

# Market Segmentation

**SUBMITTED BY:** Leya Matthew

**SUBJECT(S):** Marketing

**GRADE LEVEL(S):** 9, 10, 11, 12

## ≡ OVERVIEW:

Students are introduced to the concept of market segmentation and its relevance for marketing. Analyzing and understanding a market is essential to all marketing activities, including product development, pricing, promotions and product placement. The lesson begins with a student activity that the students use to identify the market segments they belong to. This aligns their experiences and prior knowledge with marketing terms and helps understand the basic concepts. External resources, in the form of the handout and Knowledge@Wharton article, give a range of examples on how companies and brands have positioned and marketed their products to particular consumer segments. The concepts are further linked to later topics like the marketing mix and consumer behavior.

## ≡ NBEA STANDARD(S):

- Marketing, I. Foundations of Marketing
- Marketing, II. Consumers and Their Behavior

## ≡ RELATED ARTICLES:

- [“March Toy Story: Bankruptcy, Barbies and Brand Narrative”](#)
- [“Developing Prototypes: ‘Share Your Ideas in Hopes of Improving Them’”](#)

## Common Core Standard(s):

1. CCR Standard for Reading: Read closely to determine what the text says explicitly and make logical inferences from it.
2. CCR Standards for Listening: Prepare for and participate effectively in a range of conversations and collaborations with diverse partners, building on each other's ideas and expressing their own clearly and persuasively. Evaluate a speaker's point of view, reasoning and use of evidence and rhetoric.
3. CCR Standards for Speaking: Present information, findings and supporting evidence in such a way that listeners can follow the line of reasoning, and the organization, development and style are appropriate to the task, purpose and audience.

### **Objectives/Purposes:**

Students will identify the market segments they belong to, and analyze the market segments of a brand/product.

**Knowledge@Wharton Article:** [“A Changing America: How Three Companies Are Catering to the Hispanic/Latino Growth Market “](#)

### **Other Resources/Materials:**

Handout on types of market segments [Handout](#)

Internet Access

### **Activity:**

#### 1. Introductory Activity (10 mins)

Students are asked to make a list of purchases they make and link it to their social identification or personality. To explain, I talked about my own social identification process – I love travelling and nature; this leads me to buy Woodland branded shoes rather than Nike, which focuses more

on an athletic branding. I am a mother, so I have recently bought children's goods like Dora toothpaste, Dora toothbrush, Dorothy (from Wizard of Oz) shoes and toys. I like films, so I subscribe to Netflix. Similarly, I want all of you to think about yourself— what your likes are, what phase of life you are in, and then link that to the purchases you make. You may want to clarify that students have to identify brands and not just list products. For example, I buy Vans shoes, rather than I buy shoes.

## 2. Unpacking marketing concepts (10 mins)

From the lists that the students make, teacher selects an item that many students in the class purchase. For example, in my class many students had Nike shoes on their list. I grouped all those students together and asked the class how Nike “talked” the language of this select group of students rather than that of everyone else in the class. Marketing can never be everything to everyone, so it becomes important to talk to a particular “segment” of customers and design marketing around this segment. A few more examples are taken up from the lists of the students for greater class participation.

The teacher now explains *market segmentation as a group of people that demand similar products and/or services. A true market segment meets all of the following criteria: it is distinct from other segments (different segments have different needs), it is homogeneous within the segment (exhibits common needs), it responds similarly to a market stimulus, and it can be reached by a market intervention* (from Wikipedia). The teacher now analyses and invites the class to analyze if the groups identified in the class are “true market segments”.

## 3. Handout and Article (10 mins)

The teacher now distributes copies of the handout which lists criteria on the basis of which companies segment the market. The examples from the handout are discussed — for example, “Campbell’s found that Western U.S. consumers on the average prefer spicier soups — thus, you get a different product in the same cans on the East and West coasts.” This allowed the company to segment its market even further and become more profitable.

The teacher now distributes copies of the Knowledge@Wharton article: “A Changing America: How Three Companies Are Catering to the Hispanic/Latino Growth Market.”

Students read the section titled Traditionals, Bi-Culturals and Assimilated aloud in class. This section illustrates the importance of market segmentation for marketing and gives the example of financial companies as they market to immigrant groups.

#### 4. Large Group Discussion (10 mins)

Students are asked for their favorite brands and the class is asked to identify the characteristics of the market segments these brands target. To wrap up, the teacher links the concepts to later lessons like marketing mix and consumer behavior.

**Tying It All Together:** This lesson introduces a vital concept in Marketing — Market segmentation. It is impossible for a product to mean everything to everybody, and students identify what that means for marketing. A beauty-bar-soap can mean the passport to boyfriends, jobs and marriage to some, while to others it can mean liberation from these very constraints (from the marketing strategies used by Fair and Lovely, and Dove). The success of a product/brand/and its marketing strategy depends on how accurately it identifies its segments and tailors its entire marketing strategy to those segments. This key concept will be utilized in multiple lessons to follow, and almost all the projects the students will work on.

**Practice Outside of the Classroom:** Identify as many different market segments as you can within your family.

**What Worked and What I Would Do Differently:** This is an overview lesson. It can easily be modified into multiple lessons, to explore each type of market segmentation in greater detail. Some students may shy away from identifying the brands they purchase because they feel these brands are not “cool” or expensive. If possible, you may use this opportunity to talk about how marketing uses peer pressure and social acceptance as a strategy. The teacher needs to be sensitive to such tensions within the student group.