

MARKET SEGMENTATION

Knowledge Networks helps top manufacturers and service companies to focus on clear ways to activate segmentation in the marketplace and demonstrably broaden volume opportunities for their brands. We design the segmentation approach, modeling technique, and elements to impact the bottom line. Knowledge Networks' analytics team has decades of experience and can easily handle the most challenging segmentation issues.

By examining consumers' wants, needs, or benefits sought, we help clients truly understand the segments, or groups, of consumers who exist in a market. Based on this understanding, we can pinpoint underserved product development or service configuration opportunities that represent potential revenue growth for your company.

To meet clients' extremely specific needs, Knowledge Networks uses a modeling technique that provides a rich and flexible framework—typically Latent Class Segmentation. It offers several statistical advantages and handles a wide variety of data types. To ensure an actionable result, we design the framework to meet all key internal stakeholders' needs. Doing so requires careful planning on the front end – no modeling technique, no matter how good it is, can undo a sub-optimal design. This front-end activity is critical to achieve a successful result for both strategic and tactical segmentations.



Strategic segmentation is typically broader in scope and is part of larger-scale initiatives, which reflect larger investments for the client organization. Segmentation studies are traditionally conducted to gain understanding of how the market will respond to a client's marketing strategy. For example:

- Firm A is planning to introduce four new products to support sales growth targets. Which consumers will evaluate which products positively or negatively?
- Do the needs and/or benefits sought vary among different groups of accepters?
- What marketing mix will maximize reach among these groups?

Tactical or exploratory uses of segmentation can easily be accomplished as well in smaller scale engagements at comparatively lower incremental cost, while still yielding tremendous insights about consumer behavior and preferences. In addition, segmentation can be useful for tactical initiatives and is under-utilized for exploratory analyses..

Segmentation is an excellent modeling technique to support a range of complex, information-dependent challenges. When carefully planned and expertly modeled, it can be a critical tool for supporting marketing and sales objectives. Knowledge Networks has the advanced skill set to implement this approach to achieve appreciable results.

If you would like to learn more about Market Segmentation, please contact:

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