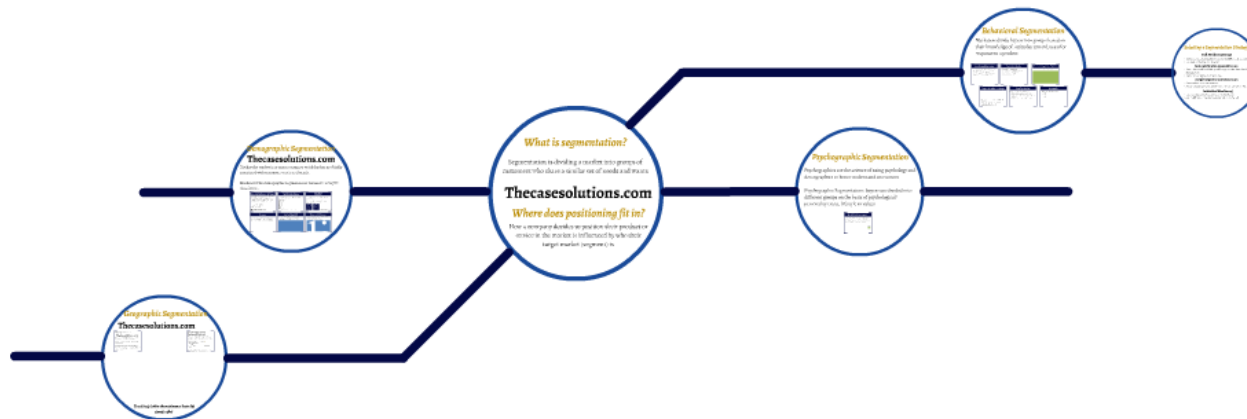


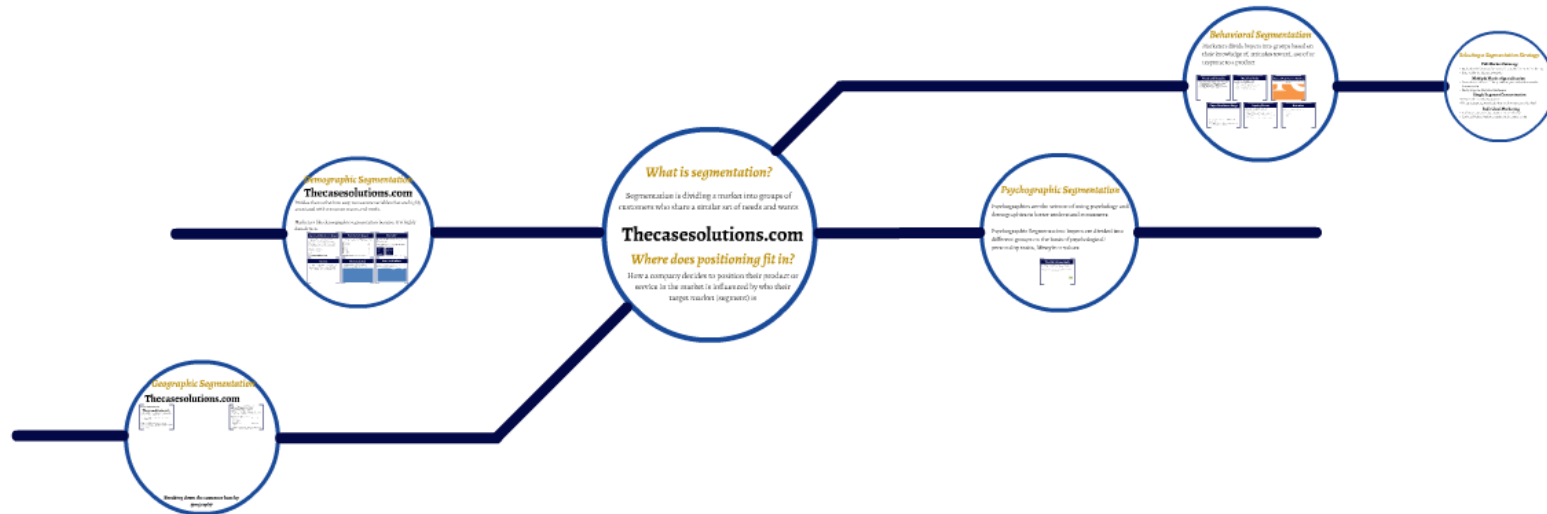
Segmentation at Sticks Kebob Shop

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What is segmentation?

