EFFECT OF MARKET SEGMENTATION ON ORGANIZATIONAL PERFORMANCE (A STUDY OF TUYIL PHARMACEUTICAL INDUSTRY LIMITED, ILORIN).

BY

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BEING RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION & MANAGEMENT, INSTITUTE OF FINANCE AND MANAGEMENT STUDIES KWARA STATE POLYTECHNIC, ILORIN, NIGERIA.

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CERTIFICATION

This is to certify that this project has been read and approved having met the requirement for the award of National Diploma (ND) Business Administration & Management in the Institute Finance and Management Studies, Kwara State Polytechnic, Ilorin.

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DEDICATION

This research work is dedicated to Almighty Allah and to my caring and loving parent for their support throughout my ND programme.

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I returned all glory, adoration, praise to almighty Allah, the one who is the same yesterday, today and forever, the beginning and the end of my Life that gave me the grace and opportunity and also count me among the living soul to write this project successfully.

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GOD BLESS YOU ALL

ABSTRACT

This study sought to examine the effect market segmentation on organizational performance with reference to Tuyil pharmaceutical industries limited, Ilorin. The study was guided by two objectives; to find out the relationship between market segmentation on organizational performance; to determine the influence of market segmentation on sales volume. Descriptive survey design was used with quantitative approach. The sample size of 80 respondents was drawn from 120 populations. Data were collected through questionnaires, analyzed descriptively and inferential statistics through multiple regression analysis. The study recommended that organization should be able to provide adequate segmentation and ensure they meet consumer needs and produce product accordingly to further boost sales volume of the organization.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Market segmentation is the process of dividing a market into smaller groups of buyers with distinct needs, characteristics, or behaviors who might require separate product or marketing mixes. In a similar submission. market segmentation is a practice of dividing markets up into homogenous segments of consumers or customers. In marketing theory, segmentation is one step in a broader process which includes the targeting of messages or advertising campaigns to specific segments. Also, market segmentation as the process of dividing a market into distinct subset of consumers with common needs or characteristics and selecting one or more segments to target with a distinct marketing mix. Marketers do not create a segment because segments are natural phenomenal. Through segmentation research, a marketer identifies the segments and selects one or more segments to target and satisfy. The underlying aim of market segmentation is to group customers with similar needs and buying behavior into segments, thereby facilitating each segment being targeted by a distinct product and marketing offerings to be developed to suit the requirements of different customer segments (Eniola, 2014).

Market segmentation according to Edoga P. N. (2008) is the process of dividing the total market into several relatively homogeneous groups with similar product interests. This process requires marketer to identify factors that affect purchasing decisions, so that the consumer can be group accordingly. Marketing mixes are then adjusted to meet the needs of each target segment. Market segmentation by grouping together customer with similar needs, provides a commercially viable method of serving these customers. It is therefore at the heart of strategic marketing since it form the basis by which marketers understand their markets and develop strategies for serving their chosen customer better than the competitors.

A market segment on the other hand is a group of individuals, groups or organization who share one or more similar characteristics that cause them to have relatively product needs. Beyond identifying segments in the market, management must carefully consider both the strengths and the weaknesses of competitors when developing marketing strategy. This is to aid the product- positioning task. Market segmentation by defending the market target that management intends the firm to penetrate it establishes the segment at which the firm intends to focus its marketing efforts. Market segmentation and positioning will enable a firm to select a target from which it has a competitive advantage, so that a lasting market position, one of solid market strength can be established.

Marketing performs two basic tasks in meeting the exchange objectives. Firstly, they design and implement marketing strategies to meet those target market objectives. A target market is a chosen segment of market which a company has decided to serve. As customers in the target market have similar characteristics, a single marketing mix strategy can be developed to match those requirements. Creation segmentation may result in identification of new segments that have not been served adequately hitherto any may form attractive target market to attack.

1.2 Statement of the Problem

Market segmentation refers to the division of a market into homogenous group which will respond differently to various characters. It is the subdivision of market into distinct subsets of customers where any subset may conceivably be selected as a target market reached with a distinct marketing mix (Kotler, 2008).

Many institutions spend a lot of time in trying to remain relevant as a result of changes in the environment. According to Kotler (2003), firms often pursue a market segmentation approach to meet today's market realities. Michael et al says that a company cannot serve all customers in a broad market, because the customers are too numerous and diverse in their buying requirement. Segmentation distinguishes between buyers for instance who want low-cost basic items and those seeking luxurious items. To segment a market, firstly, it involves identifying the current and potential wants that exist within a market.

