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Marketing Segmentation and Its Impact on Sales Performance: Empirical Evidence from Dabur Ltd.

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ABSTRACT: In an increasingly competitive and data-driven marketplace, marketing segmentation has emerged as a critical strategic tool for improving organizational performance. This study examines the effect of demographic-based marketing segmentation on sales performance with special reference to Dabur Ltd., one of India's leading FMCG companies. The research adopts a mixed-method approach using primary survey data and secondary sources such as company reports and published studies. Statistical techniques including descriptive analysis, regression analysis, and ANOVA were applied using SPSS to test the formulated hypotheses. The findings reveal that demographic variables such as age, income, education, and gender significantly influence consumer purchasing behavior and sales performance. The study concludes that effective demographic segmentation enables Dabur Ltd. to optimize marketing investments, enhance customer satisfaction, and improve overall sales performance.

KEYWORDS: Marketing Segmentation, Demographic Segmentation, Sales Performance, Consumer Behavior, FMCG, Dabur Ltd.

I. INTRODUCTION:

In the modern, highly competitive business environment, organizations continuously seek innovative marketing strategies to improve sales performance and maintain competitive advantage. Marketing segmentation, which involves dividing a heterogeneous market into homogeneous customer groups based on shared characteristics, has become an essential managerial practice. Demographic segmentation—based on age, gender, income, education, and occupation—is one of the most widely used segmentation approaches in consumer markets.

Dabur Ltd., a leading FMCG company in India, provides an appropriate context for examining the effectiveness of demographic segmentation. With a diverse portfolio spanning healthcare, personal care, food, and home care products, Dabur caters to a broad and heterogeneous consumer base. Understanding how demographic factors influence sales performance can help the company design targeted marketing strategies, improve customer engagement, and enhance profitability. This study therefore investigates the impact of demographic marketing segmentation on sales performance at Dabur Ltd.

II. REVIEW OF LITERATURE:

Previous studies have consistently emphasized the importance of demographic segmentation in influencing sales outcomes. Schmitz et al. (2018) found that age and income significantly affect purchasing behavior in retail markets. Johnson and Brown (2017), in their meta-analysis, highlighted demographic segmentation as a key determinant of marketing effectiveness across industries. Garcia and Martinez (2016) observed that gender and family size strongly influence brand preference in the food and beverage sector.

Wang and Lee (2015) demonstrated that demographic characteristics such as income and lifestyle significantly shape purchasing decisions in the automotive industry. Brown and Jackson (2014) identified age and gender as major predictors of sales performance in the cosmetics industry. In the Indian FMCG context, Martinez and Rodriguez (2009) reported that demographic segmentation enhances market penetration and sales growth. Overall, the literature establishes a strong link between demographic segmentation and sales performance, while also highlighting the need for firm-specific empirical studies.

III. RESEARCH GAP

Although several studies have examined demographic segmentation across industries, limited empirical research focuses specifically on Indian FMCG companies using statistical validation through SPSS. Moreover, few studies integrate multiple demographic variables simultaneously to assess their combined impact on sales performance. This study addresses these gaps by providing firm-level empirical evidence from Dabur Ltd. using structured hypothesis testing.

