

Which Segmentation Base?

In this review exercise, you need to demonstrate your understanding of the different consumer segmentation bases. Listed below is a number of firms and how they approach segmentation. You need to identify what type of segmentation base that the firm is using (see list of segmentation bases at the bottom).

Note: Sometimes more than one segmentation base in combination (that is, hybrid segmentation) has been used.

How the Firm Defines its Target Market

1. A bank that markets home loans to young married people and financial planning services to retired people
2. A mobile phone company that targets people who frequently holiday in remote parts of the world
3. A gourmet cheese company that targets people buying cheese platters for a dinner party or function
4. Computer software firm that is most interested in households with a high level of software purchases
5. Prestige car manufacturers who highlight the status associated with owning one of their vehicles
6. Smart phone manufacturers targeting those consumers who are interested in purchasing their first smart phone in the future
7. A plumber deciding to do letterbox drops his local area
8. A book publisher that specializes in children's books
9. A home-delivered spring water company advertising in a 'health' magazine
10. A travel package tour operator targeting retired people who want educational travel experiences

Choose from the following segmentation bases:

A= Geographic

B = Behavioral

C = Benefits

D = Demographic

E = Psychographic

F = Occasion/situation

Student Discussion Questions

1. Identify the type of segmentation base being used by each firm.
2. Are there any examples above where the approach used could be classified as more than one of the segmentation base options?
3. A number of the firms use hybrid segmentation, what would be the advantages of this approach?
4. Do you think there is one best segmentation base that most firms should utilize? Why?