

MKTG 612 Marketing Analytics Project Report

Title: SEGMENTATION ANALYSIS FOR MEJURI - JEWELLERY BRAND

Group Number: 03

Group Member	Contribution
Garima Vijay	Discriminant Analysis & Report
Soundarya Chandra Mohan	Segmentation Analysis & PPT
Hashitha Shaik	Report
Jagteshwar Singh Bedi	Questionnaire & PPT

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Background and Research objectives

Jewelry marketing is a competitive niche shaped by customer preferences, cultural trends, technology, and economic factors. Strategies focus on attracting and retaining customers by highlighting product quality, design, and emotional appeal.

Key aspects include:

1. **Consumer Behavior:** Jewelry purchases are emotional and occasion-driven, linked to weddings, and festivals, with preferences varying by demographics, culture, and income.
2. **Trends and Innovations:** Advances like 3D printing, sustainable sourcing, and AI-driven personalization are transforming the industry.
3. **Challenges:** The sector faces intense competition, fluctuating raw material costs, counterfeit products, and evolving consumer expectations.
4. **Digital Transformation:** Online retail, social media campaigns, influencer partnerships, and AR try-ons are crucial for enhancing brand visibility.

Research Objectives

Based on the problem statement, the research objectives include:

1. Identify key factors affecting purchasing decisions, such as price, design, quality, or brand reputation.
2. Explore the adoption of sustainable and ethical practices in the jewelry industry.
3. Identify factors contributing to long-term customer relationships.

- 4. Suggest new marketing channels or techniques to attract untapped customer segments.

Research Method

A mixed-method approach (combining qualitative and quantitative research) will be employed:

- **Quantitative Research:** To gather numerical data on customer preferences, purchase behavior, and marketing effectiveness through structured surveys.
- **Qualitative Research:** To gain in-depth insights into customer motivations, perceptions, and attitudes through interviews and focus group discussions.

Segmentation and Targeting Approach:

Major Findings from Data Analysis

Segmentation Variables: Preferences include style, sustainability, affordability, customization, online shopping, and packaging.

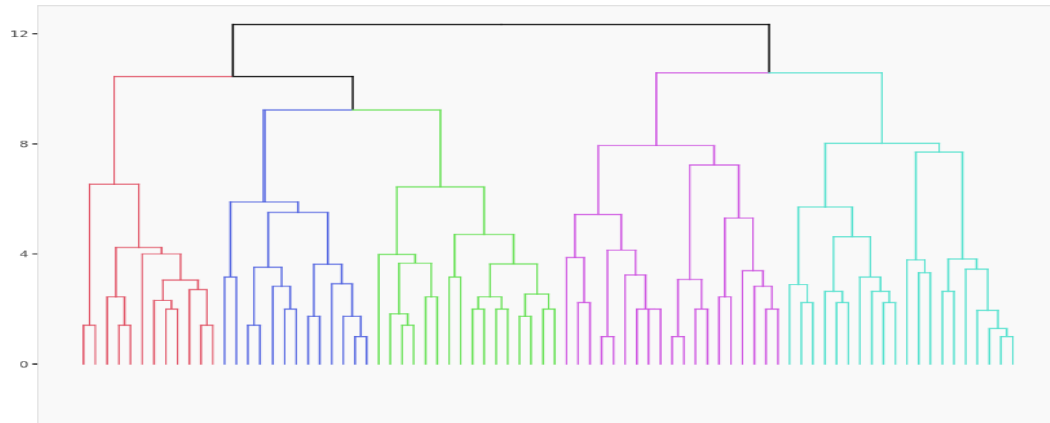
Demographics and Budget: Influenced by age, gender, material choices, customization, and budgets.

Segments: Five distinct customer segments identified.

Segment size

	Population	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Size	80	12	13	16	19	20
Relative size	100%	15%	16%	20%	24%	25%

Segment size.



