



# Sadiq Public School

Do the right, fear no man

**Subject: Business**

**Class: C1**

**Day: Saturday**

**Date: 16<sup>th</sup> November, 2024**

**Lesson: Chapter 10**

**(marketing, competition and the customers )**

**Inquiry:**

What is market Segmentation. Analyze different methods of market segmentation?

**Information:**

**Market Segmentation:**

- **Definition:** The identification of different groups of costumers with common needs with in a market and the marketing of different products or services to those customers groups.
- **Methods of market segmentation:**
  1. Geographical differences
  2. Demographics differences
  3. Psychographic Differences

**Geographical differences**

A geographic segmentation approach is the opposite of adopting the same marketing strategy for the whole area or region. This is sometimes referred to, for example, as pan-Asian or pan-European marketing. It will be ineffective if there are great differences in consumer preferences in different geographical areas.

It includes segmentation by;

- Region
- Geographical area

**Demographics differences**

Demography is the study of population data and trends, and demographic factors, such as age, gender, income, family size, social class and ethnic background, can all be used to segment the market.

For example, a construction business will use information on these factors to help identify the appropriate market segment for a new block of apartments.

It includes segmentation by;

- Age

- Socio economic group
- gender

## **Psychographic Differences**

These factors are to do with differences between people's lifestyles, personalities, values and attitudes.

Many are influenced by an individual's social class. For example, many middle-class families spend considerable sums of money on private education for their children. This might not be such a priority for other social classes or groups.

It includes segmentation by;

- Use of product
- lifestyle

## **Advantages of Market segmentation**

- Businesses can define their target market precisely, and design and produce goods that are specifically aimed at these groups, leading to increased sales.
- It enables identification of gaps in the market and groups of consumers that are not currently being targeted, which might then be successfully exploited.
- Differentiated marketing strategies can be focused on different target markets. This avoids wasting money on trying to sell products to the whole market. Some consumer groups will have no intention of buying the product.
- Small firms that are unable to compete in the whole market are able to specialise in one or two market segments.
- Price discrimination between consumer groups can be used to increase revenue and profits

## **Disadvantages of Market Segmentation**

- Research and development and production costs might be high as a result of needing to make and market different product variations.
- Promotional costs might be high as different advertisements and promotions might be needed for different segments.
- Marketing economies of scale may not be fully exploited.
- Production and inventory holding costs will be higher than for producing and selling just one undifferentiated product.
- By focusing on one or two limited market segments, excessive specialisation could lead to problems if consumers in those segments change their purchasing habits significantly.
- Extensive market research is needed to identify market segments and their needs.

**Read your textbook : Page No. 137-139**

**Synthesizing information:**

**(Personal notes)**

- Understand what is market Segmentation. Analyze different methods of market segmentation along with the benefits and limitation of market segmentation.

**Practice:**

**Activity: 10.4 page no. 140**

**(Read the Activity Thoroughly and answer the following questions)**

**1. Question:**

List the different brands of soaps sold in your local shops.

**2. Question:**

Which segments of the market are each of these brands of soap aimed at?

**Feedback:**

If you have any question about this topic please send me an email, I will reply ASAP.

Class	Teacher's Name	Teacher's Abbreviation	Teacher's Email Address	Instructions
C1GA	Nadia Hassan	NHJ	<a href="mailto:nadiaj29@gmail.com">nadiaj29@gmail.com</a>	C1GA students will send their home assignments to their subject teacher (NHJ) for checking and getting feedback.
C1A	Romana Usman	RU	<a href="mailto:roamanaazizsg@gmail.com">roamanaazizsg@gmail.com</a>	C1A students will send their home assignments to their subject teacher (RU) for checking and getting feedback.