

Market Segmentation – Why is it Important?

Market segmentation is an important basis of many successful marketing strategies. Carefully chosen segments allow tailoring the marketing mix to more individual customer needs. Thus, they help to invest marketing spending more effectively.

This article explains what market segmentation is, it discusses why it is important and what advantages it yields. Finally, the article provides a basic framework on how to apply market segmentation.

This post has moved!

The complete post, which has been updated and extended, is now available in our new and responsive Design here:

<http://www.themanager.org/2015/02/market-segmentation/>

Please update your bookmarks and backlinks!

Thank you

Read more in our updated post about

- Introduction and definition
- 8 Benefits of Market Segmentation
- A framework for conducting market segmentation
 - From market segmentation to marketing planning
 - Criteria for Market Segmentation (Consumer markets and industrial / B2B-markets)

Summary:

Market segmentation is the basis for better targeting different customer groups. It enables businesses to grow in sales and profits by

- Reaching additional customers,
- Differentiating prices and absorbing purchasing power
- Achieving customer lock-in, up-selling and cross-selling
- Staying innovative