Wind et al (2003) researched on market segmentation cycle and concedes that marketers have to further research on every new prospective customer to know their service requirements in order to assign those segments. They argue that segmentation is very important and should be researched on all aspects as ongoing process. The marketing literatures (Kotler, 1994; Wind, 1978) suggest that segmentation leads to more satisfied customers, because it offers practitioners a number of clear benefits including; improved understanding of customer needs, more appropriate resource allocation, and clearer identification of market opportunities and better tuned and positioned marketing programs.

The pharmaceutical industry in Nigeria has seen intense competition as many firms enter the industry to get a stake of the market. The market is widespread as the firms not only serve local demand but also that of neighboring countries such as Uganda, Rwanda, Burundi, DRC and most recently South Sudan. The industry has both local and international players. With heightened competition the firms within the industry need to device strategies that will help them remain relevant in the long run.

In Nigeria, market segmentation has also received a considerable focus from researchers. Various scholars have reviewed market segmentation in various contexts. Adeyemo (1992) investigated market segmentation practices by medium and large-scale manufacturing firms in Nigeria. Nwaeze E. (2012) conducted a study on the effect of market segmentation on manufacturing firms in Nigeria. Otike et al (2013) studied market segmentation on manufacturing firms, from their findings, it emerged that market segmentation is an important tool in effective provision of products and services. Though these researchers touched on market segmentation in the manufacturing sector, none focused specifically on the cement industry. Given the gap existing in this area of market segmentation and performance in cement firms, this study aims to answer the following question; do market segmentation practices affect performance in the Tuyil pharmaceutical limited Ilorin?

1.3 Objectives of the Study

The objective for this study is to establish the relationship between market segmentation practices and organizational performance in pharmaceutical industry Ilorin.

The main objectives of this study are to have the effect of market segmentation on organization performances pharmaceutical industry with special references to Tuyil pharmaceutical, Ilorin. Thus, the specific objective included the following:

i. To investigate the relationship between market segmentation and organizational performance of the industry

ii. To determine the effect of market segmentation on increased sales volume

1.4 Research Questions

Research question entail target and focus to look into, as the case maybe which a wild area of perspective and need a proper case of handling a research question which help to break into subhead and have a focus on target area.

1. Is there any relationship between market segmentation and organizational performance in an industry?
2. What is the effect of market segmentation on increased sales volume?

1.5 Research hypotheses

Hypothesis is a tentative statement about the universe which may or may not be true, For the purpose of this study, the following hypothesis will be tested in Tuyil pharmacy Ltd Ilorin.

HO_1: There is no significant relationship between market segmentation and organizational performance

HO_2: Market segmentation has no significant effect on increased sales volume

1.6 Significance of the Study

It is expected that the study will be important in a number of ways. Management and policy makers of pharmaceutical industry in Nigeria may use the findings in crafting strategies to assist in identifying customer needs and market opportunities that will help them remain competitive in the industry. It is anticipated that this study will also help management and leaders of cement firms to become aware of the market segmentation practices and their effect firm performance. Importantly, it is expected that when these suggestions are made and applied in the organization, they would enhance improvement in performance.

In addition, it is hoped that the research findings will help the Government in formulating strategic policies for effective management and shaping of the industry. This study will help formulate policies which will help promote the local industry and reduce entry of cheap pharmaceutical products.

It is expected that the study will be of importance to academicians in that the knowledge generated will enable other researchers to improve and develop a better understanding of market segmentation in the pharmaceutical industry and its effect on organizational performance

1.7 Scope of the Study

The scope of this study is limited to Tuyil pharmacy and it involves all the staff ranging from junior to the manager's level.

1.8 Definition of terms

Certain words have been used in this research work and they need to be defined or interpreted as they are related to the research topic

Market: According to Ani N.B. and Nwandu E.C (2007), market is seen as those who are willing to buy a firm's output and have the purchasing power to do so.

Market can also be defined as people or organizations with wants to satisfy, money to spend and willingness to spend it. (Edoga P.N. 2005).

Segment: According to Arowomole A.K. and Adeyemi M.A. (2004), segment is seen as a group of individuals, groups, or organizations sharing one or more similar characteristics that make them have relatively similar product needs.

Market Segmentation: According to Udeagha (1995), Marketing segmentation is seeming as a process of dividing a heterogeneous market into units that are as homogenous as possible units that have relatively similar products or service needs and that can consequently be accessed with the same marketing programmes.

Positioning: Positioning is the act of designing the company's offering and image so that it occupies a meaningful and distinct competitive position in the target customers mind (Edoga, P.N,2005).

Market Target: Adirika et al (1996) define market target as the act of measuring the attractiveness of the different segments, and selecting one or more segments attack.

