



Next generation market research

STRATEGIC SEGMENTATION

Methodology description

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APPLICATIONS AND FOCUS

Applications of Strategic Segmentations

- Acquisition, retention, and current customer development
- Identification of product potential
- Designing "killer" product propositions
- Development of communication strategy
- Designing activities focused on managing customer experience; promoting segment-specific customer care models and channels
- Developing a segment-specific sales strategy
- Generating general segment-specific insight and understanding
- Managing brand experience in segments' understanding brand value in connection to brand positioning and image

FOCUS AREAS	WHY IT IS IMPORTANT	HOW IT IS USED
<p>Needs/motivations</p>	<p>Human behavior is driven by one's needs</p>	<ul style="list-style-type: none"> - Managing brand experience - Developing sales strategy - Deeper market understanding
<p>Lifestyle & values</p>	<p>Expression of needs is determined by one's lifestyle, which could be matched to dominant life values and qualities - e.g. friendliness, responsibility or ambition</p>	<ul style="list-style-type: none"> - Communication strategy - Targeting for promo activities - Designing loyalty programs - Insights for new product development
<p>Products & brands Usage habits Customer value</p>	<p>Actionable segmentations need to reflect current and future usage and perceptions of the category observed in combination with customer value</p>	<ul style="list-style-type: none"> - Identification of product potential - Identification of key target groups - Linkage to the existing products and offers - Linkage to the behavioral segmentation
<p>IMPLICATIONS:</p> <p>The segmentation is primarily based on needs, usage patterns (U&A) to all relevant products within the product category analyzed - and potentially on lifestyle and values.</p> <p>Financial aspects, customer value, demographical characteristics, and other variables identified as relevant are also used as input factors for definition of the segments.</p>		

Our segmentation always fulfil all these criteria

How we perform our segmentation procedure

APPROACH & PROCEDURE

APPROACH TO SEGMENTATION TASKS

Simple to understand

Clear and easily understandable segments and comprehensible segmentation landscape



Meaningful

Reflecting customers' needs in general, with specific focus on the market under analysis



Actionable

Make informed marketing decisions based on deep data from well-profiled segments



Compatible

Use your segmentations with other internal marketing tools and data sources

SEGMENTATION PROCEDURE

Combination of sociological and mathematical approach



Develop an understanding of underlying patterns in data



Identification of main segmentation dimensions



Advanced cluster analysis



Test segmentation strength and quality, and choose the most suitable segmentation solution



Profiling, description and interpretation of the individual segments



Definition of data fusion algorithms and "golden questions" for future usage (database analyses)

ANALYTICAL TECHNIQUES

Multiple analytical techniques are used in the course of data analysis. We primarily use AutoClass clustering, the most-advanced clustering technique (so far).

Segmentation should preferably be unguided (or partially guided if relevant ex ante knowledge is available)

Data fusion

- Technique linking the segmentation to other data files and/or databases
- It assigns each record in the recipient database into a segment based on a certain probability
- Can be used either to simply flag the most likely segment for each record, or to score each record based on the predicted probabilities

Selection of the most appropriate segmentation variables

- Exploratory
- Understand relationships and underlying patterns in data
- Form categories
- Full descriptions based on usage and attitudes information



AutoClass cluster analysis

- Similar response patterns grouped
- Multiple solutions generated



Evaluation and selection of cluster solutions

- Statistical examination
- Discriminant analysis
- Full set of tabulations run on each solution set to examine differentiation



Preparation of data fusion tool and "Golden Questions"

- Here, we use proprietary algorithms to automatically assign people into segments

OUTPUTS

The segmentation output is live, and all outside users and teams can access it - marketing, communications, customer experience, brand, market research, creative agencies, etc. It is simple, clear, and comprehensible, but also richly detailed, providing an in-depth understanding of individual segments.

Segment overview

Executive summary of segmentation

Segmentation landscape

Maps, diagrams and description of mutual relationships and key differentiators of individual segments

Segment book

Detailed description and profile of each segment

Segment leaflet

Simple tool describing each segment for everyday use

Scoring of segments

Special scoring variables like "total expenditure score" of each segment and respondent

Segment dashboards

Segment profile dashboard, segment potential dashboard, and segment accessibility dashboard

Data fusion algorithm

Enables classification of other respondents/customers in the segments for wider applicability and actionability (optional)

SAMPLE: SEGMENTATION LANDSCAPE

Segments

- 1 - ...
- 2 - ...
- 3 - ...
- 4 - Successful start of life
- 5 - ...
- 6 - ...
- 7 - ...
- 8 - ...
- 9 - ...
- 10 - Prosperous family with new housing

Dummy data

Legend

Vertical arrows

high/low overall attractiveness for the Client

Pictograms

high/low aggregate income

Strong borders

high motivation to measured products

low motivation to measured products

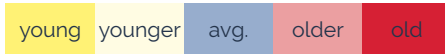
Fill pattern

volume of...in P12/N12M:

