



**MARKET SEGMENTATION,  
PROFILING AND TARGETING  
CUSTOMERS**

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# KEY TERMS

- Market segmentation
- Profiling customers
- Targeting customers

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# MARKET SEGMENTATION

## Justification for segmenting seed market

- ✓ People are similar in some ways.
- ✓ People are dissimilar in other ways.
- ✓ Homogenous groups (market segments) can be identified from a heterogeneous market (mass market).

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## MASS MARKET

- This is un – segmented market
- Suitable for products which appeal to majority of consumers reason being that consumers have more or less similar demand, tastes and preferences for these products/commodities

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# MARKET SEGMENTATION

- Process of dividing the mass heterogeneous market into homogeneous segments
- A market segment is a sub group of people who have more or less similar characteristics .

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# IDENTIFY SEVERAL MARKET SEGMENT FOR YOUR PRODUCTS

- Large scale farmers
- Medium scale farmers
- Small scale farmers

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## The main ways of defining segments are:

- ✓ Geographical area
- ✓ Industry or industry sub-sector
- ✓ Product
- ✓ Size of end-user
- ✓ Distribution channel
- ✓ Order size
- ✓ Order frequency

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# HOW IS MARKET SEGMENTATION DONE?

Using either or a combination of the following factors namely

## Geographic factors

- country
- province
- Size of City, town,
- density

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○ Behaviour factors of farmers

Purchase occasion      Rainy seasons

Benefit sought              quality seed, high  
yielding, drought  
tolerant, diseases  
resistant

User status                      regular users,  
non users(those using saved  
seeds from previous season)

Usage rates                      light, medium  
and, heavy users



## BENEFITS OF SEGMENTATION

- Customer satisfaction
- Profitability of business.
- Customers needs focus

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# REQUIREMENTS FOR EFFECTIVE SEGMENTATION

- Accessible
- Measurable
- Responsive to marketing effort
- Profitable
- substantial

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## WHAT IS A TARGET MARKET

- A specific market segment chosen by the seed company



Large scale farmland in Rift Valley region in Kenya

## TARGETING OPTIONS

- Concentrate on one market segment with one product or different products
- Serve or target several market segments with differentiated products

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# CHOOSING A TARGET MARKET

Factors to consider

- Resources available
- Structural attractiveness
- Potential growth of the market segment

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# CUSTOMER PROFILING

The main goal of Customer Profiling is to ;

- Categorize the traits and characteristics of current customers,
- Identify the primary characteristics of good and bad customers

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# PROFILE YOUR CUSTOMERS

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## BENEFITS

- Discover which customers are sales and profit contributors
- Identify customers who have profitable growth potential for the future
- Find out who are your unwanted (unprofitable) customers

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# ABC PROFILING APPROACH

## A” Customers

- Customers that are currently contributing the highest sales and profits

OR

- Offer the most growth opportunity for profit and sales contribution.
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- Quality customer care
  - Loyalty programs
  - Relationship marketing programs (End of the year parties where best performing farmers/customers are recognized)
- 

## ***“B” Customers***

- Group of customers with modest (or stable) growth potential
- Also in this group are New Potential Customers (targets) who match the business objectives but are not yet a significant part of the business

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- **“C” Customers**

Are group of customers  
with no growth (or  
shrinking) potential

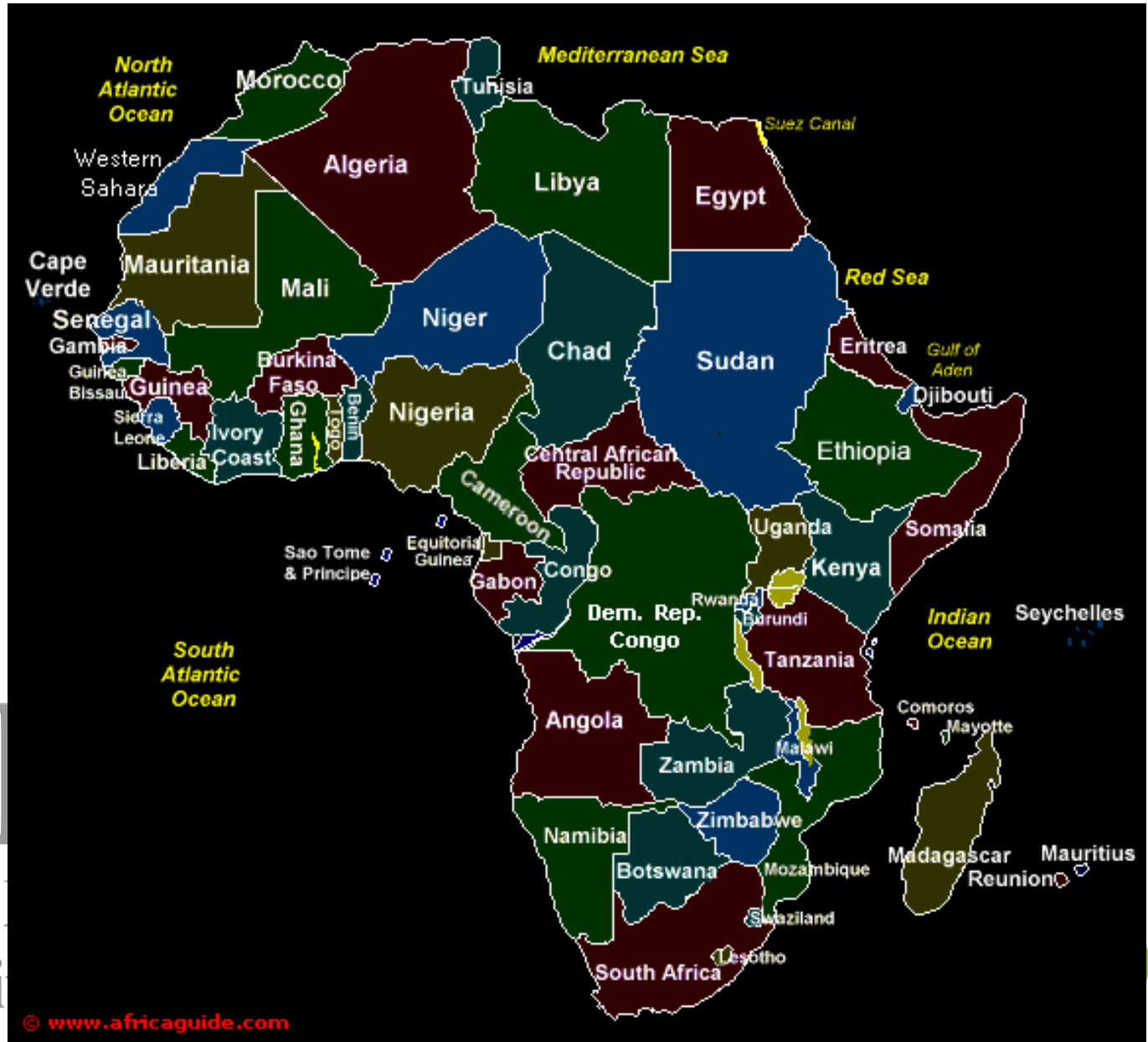
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• QUESTION  
& ANSWERS