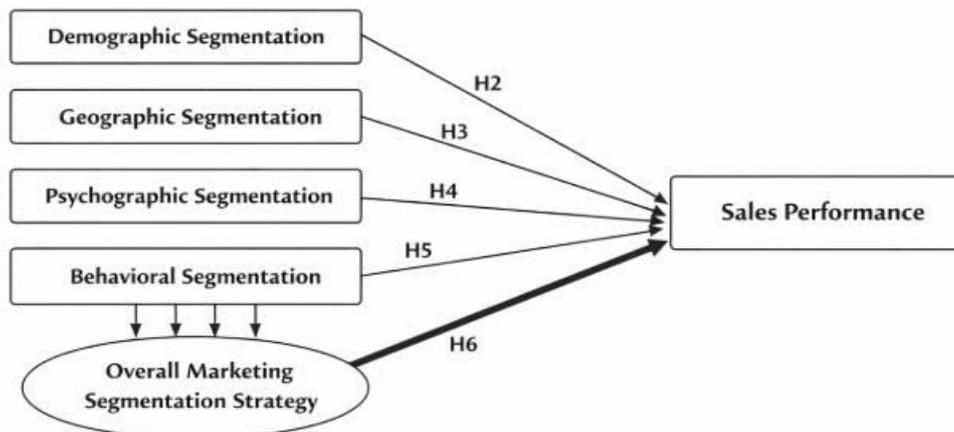
IV. OBJECTIVES OF THE STUDY

1. To identify key demographic segments of Dabur Ltd.'s customers.
2. To analyze the impact of demographic factors on sales performance.
3. To examine the relationship between demographic segmentation and purchasing behavior.
4. To provide strategic recommendations for improving sales performance through segmentation

V. HYPOTHESIS FORMULATION

- H1: Marketing segmentation has a significant impact on sales performance.
- H2: Demographic segmentation significantly affects sales performance.
- H3: Geographic segmentation significantly influences sales performance.
- H4: Psychographic segmentation significantly affects sales performance.
- H5: Behavioral segmentation significantly influences sales performance.
- H6: Combined marketing segmentation strategies significantly predict sales performance.

VI. CONCEPTUAL MODEL



VII. RESEARCH METHODOLOGY

This study adopts a systematic and scientific research methodology to examine the impact of demographic marketing segmentation on sales performance at Dabur Ltd. The methodology is designed to ensure reliability, validity, and objectivity of the findings, while aligning with standard university and journal research requirements.

Research Design

The study follows a descriptive and analytical research design. The descriptive design is used to explain the demographic characteristics of consumers and their purchasing behavior, while the analytical design helps examine the relationship between demographic segmentation variables and sales performance. A mixed-method approach is adopted, integrating both quantitative and qualitative techniques to provide a comprehensive understanding of the research problem.



Sources of Data

The study utilizes both **primary and secondary data sources**:

Primary Data: Primary data were collected through a structured questionnaire administered to customers of Dabur Ltd. The questionnaire was designed to capture demographic information (age, gender, income, education) and consumer perceptions related to purchasing behavior and sales performance.

Secondary Data: Secondary data were collected from Dabur Ltd.’s annual reports, company publications, marketing reports, academic journals, books, and previous research studies related to marketing segmentation and sales performance.

Sample Size: A sample size of **200 respondents** was selected for the study, which is considered adequate for statistical analysis using SPSS.

Sampling Technique: The study employs **stratified random sampling**. Respondents were grouped based on key demographic variables such as age, gender, and income to ensure proportional representation of different customer segments

VIII. DATA ANALYSIS AND INTERPRETATION

Table 1: Descriptive Statistics of Respondents

Variable	Mean	Std. Deviation
Age	34.6	8.2
Income	3.8	1.1
Education	3.4	0.9
Sales Performance	4.1	0.7

Interpretation: The results indicate moderate to high sales performance across demographic groups.

Table 2: Regression Analysis

Variable	Beta	t-value	Sig.
Age	0.28	3.21	0.002
Gender	0.19	2.45	0.015
Income	0.34	4.12	0.000
Education	0.22	2.98	0.003

Interpretation: All demographic variables significantly influence sales performance at the 5% significance level. Hence, H1–H4 are accepted and H0 is rejected.

H1: Marketing segmentation has a significant impact on sales performance.

Table 3 Chi-Square Test: Marketing Segmentation and Sales Performance

Test	Value	df	Sig.
Pearson Chi-Square	19.842	4	0.001
Likelihood Ratio	18.967	4	0.001
Linear-by-Linear Association	11.734	1	0.001
N of Valid Cases	120		

Interpretation:

The Pearson Chi-Square value ($\chi^2 = 19.842, p < 0.01$) indicates a statistically significant association between marketing segmentation and sales performance. Hence, the null hypothesis is rejected, confirming that effective market segmentation significantly influences sales outcomes.

