

Lesson Plan – Focusing on Market Segments

Course Title: Marketing

Session Title: Focusing on Market Segments

Performance Objective:

- Upon completion of this lesson, the student will describe how markets can be segmented by geographic location, demographic characteristics, psychographics, product usage and benefits derived.

Specific Objectives:

- Students will define demographic segmentation.
- Students will define psychographic segmentation.
- Students will define geographic segmentation.
- Students will explain how to evaluate market potential and calculate market share.

Preparation

TEKS Correlations:

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of any or all of the TEKS listed.

- 124.32 (c)(1)(A)
...categorize business activities as production, marketing, management or finance.
- 123.32(c)(1)(B)
...explain the interdependence each business activity has with marketing.
- 124.32(c)(1)(A)
...explain the importance of target markets.
- 124.32(c)(5)(A)
...describe the advantages and disadvantages of market segmentation and mass marketing.
- 124.32(c)(5)(C)
...distinguish among geographic, demographic, psychographic,, and behavioral segmentation.
- 124.32(33(c)(2)(A)
...explain the relationship among goals, tactics, and strategies pertaining to the marketing mix.
- 123.33(c)(2)(B)
...explain factors that may cause strategies to change.
- 124.33(c)(3)(A)
...research market segmentation trends.
- 124.33(c)(3)(B)
...identify types of segmentation in markets.

Interdisciplinary Correlations:**English:****110.42(b)(6)(A) – Vocabulary Development**

... expand vocabulary through wide reading, listening, and discussing.

110.42(b)(6)(B) – Vocabulary Development

...rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary.

110.42(b)(7)(F) – Reading/comprehension

...identify main ideas and their supporting details.

110.42(b)(7)(G) – Reading/comprehension

...summarize texts.

110.42(7)(J) – Reading/comprehension

...read silently with comprehension for a sustained period of time.

World Geography**113.34(c)(11)(B) -- Economics**

identify factors affecting the location of different types of economic activities.

113.34(c)(11)(C) -- Economics

...describe how changes in technology, transportation, and communication affect the location and patterns of economic activities.

113.34(c)(12)(C) -- Economics

...evaluate the geographic and economic impact of policies related to the use of resources such as regulations for water use or policies related to the development of scarce natural resources.

Accommodations for Learning Differences:

For ED, ESL, LD, Special Ed, at Risk, 504, etc. allow the following:

1. Allow students less than best responses to vocabulary and assignment sheets.
2. Allow students more errors on research and PowerPoint assignments.
3. Allow students more time on internet projects.

Teacher Preparation:**References:**

1. Marketing Yourself, Cengage South-Western Publishing
2. Marketing, Third Edition, James L. Burrow, Southwestern Cengage Learning
3. Marketing Essentials, McGraw Hill
4. USA Today and local newspaper

Instructional Aids:

1. Focusing on Marketing Segments PowerPoint presentation
2. Product Service Inventions for an Aging Population
3. Product Service Inventions for an Aging Population Rubric
4. Marketing to the Generations Project
5. Marketing to the Generations Project Rubric
6. Internet

Materials Needed:

1. Construction paper
2. Scissors and glue
3. Poster board
4. Newspapers

Equipment Needed:

1. Computers for students to complete projects.
2. Projector for PowerPoint presentation.

Learner Preparation:

1. Students will prepare a list of adjectives that describe themselves to someone who has never met them. Students should consider their unique personality characteristics and physical characteristics. Students will then explain how these characteristics influence their purchasing decisions.
2. Students will use the Internet to search the U.S. Census Bureau to list the demographics for the community or county where they live.

Lesson Plan**Introduction (LSI Quadrant I):**

1. Ask students to brainstorm a list of adjectives they would use to describe the overall population of their community. Factors to be considered include income, education, standard of living, and most popular types of careers in the community. This activity is a great ice breaker for discussing market segmentation and demographics.
2. Ask students to draw a large circle on a piece of construction paper and then to divide it into segments like a pie. Tell students that marketers “section off” consumers in a similar way to put them into certain purchasing groups based upon such characteristics as where the consumers live and what they value.

Important Terms for this Lesson:




- market segmentation-the process of dividing a large group of consumers into subgroups based on specific characteristics and common needs
- mass marketing-directs a company’s marketing mix at a large and heterogeneous group of consumers
- geographic segmentation-dividing consumers into markets based on where they live
- demographics-descriptive characteristics of a market such as age, gender, race, income, and educational level
- psychographics-people’s interests and values
- benefit segmentation-divides consumers into groups depending on specific values or benefits they expect or require from the use of a product or service
- market opportunity-an identified market with excellent potential based on careful research
- market potential-the total revenue that can be obtained from the market segment




- market share-portion of the total market potential that each company expects in relation to its competitors

Outline










Outline (LSI Quadrant II):

Instructors can use the PowerPoint presentation, slides, handouts, current events, the Internet, and note pages in conjunction with the following outline.

