

**Lecture: 5**  
**Chapter: 9**

**Identifying  
Market Segments and Targets**



# Bases for Segmenting Consumer Markets

- Market segment
  - A group of customers who share a similar set of needs and wants

Geographic  
segmentation

Demographic  
segmentation

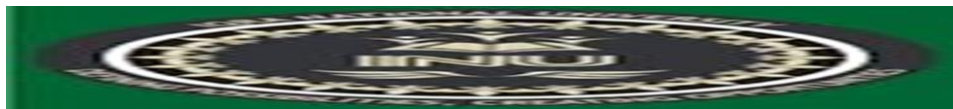
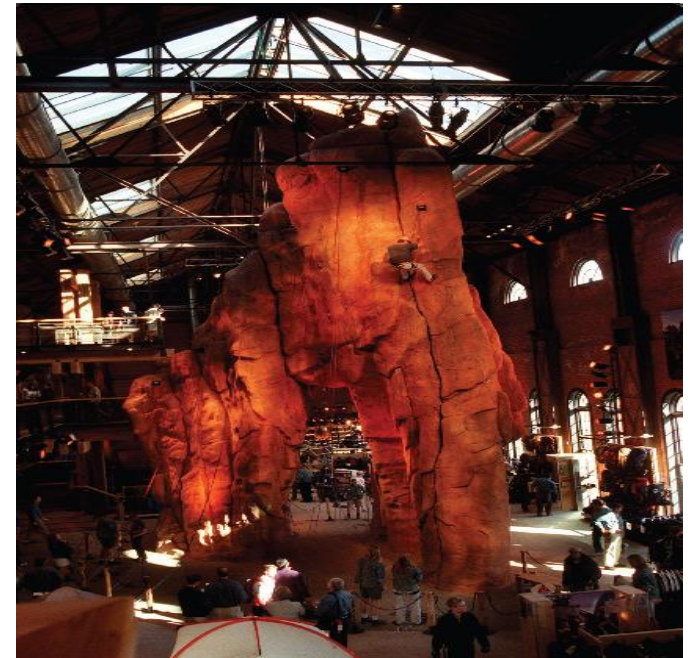
Psychographic  
segmentation

Behavioral  
segmentation

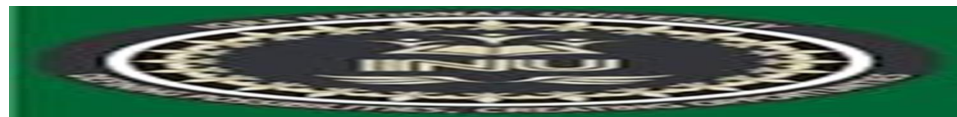
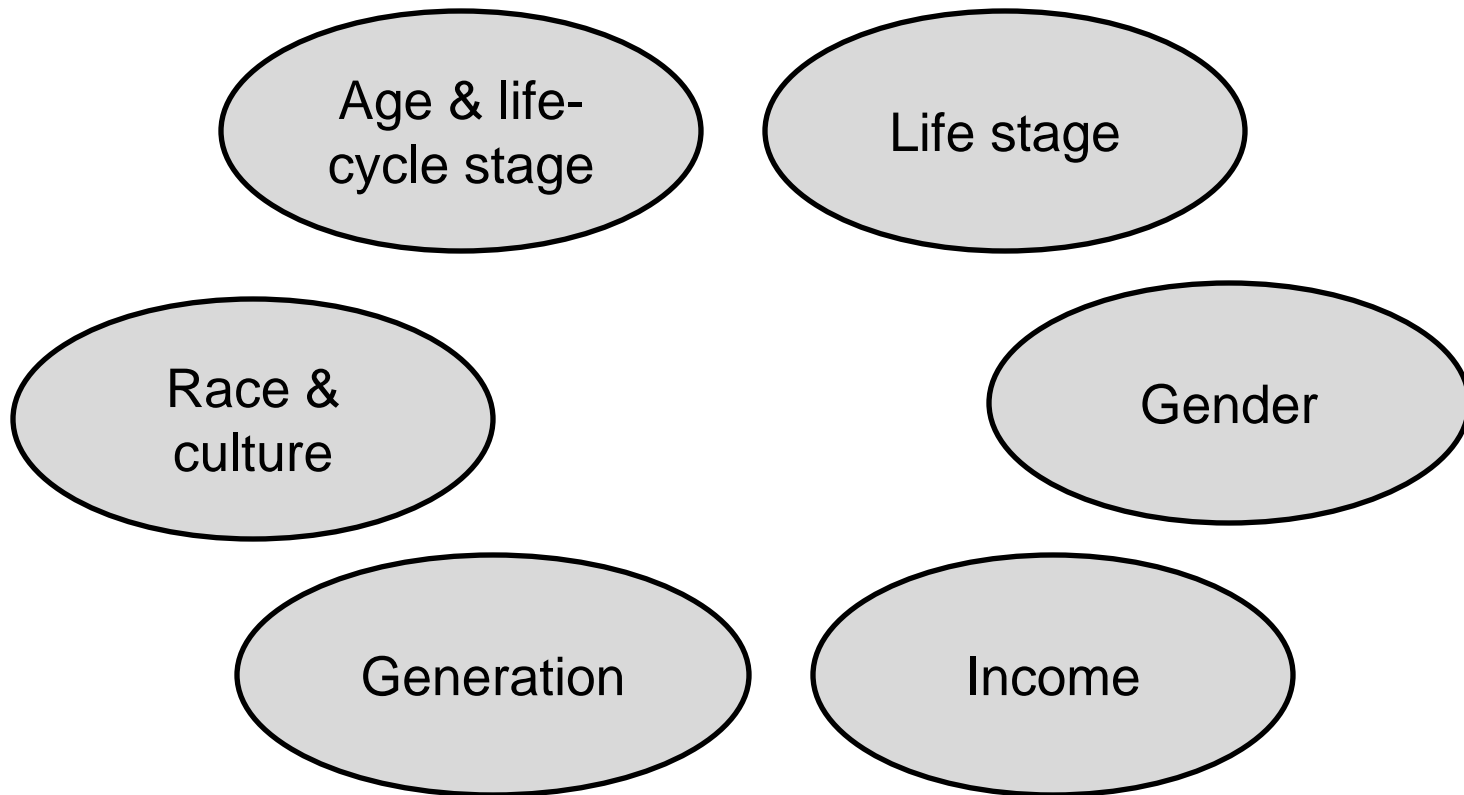


