

Which Target Market? It's Your Call

In this activity you are presented with an excerpt from a manager's meeting discussing segments in the smart phone market.

Your task is to firstly determine what market segments you can identify (both from the information below and your own knowledge)?

And then, based on this information, which target market would you select for the firm?

From the Manager's Meeting

Natalia: As we all know, the company wants to enter the huge smart phone market. We have been a significant player in the electronic and entertainment market for many years and senior management has decided that now is the right time to grab a share of this market.

Therefore, the main purpose of today's meeting is to outline the various segments in this market in order to gain some understanding of the best target market for us. So, who has some ideas about the various segments?

Bianca: Obviously, Apple has made the smart phone a fashion statement - there's clearly a segment that are attracted to the fact that it is a trendy thing to have and be seen with.

Ivan: Another big segment is people on-the-go. For instance, most people I know use their phones when they are at the gym, out walking, and even shopping.

Ann: But it not just limited to those situations, obviously people are constantly on them when they are waiting around and commuting.

Harrison: I understand that many people buy them as gifts at Christmas, and they are also becoming popular as a birthday gift for children, with the age that kids get their first phone is getting younger.

Homer: That's right. I know a family where all the kids have their own smart phone, because it's essentially an entertainment device now, not really a phone. Does anyone know if there's a 'phone instead of camera' segment out there?

Ian: My understanding is that consumers fall into two groups. The first love high quality photos and they have been a little slow in adopting phones as their only camera because they want profession quality. The other larger group only have a phone and do not own a camera at all.

Ellen: I would like to point out that this market is not limited to entertainment needs. There are people out there who mainly use their smart phones to help run their business. And for some, they use their phones to create videos and photos - and that is their total business via social media platforms.

Natalia: OK, there are quite a few segments here. Let's firstly list each of them and then describes them.

Student Discussion Questions

1. Outline the various market segments that are identified in the above discussion.
2. Are there any other ways of constructing market segments for this market?
3. Which of your market segments would you select as the most attractive target market/s?
4. Why do you think these are the most attractive segments?
5. On what basis/criteria did you use to select the most attractive target market/s?