Segmentation at Sticks Kebob Shop

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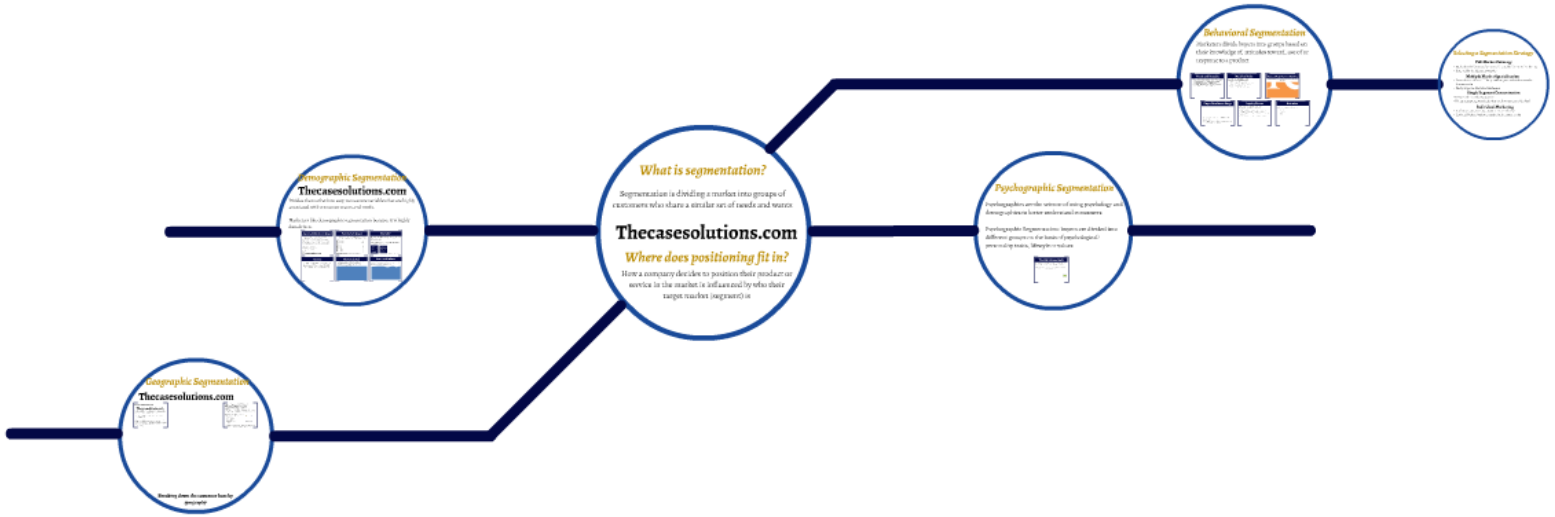

What is segmentation?

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 tools classifies over ½ million US residential neighborhoods into 14 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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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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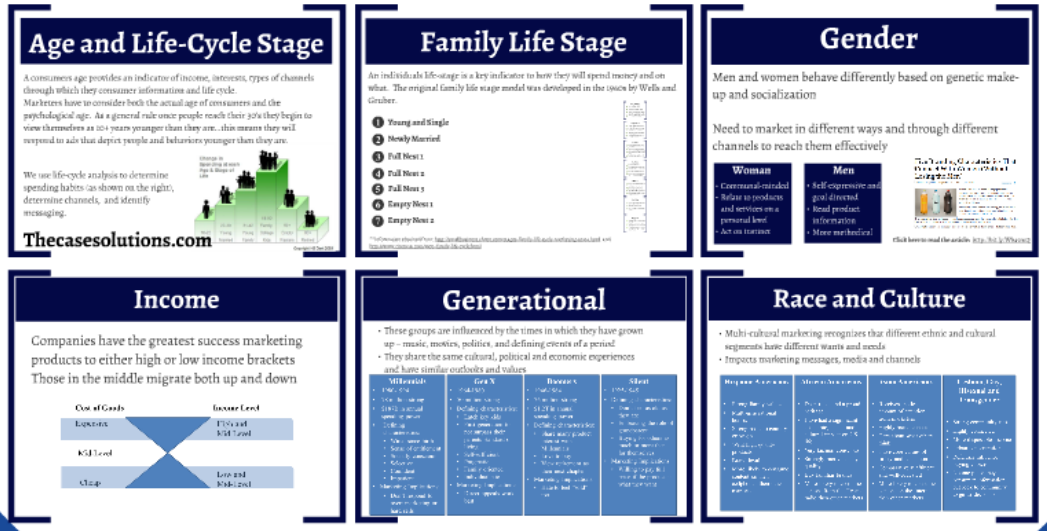
Divides the market into easy to measure variables that are highly associated with consumer wants and needs.

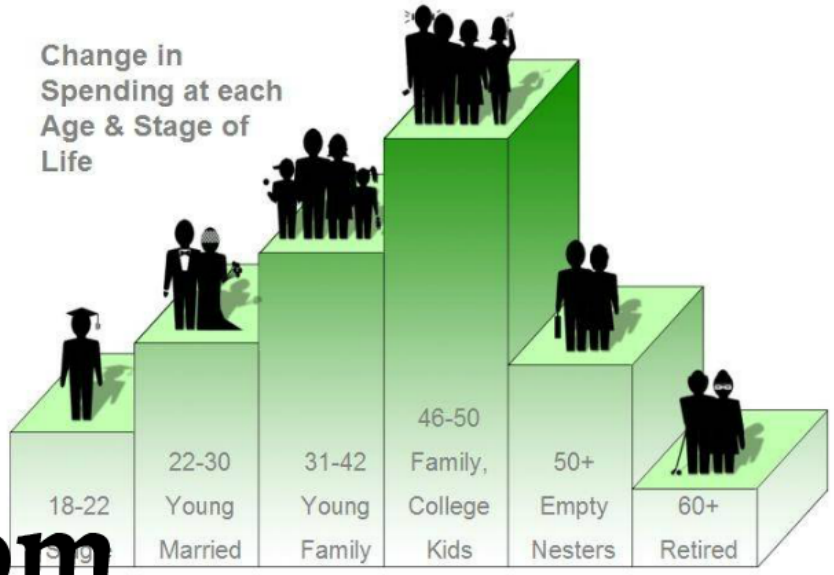
Marketers like demographic segmentation because it is highly data driven.



Age and Life-Cycle Stage

A consumers age provides an indicator of income, interests, types of channels through which they consumer 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 then 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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