Segmentation Analysis(5-Cluster Solution):

Segment description

	Population	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Jewelry is a significant part of expressing my personal style.	3.88	3.83	3.92	3.69	3.89	4.00
I prefer to buy from jewelry brands that emphasize sustainability and ethical practices.	3.53	3.75	4.23	4.50	2.11	3.50
Affordability is more important to me than premium materials when purchasing jewelry.	3.68	4.50	2.31	4.50	3.26	3.80
I prefer purchasing customizable jewelry whenever possible	3.19	2.42	3.23	3.25	2.74	4.00
I prefer shopping for jewelry online rather than in physical stores	3.04	3.50	1.92	2.38	3.26	3.80
The packaging and unboxing experience significantly influence my perception of a jewelry brand.	3.46	4.33	3.54	3.50	3.42	2.90
I prefer purchasing jewelry for myself rather than as a gift for others.	2.90	1.92	2.85	2.94	2.79	3.60
I am comfortable	3.16	2.42	2.92	3.81	3.63	2.80

- **Segment 1 (15%) - Sustainability Prospects:** Prioritize affordability, sustainability, packaging, and customizable jewelry.
- **Segment 2 (16%) - Price-Sensitive Buyers:** Favor sustainability but avoid online shopping for premium-priced items.

- **Segment 3 (20%) - Budget-Savvy Shoppers:** Prefer affordable, sustainable items over premium options; less interest in online shopping and packaging.
- **Segment 4 (24%) - Comfort Seekers:** Strong preference for comfort over sustainability and customization.
- **Segment 5 (25%) - Customization Lovers:** Highly value customizable and online jewelry; moderate interest in sustainability and affordability.

Targeting Segments for Market Campaign:

Target Segments: Segments 2, 3, and 5 are ideal for targeted marketing.

- **Segment 2:** Eco-friendly campaigns target sustainability-focused buyers.
- **Segment 3:** Value-for-money promotions engage affordability-driven customers.
- **Segment 5:** Tailored solutions and digital experiences meet customization-focused needs.

Marketing Strategies

1. Digital Engagement:

- Leverage social media and online tools to boost customizable product adoption.
- Offer personalized jewelry design features to enhance e-commerce experiences.

2. Experimentation with Marketing:

- Use storytelling for ethical practices and economic accessibility.
- Align packaging with sustainable values and affordable luxury.

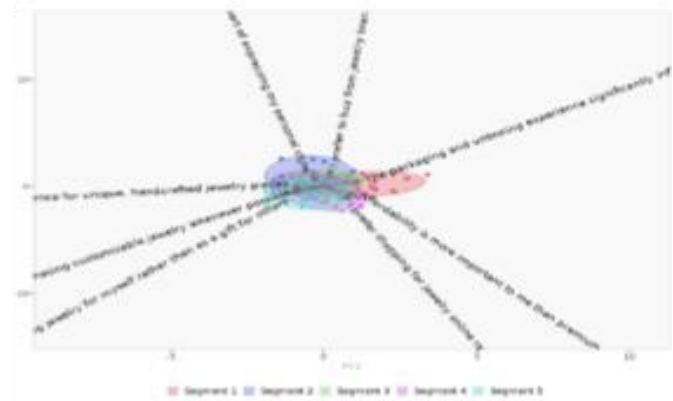
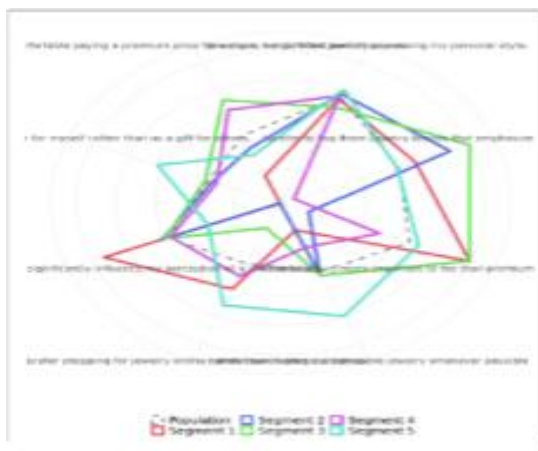
3. Cross-Segment Strategies:

- Develop overlapping campaigns to reach all segments and expand market share.

- Introduce loyalty programs to foster repeat purchases and long-term engagement.