# Geographic Segmentation

- Geographical units
  - Nations, states, regions, counties, cities, or neighborhoods
- Nielsen Claritas' PRIZM
  - Education and affluence
  - Family life cycle
  - Urbanization
  - Race and ethnicity
  - Mobility



# Demographic Segmentation



# Demographic Segmentation

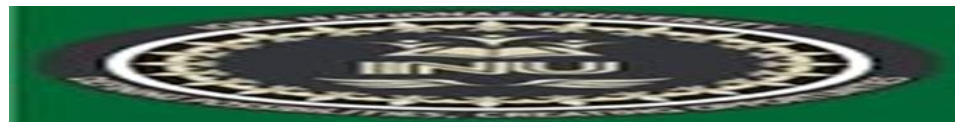
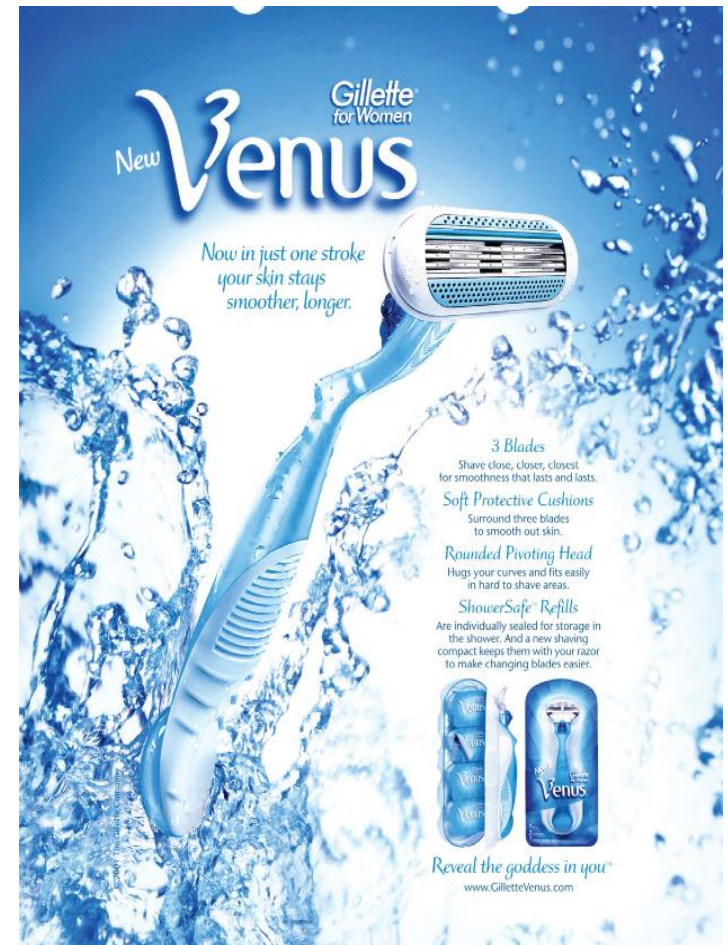
- Age and life-cycle stage
  - Our wants and abilities change with age
- Life stage
  - A person's major concern (e.g., divorce)





