



Part 1: 1-1 Introduction: Profile the Target Consumer or Conduct a Market Segment Analysis

As previously discussed, the visual merchandiser must first pinpoint the consumer with whom the retailer is trying to communicate, then determine how to create the visual presentation in order to entice the customer to come into the store or department, and finally, motivate the customer into making a purchase while visiting the store. In most cases the retailer has identified the market segment or segments of the overall population that the company can offer the best value proposition, yet realize a profit for the store. However, there are population shifts constantly evolving, of which both the retailer and visual merchandiser must be aware.

The method that the retailer utilizes in order to identify the target consumer is known as **market segmentation** or dividing a larger heterogeneous market into smaller segments of consumers who are homogeneous or who have similar needs, wants, characteristics, and behaviors. A specific segment of consumers usually respond favorably to the same marketing strategy or promotional mix. Thus, the retailer must evaluate and examine each segment and select the segment or segments (i.e., group of target consumers) to whom the retailer may successfully offer its product selections and/or services.

Therefore, when reviewing the state of the overall population and conducting a market segment analysis, store management, merchandisers, and buyers, as well as visual merchandising personnel, must constantly track evolving population trends. This tracking is conducted in order to establish sound visual merchandising policies that communicate with that target consumer. Those trends include variables impacting the retail store, product selection, and communication techniques utilized to reach the customer. Overall general population characteristics, especially shifts in those populations, must be examined constantly. Then, major market segmentation factors must be addressed.

The general overall population shifts now impacting the retailer are the aging or graying of the population, the changing composition of the family, and the diverse racial makeup and ethnicity of the population. The major market segmentation factors impacting the retailer include demographics, psychographics, lifestyles, and geographical variables. The general overall population shifts will be addressed briefly in this part and the major market segmentation factors will be explained in detail in the remaining parts of Section 2.

The United States population is an *aging or graying population*. Therefore visual merchandising presentations used as recently as five years ago may not be effective with a particular retailer's present consumer base. Many marketers classify the population by generations (refer to Part 1: 1-2 in this Section) and usually target those generations having major buying power or at least influence the buying power of the family unit. These older or more mature consumers are now spending much more on services than on product. These consumers have more discretionary income than younger consumers; however, due to their age, they are interested in price coupled with value, customer service, and convenience.

Likewise, the *composition of the family* has also changed. Today's families may have a female mother and male father with children; or two same gender parents with children; or a single mother or a single father with children; grandparents parenting grandchildren; or grandparents, parents and grandchildren residing in the same household. Thus, different family compositions exhibit different product preferences, reactions to visual presentations and displays and buying patterns unique to a particular market segment.



Add to these many different family compositions, the *diverse racial makeup and ethnicity* of the population and a new norm has been established. The growing size of the Hispanic population, the prominence of the African American population, and the impact of the many different nationalities of Asian Americans residing in the U.S. have influenced fashion trends, marketing venues, education, music, and cultural norms as well as aspects of the retail store's marketing techniques and visual presentations.

In summary, population shifts are constantly evolving and the retailer and visual merchandiser must be proactive when addressing those changes and communicating with the target consumer. Aging of major segments of the population, changing in the family composition, and the diverse and racial makeup and ethnicity of the population will definitely impact the job responsibilities and effectiveness of the creative results of the visual merchandiser. Visual merchandisers must know the target consumer of the retailer and must know how to develop creative motivating messages with the visual presentation.

In *Part 1: 1-2*, the demographics factors for identifying market segments will be discussed.