

5.1: In the Spotlight

To begin this chapter, we are going to look at an example of a well-known company that successfully used market segmentation to appeal to a very specific consumer market as a way to revive one of its products.

Mattel Inc. is the producer of popular children's toys like Hot Wheels, Barbie, and Max Steel. Its action figure Max Steel was introduced in 1999 to only modest success in the United States, but it was enormously popular in South America, even outselling the company's top lines—Hot Wheels and Barbie. Nearly a decade later, marketers decided to revive the brand in the United States, hoping for a second chance at success (Schmidt, 2013).



Figure 5.1 Market segmentation allows companies to focus their resources on their target markets—where their marketing messages will best resonate. (credit: “3D Bullseye” by ccPixs.com/flickr, CC BY 3.0)

Mattel used a number of important market segmentation variables and market strategies to appeal to its target market. First, in terms of demographic variables, marketers recognized that the Max Steel figure typically appealed to boys (gender segmentation) between the ages of 6 and 11 (age segmentation), so they decided to focus on this segment by developing a website that included games, character biographies, and other features popular with boys in this age bracket.

Market research also revealed that its target audience was interested in superheroes and enjoyed watching videos and playing video games centered around these superheroes, so the company used psychographic and lifestyle segmentation to appeal to this segment (Chianese, 2018). For example, Mattel created a Disney Channel cartoon for Max Steel so that, months before the product relaunch in the United States, its target market was already familiar with the character and was more likely to buy (or pressure their parents to buy) the action figure. The result? Max Steel has become a minor superhero “staple” in toy aisles, cartoons, and movies.

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