Marketing Concept: According to George and Ude-Umanta (2009), define marketing concept as the concept that states that the consumers wants and the satisfaction of their needs come first and are the economic justification for the firm's existence.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual review

2.1.1 Concept of market segmentation

Market segmentation involves identifying customers with common characteristics and needs. Whether individual consumers or other firms, collections of customers form markets. A collection of markets is said to make up an industry. In manufacturing, examples include the automotive industry, which could be defined to consist of the new and used car markets as well as the aftermarket for replacement parts. Markets may be further subdivided by examining cars by makes and model years. The automotive market also could be defined regionally (e.g., North America) or by country. Each subdivision, whether by product or geographic area, defines a new market within the automotive industry.

The process for identifying a target market involves a three-step procedure. The first step entails establishing evaluation criteria used to distinguish the market to be targeted by the firm from other potential target markets. This requires the management of the firm conducting the market segmentation to determine the factors likely to affect a market's overall attractiveness. The evaluation criteria may include market size and growth rate, profitability, cyclicality, the price sensitivity of customers, amount of regulation, degree of unionization, and entry and exit barriers. The second step entails continuously subdividing industries and the markets within these industries and analyzing the overall attractiveness of these markets in terms of the evaluation criteria. For each market, the evaluation criteria are given a numerical weight, reflecting the firm's perception of the relative importance of each criterion applied to that market to determine overall attractiveness.

The technique of segmenting a market helps an enterprise decide how far it can go in tailoring its product or service to the needs of distinct groups of customers. Mumby (1994) defines market segmentation as: the process of identifying and then separating a total market into parts so that different marketing strategies can be used for each part. This involves collecting information about the different segments that the company has identified. Market whilst some market segments may be attractive in terms of potential profitability, the enterprise will only be able to serve these if its resources match the needs of those segments (Crawford, 1997). Thus, for instance, a small company marketing indigenous branded rice might see great opportunities in targeting low income earning families but not having the necessary number of salesmen and product quality to adequately serve this segment.

a) Market Segmentation: At its most basic level, the term “market segmentation” refers to subdividing a market along some commonality, similarity, or kinship. That is, the members of a market segment share something in common (Thomas, 2007). There are two main approaches to segmenting markets. The first adopts the view that the market is considered to consist of customers which are essentially the same, so the task is to identify groups which share particular differences and is referred to as the breakdown method; the second approach considers a market to consist of customers that are all different, so here the task is to find similarities; this is known as the build-up method (Baines, nd). The breakdown approach is perhaps the most established and well recognized and is the main method used for segmenting consumer markets; the build-up approach seeks to move from the individual level where all customers are different, to a more general level of analysis based on the identification of similarities (Freytag and Clarke, 2001).

b) Customers and Consumers: The term “customer” it typically used to refer to someone who regularly purchases from a particular store or company; thus, a person who shops at Wuse Shopping Mail or who uses Texaco gasoline is viewed as a customer of these firms (Bello, nd). The term “Consumer” more generally refers to anyone engaging in any of the activities used in our definition of consumer behavior. Therefore, a customer is defined in terms of a specific firm while a consumer is not. The traditional viewpoint has been to define consumers strictly in terms of economic goods and services. This position holds that consumers are potential purchasers of products and services offered for sale.

c) Perceptions: Whereas motivation is a stimulus to action, how an individual perceives situations, products, promotional messages, and even the source of such messages, largely determines how an individual acts. A basic definition of perception would be ‘how people see things. Berelson and Steiner (1964) have defined perception more formally as: the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world.

d) Culture: Culture is perhaps the most fundamental and most pervasive external influence on an individual's behavior, including his/her buying behavior. Culture has been defined as: the complex of values, ideas, attitudes and other meaningful symbols created by people to shape human behavior and the artifacts of that behavior as they are transmitted from one generation to the next (Engel et al. 1973).

e) Social status: Social class or social status is a powerful tool for segmenting markets. Empirical research suggests that people from the same social group tend to have similar opportunities, live in similar types of housing, in the same areas, by similar products from the same types of outlets and generally conform to similar styles of living. At the same time, whilst people within the same social category exhibit close similarities to one another, there are usually considerable differences in consumption behavior between social groups. The variables used to stratify a population into social classes or groups normally include income, occupation, education and lifestyle. The importance of status, to marketers, is not confined to its potential as a basis for market segmentation. Bennett (1988) says that: Every status has its roles - a set of proper behaviors specified by culturally defined rules. A group influences its members primarily through the roles and behavioral norms expected of them.

