

# What is Customer Segmentation?

## A short definition of *Customer Segmentation*



Customer segmentation is a marketing activity where customers and prospects are grouped together according to one or more common characteristics.

Customer segmentation allows a software-as-a-service (SaaS) company to identify the primary need of a particular group of prospects, so they can craft a marketing message that resonates with the group. This tactic can increase the chances that subscribers would sign up for the service.

