

The sum of the parts: Creating value with holistic segmentation

By  Riona Naidu

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Over the last few years, segmentation has been down-played in some industry circles. Defining customers into their superficial shapes and sizes with the intention of selling products and services no longer seems relevant in a society obsessed with a consumer's online thoughts and behaviours.

However, in a South African context, the connection between the two is fairly non-existent. The online universe appears to bear little resemblance with the offline one.

Therefore, one of the biggest challenges in recent times is one of holistic understanding and action; and it is a universal one at that. How do customers connect and interact with brands cerebrally and emotionally (loyalty)? What drives purchasing towards a particular product/service (driver)? How do we reinforce great brand experiences and create strong communities (communication)?

The ability to develop strategies that answer these questions become significantly easier once organisations are able to collect, manage and evaluate the information they receive from consumers during brand engagements.



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With constant bombardment of communication and technology that not only targets consumers but follows their every thought, it becomes apparent that sniper-like accuracy is fast becoming an expectation of many clients. Marketers are expected to place and position the right product/service, at the right time, to the right audience in the right way.

It is in the application of segmentation models that we begin to appreciate their value, particularly with regards to the execution of communication and planning. While some industries (predominantly banking and financial services) tend to focus on targeting the differences between segments in an attempt to illustrate that they understand the individual needs of its consumer; others, predominantly retail and media, pay greater attention to similarities within a group (eg. mums, graduates, pensioners) in order to create a sense of community within that segment.

The objective of holistic segmentation, for the most part, involves utilising all touch point information available to craft groups within a 'consolidated universe of consumers'. The aim is to not only target each segment in isolation but to capitalise on the relationships and influences that exist between them.

By focusing efforts on the brand conversation starters, the positive influencers of the universe, a chain of events can be created to promote brands more significantly than if treated in isolation. In the end this age old adage rings true; the whole is always greater than the sum of its parts.

ABOUT RIONA NAIDU

Riona Naidu is the Head of Consulting Services & Marketing at Knowledge Factory where she currently manages the analytics team and is responsible for driving innovative product development. With an inherent passion for accuracy, creativity and innovation, Riona's goal, and that of Knowledge Factory, is to provide information that makes a difference. They aim to change the way businesses communicate with their customers so as to improve bottom-line performance and ultimately takes business from good to spectacular.

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