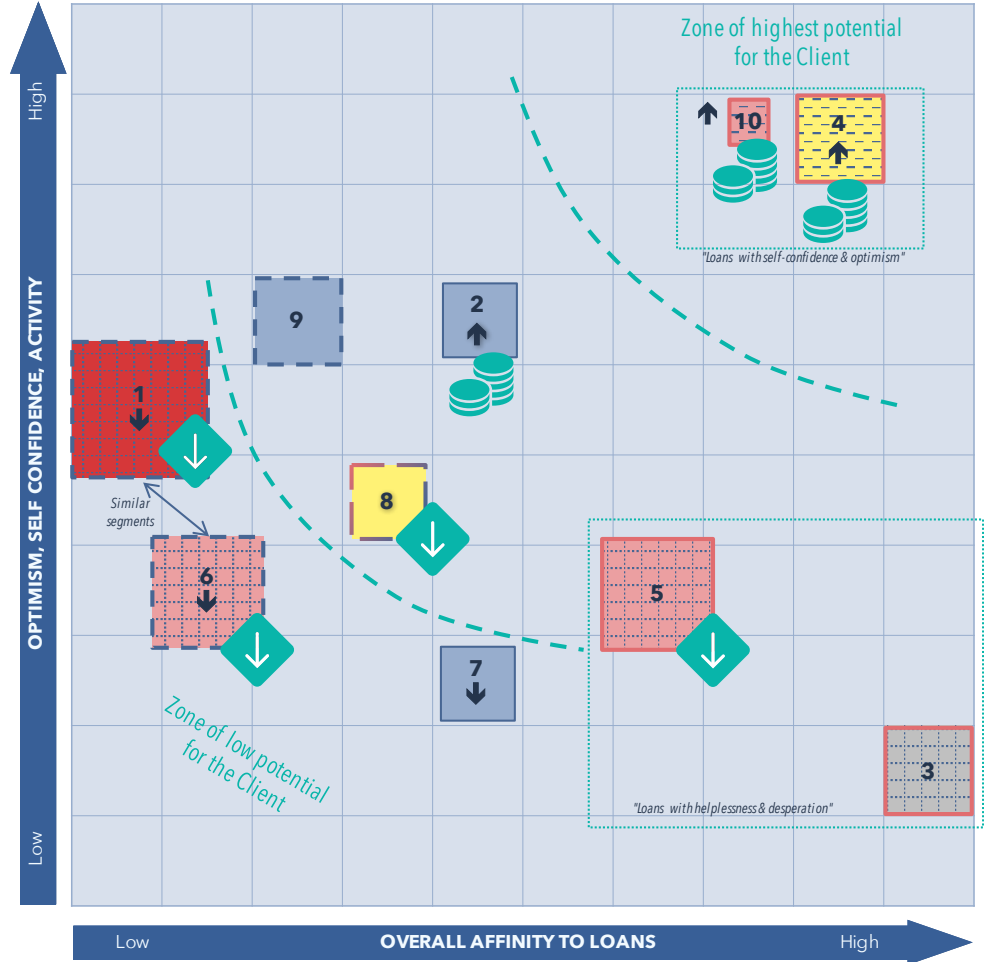
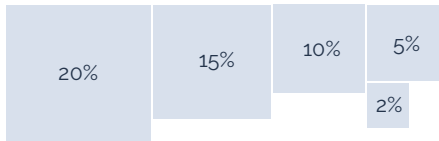
high volume

low volume

Age





Segment size



SAMPLE: KEY SEGMENT DIFFERENTIATORS

Dummy data

 low/below average
 high/above average

	1 - Name of segment 1 20%	2 - Name of segment 2 20%	3 - Name of segment 3 15%	4 - Name of segment 4 15%	5 - Name of segment 5 15%	6 - Name of segment 6 15%
Attractiveness for the Client		low	high	low		high
Aggregate income		lowest	high		low	highest
Gender			males (xx%)	females (zz%)		males (xx%)
Age	old	oldest		young	youngest	slightly younger (majority 30-40)
Frequency of shops visits		low	highest		high	low
Frequency of purchases	high	low	high			
Expenditures for category (amount in CZK)		lowest	high			highest
Prodigal vs. frugal (in shopping behaviour)		frugal	prodigal			Not prodigal, but low need to spare
Interest category & trends	high	low			highest	low

