

Paper –Marketing Management

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## **Topic- Purpose/Benefits of Market Segmentation**

**1.Better Marketing:** By tailoring marketing programmes to individual marker segments management can do a better marketing job and make efficient use of marketing resources,

**2.Effective in Competition:** A small firm with limited resources might compete effectively in one or two small segments, whereas the same would be overwhelmed by the competition if it is aimed for a major segment.

**3.Allocation of Marketing Budget:** On the basis of Segmentation, Marketing Budget is adjusted for a particular region or locality Customer Oriented: Marketing segmentation is customer-oriented and hence it is consistent with the modern marketing concept in which needs of customers are identified and marketing mix is developed to satisfy those needs.

**4.Sound Marketing Programme:** On the basis of market segmentation, the manufacturer can prepare and follow a sound marketing programme. It leads to efficiency and success in selling. The producer can make a fair estimate of the volume of his sale and the possibility of furthering his sales.

**5.Growth of medium-sized Firms:** By developing strong positions in specialized market segments, medium-sized firms can grow rapidly.

**6.Increase in Market Opportunities:** Through segmentation a manufacturer comes closer to a particular group of customers. So, he becomes more responsive to market changes. He can develop or modify the product according to demand.

**7.Specialized Marketing:** Another advantage of market segmentation is that marketing can be more specialized. This specialization may increase marketing efficiency provided it does not bring about large diseconomies of scale.

**8. Better Utilization of Market Resources:** Market segmentation provides opportunities for better utilization of various marketing resources which leads to the firm towards better profitability and more profits in the long run.

**9. Timely Information:** Market segmentation provides various types of information which are useful in marketing research, product development, evaluation of marketing activities, evaluation of marketing and distribution facilities.