

CLASS: B.Com (SEM VI)

PAPER CODE: BCH 6.2 : PRINCIPLES OF MARKETING

TOPIC: MARKET SEGMENTATION – TYPES

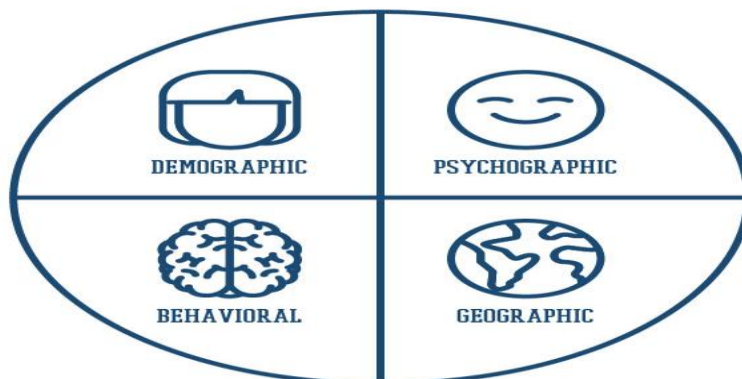
The Four Types of Market Segmentation

The four bases of market segmentation are:

- Demographic segmentation
- Psychographic segmentation
- Behavioral segmentation
- Geographic segmentation

Within each of these types of market segmentation, multiple sub-categories further classify audiences and customers.

4 Types of **MARKET SEGMENTATION**



A : Demographic Segmentation

Demographic segmentation is one of the most popular and commonly used types of market segmentation. It refers to statistical data about a group of people.

Demographic Market Segmentation Examples

- Age
- Gender
- Income
- Location
- Family Situation
- Annual Income
- Education
- Ethnicity

Where the above examples are helpful for segmenting B2C audiences, a business might use the following to classify a B2B audience:

- Company size
- Industry
- Job function

Because demographic information is statistical and factual, it is usually relatively easy to uncover using various [sites for market research](#).

A simple example of B2C demographic segmentation could be a vehicle manufacturer that sells a luxury car brand (ex. Maserati). This company would likely target an audience that has a higher income.

Another B2B example might be a brand that sells an enterprise marketing platform. This brand would likely target marketing managers at larger companies (ex. 500+ employees) who have the ability to make purchase decisions for their teams.

B : Psychographic Segmentation

Psychographic segmentation categorizes audiences and customers by factors that relate to their personalities and characteristics.

Psychographic Market Segmentation Examples

- Personality traits
- Values
- Attitudes
- Interests
- Lifestyles
- Psychological influences
- Subconscious and conscious beliefs
- Motivations
- Priorities

Psychographic segmentation factors are slightly more difficult to identify than demographics because they are subjective. They are not data-focused and require research to uncover and understand.

For example, the luxury car brand may choose to focus on customers who value quality and status. While the B2B enterprise marketing platform may target marketing managers who are motivated to increase productivity and show value to their executive team.

C : Behavioral Segmentation

While demographic and psychographic segmentation focus on who a customer is, behavioral segmentation focuses on how the customer acts.

Behavioral Market Segmentation Examples

- Purchasing habits
- Spending habits
- User status
- Brand interactions

Behavioral segmentation requires you to know about your customer's actions. These activities may relate to how a customer interacts with your brand or to other activities that happen away from your brand.

A B2C example in this segment may be the luxury car brand choosing to target customers who have purchased a high-end vehicle in the past three years. The B2B marketing platform may focus on leads who have signed up for one of their free webinars.

D : Geographic Segmentation

Geographic segmentation is the simplest type of market segmentation. It categorizes customers based on geographic borders.

Geographic Market Segmentation Examples

- ZIP code
- City
- Country

- Radius around a certain location
- Climate
- Urban or rural

Geographic segmentation can refer to a defined geographic boundary (such as a city or ZIP code) or type of area (such as the size of city or type of climate).

An example of geographic segmentation may be the luxury car company choosing to target customers who live in warm climates where vehicles don't need to be equipped for snowy weather. The marketing platform might focus their marketing efforts around urban, city centers where their target customer is likely to work.