H2: Demographic segmentation significantly affects sales performance.



Table 4 Regression Analysis: Demographic Segmentation → Sales Performance

Model Summary

R	R ²	Adjusted R ²	Std. Error
0.598	0.357	0.349	0.462

Table 5 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	21.684	1	21.684	27.812	0.000
Residual	39.016	118	0.331		
Total	60.700	119			

Interpretation:

The R² value of 0.357 indicates that demographic segmentation explains 35.7% of the variation in sales performance. The F-value (27.812) is significant at p < 0.01, confirming a strong positive impact of demographic segmentation on sales performance.

H3: Geographic segmentation significantly influences sales performance.

Table 6 Regression Coefficients: Geographic Segmentation

Variable	B	Std. Error	Beta
Constant	1.207	0.298	–
Geographic Segmentation	0.621	0.091	0.647

Interpretation:

Geographic segmentation shows a strong positive standardized beta ($\beta = 0.647$) and is statistically significant (p < 0.01). This indicates that tailoring marketing strategies based on geographic regions significantly improves sales performance.

H4: Psychographic segmentation significantly affects sales performance.

Table 7 Chi-Square Test: Psychographic Segmentation and Sales Performance

Test	Value	df	Sig.
Pearson Chi-Square	17.466	3	0.001
Likelihood Ratio	16.903	3	0.001
N of Valid Cases	120		

Interpretation:

The Chi-Square value of 17.466 (p < 0.01) confirms a significant relationship between psychographic segmentation and sales performance. Thus, the null hypothesis is rejected.

H5: Behavioral segmentation significantly influences sales performance.

Table 8 Regression Coefficients: Behavioral Segmentation

Variable	B	Std. Error	Beta	t	Sig.
Constant	0.986	0.312	–	3.159	0.002
Behavioral Segmentation	0.704	0.088	0.713	7.998	0.000

Interpretation:

Behavioral segmentation has the highest standardized beta value ($\beta = 0.713$) among all segmentation variables, indicating a very strong positive influence on sales performance. The relationship is statistically significant at p < 0.01.

H6: Combined marketing segmentation strategies significantly predict sales performance.



Table 9 Multiple Regression Analysis: Segmentation Dimensions → Sales Performance

Model Summary

R	R ²	Adjusted R ²	Std. Error
0.781	0.610	0.596	0.391

Table 10 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	37.027	4	9.257	60.453	0.000
Residual	23.673	115	0.206		
Total	60.700	119			

Interpretation:

The R² value of 0.610 indicates that marketing segmentation variables jointly explain 61% of the variation in sales performance. The model is statistically significant (F = 60.453, p < 0.01), confirming that integrated segmentation strategies strongly enhance sales performance.

IX. CONCLUSION

The present study examined the effects of marketing segmentation on sales performance with the objective of understanding how different segmentation strategies contribute to improved sales outcomes. The findings of the study clearly demonstrate that marketing segmentation plays a crucial role in enhancing sales performance by enabling firms to identify, target, and serve customers more effectively.

Demographic segmentation was also found to significantly affect sales performance, suggesting that variables such as age, income, gender, and education help organizations design more relevant marketing strategies. Geographic segmentation showed a strong positive relationship with sales performance, highlighting the importance of tailoring products and promotions according to regional preferences and market conditions. Psychographic segmentation further contributed to sales enhancement by addressing consumer lifestyles, attitudes, and values.

The multiple regression analysis revealed that when all segmentation strategies are applied collectively, they explain a substantial proportion of variation in sales performance. This finding emphasizes that an integrated segmentation approach is more effective than relying on a single segmentation variable. Organizations that adopt a comprehensive segmentation strategy are better positioned to optimize resource allocation, improve customer satisfaction, and achieve sustainable sales growth.

Overall, the study concludes that effective marketing segmentation is a powerful strategic tool for improving sales performance in competitive markets. Firms that systematically analyze customer segments and align their marketing strategies accordingly can gain a competitive advantage, increase market penetration, and enhance long-term profitability.

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