

Overcoming **MARKET SEGMENTATION PITFALLS**

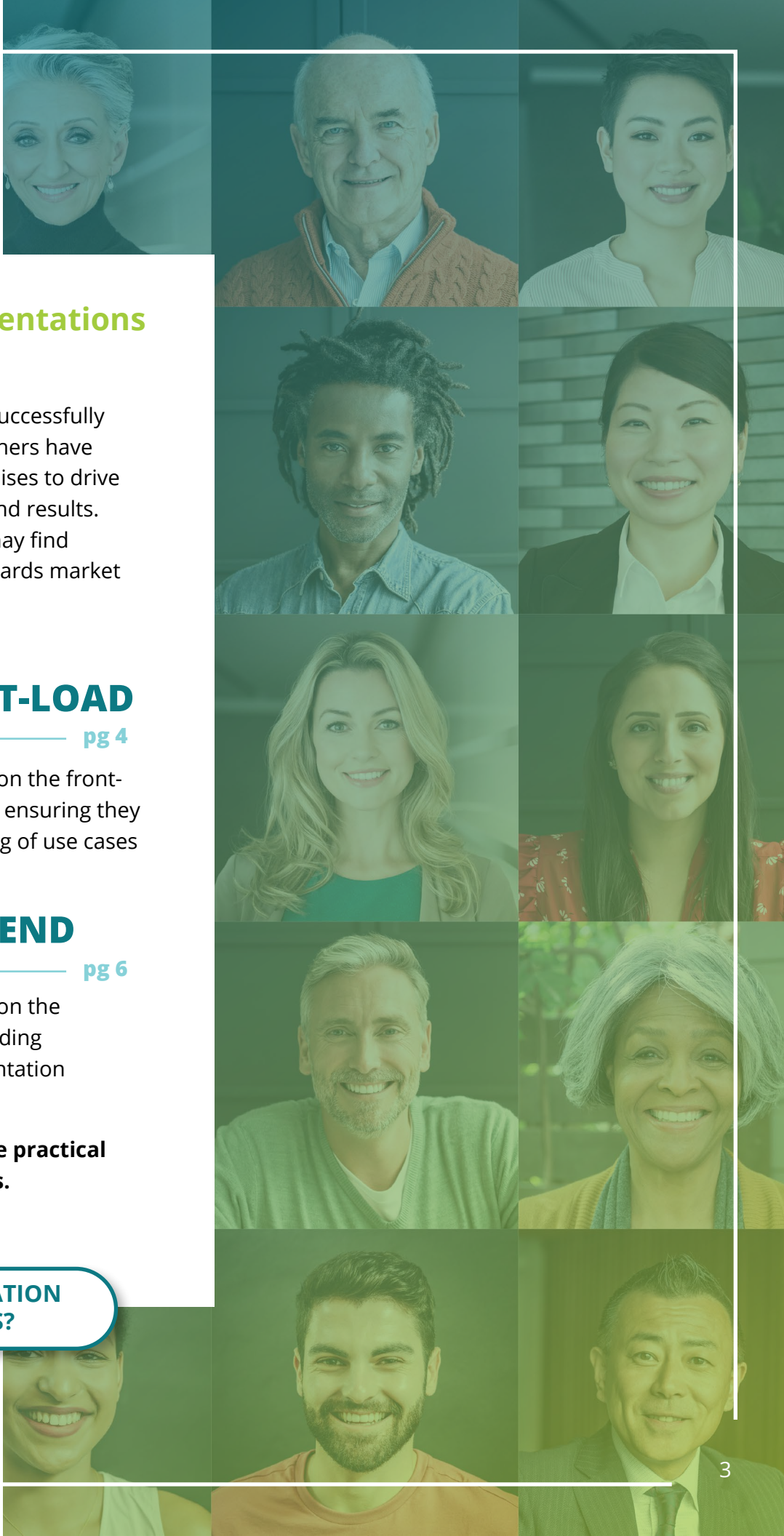


What is

MARKET

SEGMENTATION?

At its core, market segmentation is an analytical process that divides the market into approachable groups based on identified similarities. The type of information segmented may vary based on your needs, with the traditional use case for market segmentations focused on marketing and product development. In essence, this helps gain a general understanding of consumers while providing an opportunity to engage more directly with them in ways (channels, messaging, or new offerings) that are most relevant and relateable. Today, the uses for market segmentation are evolving, with brands seeking to not only understand the market, but identify untapped opportunities for growth.



Why do market segmentations get a bad rap?

While many organizations have successfully implemented a segmentation, others have found theirs fell short of its promises to drive cross-organizational alignment and results. Two key reasons organizations may find themselves feeling lackluster towards market segmentations are:

1 LACK OF FRONT-LOAD PLANNING pg 4

Not spending enough time on the front-end creating alignment and ensuring they have a strong understanding of use cases

2 LIMITED BACK END ACTIVATION pg 6

Not spending enough time on the back-end driving understanding and adoption of the segmentation

Continue reading as we provide practical guidance to avoid these pitfalls.