f) Organizational buying behavior: Organizational buying behavior has been defined by Webster and Wind (1972) as the decision-making process by which formal organizations establish the need for purchased products and services, and identify, evaluate, and choose among alternative brands and suppliers. Organizational buying decisions are likely to be made by a group rather than wholly by an Individual (Crawford, 1997). Webster and Wind (1972) coined the term ‘decision making unit’ (DMU) to describe such groups. Members of DMUs may have different roles, including: users, influencers, decision-makers, approvers, buyers and gatekeepers.

g) Buyer behavior and market segmentation: One of the principal applications of buyer behavior theory, in marketing, is market segmentation; whether the customer is an individual consumer or commercial/industrial organization, each differs in their particular needs, motivations, decision processes and buying behavior. However, no enterprise can provide a different product or service for each and every customer. At the same time, if an enterprise attempts to provide a single standardized product, then only a proportion of the target customer group is likely to be wholly satisfied and the remainder will suffer varying degrees of dissatisfaction and will actively seek alternatives (Crawford, 1997). The needs of the dissatisfied are likely to be met by an existing or emerging competing organization. The variables used to segment markets may be demographic (e.g. age, sex, geographic location, occupation, education, race), psychographic (e.g. activities, interests, opinions, personality, lifestyle) or behavioral (e.g. product usage rate, degree of brand loyalty, occasions of product usage). According to Engel et al. (1973), the objective of market segmentation is to: identify groups within the broader market that are sufficiently similar in characteristics and responses to warrant separate treatment.

Classifying Market Segmentation in Organizations

Tuyil pharmaceutical industry is considering the organizational aspects of segmentation; customer driven and organizational integration, can be incorporated into a matrix. This matrix provides a basis for discriminating between the segmentation process in the organizations.

Market Segmentation Archetypes

The first cells Sales Based Segmentation, describes an organizational archetype where the market is segmented on the basis of sales areas or structures, which do not necessarily reflect clusters of particular customer characteristics or needs. In addition, these approaches are relatively superficial, and they are not embedded in the way the organization, as a whole, is structured, or the way it operates. This archetype represents segmentation which is driven by, and is largely exclusive to, the sales operations of an organization. The International Airline is taken as an exemplar of this particular archetype. Here, the approach to segmentation operates at a territory level where some adjustment of the offer is permitted (use of local menus and cabin staff). However, this view of the market is not embedded in the way the organization is driven as a whole. The organizational priorities are represented by the need to maximize the capacity of the fleet of aircraft and the fact that this capacity resource is allocated through the management of routes rather than particular territories. The International Airline, therefore, provides an example of an approach to segmentation which is internally (sales territories), as opposed to being externally (customer) driven and which does not reflect the priorities and focus of the organization as a whole.

The second cell, Structural Segmentation, represents a further archetype where there is little emphasis on segments as groups of customers. Segments are defined by sales areas or structures. However, in contrast to the sales-based archetype, this approach to the market is deeply embedded in the organization as a whole. Tuyil Pharmaceutical industry provides an exemplar of this situation. The organization described in this case uses product management teams, who are responsible for marketing activity at both the strategic and operational levels.

These groups are also working with sales territories which are allocated on a geographic basis. At this level, therefore, the segmentation is not explicitly customer driven, although the sales territories may reflect differing patterns and the different product types may be applied at different times of the year. However, the product divisions which are fronted by the product management teams are embedded in the structure and nature of the organization. The requirements of a complex and capital-intensive process (producing nitrogen from ammonia) have meant that the product divisions which represent differing aspects of this process are highly integrated into the fabric of the organization. This cell, therefore, presents an approach which is both production and sales driven and which is embedded in all the structures and processes of the organization.

The third cell, Bolt on Segmentation, presents an archetype where a high level of customer focus is brought into the defining of market segments. In this case, the organization applies customer data which is often available within the organization, such as location, purchase patterns and product preference. These data are combined with external classification systems such as ACORN or MOSAIC which align the customer base to particular socio-economic profiles. In contrast to the previous archetypes, this segmentation approach is driven by the information held on the customer base as opposed to the structure of sales operations.

However, this archetype is close to Sales Based Segmentation, as it is limited to a number of functional areas within the organization and is not integrated into the organization as a whole. In this case, the purpose of the segmentation exercise is to assist in selling existing products and targeting advertising campaigns, which are essentially operational, as opposed to strategic issues

2.1.2 Concept of organization Performance

This refers to an organization's capacity to utilize the appropriate course of action in order to meet predetermined goals such as high profit, quality product, significant market share, positive financial results, and survival. According to Ingmar et al. (2000), the influence of human resource management on organizational performance has become a hot topic for research in the field of personnel, and some preliminary findings have been presented. The field obviously requires more conceptual and empirical research, though.

