

# Customer Research Market Segmentation

Market segmentation is the process of grouping a market (i.e. customers) into subgroups. The total market is often made up of sub-markets (segments). These segments are defined by identifying similarities in people such as attitudes about certain variables. *Examples include personality, attitude, brand loyalty and more.* Similar interests and attitudes indicate opportunities to tailor your marketing strategy to those groups most likely to respond positively. That is, they are likely to have similar feelings, reactions, and ideas about a marketing mix comprised of a given product or service, sold at a given price, distributed in a certain way, and promoted in a certain way.

## Success in segmentation requires identifying

Similarities in market segments  
Diversity between segments  
Accessible groups

Measurable and identifiable groups  
Groups large enough to be profitable\*  
Groups most likely to adopt or work with your efforts

## Top Down Market Segmentation *You can determine segments by examining:*

**Geographic location:** region, county, population

**Demographics:** age, gender, family size and life-cycle, income, occupation, education, socio-economic status, religion, nationality/ethnic group

**Psychographics:** life style, value, attitude

**Behavioral:** personality, benefits sought, product use, brand loyalty, product end use, potential to buy, stage, decision-making unit

Some of these can be assessed by looking at the generational groups of your customers. Baby Boomers possess a different overall cultural experience than Millennials do because of when they grew up and the conditions in society they were exposed to. These different bases of understanding influence behavioral patterns and can affect the purchase motivations of your customers.

## Bottom Up

Developing customer profiles based on regular customers/ supporters

A common practice in marketing involves profiling the 20% top performers of a customer/supporter base in order to increase overall business success. A matrix is developed that includes identifying customer interests, purchasing decisions and personality characteristics on a case-by-case basis, then developing a matrix of pattern observation in order to develop a successful strategy.

*Adapted from [http://www.iisscalamandrei.it/spazio\\_docenti/ragazzoni/clil/economia%20aziendale/Marketing/market\\_segmentation.htm](http://www.iisscalamandrei.it/spazio_docenti/ragazzoni/clil/economia%20aziendale/Marketing/market_segmentation.htm)*

\*This form of marketing assessment has been the norm, and does not include developing marketing strategy for non-profitable market segments.

# NETWORK ANALYSIS AND CULTIVATION

This tool is useful for identifying the best way to use your social network.

Collaborators - Your friends and family, organizations you belong to and people you already work with.			
Name, connection type, related interests.			
Customers - People already connected to you. Take some notes about what kinds of posts they respond to, and what kind of posts they make. It's also helpful to investigate organizations you may both be connected to.			
Name, connection type, posts they respond to, post types they make, shared connections.			
Competitors - Look at other groups or businesses who you share connections with, or who work with people you want to work with. Observe their primary post types, what networks are they using? What kind of images do they use?			
Name, customer type, other networks they belong to, what kind of images do they use? What do you like/dislike about their posts?			