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Abstract

Globalization is shaping the market environment universally. This means that also the companies need to adapt to the changes and find new ways of doing business in rapidly changing market environment. Even successful global companies will need to focus their product development and marketing efforts to the right customers. The changing market situation is making segmentation an interesting topic to study, since it is a way of managing information on market environment and customer needs as well as a way to bring the knowledge on actionable level in a company.

The purpose of the study is to find out: How companies implement segmentation in global consumer goods markets? As segmentation is a quite wide subject, the following sub-problems of the study will guide the researcher to understand the applications of segmentation. Sub-problems for the research are: To describe the segmentation process, to explore the used segmentation criteria, to illustrate the linkage between segmentation and the international marketing strategies.

The research method is a descriptive case study research. The research data is gathered by interviewing representatives from four companies manufacturing products to global consumer goods markets. In addition a specialist interview was conducted in order to give practical insights to the literature review.

The Segmentation process is described by the model of McDonald and Dunbar (2004) and the segmentation criteria is explored by categorizing the criteria into demographics, lifestyle and usage behaviors (Best, 2005), the linkage between segmentation and international marketing strategies is illustrated with a modified Ansoff matrix (McDonald & Dunbar 2004), marketing mix (McCarthy, 1975) and the EPRG-model (Heenan & Perlmutter 1973) through analyzing the international and marketing orientation of the case companies during a product development process.

The general findings were that the technology driven companies seemed to concentrate more on product development and diversification where as the other companies seemed to focus more on gaining market share. Global segmentation seems to a good tool for creating the framework for segmentation in order to bring the company's mission and global brand image into segmentation and vice versa. The global segmentation can therefore be considered as strategic segmentation giving input into product features and usability. The regional and local segmentation seems to be more tactical and benefitting the sales and marketing communications and tactics.

Key words	Segmentation, international marketing strategies, marketing planning
Further information	