# Demographic Segmentation

- Gender
  - Men and women have different attitudes and behave differently
- Income
  - Income segmentation is a long-standing practice



# Demographic Segmentation

- Generation

Millennials (Gen Y)

Gen X

Baby Boomers

Silent Generation



# Demographic Segmentation

- Race and culture

Hispanic Americans

Asian Americans

African Americans

LGBT





# Psychographic Segmentation

- Buyers are divided into groups on the basis of psychological/personality traits, lifestyle, or values

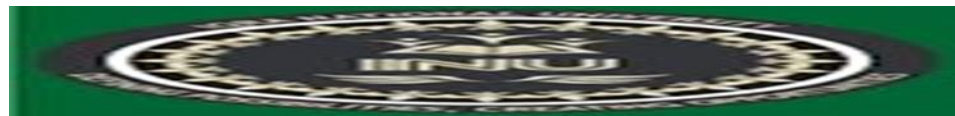
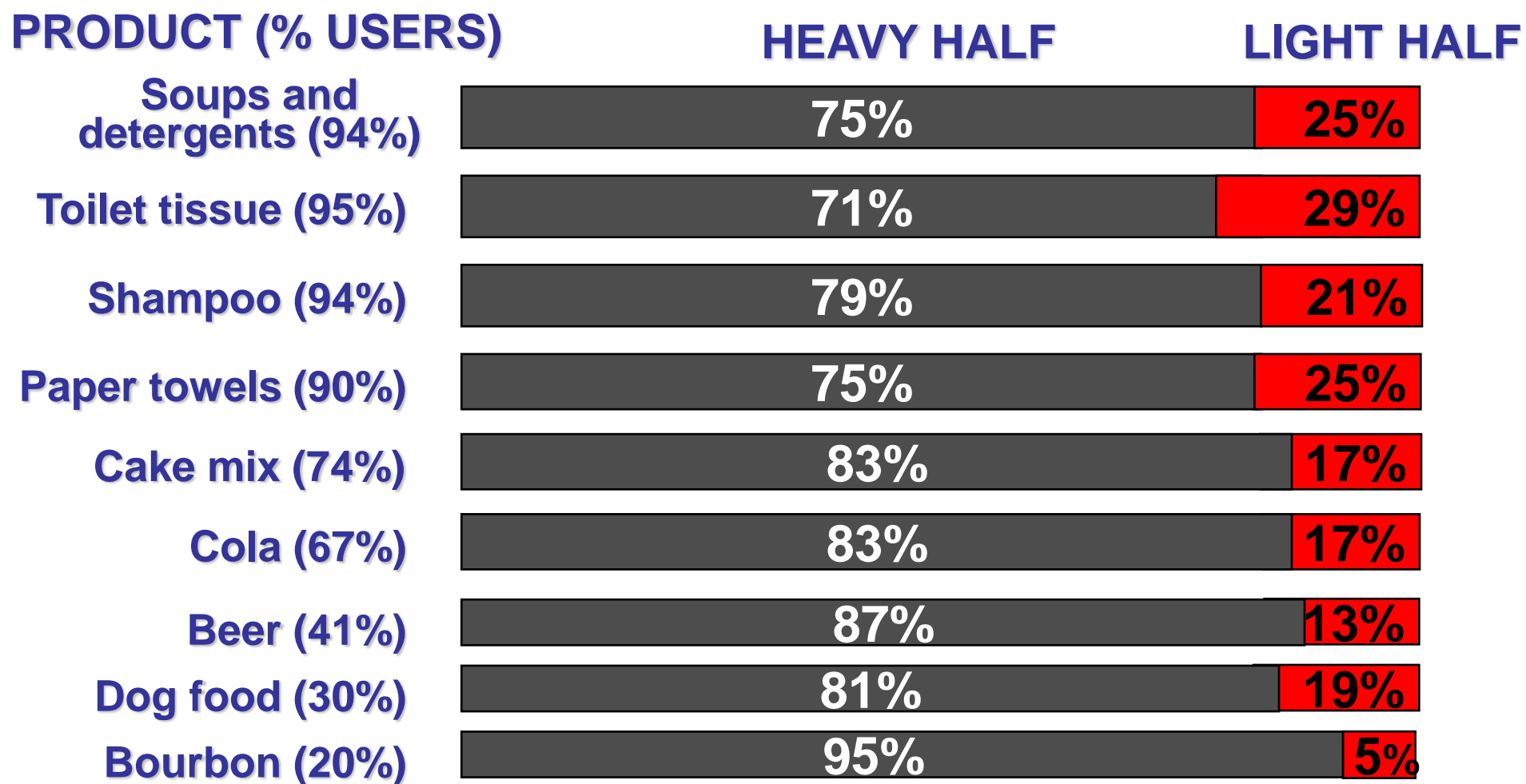


