# Market segmentation in Australia and Malaysia

Market segmentation involves the process of separating the market of prospectus consumers into groups depending on various characteristics. Market segmentation is distinct, and this paper focuses on market segmentation between Australia and Malaysia. The segmentation is based on several subtopics including income and purchasing power difference, culture difference such as the people’s cooking style difference, tastes and preferences.

## Income and Purchasing Power Difference

Income and purchasing power focuses on the financial ability of customers in Australia and Malaysia to buy products and services. Purchasing power is facilitated by the country's gross domestic product (GDP), income, inflation rate, as well as the customer price index CPI). Australia has continued to experience a healthy economic growth with low Public debts, stable and strong financial system, low unemployment rates as well as controlled inflation rates. Before the 1999-2008 great recession, Australian GDP grew at a rate of 3.4 percent Butter data beyond to decelerate in 2009 (Focus Economics: Economic Forecasts from the World's Leading Economists, 2018). However, the country's economic growth improved between 2010 and 2013 by about 2.7 %. Similarly, the country has managed to contain inflation with the consumer price rising with 0.4 percentages in the first quarter of 2018 (Focus Economics: Economic Forecasts from the World's Leading Economists, 2018). With the low inflation rate and appropriate economic growth, the country has low rates of employment and good income for her people. As a result, this also enhances the purchasing power of customers.

On the other hand, Malaysia is a middle-income country it has transformed into a multi-sector economy from a raw material producer since 1970s. As a result, the country’s GDP has continued to grow increasing with the 4.2 and 5.9 percentage in 2016 and 2017 respectively. Similarly, the country has also managed to control the inflation rate dropping with a 0.33 percentage in 2018. However, the country has a higher inflation rate of about 2.9 % (Focus Economics: Economic Forecasts from the World's Leading Economists, 2018). Nevertheless, the country has a low rate of unemployment Meet many people earning salaries from the employment. Therefore, there is also a good purchasing power of customers in the country.

## Culture Difference

Culture involves establishing the difference in cultural behaviours and attitudes of prospectus customers in Australia and Malaysia for effective marketing of products and services. Hofstede’s cultural dimension theory establishes dimensions of natural cultures including the power differences among individuals, the various aspects of individualism, the presence and intensity of masculinity in the society, uncertainty avoidance in business or relationships, long-term orientation, and indulgence (Hofstede Insights, 2018). In Australia hierarchy is created for convenience while there is the easy accessibility of the superiors and there is frequent sharing of information. Moreover, the communication used is participative informal and direct. On the other hand, in Malaysia people accept the hierarchical order and people have their do different roles (Hofstede Insights, 2018). Power is distributed unequally, and all institutions including families accept this power distribution.

While Australia has a higher individualist culture, Malaysia is a collectivist society. People in Australia look after themselves and immediate families while in Malaysia people looks after fellow individuals in the social groups (Hofstede Insights, 2018). On the other hand, both Australia and Malaysia have an average Masculinity score where the shared values that all individuals should strive to be the best determine the winner. Moreover, people in both Malaysia and Australia, are also classified by a high score in indulgence (Hofstede Insights, 2018). This means that the people are willing to realize their desire and impulses to have fun and enjoy life. They thus value their leisure time and also spend their money in any way.

## People’s Cooking Style Difference

This involves identifying the client’s food segments in Australia and Malaysia that helps the supermarkets to tailor their products and provide marketing campaigns and other offerings to the appropriate audience (Khalili, 2014). However, nowadays people have resorted to buying meals instead of preparing them at home. Nevertheless, there is no major difference in how people prepare their meals in Australia and Malaysia. For instance, the modern Australian cuisine involved dishes such as bangers and mash, pasta, crème caramel as well as laksa with various flavours and prepared in various techniques. On the other hand, Malaysia embraces certain cooking techniques that involve adding extra flavour by frying spices in oil to enhance the quality of the meals (Reezlin et al., 2012). These techniques were introduced by the South Indiana labourers brought in the country by the British colonialists.

## People’s Taste Preference Difference

Taste preference by clients is one of the main drivers of the foods market. Customers are often eager to experiment with various products. This focuses on the different customer taste preference in Australia and Malaysia. To sustain the market, producers must embrace a continuous product development and innovation. In Malaysia, customer prefers purchasing their products from the modern markets such as hypermarket chains or supermarket chains. The great innovations by the modern markets that have enhanced productivity and quality of products it’s a great attraction to many customers. Moreover, people have preferred to purchase their product from the farm markers because they want fresh products (Tey et al., 2017). On the other hand, people are Australia also prefer high-quality products.

However, due to how people have continued to be educated, they have also become concerned about their health. As a result of people in this country also consider the health impact of the products that purchase. Apart from innovation people prefer a product that is beneficial to the health or products that will not adversely affect their health. For instance, according to Boniface and Umberger (2012), the consumers in Australia perceived whole milk to be of low quality compared to other types of milk. Therefore, such kind of a product is likely to be viewed as having no adequate health benefits.

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