Segmentation Visualizations and Analysis:

Segmentation Space & Spider Chart: PCA clusters (35.3% variance) show overlaps from high-dimensional factors, with Segments 2, 3, and 5 prioritizing sustainability, affordability, and customization.



Discriminant Analysis:

Segment 1:

1. Age Group: Predominantly 25–34 years old (value close to 3).
2. Gender: Almost equally distributed between male and female (value ~1.42).
3. Jewelry Type Preference: Preference towards necklaces and rings (value ~2.33).
4. Material Preference: Strong preference for silver (value ~2.33).
5. Customizability: Some preference for customizable jewelry (value ~1.92).
6. Budget: Budget-conscious, leaning towards \$50–100 (value ~2.08).
7. Purchasing Location: Primarily purchase from brick-and-mortar stores (value ~1.92).

Segment 2:

1. Age Group: Majority are 35–44 years old (value close to 3).
2. Gender: Slightly more female participants (value ~1.54).
3. Jewelry Type Preference: Preference for necklaces and bracelets (value ~2.38).
4. Material Preference: Prefer gemstones (value ~1.85).
5. Customizability: Lean towards customizable jewelry (value ~1.69).
6. Budget: Tend to spend \$100–300 (value ~3.23, the highest across all segments).
7. Purchasing Location: Favor online shopping (value ~2.23).

Segment 3:

1. Age Group: Primarily 25–34 years old (value ~3).
2. Gender: Gender balance, with a slight male majority (value ~1.44).
3. Jewelry Type Preference: Preference for earrings and necklaces (value ~2.44, slightly higher).
4. Material Preference: Favor gemstones (value ~1.88).
5. Customizability: Neutral about customizability (value ~1.69, lowest of all).
6. Budget: Comfortable with \$100–300 budgets (value ~2.50).
7. Purchasing Location: Favor online and marketplaces (value ~1.94).

Segment 4:

1. Age Group: Majority are aged 55 and above (value ~3.84).
2. Gender: Slightly more male participants (value ~1.32, skewing lower).
3. Jewelry Type Preference: Preference for bracelets and rings (value ~2.05, lower than others).
4. Material Preference: Prefer gold and platinum (value ~2.26, highest preference).

5. Customizability: Neutral to pre-designed jewelry (value ~1.31, the lowest score).
6. Budget: Spend moderately, around \$50–100 (value ~2.42).
7. Purchasing Location: Prefer physical stores (value ~1.89).

Segment 5:

1. Age Group: Majority are aged 18–24 years old (value ~3).
2. Gender: More female participants (value ~1.45).
3. Jewelry Type Preference: Preference for necklaces and rings (value ~2.45).
4. Material Preference: Favor gemstones and silver (value ~2.05).
5. Customizability: Lean towards customizable jewelry (value ~1.95).
6. Budget: Budget-conscious, spending under \$50–100 (value ~2.30).
7. Purchasing Location: Prefer marketplaces and online platforms (value ~2.05).

Recommendation:

- Use recyclable packaging to attract eco-conscious buyers.
- Enhance shopping experiences with digital platforms and personalization features.
- Implement loyalty programs to drive repeat purchases and customer retention.

Appendix:

- **Quantitative Analysis:** EFA: Identified factors—material, budget, customization, purchase location; KMO confirmed adequacy.
- PCA: Explained 35.3% variance, highlighting sustainability and affordability in consumer segments.
- **Qualitative Analysis:** Interviews and focus groups revealed attitudes and motivations.
- **Demographics:**
 - Age: 18–24: 15%, 25–34: 30%, 35–44: 23%, 45–54: 18%, 55+: 14%.
 - Gender: Female: 65%, Male: 35%.
 - Income: <\$50K: 25%, \$50K–\$100K: 30%, \$100K–\$300K: 35%, >\$300K: 10%.

- Occupation: Working: 70%, Non-working: 30%.

References:

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- 2. Technological Innovations in the Jewelry Industry-** Shrivastava, P. (2024). Environmental Technologies and Competitive Advantage. Highlights the role of sustainable technologies in enhancing competitiveness within the jewelry industry.

