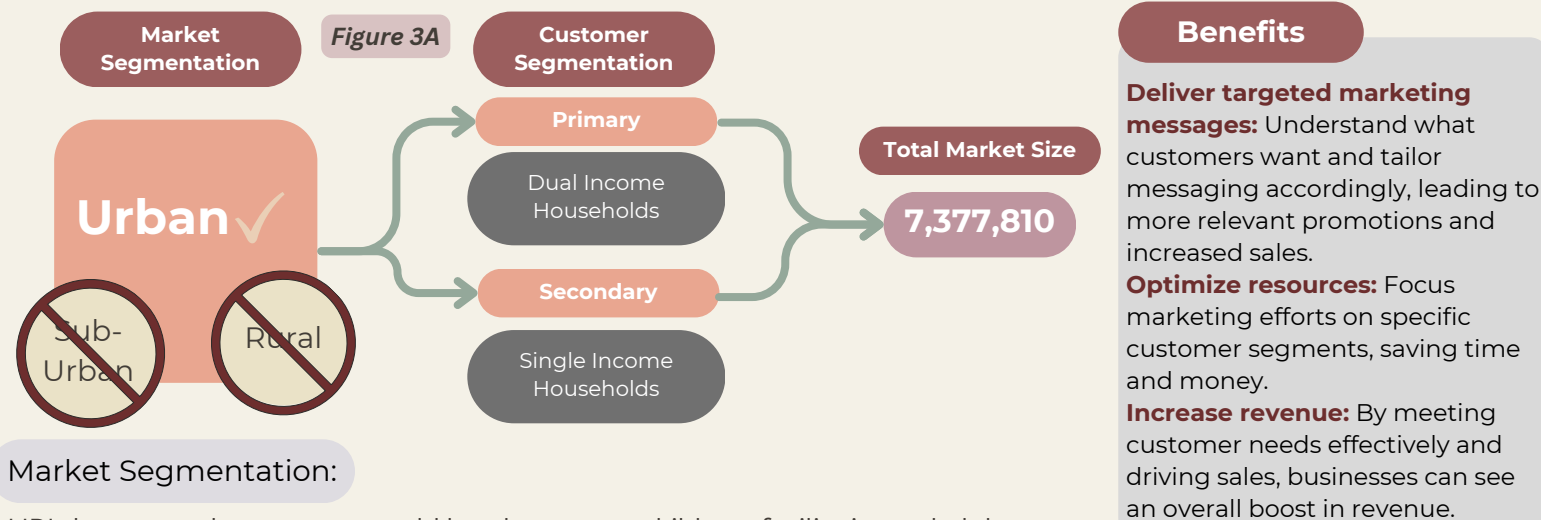


IV. CUSTOMER SEGMENTS

We have broken up our analysis of customer segments into two sections: Market Segmentation and Customer Segmentation. Market Segmentation is a market-centric method of grouping the market into approachable groups. Customer Segmentation is a business-centric method which groups based on the interactions of our business with our clients.



Market Segmentation:

JJD's largest market segment would be where a new childcare facility is needed the most. This would allow for JJD's services to reach the affected population faster and provide a strong foundation for the launch of the new business. About 5.3 Million children are in **Urban** cities and lack access to childcare, followed by sub-urban areas with 3.2 Million children, and finally 400 K children in rural areas (refer to **Figure 3A**). Currently, urban is our primary market although we do have plans for sub-urban and rural areas, which are discussed in *section 7 - Channels*.

Customer Segmentation

Geographics

From a business centric point of view, our primary market consists of the childcare services we provide to our partnership companies because their children will receive the most benefits from our company. Our secondary market will be the families in the local area who can also access our new childcare establishment.

Demographics

Primary: Dual-Income Households with Children

- Starting Point: Identified 5.5 million couples in Australia.
- Dual-Income Couples: With 58.9% of couples being dual-income with children, this results in 3,239,500 dual-income households.
- Children in Dual-Income Homes: Applying the fertility rate of 1.58, there are approximately **5,118,410** children in dual-income families.

Secondary: Single-Income Households with Children

- Single-Income Couples: 26% of the initial 5.5 million couples are single-income, resulting in 1,430,000 single-income households.
- Children in Single-Income Homes: Multiplying 1,430,000 by the fertility rate of 1.58 gives approximately **2,259,400** children in single-income families.
- Single-Income Gender Distribution: Only 35% of single-income parents are female.

Figure 3B

Regional area	Population living in a childcare desert	Proportion of regional area as childcare desert
Major cities	5,360,550	29%
Inner regional	2,028,950	45%

Figure 3B shows that around 7,389,500 individuals live in a childcare desert in urban areas.

Total Target Market:

Combining primary and secondary targets, the total estimated potential customers are approximately **7,377,810**.

Psychographics

Primary and Secondary: JJD champions Australian values of work-life harmony, offering flexible work settings and high-quality childcare to combat the 61% worker burnout rate. We target parents valuing modern workplace flexibility, extending a special invitation to mothers, enabling them to stay in the workforce with confidence in their children's care. JJD is dedicated to fostering a community where children's growth and parents' well-being are equally prioritized.

Needs-Based/Behavioral

Utilizing Needs-Based and Behavioral segmentation is crucial for understanding not only our specific marketing strategies but also our customers more deeply. Our customers are looking for childcare solutions. However, digging deeper, their preferences extend to aspects such as accessibility, friendliness, cost-



Gender, Age, Marital Status, Income Level:

Our customers will be primarily be dual income households(married) and around the age to have kids(newly weds 24-30). Because of our pricing and use of subsidies, we target all income levels from low to high while providing quality childcare.

Some additional factors to consider is that as JJD is a early childcare provide, children are aged 0-5. Additionally, we provide to all income levels as we have subsidies that take care of a huge proportion of the costs.

Note: These were taken in mind when calculating total target market.

effectiveness, and other qualities of daycare services. By identifying these nuanced needs and preferences and then grouping our customers accordingly, we position ourselves to achieve maximum growth and success. This approach allows us to tailor our offerings and communications to meet the specific needs of different customer segments, enhancing customer values.