Segmentation is dividing a market into groups of customers who share a similar set of needs and wants

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Where does positioning fit in?

How a company decides to position their product or service in the market is influenced by who their target market (segment) is

Geographic Segmentation

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Geographic Segmentation: What is it?

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Divides the market into geographical units – nations, states, regions, countries, cities and even neighborhoods

Regional marketing has become more effective and is now seen as by zip-code

Companies use this to determine high concentrations of customers and then combine this data with demographic data to create a more complete view of who their customers are and where they are

Geographic Segmentation: The PRIZM Approach

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PRIZM is a tool used to identify and cluster customers
This tool classifies over 1/4 million US residential neighborhoods into 34 distinct groups and 66 distinct style segments into clusters

It reviews 139 factors that fall into 5 categories:

- Education and affluence
- Family life cycle
- Urbanization
- Race and ethnicity
- Mobility



The inhabitants in a cluster tend to lead similar lives, drive similar cars, have similar jobs and even read/view similar media

Breaking down the customer base by
geography

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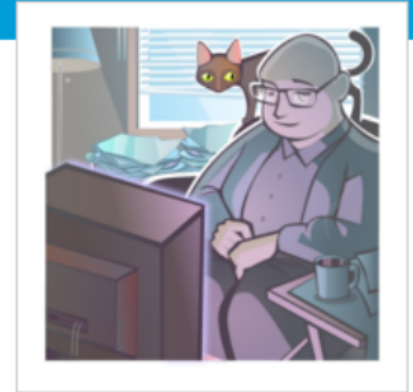
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PRIZM at Work

51 Tech-Free Frontier

Downscale Mature w/o Kids

Who needs computers, the Internet, on-demand movies, or MP3 players? Certainly not the rugged retirees in Tech-Free Frontier. In their isolated rural homes, these over 65-year-old-singles and couples get by with downscale incomes, an independent spirit and as little technology as possible. On their single TV set, they enjoy soaps, movies, game shows, comedies, and early evening newscasts. Among their favorites: The Price is Right and CBS Evening News. These households are also selective about other media; they are unlikely to get newspapers, uninterested in radio except for gospel and country music stations, and subscribe to only a handful of magazines at above-average rates, including The Saturday Evening Post, Family Handyman, and fraternal titles. And forget about the Internet: when these households want an audio stream, they listen to the sound of a babbling brook.



Click here for full profile: <http://www.claritas.com/MyBestSegments/Default.jsp?ID=37&id1=2611099&id2=51>

03 Movers & Shakers

Wealthy Older w/o Kids

Movers & Shakers is home to America's up-and-coming business class: a wealthy suburban world of dual-income couples who are highly educated, typically between the ages of 45 and 64, and without children. Given its high percentage of executives and white-collar professionals, there's a decided business bent to this segment: members of Movers & Shakers rank near the top for owning a small business and having a home office.



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Demographic Segmentation

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Divides the market into easy to measure variables that are highly associated with consumer wants and needs.

Marketers like demographic segmentation because it is highly data driven.

Age and Life-Cycle Stage

A consumer's age provides an indicator of income, interests, types of channels through which they consume information and life cycle. Marketers have to consider both the actual age of consumers and the psychological age. As a general rule once people reach their 30's they begin to view themselves as 10+ years younger than they are...this means they will respond to ads that depict people and behaviors younger than they are.

We use life-cycle analysis to determine spending habits (as shown on the right), determine channels, and identify messaging.

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Family Life Stage

An individual's life-stage is a key indicator to how they will spend money and on what. The original family life stage model was developed in the 1950s by Wells and Gilber.

- 1 Young and Single
- 2 Newly Married
- 3 Full Nest 1
- 4 Full Nest 2
- 5 Empty Nest 1
- 6 Empty Nest 2

Gender

Men and women behave differently based on genetic make-up and socialization.

Need to market in different ways and through different channels to reach them effectively

Woman	Men
<ul style="list-style-type: none"> • Emotional-minded • Relates products and services on a personal level • Act on impulse 	<ul style="list-style-type: none"> • Self-expressive and goal oriented • Rely on product information • More methodical

Income

Companies have the greatest success marketing products to either high or low income brackets. Those in the middle migrate both up and down.

