

2.1 The role of Marketing & 2.3 Market Segmentation

What is the role of marketing?

Identifying and understanding the needs of customers

For example through market research

Informing customers about the products and services

For example through advertising

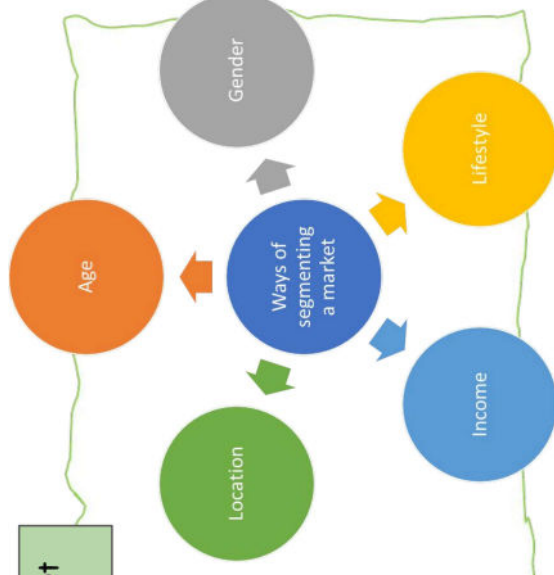
Increasing sales

For example through promotion



Methods of market segmentation

Businesses use market segmentation as a way of identifying, grouping and targeting their customers.



Why segment?

Businesses will use **segmentation** to help them target a specific group of customers.

This will allow the business to better understand who their customers are which will allow them to make better decisions around:

- Where to market their products
- What prices to charge
- How to promote their business



Example of segmentation

Watches can be segmented in a number of ways:

- Age – child v adult
- Gender – men v women watches
- Income – Casio v Rolex
- Lifestyle – Sport v fashion v function (e.g. divers)



Key Words

Marketing

Finding out the needs of consumers and demonstrating how a business fulfills those needs

Market Segmentation

Splitting the market into different parts based on consumer characteristics

Target Market

Is the group of customers at which a product or service is aimed, or targeted.

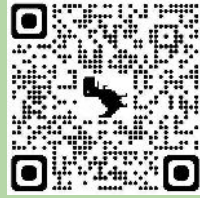
Method of segmentation

How a market is split in to segment e.g. age, gender etc.

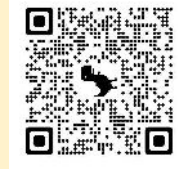
Quizzz – test yourself!



Quizlet



Exam Style Question



Video Links



Extended Reading

