STEP 6 Profiling Segments

Identifying Key Characteristics of Market Segments

The objective of the profiling stage is to gain a deeper understanding of the market segments generated through the extraction phase. Profiling becomes imperative exclusively in the context of data-driven market segmentation. In the case of commonsense segmentation, segment profiles are predefined. For instance, when age serves as the segmentation criterion for commonsense segmentation, it is self-evident that the resultant segments will correspond to age groups. Consequently, there is no need for Step 6 when carrying out commonsense segmentation.

In the context of data-driven market segmentation, profiling is essential to uncover the unique characteristics and behaviors of each segment, providing valuable insights for targeted marketing strategies. In contrast, commonsense segmentation relies on readily identifiable and pre-established segment definitions, making the profiling step redundant. Thus, the necessity for Step 6 hinges on the segmentation approach employed.

Segment Profiling with Visualisations

Visualizations play a valuable role in the data-driven market segmentation process by allowing for a detailed examination of one or more segments within each segmentation solution. Statistical graphs aid in understanding segment profiles, and they simplify the evaluation of the effectiveness of a market segmentation solution. The process of dividing data into segments invariably generates numerous alternative solutions. Choosing among these potential solutions is a pivotal decision. Visual representations of these solutions assist both the data analyst and the user in making this crucial choice.

Assessing Segment Separation

Segment separation plots are straightforward when the number of segmentation variables is limited, but they grow in complexity as the number of segmentation variables expands. However, even in these intricate scenarios, segment separation plots provide data analysts and users with a rapid overview of the data's status and the segmentation solution.

Step 6 Checklist

- Use the selected segments from Step 5.
- Visualise segment profiles to learn about what makes each segment
- distinct.
- Use knock-out criteria to check if any of the segments currently under
- consideration should already be eliminated