



Which is the right segmentation for our business?

We all know the credentials of a strong segmentation – it is actionable, meaningful, targetable and replicable (amongst other '-ables' conferred to us by marketing academics). While these are essential ingredients on paper, the reality is that there is an infinite number of possible segmentation solutions and, that most will pass these tests to some extent which brings us back to this original question – **which one of these is the 'right' solution for our business?** Or, perhaps equally importantly - **is there such a thing as a 'right' solution at all?**

Borrowing on over 50 years combined experience across a range of global FMCG & Services clients, ruby cha cha's segmentation consultants have gleaned five critical learnings when it comes to segmentation:

1 Multiple solutions create silos

Whilst different stakeholders have different needs of a segmentation framework, delivering multiple solutions to fulfill these needs means the business ends up missing a without a common framework, language and consumer-centric base. Multiple lenses, whilst popular from a business perspective (and popular in the 1990s), are only truly effective IF they can be integrated back to a common framework of interest (i.e. a single who x occasion model). One of the secrets to a great segmentation framework is that it has the power to bring these multiple perspectives together for greater power rather than power dilution.

2 Segmentation is a journey

The most powerful solutions are never the first solutions delivered to the business. Intuitively, they can't be, because it is generally beyond our capacity to truly understand whether a solution is actionable until we begin using it. Consequently, ruby cha cha thinks of a consumer, customer or shopper segmentation in terms of strategic horizon planning. Horizon one is to develop the single best solution given information available today; horizon two is to integrate it into the everyday business processes whilst horizon three is to continuously build our knowledge of the segments and evolve them as required to retain freshness, relevance and value from this important business investment.

3 Followers aren't category leaders

Segmentation thinking and trends change over time. Whilst the world was once taken by demographic segmentations, new multivariate techniques enabled us to indulge in attitudinal or psychographic segmentations and, later behavioural, then predictive segmentations where identifiable proxies helped us identify likely behaviour. Mixed methods evolved as complex statistical procedures became available to the masses, but one thing we quickly learnt from this evolution is that if we are overly focused on the 'latest and greatest' segmentation method, it is likely that we will, at best, replicate a model that our competitors already have available to them. In other words, the risk of using whatever is the latest segmentation offer or approach is not only that the people conducting the segmentation are simply copying others' techniques, but that the solution itself is unable to provide the business a competitive advantage because your competitors' analysts are following the same procedures.

4 Mapping the current state of play versus the future

Most segmentation solutions are also derived to explain homogeneity and heterogeneity in the market today. We believe this approach is limited in that business growth stems from identifying and capitalizing on opportunities tomorrow. This is why ruby cha cha specializes in opportunity-based solutions – so they are stronger in terms of delivering powerful blueprints for growth

5 Segmentation experts need to wear multiple masks

Years ago, segmentations were sold by Account Directors and conducted by statisticians (and used by marketers). We don't believe this process works. Instead, our segmentation experts wear multiple hats – they need to be great consultants so they understand the business and structure the design in the right way; they need to be the statisticians or analysts, so they truly understand and tailor the solution, but also ensure it can be replicated or segments populated within existing databases; they need to be creative, so they can breathe life into the solutions and adapt them to deliver to specific client needs or requirements; and they need to be great facilitators so they can accommodate different stakeholder needs as well as socialise and operationalise the solution in a passionate and compelling way. It might sound hard to believe, but this is our unique offer as a thought leader and change agent when it comes to segmentation.

Ruby cha cha has a tried and tested approach to segmentation which ensures a solution that is unique, targetable, highly actionable and can be immediately embedded and applied in your business. Most importantly, our focus is ensuring the segmentation does not just become a market research report, but is translated into a powerful business asset and source of competitive advantage for your business.

segments that count

ruby cha cha



WINNER
EXCELLENCE AWARD



WINNER
BEST CASE STUDY



FINALIST
BEST METHODOLOGY



WINNER
FERNANDA MONTI AWARD