

Market Segmentation

1. Missing words: Market segmentation means analysing how a market can be divided into sections. Although the Rolls Royce and the Ford Focus are both cars, they are not in _____ with each other. One is an everyday family car and the other is in the super-luxury end of the market (and costs more than most people's houses). By segmenting the market, you may be able to see where _____ are booming, or may be able to identify a _____. **Missing words from: gap, sales, competition**

2. Multiple Choice

Bestle and Hopter manufacture washing powder. They have been making and selling washing powder for many years and have seven different brands on the market.

2.1 Identify the most likely reason why Bestle and Hopter have seven different brands available to buy.

- a) One product would not satisfy all customers' needs
- b) They couldn't decide which product would be the most successful so they made them all
- c) It means they reach equilibrium pricing.
- d) They know they have the right marketing mix.

2.2 Identify the two most likely ways in which Bestle and Hopter would segment the washing powder market.

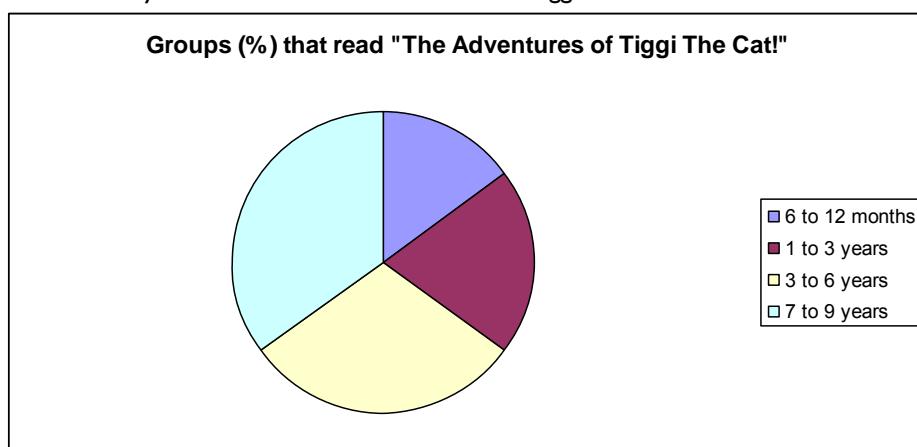
- a) Location
- b) Age
- c) Age left full-time education
- d) Income
- e) Size of Household

2.3 Bestle and Hopter make a brand of washing powder which comes in large boxes called "ValuWash". From the list below identify the market segment they are targeting.

- a) Young school leavers
- b) A low income family of 5
- c) A couple of high earning solicitors
- d) Retired couples

3. Look at the data and then answer the questions that follow.

Ellen has been asked by a popular children's author to manufacture some merchandise linked to the very popular series of story books called "The Adventures of Tiggi the cat!". Look at the data below



3.1 Which market segment should Ellen design her toys for? _____

3.2 Explain your reasoning _____

3.3 Outline one reason why it would be a mistake to treat the whole age range (6m to 9yrs) as one market.

4. Rearrange the following anagrams to reveal methods of segmenting the market

- i Nicety Hit
- ii Reign Oil
- iii Den Erg
- iv Coat Lion

60. ANSWERS –Market Segmentation

1. competition ... sales ... gap

2.1 a

2.2 d and e

2.3 b

3.1 3 to 6 years

3.2 It's one of the largest age ranges, and allows for some extra sales on either side of the age range, e.g. to 2 and 7 year-olds.

3.3 Because 1 year-olds and 9 year-olds have completely different needs and wants; so no single product could appeal to all.

4.

i Ethnicity

ii Religion

iii Gender

iv Location