



How to Ensure Your Segmentation  
**Doesn't Go Unnoticed**

**i|M** insights in marketing  
Connecting people to brands.



## **SEGMENTATION RESEARCH IS BEST APPROACHED THOUGHTFULLY**

and with considerable planning in order to maximize action-ability and avoid the fate of sitting on a shelf gathering dust. This is particularly true because the research techniques used with segmentation go beyond just asking and tabulating straight questions. Whether your segmentation methods include clustering techniques, CHAID, latent class modeling, conjoint, max-diff or other techniques, success will be optimized by effective leadership, teamwork and good processes.

Here are 5 tips to follow to help ensure your segmentation doesn't go unnoticed:

# 1.



## DETERMINE OBJECTIVES, LEARNING GOALS AND HYPOTHESES

- Objectives must be clear from the start and should serve as a guide throughout the process
  - » *Be careful not to cover too much, some objectives may require additional studies in order to avoid respondent bias, confusion or fatigue*
  - » *Gain internal alignment on the objectives and role of the segmentation in business and brand strategy going forward*
- Be sure there's clarity and alignment on how the segmentation learning will be used; e.g. product development, brand positioning, brand messaging, media placement etc. as this will make a difference in the survey design
- Determine whether a qualitative phase is necessary upfront to help guide objectives, form hypotheses and/or inform the survey
  - » *This is likely the case when minimal consumer learning is available as it helps maximize your segmentation investment*

# 2.

## ENGAGE STAKEHOLDERS EARLY AND OFTEN

To ensure buy-in and ownership of results, two types of stakeholders should be engaged; each contributing their perspective on project objectives, hypotheses and/or concerns.

- **EXECUTIVE SPONSORS** — Results of a segmentation are likely going to mean change – changes in thinking and ways of doing things from marketing communications and product development to sales. Change is always difficult for people but tends to be more successful if the executives at the top are engaged and supportive of the idea of change and the specific changes being discussed. Given this, it's critical to ensure any segmentation initiative has an executive sponsor. This is typically the CEO, CMO or other executive leader. The role of the executive sponsor is to provide the influence, credibility and support needed for the change(s) to be successful. Whether the change requires a new product roadmap, a new brand positioning, or a new communication or sales tactic(s), the executive sponsor must be engaged and demonstrate their and the organization's commitment to this change.
- **INTERNAL PEERS & EXTERNAL PARTNERS** — These are people from other internal departments e.g. marketing, sales, product development, R&D, finance etc. or external vendors; e.g. advertising agencies, marketing or sales consultants etc. who will be involved in activating the segmentation results. Given they are the ones who will be doing much of the execution, engaging them, being aware of their concerns and learning about their hypotheses is critical as it will enable you to design, analyze and share insights in the context most likely to gain buy-in and support.

# 3.



## ENGAGE AND COLLABORATE WITH A QUALIFIED RESEARCH PARTNER

- Be sure they have a good deal of experience with segmentation initiatives
  - Ask for case studies and challenges faced along the way
  - Be sure they have designed, executed and analyzed several segmentation studies across industries and within a variety of categories
- A truly qualified research partner will:
  - Want to fully understand the project objectives and will bring up ideas and questions that you and your stakeholders likely haven't considered – so be prepared for questions and be willing to take the time to help them deeply understand your needs
  - Guide your team on the nuts and bolts of the research design, execution and analysis; including:
    - Developing discussion guides and/or surveys
    - Determining and executing the statistical technique(s) used to arrive at segment solutions
    - Identifying the best option(s) for the number, definition and names of segments
  - Provide a typing tool that can be leveraged in future research initiatives to help classify consumers into their respective segments – this is a very handy tool to help measure segment performance after various marketing tactics have been executed
  - Aid the team in applying the learnings

# 4.

## **OPTIMIZE THE FINAL SEGMENTATION SOLUTION THROUGH THE USE OF BOTH ART AND SCIENCE**

Segment solutions determined by the statistical analyses (the science) is the best place to start when beginning to identify the most optimal segment solution for your business – but don't stop there, be sure you remember the "ART" side of things which includes asking things like:

- How well do the segments make sense in the context of your objectives and from a marketing actionability perspective; e.g. if your objective is around enhancing marketing communications and the statistical analysis shows a 5 and a 6 segment solution and the difference in adding in the 6th segment is based on a variable that doesn't impact communication efforts you can likely combine these segments into one
- How relevant are the segments going forward; e.g. if something is likely to change in the near future making a segment irrelevant this might not be the best segmentation solution to base a long term strategy on
- Are the number of segments chosen manageable and of sufficient size; e.g. having a segment that is 1% of the population is probably not a good idea as it's not large enough to allocate resources to and see an effective ROI
- Are the segments reachable via marketing media: e.g. tv advertising, print advertising, digital etc.
- How much intuitive sense do the segments make and can they be easily communicated to and embraced by the broader organization

# 5.



## **BRING THE SEGMENTS TO LIFE AND SOCIALIZE WITHIN THE ORGANIZATION**

The more you help your organization understand and get excited about the segments the better the buy-in and support will be for them. Some things that have worked well for many organizations include:

- Naming the segments and creating a persona for each one
- Conducting a qualitative consumer immersion phase to help bring the segments to life; this could include things like videos, photo's, consumer diaries/journals etc.
- Creating a collage or caricature showcasing the key segment differentiators



**IF PLANNED, DESIGNED, ANALYZED AND MANAGED PROPERLY,**

segmentation studies can be one of the most impactful studies done for a brand or business. These strategies aid to make your study impactful and can lead to a rewarding experience for you and your team.

**IF YOU HAVE MORE QUESTIONS  
WE WOULD BE HAPPY TO HELP!**

**CONTACT US FOR  
MORE INFORMATION**

about conducting a segmentation  
for your brand or business.



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