**Market Segmentation**

Every company objective is determine the customer they will serve, decide on how they will serve them, leading to market segmentation, the following are the basis for segmentation (Gary Armstrong, 2011).

### Segmentation

Segmenting the market into various subsets of buyers, consumers, business with various necessities, behaviors that require planning and marketing strategies. Ideal market segmentation consists of units that are outwardly heterogeneous and internally homogenized within the same segment and completely different between the same segments (Gary Armstrong, 2011).

**Geographical Segmentation**

This entails dividing markets into different market units geographically, such as:
- Nations
- Regions
- Countries
- Cities

Companies across the globe are localizing their commodities, advertisement, brand, and all their sales effort to suit the need of people across individual regions (Gary Armstrong).

**Psychographic Segmentation**

Psychographic segmentation splits buyers into separate sections based on lifestyle, social class, and personal characteristics. Based on group, people in the same psychographic segment possess different abilities (Gary Armstrong 2011).

**Demographic Segmentation**

Demographic segmentation is aimed and entails separation of the market into segments based on factors like age, income, life-cycle, sex, stage, education, job, beliefs, religions, ethnicity. These variables are the most commonly used ones for segmenting the customer groups. One rationale behind this is that demographic factors are very easy to measure than other factors (Gary Armstrong, 2011).

**Behavioural Segmentation**

Behavioral segmentation is distinguished into different sub categories giving details factors of how behaviors affect market production and sale (Gary Armstrong, 2011).

### Market Segmentation Variables

<table>
<thead>
<tr>
<th>Main Bases of Segmentation</th>
<th>Geographic</th>
<th>Demographic</th>
<th>Behavioural</th>
<th>Psychographic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Gender</td>
<td>Occupation</td>
<td>Personality</td>
<td>Income</td>
</tr>
<tr>
<td>Location</td>
<td>Social-economic group</td>
<td>Values</td>
<td>Segmentation</td>
<td>Demographic segmentation</td>
</tr>
<tr>
<td>Region</td>
<td>Urban/Rural</td>
<td>Usage</td>
<td>Benefits</td>
<td>Ethnicity</td>
</tr>
<tr>
<td>ACORN classification</td>
<td>Area</td>
<td>Rate</td>
<td>Loyalty</td>
<td>Continent</td>
</tr>
<tr>
<td>Customer location</td>
<td>Occupation</td>
<td></td>
<td>Status</td>
<td>Sex</td>
</tr>
<tr>
<td>Region</td>
<td>Social-economic group</td>
<td></td>
<td>Personality</td>
<td>Age</td>
</tr>
<tr>
<td>Urban/Rural</td>
<td>Occupation</td>
<td></td>
<td>Segmentation</td>
<td>Marital status</td>
</tr>
<tr>
<td>ACORN classification</td>
<td>Age</td>
<td></td>
<td></td>
<td>Ethnicity</td>
</tr>
<tr>
<td>Customer location</td>
<td>Social-economic group</td>
<td></td>
<td></td>
<td>Occupation</td>
</tr>
<tr>
<td>Region</td>
<td>Age</td>
<td></td>
<td></td>
<td>Marital status</td>
</tr>
</tbody>
</table>

**Tools for constructive segmentation?**

The 8 modern tools that will make market segmentation constructive and effective are (Armstrong, G., Kotler, 2011).
- Measurability
- Substantial
- Accessible
- Differentiable
- Actionable
- Understandable
- Unique

### References

Williamson, Oliver E. (1975). Markets and hierarchies
Zahay, Debra, & Griffin, Abbie. (2010).