

# What is Market Segmentation?

## Worksheet

Market segmentation divides customers into groups (demographic, geographic, psychographic, behavioral) so companies can market more effectively to each segment.

## Questions

1. What is market segmentation?

- A) Dividing a market into targeted customer groups
- B) Selling to all customers equally
- C) Ignoring customer differences
- D) Only used in B2C

2. Which is a demographic segment?

- A) High-income earners
- B) Urban dwellers
- C) Tech enthusiasts
- D) Morning shoppers

3. Purpose of market segmentation?

- A) To serve all customers identically
- B) To target specific groups with tailored messaging
- C) To reduce competition
- D) To increase prices

4. Behavioral segmentation tracks

- A) Income and education
- B) Purchase frequency and brand loyalty
- C) Climate and geography
- D) Age and gender

5. Nike segments athletic wear customers by age (teens, 20s, 40+) and sport. What segment type is this?

6. Starbucks locates premium cafs in affluent urban centers, budget locations in suburbs. Segment type?

7. A car brand markets SUVs to families with children and sedans to young professionals. Segment type?

8. Define: What is market segmentation?

9. Define: Main benefit of segmentation?

10. Define: Demographic segmentation example?

## Answer Key

1. A) Dividing a market into targeted customer groups - Segmentation strategically divides the market into distinct groups.
2. A) High-income earners - Income is a demographic variable. Urban (geographic), tech enthusiasm (psychographic), morning (behavioral).
3. B) To target specific groups with tailored messaging - Segmentation enables personalized, relevant marketing to each group.
4. B) Purchase frequency and brand loyalty - Behavioral = how/when/why customers buy.
5. Nike divides by AGE (demographic) and by SPORT INTEREST (behavioral). Multi-criterion segmentation.
6. This is GEOGRAPHIC (location) and PSYCHOGRAPHIC (income/lifestyle). Premium vs value-conscious.
7. DEMOGRAPHIC (family size, age, occupation) and PSYCHOGRAPHIC (lifestyle needs).
8. Dividing a market into smaller groups with similar needs, characteristics, or behaviors.
9. Allows focused marketing, better resource allocation, and higher customer satisfaction.
10. Age, gender, income, education, family size.

### **Bounlu**

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