Low Income	High Income
<ul style="list-style-type: none"> • One of Goals • Focus on KSI Level • Cheap 	<ul style="list-style-type: none"> • Focus on KSI Level • High Income • KSI Level

Generational

• These groups are influenced by the times in which they have grown up - music, movies, politics, and defining events of a period.

• They share the same cultural, political and economic experiences and have similar outlooks and values.

Millennials	Gen X	Boomers	Silent
<ul style="list-style-type: none"> • Born 1981-1996 • Digital natives • Self-aware • Value experiences • Social media • Career-oriented • Entrepreneurial • Work-life balance • Financially responsible • Value education • Value diversity • Value work-life balance • Value work-life balance • Value work-life balance 	<ul style="list-style-type: none"> • Born 1965-1980 • Digital immigrants • Self-reliant • Value experiences • Social media • Career-oriented • Entrepreneurial • Work-life balance • Financially responsible • Value education • Value diversity • Value work-life balance • Value work-life balance • Value work-life balance 	<ul style="list-style-type: none"> • Born 1946-1964 • Digital immigrants • Self-reliant • Value experiences • Social media • Career-oriented • Entrepreneurial • Work-life balance • Financially responsible • Value education • Value diversity • Value work-life balance • Value work-life balance • Value work-life balance 	<ul style="list-style-type: none"> • Born 1928-1945 • Digital immigrants • Self-reliant • Value experiences • Social media • Career-oriented • Entrepreneurial • Work-life balance • Financially responsible • Value education • Value diversity • Value work-life balance • Value work-life balance • Value work-life balance

Race and Culture

• Multi-cultural marketing recognizes that different ethnic and cultural segments have different wants and needs.

• Impacts marketing messages, media and channels.

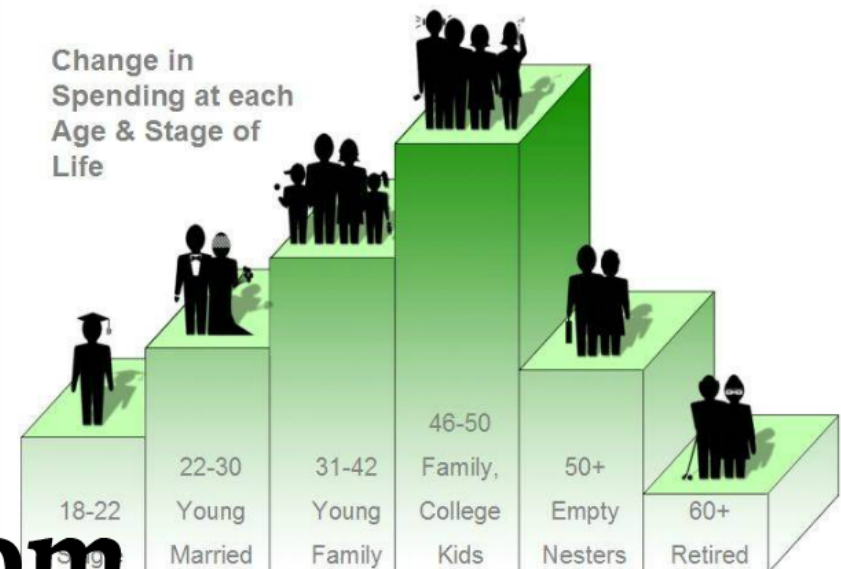
Hispanic Americans	African Americans	Asian Americans	Native Americans
<ul style="list-style-type: none"> • Large and growing population • Diverse backgrounds • Strong family ties • Value education • Value work-life balance • Value work-life balance • Value work-life balance 	<ul style="list-style-type: none"> • Diverse backgrounds • Strong family ties • Value education • Value work-life balance • Value work-life balance • Value work-life balance 	<ul style="list-style-type: none"> • Diverse backgrounds • Strong family ties • Value education • Value work-life balance • Value work-life balance • Value work-life balance 	<ul style="list-style-type: none"> • Diverse backgrounds • Strong family ties • Value education • Value work-life balance • Value work-life balance • Value work-life balance

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