According to Griffin (2003), an organization's performance depends on how well it can both address the needs of its stakeholders and its own survival needs. It is also used to compare an enterprise's performance to that of other businesses in the same industry in terms of profit margin, market share, and product quality. As a result, it is an indicator of employee productivity when measured in terms of revenue, profit, growth, development, and organization-wide expansion.

Corporate performance is one of the most important variables in management research and arguably the most important indicator of organizational performance. The concept of corporate performance is very common in academic literature. Its definition is multidimensional in nature. This validates the reason for the lack of a generally acceptable definition. Olajide (2015) described corporate performance as the voluntary association of productive assets including human, physical and capital resources, for the purpose of achieving a shared purpose. Corporate performance as the ability of an organization to accomplish its aims through the use of resources in a properly structured manner. Organizational performance could as well be defined as the ability to achieve organizational goals and objectives. Agu (2014) asserted that organizational performance has suffered from not only a definition problem, but also a conceptual problem. The term 'performance' is interchangeably used with 'productivity'. There is a notable difference between performance and productivity, while productivity is a ratio indicating the volume of task performed in a given amount of time, performance is a broad pointer that encapsulates productivity as well as quality, consistency and other factors.

Different dimensions have been adopted by authors to determine corporate performance. Some of them are profitability, return on asset, gross profit, return on investment, return on sales, return on equity, sales growth, export growth, market share and stock price (Ajagbe, 2015). There is lack of consensus on the actual indicators of performance even though most researchers measure performance using quantitative data. The importance of performance has also been conceptualized using financial and non-financial measures from both perceptual and objective sources. Financial measures permit researchers to build benchmarking analyses and trend analyses. Ajagbe (2015) posited that perceptual sources comprise financial health or employee evaluation of organizational effectiveness and their overall level of satisfaction. Objective measures comprised secondary source of financial measure like return on investment, return on assets and profit growth. These measures are frequently used for single-industry studies and are non-biased due to the uniformity in measurement across all organizations in the sample. Majority of researchers seemed to use the term performance to explain variety of measurements as well as input efficiency, output efficiency and transactional efficiency (Lebans & Euske, 2012). There is no dominant measure of corporate /organizational performance. Organizations adopt different measurements and objectives for organizational performance. opined that profitability is the best indicator to identify whether an organization has been able to meet its goals. Measures such as return on equity, return on asset and profit margin are frequent indicators of performance in literature.

2.2 Theoretical review

Market segmentation theory

The concept of market segmentation was first introduced by Wendell R. Smith in 1956. Market segmentation theory is a fundamental concept in marketing and business strategy that emphasizes the division of a broad, heterogeneous market into smaller, more homogeneous segments. Each segment comprises consumers with similar needs, preferences, behaviors, or characteristics. This approach enables companies to tailor their marketing efforts more precisely to meet the specific needs of each segment, thereby increasing the efficiency and effectiveness of their marketing strategies.

Key Components of Market Segmentation Theory

Demographic Segmentation: Divides the market based on variables such as age, gender, income, education, occupation, family size, and life cycle stage. For example, a company might target young professionals or retirees based on their specific needs.

Geographic Segmentation: Involves segmenting the market by location, such as region, country, city, or neighborhood. This can include targeting rural versus urban populations or tailoring products to different climates.

Psychographic Segmentation: Focuses on lifestyle, personality traits, values, opinions, and interests. Companies may target health-conscious consumers, adventure seekers, or environmentally conscious individuals.

Behavioral Segmentation: Based on consumer behavior, including usage rate, brand loyalty, buying patterns, and benefits sought. For instance, companies might target heavy users of a product or those who are loyal to a particular brand.

2.3 Empirical Review

Cheptiram, I. S. A. A. C., Nzioki, S. U. S. A. N., & Njeje, D. (2016). The relationship between market segmentation strategy and organizational performance of seed companies in the North Rift region, Kenya. marketing companies. To achieve organization performance in the market, it is necessary that firms pursue strategies, which are difficult for competitors to copy. Market segmentation as a strategy may give the companies in this industry a competitive advantage that may eventually translate to improved organizational performance. However, the exact influence of this market segmentation on firm performance in the seed industry has not received considerable research attention and, therefore, much remains unknown regarding its impact.

Thus, the main aim of the study was to establish the relationships between market segmentation strategy and organizational performance of seed companies in the Kenyan seed industry. The study adopted the descriptive survey approach targeting heads of departments, managers and staff of selected Seed companies in North Rift, Kenya. The study used a sample size of 115 obtained through a stratified random sampling technique. Data was collected using structured questionnaires. Data was analyzed using descriptive and inferential statistical methods such as means, correlations and multivariate regressions. The findings revealed that market segmentation strategy was an important product differentiation strategy influencing up to 35% organizational performance.

