



WHY IS REVERSE SEGMENTATION SO SEXY?

The sex appeal of great market research data often fades after it's presentation because companies don't know what to do with it.

The central issue is linking your new and terribly interesting research to your own customer and prospect data. Fortunately there are straightforward ways to get to market segmentation and break the pattern of mass marketing that leads many companies to "also ran" status. We call this reverse segmentation and it can create legends in the business world.

Here's how reverse segmentation works. Almost everybody has a customer database and knowledge of vendors who can provide lists of prospects. We can use data commonly found in these databases to develop market segments. For example, using data from a client's customer list, we took income, education, and marital status as the basis for segments.

Once these segments were formed, we psychographically profiled each segment using new market research. The key was that the market research project captured the three key demographics as well as great customer need and attitude information. This allowed us and our client to array common customer data against what really matters -- customer needs, concerns, and motivations. It also allowed us to ascribe probable market attitudes and behaviors to every customer in the clients' database.

Market research that captured psychographics and buyer-graphics produces particularly valuable information because it can be used to show differences in segment loyalty, profitability and the best messages for reaching targets. With this information, teams can target segments of existing customers and new prospects with the priority and intensity needed for greater success. In fact, reverse segmentation like this is often what is needed to justify purchasing outside targeted lists.

Careful analysis plus some trial and error may be necessary, but I am confident, this gets companies to a better marketing position.

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