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Customer segments

Identifying Customer Segments is Key to Business Success

DEFINITION

> Customer segments are the different groups of people or organizations a business aims to serve. Understanding these segments helps tailor products and marketing strategies effectively.

KEY CONCEPTS

Demographic Segmentation

Dividing the market based on age, gender, income, and education levels.

Psychographic Segmentation

Grouping customers based on lifestyle, values, interests, and personality traits.

Geographic Segmentation

Segmenting customers based on their location, such as city, region, or country.

Behavioral Segmentation

Classifying customers based on their purchasing behavior, usage, and brand loyalty.

Niche Markets

Focusing on a specific, well-defined segment of the market with unique needs.

EXAMPLES

→ A fitness app targeting young professionals in urban areas.

→ Luxury brands catering to high-income individuals seeking exclusivity.

→ Eco-friendly products aimed at environmentally conscious consumers.

MEMORY TIPS

★ Use the acronym 'D-P-G-B' for Demographic, Psychographic, Geographic, and Behavioral.

★ Think of customer segments as 'mini-markets' within your larger market.

★ Visualize a pie chart where each slice represents a different customer segment.

COMMON MISTAKES

✗ Assuming one size fits all for marketing strategies.

✗ Neglecting to research and understand the needs of each segment.

✗ Failing to update customer segments as market trends change.

QUICK RECAP

Customer segments are crucial for tailoring business strategies. Recognizing different types of segments allows businesses to meet specific needs effectively. Focus on demographic, psychographic, geographic, and behavioral aspects for comprehensive understanding.