# BEHAVIORAL SEGMENTATION

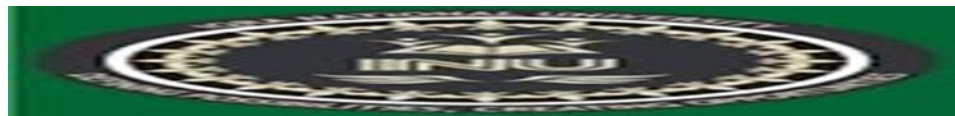
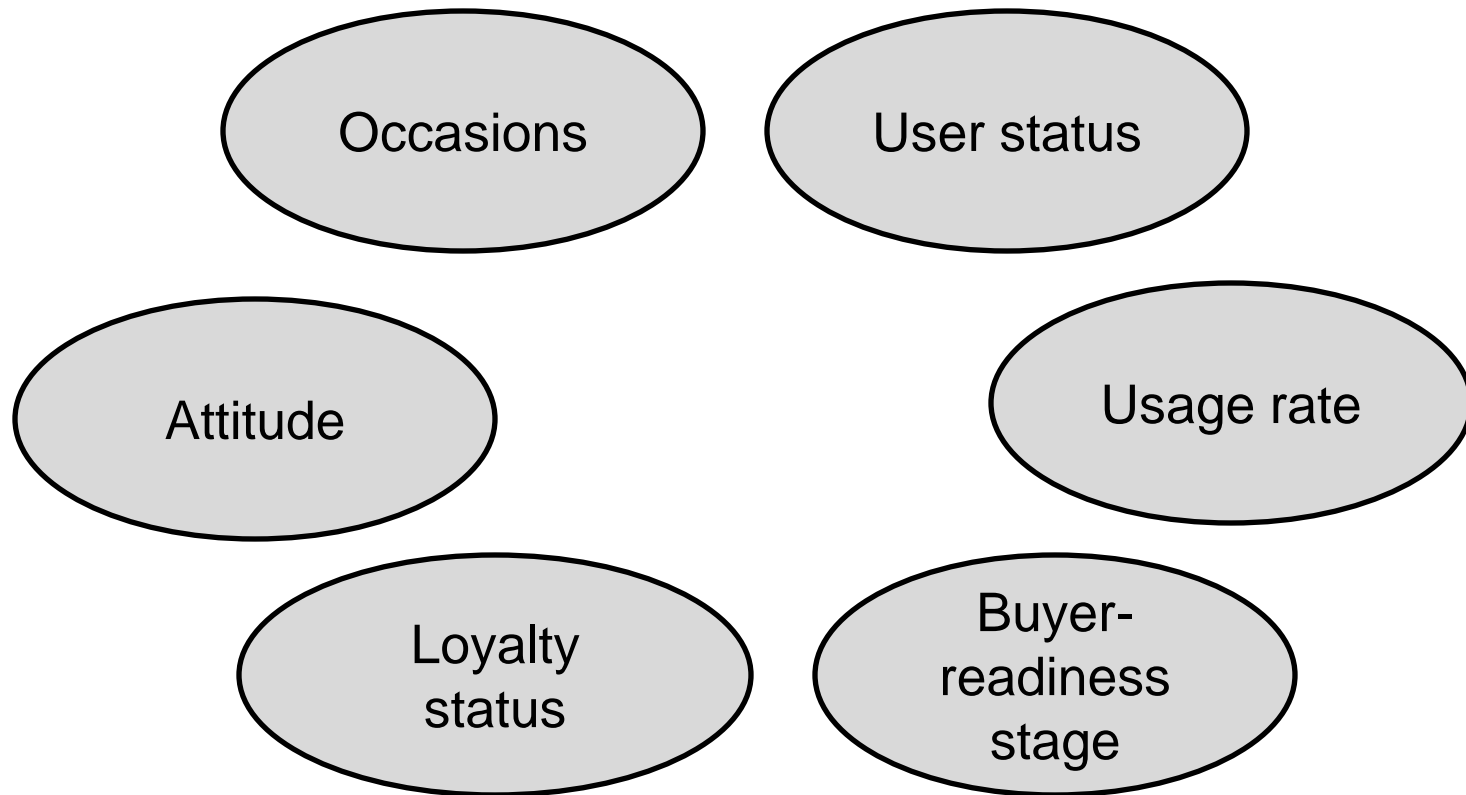
- Needs and benefits
- Decision roles
  - Initiator
  - Influencer
  - Decider
  - Buyer
  - User



