SNS B-SPINE

Coimbatore-35
An Autonomous Institution

DEPARTMENT OF MANAGEMENT STUDIES

19BAE752 - AGRICULTURE MARKETING MANAGEMENT
II YEAR III SEM

UNIT 1 - INTRODUCTION TO AGRICULTURE MARKETING

TOPIC 8 - MARKET SEGMENTATION AND TARGETING

Introduction

- Market Segmentation is the process of dividing a larger market into smaller, more manageable segments based on shared characteristics. It is essential in agricultural marketing due to the diverse nature of consumer preferences and needs.

  - Customization: Segmentation allows marketers to tailor their strategies to specific groups, enhancing the relevance of marketing efforts.

  - Efficiency: Focusing on well-defined segments optimizes resource allocation, ensuring that marketing efforts reach the most receptive audience.

  - Effective Communication: Segmented marketing enables more precise communication that resonates with the specific needs of the target audience.

Market Segmentation - Types

Demographic Segmentation: Divide the market based on demographic factors such as age, gender, income, education, and occupation.

For example: you might target younger farmers who are more tech-savvy or large-scale commercial farmers with higher income.

Example: A company that manufactures precision agriculture equipment might segment its market based on the age of farmers. They may target younger farmers (under 40) who are more open to adopting technology like GPS-guided tractors and drones on their farms.

Market Segmentation - Types

Geographic Segmentation: Segment the market based on geographic location. Consider factors such as climate, soil type, and local agricultural practices. This can help you tailor products and services to specific regional needs.

Example: A seed company may segment its market based on geographic regions. They might offer different varieties of crops suitable for the specific climate and soil conditions in different regions. For instance, drought-resistant corn hybrids for arid regions and cold-tolerant wheat varieties for northern climates.

Market Segmentation - Types

Psychographic Segmentation: Segment the market based on lifestyle, values, attitudes, and behaviors. This can be particularly useful for marketing niche agricultural products like organic produce or specialty crops.

Example: A farm that specializes in organic produce could target consumers who value sustainable and eco-friendly farming practices. Their marketing messages would emphasize pesticide-free, environmentally friendly farming methods.

Market Segmentation - Types

Behavioral Segmentation: Categorize customers based on their purchasing behavior and preferences. For instance, segment customers by the types of crops they grow, their preferred farming methods, or their loyalty to certain brands.

Example: A company selling irrigation systems might segment its market based on farming practices. They could target farmers who practice drip irrigation for high-value crops and promote water-saving benefits, while also targeting those who use traditional methods with more cost-effective solutions.

Market Segmentation - Types

Technographic Segmentation: Consider the level of technological adoption among farmers. Some may be early adopters of advanced farming technology, while others may prefer traditional methods.

Example: A company offering farm management software could segment its market based on technological adoption. They might focus on early adopters who are eager to implement advanced data analytics and remote monitoring tools on their farms.

Targeting

Targeting

- Targeting involves selecting one or more of these segments as the primary focus of your marketing efforts. It allows businesses to allocate resources more efficiently and tailor their marketing messages to resonate with the chosen segments.

How Targeting Specific Segments Helps in Effective Marketing Campaigns

- Precise Messaging: Targeting specific segments allows marketers to craft messages that directly address the needs and desires of that segment.

- Optimized Resource Allocation: Instead of a one-size-fits-all approach, resources are concentrated on segments with the highest potential for conversion.

- Higher Conversion Rates: Customized marketing campaigns resonate more with targeted segments, leading to higher conversion rates.

Example - Tata Tea - Jaago Re Campaign

- Segmentation: Tata Tea targeted socially conscious consumers concerned about civic issues.

- Targeting: The "Jaago Re" campaign focused on awakening citizens' social responsibility, aligning with the values of the segment.

Example - Aashirvaad Atta - Health-conscious Consumers

- Segmentation: Targeting health-conscious consumers seeking nutritious food options.

- Targeting: Aashirvaad Atta positioned itself as a healthy choice, appealing to consumers looking for wholesome food.

Example - McDonald's - Regional Menu Variations

- Segmentation: Dividing the market based on regional preferences and tastes.

- Targeting: McDonald's offers regional menu variations like the McSpicy Paneer Burger in India, catering to diverse taste preferences.

Example - Nestlé Maggi - Convenience Seekers

- Segmentation: Targeting busy individuals seeking quick and convenient meal options.

- Targeting: Maggi's "2-Minute Noodles" campaign positioned the product as a quick meal solution for time-pressed consumers.

Example - NatureFresh Sampoorna Chakki Atta - Quality Seekers

- Segmentation: Focusing on consumers looking for premium quality and nutrition.

- Targeting: NatureFresh positioned Sampoorna Chakki Atta as a premium, high-quality product through its branding and messaging.