

ASSIGNMENT No. 2, MARKET SEGMENTATION

Subjects: Principles of Marketing

Professor: Dr. Javier Herrera

Group:

- ***Le Thi Huyen Trang*** 후엔짱 레티 2022770036
- ***Vo Thanh Minh Anh*** 보탄민안 2022770037
- ***Lorranny Martelo*** 2021690014
- ***Nina Myfanwy Rudd*** 2019621270

MARKET SEGMENTATION

Geographic Segmentation - The Where ?

The term “Geographic segmentation” is a marketing strategy that divides the market into different geographical sectors. These sectors might be continents nations, regions, cities, or even single streets. By understanding what people they require, marketers will bring suitable products to customers who are then aware and more likely to pay.

In my perspective, the 2-way air conditioner from Daikin is the best representation of geographic segmentation.

First, as far as I find out, Daikin's mission is to enhance human health and comfort by creating innovative air solutions for the future that have a smaller environmental impact. Additionally, their mission is to improve the quality of the environment we live in and breathe. Their cutting-edge goods and services are made to enhance people's health and well-being and lessen the impact of heating and cooling on the environment.

Geographic segmentation:

- Location: it is appropriate for all countries in the world because there will be cold climate countries and hot climate countries.
- Climate and season: Using a 2-way air conditioner is an excellent idea because most nations have seasonal climates. For instance, Vietnam and Korea have four seasons: spring, summer, autumn, and winter. It is useful since you may switch to the heater mode when the weather gradually gets colder and the air conditioner will be cooling the space when it's hot outside.

- Language: Language usage instructions are appropriate for all nations. For instance, all air conditioner manuals are translated into Vietnamese when goods are exported to Vietnam. Because of this, using them is simple for users to understand.

- Urban city: Daikin's electronics stores are located in big cities such as Ho Chi Minh City, and Hanoi, .. for the purpose of reaching potential customers with a high standard of living. This is because air conditioners are a type of machine that is relatively expensive compared to individuals living in rural areas. Daikin's target market is typically made up of people who have a high quality of living because air conditioners are frequently more of a "want" than a "need" for consumers.

-In addition, Asian nations previously relied on paper fans, which required people to try to fan themselves manually, tiring their hands in the process. However, now that air conditioning is available, this is no longer essential. It greatly benefits people. An example that shows that 2-way air conditioners are very important is in Asian countries, people often have the custom of holding outdoor wedding parties. Especially in Vietnam, the climate is very hot, when guests come to the party, crowded, and hot will make guests uncomfortable and guests will tend to want to leave early. But in case there is air conditioning, it will make guests more comfortable, enjoy this atmosphere

Demographic Segmentation - The Who ?

Demographic segmentation is a form to identify the audience of a product or service based on data like age, occupation, gender, income and education.

Innisfree is a eco-friendly brand that focuses on using natural ingredients and especially ingredients that are found in Jeju Island in South Korea in their products. Their mission is:” to work in harmony with the environment; creating natural skin-caring products from the island, while still helping to preserve it.”

In this part we will analyze the Innisfree Green tea Skin care line. This line uses more than 3.301 of korean green tea varieties. This line focuses on keeping the skin moisturized and also balances the skin oil.

Demographic segmentation:

Age: Innisfree produce products for all ages, but their target are adults in the range between 18 until 35. The green tea skin care line it's a line that has the main ingredient , green tea. It's a line focused on treatment of the skin. Teenagers usually tend to not care much about their skin and prefer to focus on makeup so that's why we can say that this line focuses on people in the range between 18 and 35.

Gender: Most innisfree products can be used for both men and women. They also have products only for mens and only for womens, but women are the major customer of Innisfree because womens tend to care more about having pretty and healthy skin. Also it's okay for womens to have a long skincare routine of skincare if it's worth it and the green tea skincare line has products like cleansing foam, cleansing oil, toner, emulsion, eye cream, face cream and serum.

Income, occupation and education: University students, housewives and working adults who prefer natural and pure products are the main target of Innisfree. They also target womens with

sensitive skin or who want eco-friendly products. If we consider the price range of Innisfree products, the brand target are people with middle income level. Also, people with a middle income level are searching for a better life standard. They agree to pay a little bit more to get updated products that are natural and also recyclable instead of normal products that just satisfy their needs.

Psychographic Segmentation - The Why?

