Profiling Segments

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- How big is the segment?
- How fast is the segment growing?
- Where do they shop?
- How do they buy?
- How often do they buy?
- How much do they buy?
- How do they use the product?
- What benefits are they seeking?
- Etc.

Criteria for Effective Segmentation

Are segments

- Identifiable?
  - Through demographics, etc.
- Sustainable?
  - Are the segments big enough for marketing programs to be profitable?
- Accessible?
  - How to reach the segments through promotion and distribution?
- Actionable?
  - Will the segmentation help develop effective marketing message?
- Responsive?
  - Will they react uniquely to promotion?

When Segmentation Fails

- Using same segmentation scheme for different business objectives
- Different advertising or different products?
- Too much focus on techniques
- Using only psychographic or demographic variables
- Not focusing on differences in customer needs
- Static segmentation schemes
- Lack of senior management buy-in