Segmentation and Target Market

Institutional Affiliation

Date

For a company or organization, it has to ensure that there is a segmentation strategy to which will be used to enhance the discussion on the market. Various types of segmentation have to be considered if the intended effect and profits are to be achieved. In the company I work for, we have come up with various variables that have helped us identify our target market and the ways to which the target market can be approached thereby assisting the company to achieve its objectives and make the necessary profits. In the company, all the variables have been used which include both demographic variables, geographic variables, and psychographic variables and behavioral variables. The company I work for is in the body lotion business. Its primary target group is the women.

Some of the demographic variables that were considered were the gender, ethnicity, race, income, location and the educational level. The people with higher education will tend to be more careful on the side effects that the product may have to their health. As for people with the high income they will consider the quality of the product and whether it is expensive or cheap. The gender will also matter as some people believe that men should not use products used by ladies. In this case, the lotion is for ladies hence the target group cannot be men. The company has also used the psychographic variable where they considered the social class of the consumers, their lifestyle (Plummer, 1974) and their personality which tend to go hand in hand with their income. People earning more tend to have an expensive lifestyle and a social class that they have to maintain. The behaviors of the consumer towards the product are also taken into account by the company. The geographical variables are also considered as the location is essential.

For ladies with a substantial income, personality, a high educational level, social class, and an expensive lifestyle, the products delivered to them will be costly and of very high quality as they believe good quality is expensive. The products can even be sold in bulk as the consumers can buy these products in large amounts. The more the people like the product, the more the product will sell. However, ladies who earn a lower income, are not as educated, live in locations that are ghetto like, are not big on social class and live a simple lifestyle will tend to buy products that are cheaper as that is what they can afford. They may also be unable to purchase the products in large quantities regardless of whether the usage rate is high or low.

The company hence during production is aware that it has to meet the demands of all the different types of consumer ladies. It will be a benefit to the company as it increases the target market of their products. More order means more production and sales which means increased profits and possible expansion of the company. However, there is a challenge in targeting all the types of ladies in the society. This is because there are different types of personalities with varying preferences with regards to age. The products produced also have to be of different qualities and sizes. This is because the persons with lower income, disadvantaged locations, and less social class may not be able to afford expensive products even in large quantities. The production will, therefore, have to be of different quality for the fancy and less costly and varying amounts for those that can afford a lot and those that can only manage little.

With the combination of the variables, however, the company has been able to profile the target market which involves the ladies from all walks of life. The profile will direct the productions that will be enough to serve the demand by the target market of the ladies.

**References**

Lin, C. F. (2002). Segmenting customer brand preference: demographic or psychographic. *Journal of Product & Brand Management*, *11*(4), 249-268.

Peter, J. P., Olson, J. C., & Grunert, K. G. (1999). *Consumer behaviour and marketing strategy* (pp. 329-48). London: McGraw-hill.

Plummer, J. T. (1974). The concept and application of life style segmentation. *the Journal of Marketing*, 33-37.

Wedel, M., & Kamakura, W. A. (2012). *Market segmentation: Conceptual and methodological foundations* (Vol. 8). Springer Science & Business Media.