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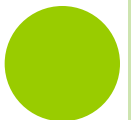
**MARKET SEGMENTATION,
PROFILING AND TARGETING
CUSTOMERS**

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KEY TERMS

- Market segmentation
- Profiling customers
- Targeting customers

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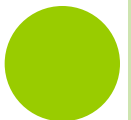


MARKET SEGMENTATION

The three premises of segmenting a market are:

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

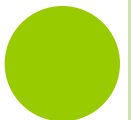
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MARKET AGGREGATION OR MASS MARKETING

- This is an approach whereby individual marketers or organizations assume that consumers have or show more or less identical demand, tastes and preferences for the products/commodities they offer to the market

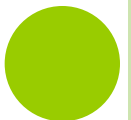
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MARKET SEGMENTATION

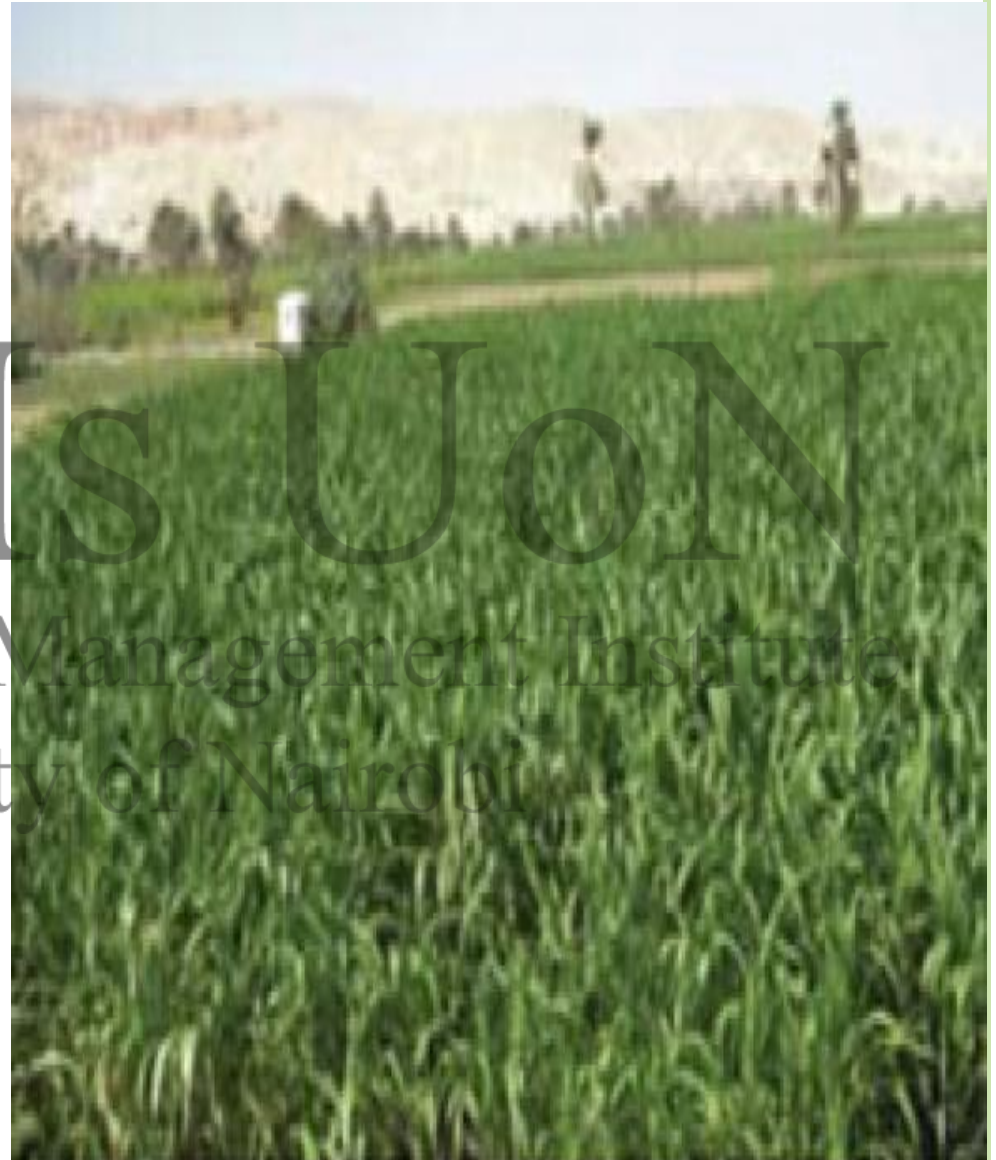
- Process of dividing the mass heterogeneous market into homogeneous segments
- A market segment is a sub group of people who have more or less similar characteristics .

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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)

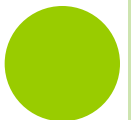
Usage rates light, medium and, heavy users



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 to serve/to market products.



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



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.

INVEST ON RETENTION OF THESE CUSTOMERS

- Quality customer care
- Loyalty programs
- Relationship marketing programs(End of the year parties were 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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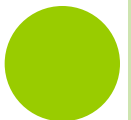


- **“C” Customers**

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

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Thank
you

• QUESTION &
ANSWERS

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