MI	Outline	Notes to Instructor
	<p>I. Market Segmentation-process of dividing a larger group of consumers into subgroups based on specific characteristics and common needs</p> <p>A. Market segment-group of individuals or organizations within a larger market that share one or more important characteristics</p> <p>B. Mass marketing-directs a company's marketing mix at a large and heterogeneous group of consumers</p>	
	<p>II. Segmentation Categories</p> <p>A. Geographic-dividing consumers into markets based on where they live</p> <p>B. Demographic Characteristics-age, gender, race, income, educational level</p> <p>C. Psychographics-people's interests and values</p> <p>D. Product usage-frequency of use, quantity, consumer experience</p> <p>E. Benefit expectations-utility to the consumer</p>	<p>Give students an outline of the United States and then ask them to divide the country into five different geographic locations based upon climate and the type of geography. This is a good way to introduce geographic segmentation</p>
	<p>IV. Identifying and Analyzing Market Segments</p> <p>A. Market opportunity-an identified market with excellent potential based on careful research</p> <ol style="list-style-type: none"> 1. select a market or product category to study 2. choose a basis for segmenting the market 3. gather information for analysis 4. identify the segments that exist in the market 	<p>Ask students to give examples of product usage for an automobile. Answers may include travel to work, school, errands, and pleasure. Then discuss how auto manufacturers</p>

	<p>5. use the market information to choose the markets that present the greatest and least amount of potential</p> <p>B. Market potential-total revenue that can be obtained from the market segment</p> <p>C. Market share-the portion of the total market potential that each company expects in relation to its competitors</p>	<p>consider these uses to produce different kinds of automobiles and commercials to advertise the automobiles.</p>
 	<p>V. Determining Market Potential</p> <p>A. Number of potential customers</p> <p>B. Customers' interest in the product or service and other mix elements</p> <p>C. Amount of money customers have available to make the purchase</p> <p>D. Business's ability to communicate with and distribute the product to consumers</p>	<p>Ask students to describe a popular brand of jeans that has a high price. The class should discuss the characteristics of the jeans, how the demand was created, price, and means of advertising to the target market.</p>

Copy and paste Multiple Intelligences Graphic in appropriate place in left column.

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra-personal	Inter-personal	Naturalist	Existentialist

Application

Guided Practice (LSI Quadrant III): Give each student a city to research on the Internet. They must find the demographics for the city by researching the Census Bureau website. Ask students to describe the characteristics of Generation Y, Generation X, Baby Boomers, and the Silent Generation. They can use the Internet to research each of these groups. This research will contribute to a good class discussion and serve as the introduction for the Marketing to the Generations project Part One.

Independent Practice (LSI Quadrant III):

1. Students will understand and research different market segments.
2. Students will match goods and services to the demands of different market segments. Use Product Service Inventions for an Aging Population to get the directions about the project and Product Service Inventions for an Aging

- Population Rubric to evaluate the project.
3. Students will complete the first part of the Marketing to the Generations project. Use Marketing to the Generations Rubric to evaluate Part One of the project.

Summary

Review (LSI Quadrants I and IV):

Q: What is mass marketing?

A: Trying to reach everyone with your marketing message.

Q: What factors make up demographics?

A: age, gender, race, income, educational level

Q: What is market segmentation?

A: The process of dividing a large group of consumers into subgroups based on specific characteristics and common needs

Q: What type of segmentation involves dividing the country into the South, Midwest, Plains, East Coast, West Coast, Rocky Mountain West?

A: Geographic segmentation

Q: What is market share?

A: the portion of the total market potential that each company expects in relation to its competitors

Evaluation

Informal Assessment (LSI Quadrant III):

1. Instructor will observe students during the independent Practice assignments and class participation as well as during introduction discussion and PowerPoint discussion.
2. Instructor will assist individual students as needed.

Formal Assessment (LSI Quadrant III, IV):

Use Product Service Inventions for an Aging Population Rubric to evaluate Product Services Inventions for an Aging Population project and use the Marketing to the Generations Rubric to evaluate Part One of the Marketing to the Generations Part One project.

