Marketing can be defined as "the profession that identifies and fulfills consumer needs." Because marketing professionals recognize that not all consumers are the same, they use marketing research data to clearly define their optimum market segment.

A market segment is a group of people or organizations sharing one or more characteristics that cause them to have similar product and/or service needs. The purpose of segmenting a market is to allow your marketing/sales program to focus on the subset of prospects that are most likely to purchase your products or services.

The marketing profession recognizes that people, like flowers and animals, have different needs and will react differently to different stimuli.

Understanding the segment that is most likely to convert to your product or service first, and being able to target them efficiently, will increase your profits and success. For example, when selecting where to place your advertising dollars, making an improper selection based on your target’s media preference could completely negate all your efforts. (Please note that this principle also applies to distribution, packaging, or other elements of the marketing mix.)

SMS has worked with clients where the data demonstrated more than 75 percent efficiency improvement in media responsiveness with accurate targeting. What’s more, the improvement was not only in lower spending, but in most cases, in higher market share as well.

Segmentation and targeting information are provided through two primary methods – quantitative market research or database management analysis. The research can be executed by phone, Web, mail or intercept method. The important factor is to ensure an accurate sampling approach and a strong analysis plan.
Accurately profiling a client’s current customers is another means of understanding the target segment for current products. One of the principles of marketing is the “look alike” model. A proven marketing fact is that future customers of an existing product will most likely look exactly like your current customers. So a better understanding of your current customers will provide you with insight on how to convert more of them in the future.

Segmentation is undertaken not only by utilizing demographic characteristics. Segmentation also includes lifestyle attitudes, behavior patterns, and social attitudes. To fully understand the optimum segment, a marketing professional needs to understand all of these elements.