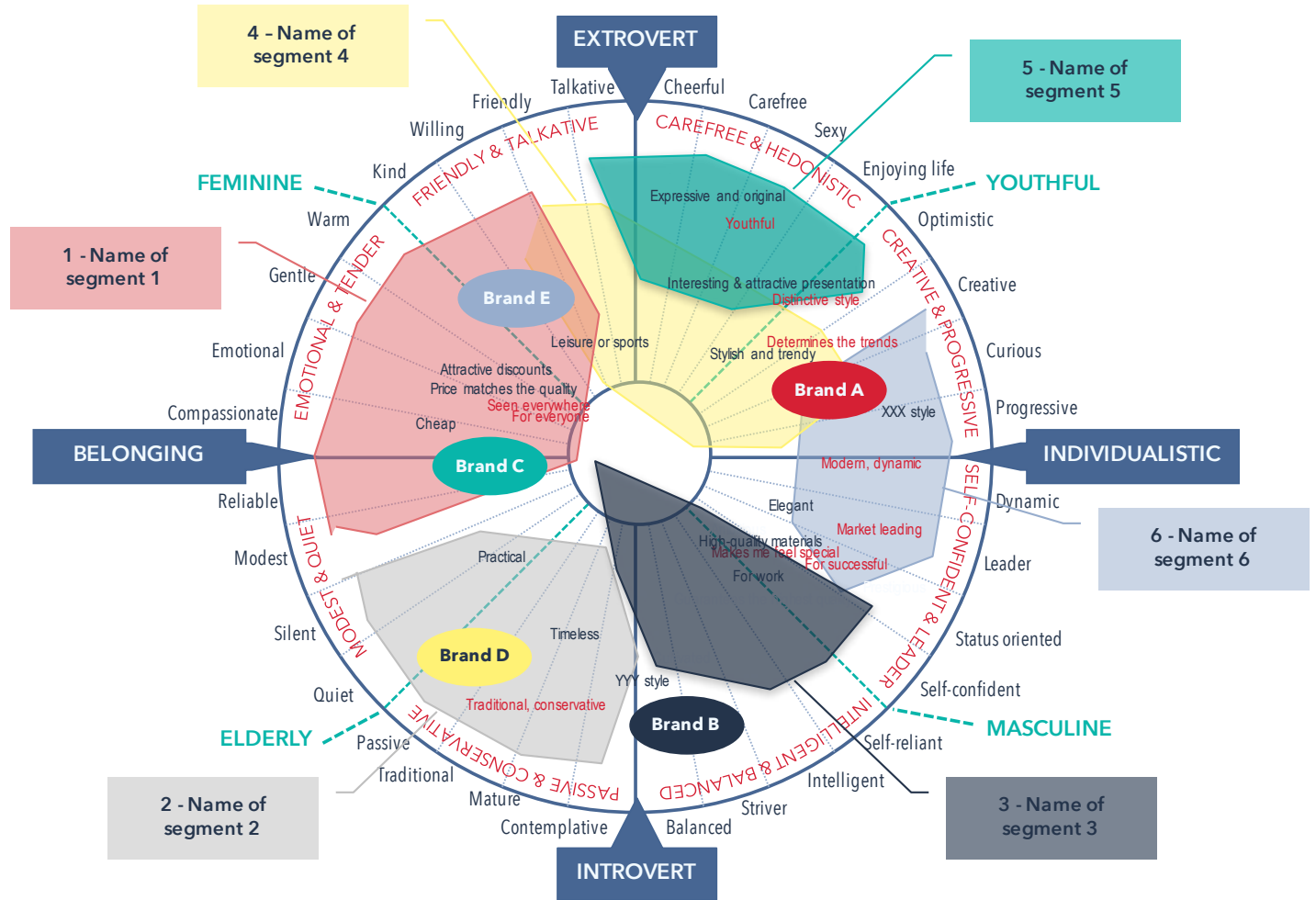
SAMPLE: VALUES PERCEPTUAL SPACE

Dummy data

Positions of segments, brands and image attributes are projected into a standardized "Values Perceptual Space"

This provides a holistic understanding of brand perception, their image and values, as well as relationships between them and the segments.

Also measures developments, and the ability to shift brand perception in desired direction towards pre-defined targets



REFERENCES: SEGMENTATION STUDIES

CLIENT	PROJECT	SCOPE
Raiffeisenbank	Repeated segmentation of B2C clientele of banks	650-1 200 respondents per project
mBank	Segmentation of SME clientele of banks	1 000 respondents
Home Credit China	Repeated segmentation of Chinese population in regard to financial services and loans	app. 10 000 respondents in total
Home Credit and Finance Bank Russia	Segmentation of Russian population in regards to financial services	app. 15 000 respondents in total
Molson Coors, Staropramen	Repeated segmentation of beer market - multiple projects focusing both on consumers and customers	1 200 - 4 000 respondents per project
Sanoma Magazines	Segmentation of magazine readers	1 200 respondents
Marks & Spencer	Segmentation of retail chain customers	1 000 respondents
ETA	Segmentation of domestic appliances market	1 400 respondents
Green-Swan Pharmaceuticals	Segmentation of dietary supplements and OTC medication markets	1 500 respondents
Novartis	Segmentation of medication market	1 150 respondents
Vodafone	Segmentation of customers of mobile telco services - both B2B and B2B	1 250 respondents

Other clients

- Philip Morris
- O2
- Czech Tourism (multi-country projects)
- Tourist Centrum currency exchange network
- ...and others

OUR CLIENTS

MARKS &
SPENCER

Google

 Raiffeisen
BANK

HOME
CREDIT

McCANN

YIT

 mastercard.