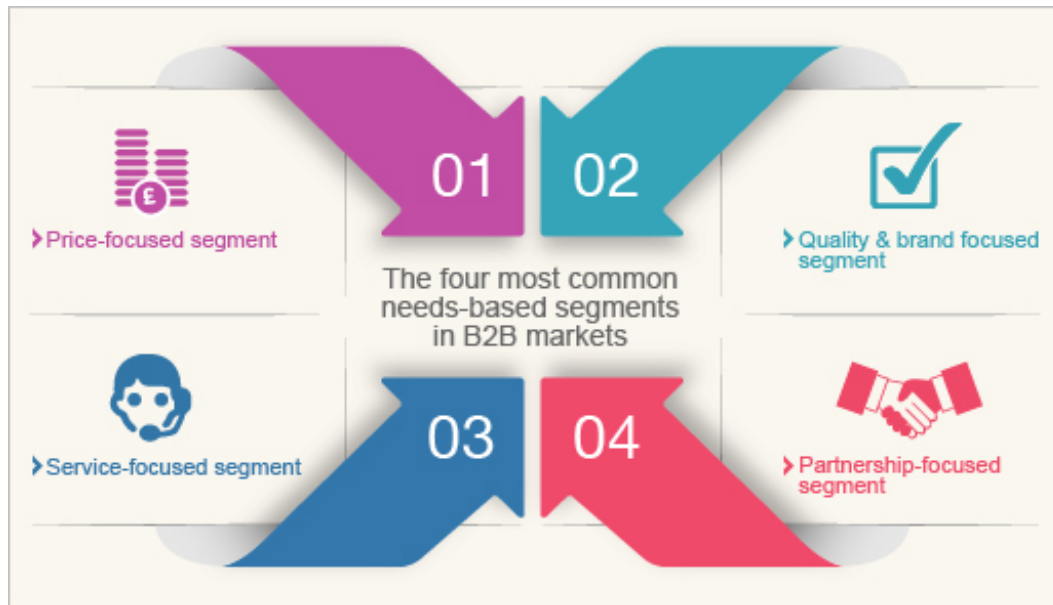


Enhancing the Value of Segmentation *

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Does your company suffer from any of the following marketing deficiencies - fuzzy business mission, unclear objectives, information that is not decision oriented, lack of agreement as to segmentation's real role in the organization, products/services that reflect

corporate desires rather than customer needs, unfocused IMC strategy, and/or failure to attack niche markets and customize offerings?

Over the years, many top B2B marketing executives have asked me how to build and implement a true segmentation-driven culture in their organizations. Based on my more than 20 years of experience as a professor, researcher, and consultant, here are a few of my thoughts on how to get the segmentation process in high gear.

1. Create a 1-day segmentation training workshop for the marketing group to generate excitement and stimulate project development. This will lead to a set of specific, market-based strategic initiatives and research opportunities. Bayer Diagnostics, Citrix Systems, Motorola and other companies have implemented such a plan.
2. Begin with 3-5 small, focused and low-cost initiatives to demonstrate success and build enthusiasm. Realize that all segmentation projects may not be a resounding success (good news -- most will be if properly designed and executed). Cordis, a Johnson & Johnson company, benefited from the strategy of hitting many singles rather than going for grand-slam homeruns.
3. Review previous segmentation studies and make sense of the summary reports. Via a meta-analysis methodology, a fresh set of objective eyes can add significant value to good work and extend segmentation reports buried in computer files or file drawers. At one time, Blue Cross Blue Shield of Florida had undertaken 18 segmentation studies with no synthesis, integration or strategic analysis.
4. As Intel learned, segmentation audits with marketing managers, channel members and customers can pinpoint current and potential problems as well as overlooked market opportunities and niches.
5. Successful segmentation means being able to answer these 6 "what" questions -- *what do you want to accomplish?* (e.g., find new markets, get better customers, upgrade business relationships, align products to customer desires, create a segmentation model/typology, etc.); *what methodologies will help you get the*

necessary information?; what is unique about your segmentation view of the world?; what is your budget?; what is your timeline?; and, what are reasonable expectations for the work?

B.C. Forbes said, “You can drive your business or be driven out of business.” I leave you with 5 thoughts to share with your management team to get them inspired and on-board to invest in segmentation thinking.

- *I am convinced that market leadership is dependent upon how successful firms are at defining and selecting markets appropriate to their capabilities, resources and competitive situation.*
- *Segmentation findings provide a systematic basis for controlled market coverage as opposed to the hit-or-miss, random efforts of mass or unfocused marketing.*
- *Segmentation-based marketing is the essence of sound business strategy and value creation.*
- *Segmentation will continue to grow in stature as a fundamental marketing tool and foundation for marketing strategy in business organizations, large and small.*
- *A more thoughtful approach for market selection can assist marketers design winning target marketing strategies.*

Realize that firms in all industry sectors are discovering the power of strategic segmentation as a marketing tool for attracting and retaining customers in fast changing, globally competitive markets. How about you?

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Art Weinstein, Ph.D., Professor of Marketing, Nova Southeastern University and author of *Handbook of Market Segmentation*, 3rd Edition. Professor Weinstein can be reached at art@nova.edu