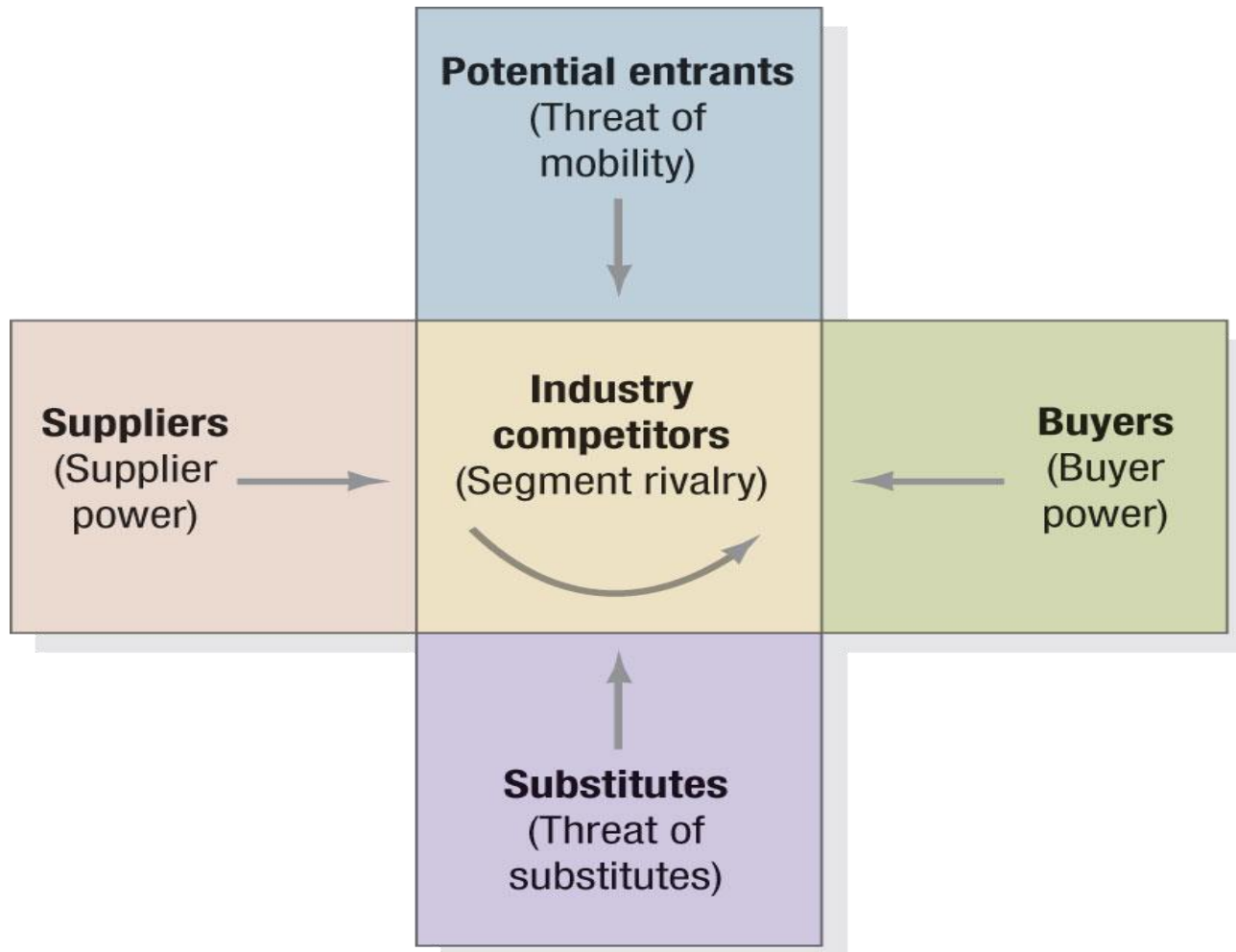
# HEAVY AND LIGHT USERS OF COMMON CONSUMER PRODUCTS



# USER AND USAGE-RELATED VARIABLES



# PORTER'S FIVE FORCES MODEL



# Evaluating & Selecting the Market Segments

- Figure 9.4: Possible Levels of Segmentation