Khaled (2012) did a study titled “Differentiation and organizational performance: Empirical evidence from Jordanian companies” The study was designed to examine the impact of differentiation strategy on the organizational performance of Jordanian industrial companies.

Therefore, it would be salutary for the seed companies to invest more in modifying their products and marketing appeals to suit the target market segments. However, this should be done consistent with the segment as not all segments respond in the same way. To investigate this relationship, 33 industrial companies listed at Amman Stock Exchange by the beginning of 2010 were surveyed. Using multiple regression analysis, the study found that product differentiation strategy had no significant effect on organizational performance of such companies. The result contradicted the previous research (for example, Mosakowski 1993; Allen and Helms 2002) results which indicated a positive and significant relationship between product differentiation strategy and organizational performance. This result, however, was expected as Jordanian companies had followed the product differentiation only recently. The result indicated that Jordanian companies could not incorporate an effective differentiation strategy to date to affect and improve their performance positively.

According to Adamu (2020) did a study titled “ Effect of market segmentation on the performance of Micro, Small and Medium enterprises in Markudi Metropolis, Benue State, Nigeria”. This study investigated the Effect of Market Segmentation on the performance of Micro, Small and Medium Scale Enterprises (MSMEs) in Makurdi Metropolis, Benue state Nigeria. A survey research was carried out while a sample of

two hundred and forty six (246) was taken from the population of six hundred (600) managers and owners of micro, small and medium scale enterprises in the study area. Multiple regression analysis was used as the main statistical tool of interest with the aid of the Statistical Package for Social Science (SPSS) version 23.0. The result of the study indicates that Demographic segmentation has a positive effect on the performance of micro, small and medium enterprises in Makurdi Metropolis, Benue State, Nigeria and the effect is statistically significant ($p<0.05$) and in line with a priori expectation. Geographic segmentation has a negative effect on the performance of micro, small and medium enterprise in Makurdi Metropolis, Benue State, Nigeria and the effect is not statistically significant ($p>0.05$) and not in line with a priori expectation. Behavioral segmentation has a negative effect on the performance of micro, small and medium enterprises in Makurdi Metropolis, Benue State, Nigeria and the effect is not statistically significant ($p>0.05$) and not in line with a priori expectation. It was concluded that is a necessary strategy in capturing any market by the entrepreneur in the study area. It was recommended among others that managers of micro, small and medium scale enterprises in the study area should adopt segmentation based on demographic characteristics of the respondent as this will help to show the Micro, Small and Medium Scale Enterprises in identifying the best categories of people to target with a particular products and services and at a specific time.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Preamble

A scientific process is typically used to find a solution and provide new knowledge that benefits the entire community. The researcher must gather data to identify the problem before they can begin to solve it. The research philosophy, design, approach, study area, population and sample size, sampling processes, data collection methods, validity and reliability concerns, data analysis, and ethical considerations are just a few of the tools and methodology employed in this chapter.

3.2 Research Design

According to Kothari (2004), a research design is a setting for data collecting and analysis that seeks to connect the importance of the study purpose with the current economy. The research design used in the study was a descriptive survey. This is done for the following reasons: It uses a large sample to describe this same characteristic of a large population. Descriptive survey research design is used to identify and explain the factors that exist in a given situation and to describe this same relationship that exists between variables at a given point. It is used to research the similarities and differences between several sets of variables in order to create a clear picture of the phenomenon.

3.3 Population of the study

Population is the group of people who share common traits or attributes of interest to the research (Burns & Grove, 2001). In this study the target population comprised of employees of Tuyil pharmaceutical industries limited, Ilorin.

3.4 Sample size and Sampling Techniques.

The study utilized the sample of 80 respondents regardless of their sex and those who provided reliable and valid data. For a population less than 10,000 the following formula by Fisher et al. (1998) was used;

n= Z2pq / d2/2

Where:

n = Desired sample size (when population is more than 10,000)

Z- Standard normal deviation =1.96 at 95% confidence interval

p = The proportion of employees (workers)

q = 1 – p = (1-0.12) = 0.88

d- Degree of accuracy

Z = 1.962×0.12×0.88

0.05×0.05

Z = 0.40567

0.0025

161.3/2 = approximately 80 Respondents

3.4 Data Collection Methods

When using surveys, primary sources were employed to collect the data. According to Kothari (2006), a questionnaire is a collection of questions that are printed or typed on a form or series of forms in a specific order. It is mailed to respondents, who are supposed to read, comprehend, and respond to the questions in the space designated on the actual questionnaire. There are two types of questionnaires: structured and unstructured. The definition of a structured questionnaire is one that has specific, pre-established questions. In the current study, standardized questionnaires were used in addition to consumer surveys to round out the research results.