Extension/Enrichment (LSI Quadrant IV):

1. Ask students to research the changing automobile industry by using the Internet. Students design a collage showing pictures of cars from the different decades and bulleted lists giving details about the automobiles. Students will explain the different looks, size of car, and special features based upon historic and economic conditions at the time.
2. Split the class into groups to research and report on the characteristics of consumers for the 1920s, 1930s, 1940s, 1950s, 1960s, 1970s, 1980s, 1990s, and 2000s. Students must report on historical, economic, industrial, and other business events that influenced each decade. Inventions, the workplace,

income, and other factors should be discussed by each group.

**Product/Service Inventions
For an Aging Population**

Name_____

This project can be completed by an individual or a team of two students. You must first conduct research about baby boomers and the silent generation to determine the economic power of both groups. Since these groups make up a large portion of the population, marketers must create products and services to meet the needs of an aging population. You must identify four products/services that will be in high demand with an aging population. Design a PowerPoint presentation to thoroughly describe each of your products/services. The PowerPoint presentation must have at least 12 slides.

Product/Service Inventions for an Aging Population

Student Name: _____

CATEGORY	20	15	10	5
Content	Covers four products/services in-depth with details and examples. Subject knowledge is excellent.	Includes essential knowledge about the four products/services. Subject knowledge appears to be good.	Includes essential information about the four products/services but there are 1-2 factual errors.	Content is minimal OR there are several factual errors.
Presentation	Well-rehearsed with smooth delivery that holds audience attention.	Rehearsed with fairly smooth delivery that holds audience attention most of the time.	Delivery not smooth, but able to maintain interest of the audience most of the time.	Delivery not smooth and audience attention often lost.
Attractiveness	Makes excellent use of font, color, graphics, effects, etc. to enhance the presentation.	Makes good use of font, color, graphics, effects, etc. to enhance to presentation.	Makes use of font, color, graphics, effects, etc. but occasionally these detract from the presentation content.	Use of font, color, graphics, effects etc. but these often distract from the presentaiton content.
Organization	Content is well organized using headings or bulleted lists to group related material.	Uses headings or bulleted lists to organize, but the overall organization of topics appears flawed.	Content is logically organized for the most part.	There was no clear or logical organizational structure, just lots of facts.
Originality	Product shows a large amount of original thought. Ideas are creative and inventive.	Product shows some original thought. Work shows new ideas and insights.	Uses other people's ideas (giving them credit), but there is little evidence of original thinking.	Uses other people's ideas, but does not give them credit.

Total Points _____
 Maximum Score 100 pts.

Marketing to the Generations Project

Name_____

Goal: To learn about four target markets that have different backgrounds, needs, and spending habits.

Part 1: Conduct Internet research for the following four generations: Silent (Mature) Generation, Babyboomers, Generation X, and Generation Y. Print two sheets of information for each group and highlight the main points. Make sure that you locate the most useful marketing information about each group.

Part 2: Design a poster with pictures from a magazine or newspaper to represent each generation. Divide the poster into quadrants—one for each generation. Each quadrant should include pictures of people to represent each generation and 20 facts about each generation.

Part 3: Prepare 20-bulleted list for each generation. The list should include descriptive characteristics, needs, and buying habits.

Part 4: Write four paragraphs to describe five goods/services that each generation will purchase and why. Each paragraph should be at least five sentences and printed.

Part 5: Prepare a PowerPoint presentation about the four generations, using the information from assignments #1-4. Each generation should have at least four slides.

Marketing to Generation X, Generation Y, Baby Boomers, and the Silent Generation

Marketing to the Generations Rubric

Student Name: _____

CATEGORY	20	15	10	5
Research for Each Generation	Thorough research printed and highlighted for each generation	Thorough research printed/not highlighted for each generation	Adequate research printed/highlighted for each generation	Incomplete information for the 4 generations
Poster Representing the 4 Generations	Appealing poster that accurately illustrates people for each generation	Appealing poster that does not accurately illustrate people for each generation	Acceptable poster with inaccurate pictures	Poorly constructed poster with incomplete information (pictures)
Bulleted List for Each Generation	20 Solid Facts for Each Generation	20 Less than Solid Facts for Each Generation	15-19 Facts for Each Generation	Less than 15 Facts for Each Generation
Paragraphs Describing Purchases for Each Generation	High quality paragraphs with at least 5 purchase needs and explanations for each generation	High quality paragraph with less than 5 purchase needs and explanations for each generation	Acceptable paragraph with 5 purchase needs for each generation. Lacking explanations for the purchases	Incomplete information about purchase needs and rationale for each group
PowerPoint Presentation	At least three high quality, informative slides for each generation	Less than three high quality, informative slides for each generation	Adequate number of slides, slide content inadequate	Incomplete slide show with inadequate information for each generation

Total Score _____

Maximum Score 100 pts.