

What is Market Segmentation and Positioning?

Worksheet

Segmentation identifies different customer groups; positioning defines how you want each group to perceive your brand. Smart segmentation + clear positioning = targeted, efficient marketing.

Questions

1. Market segmentation is useful because

- A) it increases total market size
- B) it focuses marketing on relevant audiences
- C) it guarantees sales
- D) it eliminates competition

2. Positioning means

- A) physical store layout
- B) how customers perceive your brand in a segment
- C) product price
- D) supply chain

3. A common segmentation basis is

- A) competitor names
- B) demographics (age, income, location)
- C) weather
- D) random selection

4. 'Segmentation + positioning' strategy benefit is

- A) lower production cost
- B) higher customer relevance & conversion
- C) fewer products
- D) larger company size

5. A coffee brand wants to expand. How does segmentation + positioning help?

6. A smartphone maker targets multiple segments. How?

7. A fashion retailer without segmentation vs. with segmentation. Impact?

8. Define: What is market segmentation?

9. Define: What is positioning?

10. Define: Why segment instead of mass marketing?

Answer Key

1. B) it focuses marketing on relevant audiences - Segmentation targets the right people with the right message, reducing wasted ad spend.
2. B) how customers perceive your brand in a segment - Positioning is the perceived identity and value proposition within a target segment.
3. B) demographics (age, income, location) - Demographics, psychographics (values, interests), and behavior are key segmentation variables.
4. B) higher customer relevance & conversion - Targeted segmentation + clear positioning drive higher engagement, loyalty, and ROI.
5. Segmentation: - Young professionals (urban, \$3-5/coffee, convenience) - Premium segment (high income, \$8-12, quality+experience) - Budget-conscious (lower income, \$1-2, value) Positioning for young professionals: 'Quick, quality coffee for on-the-go.' Messaging: speed, app ordering. Positioning for premium: 'Specialty roasts, crafted daily.' Messaging: origin, barista skill. Positioning for budget: 'Affordable quality, every day.' Messaging: value, consistency. Result: Each segment gets tailored products (sizes, pricing), stores (locations), and ads (channels).
6. Segmentation: - Tech enthusiasts (want latest features, high price tolerance) - Families (want durability, good cameras, affordable) - Gaming/content users (want processing power, good display) Positioning for enthusiasts: 'Most advanced tech.' Messaging: specs, innovation. Positioning for families: 'Reliable, affordable, safe.' Messaging: durability, parental controls. Positioning for gamers: 'Power and immersion.' Messaging: GPU, refresh rate. Result: Different models (flagship, mid-range, budget), prices, and marketing channels per segment.
7. Without segmentation: - One store, one brand voice, generic ads (billboards, TV) - Wastes budget on 80-90% irrelevant audiences - Low conversion, weak brand perception With segmentation: - Luxury line: boutique stores, high price, Instagram influencer marketing (aspirational) - Fast-fashion line: high-street stores, low price, TikTok and Gen-Z targeting (trend-based) - Workwear line: online B2B, moderate price, LinkedIn (professional) Result: 3 ad efficiency, stronger brand identity per segment, 40% higher conversion.
8. Dividing a large market into smaller groups based on shared traits (age, income, interests, location).
9. Creating a unique brand identity and message tailored to a specific segment's needs and values.
10. Segmentation focuses resources on high-value customers and prevents wasted spend on irrelevant audiences.

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