BLOG

**IS A MARKET SEGMENTATION
RIGHT FOR YOUR NEEDS?**



Lack of Front-Load Planning:

USE OUR DESIGN GUIDE TO PLAN



THE GENESIS

Ensure there is a strong business use case and internal buy-in among impacted internal end-users (e.g. marketing, product development, innovation, strategy), consider:

- **What will creating a segmentation enable for the business?**
- **Who within the organization has the potential to be impacted, and how can they be involved in the initiative?**
- **What can we learn from past initiatives to set this up for success?**

THE SAMPLE

Determine who you should be segmenting based on the business goals and use cases, such as:

- **To acquire new customers, include prospects.**
- **To size the market opportunity, ensure market representativeness.**
- **To drive engagement, loyalty, and penetration, focus on existing customers.**



THE INPUTS

Identify hypotheses to help shape desired outputs.

Segmentations may include one or more data sources, or avenues to explore:

- **What behavioral data is available to you?**
- **Are there common external data sources, such as Acxiom, Experian, or passive metering data that can support media buying decisions on the back end?**
- **What existing survey data is available to explore?**

THE IMPLEMENTATION

For a segmentation to reach its full potential, a strong implementation plan needs to be built. However, waiting for the solution to be identified before building an implementation plan is risky, and can lead to poor adoption across the organization. Spend focused time on the front-end of an activation plan:

- **How can the segmentation impact stakeholders' day-to-day decision making? What tools and resources are needed to enable this impact?**
- **What are potential barriers to success? Accelerators of success?**

To guide understanding and adoption throughout the process, ensure you have the right internal teams involved and committed to the process, and a solid plan for engagement and communication throughout the workstream.

WEBINAR

**LAYING THE FOUNDATION:
SEGMENTATION FOR INNOVATION**

2

Limited Back-End Activation:

COMBINE UNDERSTANDING WITH ACTIVATION

CRAFT TO INSPIRE

Create a collection of deliverables and experiences that enable team members to engage with and explore the segments before asking them to change behaviors.

- **IMMERSIVE PRESENTATIONS** create experiences and memories that enable stakeholders to connect to segments and begin personalizing activation strategies
- **SEGMENTATION VIDEO REELS** bring human understanding to the forefront, creating stories that honor each of the segments
- **1-PAGERS AND PLAYBOOKS** act as toolkits that move from simply understanding the segments to embedding the segmentation into daily decision making

GET SPECIFIC

Eliminate the guess work of how to use the segmentation by building specific use cases into the segmentation design.

- **GUIDE MEDIA PLACEMENT** through analysis of passive metering data to determine ad placement and search term optimization
- **DESIGN SEGMENT SELL SHEETS** bolster communication strategies
- **FOSTER INNOVATION ROADMAPS** by sharing unmet needs and white space opportunities
- **IDENTIFY EXPERIENCE STRATEGIES** to map segment-specific goals to the segment journey

LEAN INTO CHANGE MANAGEMENT PRINCIPLES

When instituting a segmentation, what you're really asking people to do is change their behaviors. Remembering that this is a change management initiative is an important step in adoption.

KEY FACTS TO KEEP IN MIND:



THE RULE OF 7:

People need to hear your message at least 7 times for it to stick. If you feel like you're on repeat, you're doing it right



TAP INTO EMOTION:

Garnering an emotional connection to the segmentation is key towards future adoption—and potential advocacy



THE 5 WHYS:

If you're feeling resistance, tap into the 5 whys to ensure you're addressing the root cause

Research shows that if you identify
THE RIGHT 3% OF KEY INFLUENCERS,
you can reach

85%

of the other employees

ARTICLE

CONSUMER IDENTITY IN A SEGMENTED WORLD



UNDERSTANDING HUMANS IS IN OUR DNA

30+ YEARS OF RESEARCH EXPERIENCE

With a deep heritage in research, we understand consumer behaviors and decision making, and apply our understanding of human behavior to guide employee empathy and activation on these insights.

CUSTOM APPROACH WITH GLOBAL CAPABILITIES



Serving **300+ world-leading brands** annually



Offering synergy with **20 offices across 6 continents** to connect consumers globally



Serving a wide range of industries including:

Food & Beverage, CPG, Financial Services, Travel & Mobility, Automotive, Manufacturing, Healthcare, Utilities & Telco, Durables & Technology, Media & Entertainment, and Retail & Fashion

STORY OF IMPACT

THE BACKGROUND:

An innovative, multi-billion-dollar food company sought to more **deeply understand** individuals not currently engaged in their product to help them learn the market and better reach different groups in service of their mission.



THE DELIVERABLES:

The primary deliverable was a strategically designed deck to maximize impact. The deck contained carefully crafted chapters for each segment, **incorporating the quantitative and qualitative data into a compelling narrative in the voice of each segment.** These chapters included exploration of each segment and **detailed explorations of the ways they engage with food, motivations, barriers, as well as activation guidance.** The larger deck also included a cross-segment analysis to find minimum-viable approaches and key nuances, in addition to messaging, product, and packaging opportunities across the segments.

OUR APPROACH:

An initial quantitative survey segmented the audience on their perspectives and belief in the organization's mission: **sustainability and climate change.** A layered qualitative approach enabled us to go progressively deeper with each segment. For each segment, layers including private, themed online boards, as well as in-depth interviews with a variety of consumers to explore deeply emotional reactions to the food people eat and why, including exploring how they might feel about future food changes.



THE RESULT:

Findings were presented to stakeholders in stages, allowing them to begin activation. The final presentation and deck provided clarity for stakeholders who were immediately able to see distinct segments and ignited excitement to **translate findings into near-future actions.**





LET'S CHAT.

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CENTRICITY HAPPEN