3.5 Validity and Reliability of research instruments

Validity and Reliability were run to verify the validity aspect of the questionnaire. The ability of an instrument to measure the notion it is intended to measure is known as validity (Cresswell, 2009). It also describes the research's legitimacy or plausibility. The researcher asked the experts to endorse the representativeness and suitability of the data and instruments (questionnaires and in-depth interviews) utilized in the research in order to validate them. Additionally, a pilot study was conducted to assess the questionnaire's validity in the relevant study area; following this, changes were made in order to acquire accurate data for the study. In addition, the researcher accepted criticism of the questions' design, as argued by Cooper and Schindler (2014). The researcher conducted a reliability study to make sure the 0.8 reliability of the data.

3.6 Data Analysis

Data Analysis is the process of evaluating each component collected information in a logical manner and then making deductions and inference data (Kombo & Tromp, 2006). Multiple regression and descriptive analysis were used in this investigation. IBM SPSS Statistics was the tool used in this methodology.

CHAPTER FOUR

RESULTS AND DISCUSSION OF FINDINGS

4.1 Preamble

This chapter presents the results and findings of the study. The presentation of the findings was based on the following specific objectives which were to find out the effect of market segmentation on organizational performance, to investigate the relationship between market segmentation and organizational performance; to determine the effect of market segmentation in increased sales volume.

4.2 Demographic Information

The demographic information included; gender, age, level of education and working experience of the respondents. The results in Table 4.1 show that gender distribution of respondents was as follows; male occupied the highest percentage of approximately 61.3% followed by female who occupied 28.7%. On the other hand, aged distribution was as follows; those who occupied the highest were between 30 to 35 years by 40%, followed by those over 40 years by 20%, between 36 to 40 years were 17.5%, between 24 and 29 years were (15%) and between 18 to 23 years occupied 7.5%.

Similarly, the results show that those who had the highest experience over 10 years were approximately 45% followed by those between 5 to 7 years were 30%, those between 2 to 4 years were 22.5% and those between those between 7 to 9 years were 2.5%. Moreover, those who had highest education were those with secondary education occupied 35%, followed by those with Masters' education 21.2%, those with degree were 20%. Those who had lowest education level were Diploma 8.8% followed by those with primary education who occupied 15%.

Table 4.1: Demographic Information Table

Category	Frequency	Percentage %
Gender		
Male	49	61.3
Female	31	38.7
Age (in yrs.)		
18-23	06	7.5
24-29	12	15.0
30-35	32	40.0
36-40	14	17.5
Over 40	16	20.0
Working Experience (in yrs.)		
2-4	18	22.5
5-7	24	30.0
7-9	02	02.5
Over 10	36	45.0
Level of Education		
Primary	12	15.0
Secondary	28	35.0
Diploma	07	08.8
Degree	16	20.0
Masters	17	21.2

Source: Data Analysis (2025)

4.3 Test of hypotheses

The effect of market segmentation (independent variables) on organizational performance was estimated using multiple regression analysis (dependent variable). Tables 4.2 -4.12 present the findings. Table 4.2 summarizes the model, with the corrected R2 statistics (.590) being of particular importance. This means that 59 % of the difference in market segmentation can be attributed to organization performance.

Table 4.2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768a	.590	.563	.66850
a. Predictors: (Constant), CB, CM, EE, IES, TD				

b. Dependent Variable: OP

Source: Data Analysis (2025)

The findings of the analysis of variance (ANOVA) are shown in Table 4.3. It's also referred to as model fit outcomes. The F-statistics and their related sig. value are of particular interest in this table. The F-statistics is 21.320 percent ($p < 0.001$), according to the results. The findings support the model's prediction that "the model has power to predict market segmentation from organization performance." As a result, it appears that the model may accurately predict effects of market segmentation based on organization performance scores.

Table 4.3: ANOVA Results

Model	Sum of	Df	Mean	F	Sig.

		Squares		Square		
1	Regression	47.638	5	9.528	21.320	.000b
	Residual	33.070	74	.447		
	Total	80.708	79			

a. Dependent Variable: OP

b. Predictors: (Constant), CB, CM, EE, IES, TD

Source: Data Analysis (2025)

The coefficients of the regression model are presented in Table 4.4. The coefficients demonstrate that employee empowerment predicts organization performance positively, with a standardized B =.440 ($p < 0.001$) value. According to these findings, they demonstrate that 56.3 % of the influence of market segmentation can be attributed to organization performance. The findings also suggest that initiating employee suggestions B =.003 ($p < 0.01$) significantly and positively predicts organization performance.