Psychographic segmentation pays attention to the consumer's perception of a product or service as well as thoughts and beliefs. In basic form is grouping consumers according to their lifestyles, interest, activities and opinions. It is of the utmost importance to any company to future their marketing campaigns as this segment emphasises the value of a product. (Source 1). Examples of this are for instance surveys and feedback forms. Showing how consumers may be able to act within the marketplace. From the perspective of influencing and brand-supporting lifestyles a good example of this would be the brand Apple.

Apple's psychographic strategy utilizes this creating a brand with a personality that combines with certain perceptions of consumers. Using the data collected from surveys, feedback and even reviews; Apple has the ability to communicate different strategies with the same concept that hits their target market audience. This being the ability to communicate a brand that is minimalistic and luxurious and passes class standards, building a product around the consumer accordingly. (Source 2) The main foundation of this being building upon the image of the brand. An example of this in play for instance is the Mac book being marketed to the younger generation, overcoming capability to students as well as using colours that younger people would be attracted to. (Source 3) Apple has been able to study the market over the years and create products according to the wants and feedback of the consumers themselves. Also, the brand bases its personality on emotions,(Source 4) this being of simplicity and removing complexion from people's lives.



With psychographic segmentation you are able to create strategies that fit into the psychological patterns of the consumers, using data to be able to leverage effectively to make the business a success.

Behavioral Segmentation - The How ?

The term "behavioral segmentation" refers to a marketing technique where clients are divided into groups based on how they engage with a particular company or website.

Utilizing behavioral data in addition to the conventional demographic and geographic segmentation techniques enables the implementation of more effective marketing campaigns.

Spotify, in my opinion, would be the ideal illustration for this categorization.

Strategy

With Spotify, you may access millions of songs and other works from authors all around the world. Spotify is a digital music, podcast, and video service. You may quickly switch between Spotify's supported platforms, which include PCs, phones, tablets, speakers, TVs, and automobiles.

Purchase : Understand the need of customers who listen to music to relax, not to be confused by all the functions and complex payment or accounts developed. Spotify offers a very straightforward, user-friendly platform that revolves around playlists, quick music, high-quality audio, and no need to download anything just need a single click on "Sign up". And for people who want to use but don't want to buy ? "Get one month of premium Spotify for free" Spotify refocused on its freemium product, its main source of subscriber growth, in order to expand its user base. By focusing more on creating new product features and improving the Spotify experience, Spotify improved the freemium product.

Occasion /timing : This trendy software offers a playlist that is appropriate for every forthcoming occasion, such as Christmas or summer, or it divides songs into numerous categories based on the customer's interests, using short key words like "gym," "party," and "relax" etc...

Benefit sought : The tailored experience that Spotify provides is often appreciated by its consumers. When using this app for the first time, a user only needs to listen to one of the songs they want to hear; immediately following that song, Spotify suggests thousands of

additional songs and playlists that are related to the initial song. additionally offer inspiring podcasts.

Customer loyalty : One of Spotify's main flaws is its skip restriction, which prevents listeners from skipping songs without first finishing the one they were on. However, in my opinion, this is a very clever marketing move on the part of the service. By providing Spotify Premium, they show their appreciation for their devoted customers. What else is there to say? Customers enjoy unlimited skips in addition to high-quality music, no ads, which is, in my opinion, the biggest incentive for purchasing their premium version. Is it accurate to say that the folks who make the most money are the ones who create the problems and sell the solutions?

Customer journey stage : By combining the thrill of discovery, the excitement of sharing music with friends, and a huge catalog of every type of music, Spotify has taken advantage of opportunities its competitors missed and created an intuitive, rewarding, and engaging experience. This makes Spotify a truly best-in-class product and a unique success story. The only way to compete with free music was to make Spotify's user experience so excellent that customers would happily pay \$10 per month even though they could just as easily get torrents of their favorite songs for free.

Engagement : Not only beneficial to listeners this software offers artists a ton of opportunities in addition to being helpful to fans. This program will display, using wave charts, how many people have streamed or otherwise listened to your song, how many have saved and downloaded it to their playlists, and how many plan to do so in the future.

Experience : After everything I've said, including the high-quality songs, podcasts, music sharing, and calculating. I don't think there's anything further to say about this program. When utilizing Spotify, users receive a top-notch music-listening experience. The goal of Spotify was to make their customer believe that you had access to all of the world's music on your hard drive.

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