

## **The segmentation process**

The segmentation process is presented as a series of steps through which management includes the market. From a strategic point of view, applying a business segmentation process can have several advantages.

The main thing is the optimization of the result / resource ratio employed, is the reduction of invested capital dispersion. Segmentation policy is a favorable condition for assessing the company's strengths and weaknesses more objectively, stimulating the search for those segments where the competitive climate is less aggressive and the positions of direct competitors are not permanently consolidated.

Segmentation as a descriptive process used by management to understand the distribution of consumers in the market. There are four phases that determine the segmentation process: observation and market analysis; market segregation in distinct groups of potential buyers; prioritizing the segments identified to select attractive ones; formulating a competitive position for the product / service and defining a marketing mix for each target segment.

### **Segmentation Criteria**

Segmentation criteria must allow a subdivision of their market into significant groups of customers, different but homogeneous within the group. The types of segmentation bases can be endless, and the enterprise can help increase the efficiency and originality of the process by identifying individual variables that will allow the selection of new market segments. The variables are grouped into macrogroups: sociodemographic variables (eg age, sex, income, etc.), A criterion used to describe current clients, select media targeting a particular sociodemographic group, and measure potential market based on number of buyers.

Geographic variables, market divided by nations, states, regions, provinces, cities and districts; indispensable variable for a segmentation process as no market analysis can be a reference territory. Psychographic variables, purchasers of the same market divided into social class and lifestyle. Membership in a social class is due to the combination of several factors such as income, wealth, employment, and education. The lifestyle goes beyond the concept of social class and provides a comprehensive picture of the individual and his way of interacting with the environment. Personality defined as the set of psychological characteristics of the individual; self-confidence and ability to defend are elements that companies consider to calibrate their product.

Behavioral variables, subdivide consumers based on whether or not they know the product under review, their attitude toward it, and the use they make. Within behavioral variables, you can identify: degree of loyalty to the brand, customers can be segmented depending on their degree of loyalty to a certain brand.

There are loyal customers to one brand (faithful), others who relocate their loyalty from one brand to another (loyal believers), and those who are not faithful to any brand. Product usage level, in many markets, it is possible to identify the segment of non-users, potential users, new users and regular users. Companies with significant market shares will be interested in transforming potential users into actual consumers.

Degree of product knowledge, a criterion that serves to plan the correct marketing strategies to address potential consumers in relation to their degree of availability. The common purpose of businesses is to transform potential consumers into habitual situations. Rate of use of the product, consumers divided by the intensity with which the goods are consumed. There will be consumers with low, medium and high usage of the product. Level of interest in the product, there are five different attitudes towards the product: hostile, opposing, indifferent, positive and enthusiastic.

Product type of product, among consumers in a same market are those who buy the product for its functionality, those who buy it for external items associated with it, or for what the product itself evokes. The effectiveness of the segmentation process is related to compliance with certain conditions related to segment types: differentiated response, segmentation criterion must maximize differences between segments and minimize disparities between buyers within a single segment; relevance, meaningful segment in term.