Table 4.4: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std.	Beta			Tole	VIF

			Error				rance	
1	(Constant)	.282	.379		.744	.000		
	EE	.440	.107	.438	4.123	.000	.490	2.042
	IES	.525	.173	.412	3.041	.003	.302	3.308
	TD	.024	.166	.025	.144	.000	.184	1.420
	CM	.130	.144	.144	.904	.000	.218	4.589
	CB	.123	.153	.120	.806	.000	.251	3.988

a. Dependent Variable: OP

Source: Data Analysis (2025)

4.4 Discussion of the Findings

The study aimed to establish the impact of market segmentation on organizational performance. In this regard two research objectives were discussed namely to find out the relationship between market segmentation and organizational performance, to determine the market segmentation on increased sales volume.

The study found that, market segmentation was positive statistically and significantly effective on organizational performance at the organization.

The study found that, market segmentation increases sales volume in the organization.

This finding backs up Werblerm and Harris' (2009) argument that a staff suggestion scheme serves as a formalized procedure to encourage employees to think creatively about their jobs and work environments and to submit ideas for which they will be rewarded on a specific basis, if acceptable and advantageous to the organization as a whole as the organizational performance rises due to the role played by initiating employee suggestions. Additionally, if employees can maintain their anonymity, a suggestion box can be beneficial for companies looking to boost employee engagement. Employees can provide feedback on procedures, working conditions, HR and benefits, coworkers, or bosses. They might offer suggestions to increase the profitability of their company.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Summary of findings

The study found that, market segmentation was positive statistically and significantly effective on organizational performance at the organization.

The study found that, market segmentation places a role towards increased sales volume

5.2 Conclusion

This study examined the impact of market segmentation on organization performance with reference to Tuyil pharmaceutical industries limited. The results show that market segmentation at Tuyil pharmaceutical industries limited influenced organizational performance and increased sales volume were evident in the organization.

5.3 Recommendations

The subsequent recommendations are put forward based on conclusion as follows; Market segmentation plays a vital role on organizational performance. It is recommended that enhancing this quality is paramount for the organization performance. It has been established, based on the reviewed literature and survey results, that market segmentation improves quality, customer satisfaction, and organizational effectiveness. Even if the results indicate a high level of employee empowerment, management would be well-advised to undertake an organizational survey to gather information for this purpose.

It is therefore also recommended that organization should be able to provide adequate segmentation and ensure they meet consumer needs and produce product accordingly to further boost sales volume of the organization.

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APPENDIX

Questionnaires

Dear, my name is Ibrahim Yusuf a student pursuing a Higher National Diploma (HND).

I am conducting research titled “Effect of market segmentation on Organization Performance” as a part of the requirements of my Higher National Diploma Programme. In order to achieve my research objectives, I am requesting your voluntary support by providing information needed in the questionnaires. The information you give will be treated with high confidentiality and used for purposes of this research. There are no personal risks on participating in this exercise. I kindly request your valuable time to answer these questions.

Instruction: Tick () in the appropriate box.

SECTION A: SOCIO-DEMOGRAPHIC CHARACTERISTICS

Your gender. Please Tick () where appropriate

Gender	Tick
Male	
Female	
Total	

Your age. Please Tick () where appropriate

Age	Tick
18-23	
24-29	
30-35	
36-40	
above 40 years	
Total	

Your highest education level age. Please Tick () where appropriate

Highest Education Level of the Respondents	Tick
Primary education	
Secondary education	
Diploma	
Degree	
Masters	
Total	

How long have you been working? Please Tick () where appropriate

Years	Tick
2-4 years	
5-7 years	
7-9 years	
Above 10 years	

SECTION B: MARKET SEGMENTATION AND PERFORMANCE

To what extent does market segmentation influence organizational performance?

Using a 5-point scale; 1 = Strongly disagree 2= disagree 3= neutral 4= agree = 5 strongly agree. Please Tick () where appropriate

Market segmentation has improved efficiency when serving customers	1	2	3	4	5
Market segmentation has improved competitive position of the organization.					
Market segmentation has provided the organization with insight into new product/ market opportunities					
Market segmentation has served as an eliminator of products/services/ marketing programs which don't create customer value					
I'm involved into various matters relating to making decision of the company					
Market segmentation has provided the organization with more accurate forecasts					