market which consist of purchasers and household members who intend to consume or benefit from purchased products and do not buy products for the main purpose of making a profit. Consumer markets are sometimes also referred to as business-to-consumer. (b2C) markets.

2. A business market consist of individuals or groups that purchase a specific kind of product for resale, direct use in producing other products, or use in general daily operations.

Target market selection process

The first of the two major components of developing a marketing strategy is to select a target market.

Step 1: Identify the Appropriate Targeting Strategy

A target market is a group of people or organization for which a business creates and maintains a marketing mix specifically designed to satisfy the needs of group members.

Undifferentiated Targeting Strategy

Is a strategy is which an organization designs a single marketing mix and directs it at the entire market for particular product.

The undifferentiated targeting strategy engorges the homogenous market which is a market in which a large proportion of customers have similar need for a product.

Concentrated Targeting Strategy through Market Segmentation

- *A market made up of individuals or organizations with diverse needs for products in a specific product class is called a heterogeneous market.*
- *Market segmentation is the process of dividing a total market into groups with relatively.*

Concentrated targeting strategy is a market segmentation strategy in which an organization targets a single market segment using one marketing mix.

Differentiated Targeting Strategy through Market Segmentation

With differentiated targeting strategy, an organization directs its marketing effort at two or more segments by developing marketing for each segment. Marketing mixes for differentiated strategy may vary as to product features, distribution methods, promotion methods and prices.