

Which B2B Segmentation Base?

In this exercise, you will identify the bases that companies are using to segment their business markets. Below are descriptions of various firms and their market segmentation strategies. **Your task is to identify which B2B segmentation base(s) each firm is utilizing.**

List of Segmentation Bases to Choose From

Choose from the following segmentation bases:

- **A = Industry:** Segmenting markets based on the specific type of industry that businesses operate in.
- **B = Company Size:** Dividing the market by the scale of a business, often measured by revenue, capital, or number of employees.
- **C = Operational Characteristics and Needs:** Segmenting based on how businesses operate, such as production processes, IT platforms, supply chain logistics, or segmenting based on the distinct needs and objectives of the businesses - example, the needs of a tech start-up versus an established manufacturer.
- **D = Purchasing Approach:** Differentiating businesses by how they buy, such as their procurement processes, decision-making units, or buying criteria.
- **E = Technology Stage:** Segmenting businesses according to the technologies they use or are interested in adopting, including whether they are early or late adopters.
- **F = Application/Use:** Dividing the market based on the specific use of a product within the business, such as a training company segmenting firms on what their training needs would be.

How the Firm Defines its Target Market

1. A software company that offers different customized solutions for small businesses and for larger corporations.
2. An office furniture supplier that specializes in ergonomic solutions for companies with employees who work long hours at their desks.
3. A cloud services provider that targets industries with high data sensitivity, such as healthcare and finance.
4. A commercial real estate agency focusing on startups looking for co-working spaces and established companies needing entire buildings.
5. A professional development training company offering leadership courses for executive teams and technical skills development for IT departments.
6. A manufacturer of machinery that markets specifically to the automotive and aerospace sectors.
7. A corporate law firm that provides services based on the stage of a company's lifecycle, from startup to merger and acquisition (exit strategy).

8. An environmental consultancy that works with companies in the manufacturing sector to reduce their carbon footprint.
9. A wholesale office supplies company offering volume discounts to educational institutions and government agencies.
10. A cybersecurity firm offering different tailored security solutions for e-commerce businesses and brick-and-mortar retailers.

Student Discussion Questions

1	Start by identifying the type of segmentation base being used by each firm.	
Firm	1	
Firm	2	
Firm	3	
Firm	4	
Firm	5	
Firm	6	
Firm	7	
Firm	8	
Firm	9	
Firm	10	
2	Are there any examples above where the approach used could be classified as more than one of the segmentation base options?	
3	Several firms use hybrid segmentation; what are the advantages of this approach?	
4	Do you think market segmentation is important in B2B marketing, or is it an approach mainly needed in consumer markets? Why/why not?	