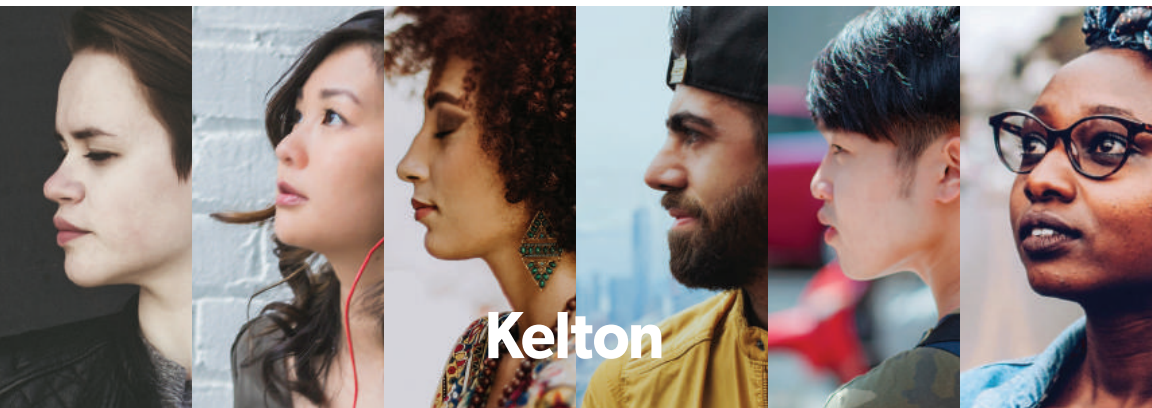




THE SEGMENTATION JOURNEY

Build a segmentation architecture
with real business impact.



THE FUTURE OF SEGMENTATION

The best segmentation architectures drive strategy across your organization, from messaging and media planning to product development and innovation.

Done right, they have the power to positively transform the way you do business and generate significant ROI.

As companies evolve, so too must our process for segmenting consumers and customers. New data sources, more complex shopping journeys, and globalization are just some examples that point to an increased need for flexibility and customization to get meaningful results.

We've spent the better part of a decade honing our approach to segmentation so that it addresses evolving business needs while prioritizing action—because how you apply your segmentation research is critical to the success of the whole initiative.

Read on to learn more about how we create Segmentations at Kelton, and how you can use this powerful tool to drive marketing, CRM, merchandising, and customer experience strategy.



ABOUT KELTON GLOBAL

Kelton Global is an insights and strategy consultancy that helps global businesses thrive. We work with the world's biggest and most loved brands to create segmentation architectures that drive strategy and fuel growth.



A QUICK REFRESHER ON SEGMENTATIONS

Segmentations organize customers or occasions into unique subgroups with common characteristics. They help brands better understand their audience and prioritize marketing investments.

There are two main ways in which organizations develop and use segmentations:

PEOPLE SEGMENTATION

Examines consumers' needs, feelings, and behaviors to create distinct groups of people. Based on a holistic view of consumers and relevant for categories with more stable, long-term choice patterns (e.g., automotive, insurance).

MOMENTS SEGMENTATION

Focuses on specific experiences people have and explores how, when, where and why choices are made during these occasions. Based on the assumption that the same person can behave differently in different situations, and relevant for categories with a high frequency of diverse consumer interactions (e.g., fast food, entertainment, and alcoholic beverages).

SEGMENTATION RULES TO LIVE BY:

BETTER INPUTS, BETTER OUTPUTS

Through upfront diligence, qualitative insights, and collaborative scoping, we create segmentation architectures that reflect what your organization cares about most while effectively driving business decisions.

EMBRACE MULTIPLE DATA STREAMS

The days of pure attitude-based, survey derived segmentation are over. Today's best segmentations fully integrate client databases and find unique ways to make segmentations more useful, e. g. by appending third-party data or incorporating CRM insights.

COLLABORATION STARTS ON DAY 1

Client involvement is crucial during segmentations, and we efficiently immerse your team throughout the project. Instead of presenting a black box, we help you get closer to your customers and shape the research results, for example by using an iterative review process to develop the final segmentation architecture.

IT'S ALL IN HOW YOU ACTIVATE

Segmentations are only useful if they lead to meaningful action. This starts with a clear segment prioritization based on business opportunities, continues with dynamic deliverables, and ends with a strategy building process that leads to creative brief writing and a detailed roadmap with specific activation tactics.



KELTON'S SEGMENTATION PROCESS

CREATE

Understand organizational needs, outline goals, lay the groundwork, and design an effective study to fuel action.

REVEAL

Introduce your segments with memorable narratives, get buy in, and set priorities.

ACT

Socialize your segments, map the strategy, and execute on a custom implementation plan.

Our flexible approach is based on years of successful segmentation work and reflects our belief that activation is as important as the segmentation architecture itself.

Understand
organizational
needs,
outline goals,
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to fuel action.

BEGIN WITH THE END IN MIND

After immersing ourselves in your brand, we host an **Ignition Session workshop** to leverage existing internal knowledge and set clear goals, develop hypotheses, brainstorm potential segments and define desirable segment characteristics.

EXPLORE YOUR CUSTOMERS' WORLD

Based on our hypotheses and with your goals in mind, we use a custom mix of insights work to explore relevant category behaviors, test assumptions, and uncover key points to help shape the actual segmentation study. This initial phase might include components such as:

- **Cultural Insights & Semiotics** to future-proof the segmentation by basing it on emerging trends and cultural shifts.
- **Customer Database Audit** to strategically incorporate existing customer knowledge, identify potential segment drivers, and ensure a smooth database tagging process.
- **Qualitative Rapid Response Interviews** to creatively gather for input segment drivers and base our survey questionnaire on real-world consumer language.

DESIGN A QUESTIONNAIRE THAT DELIVERS

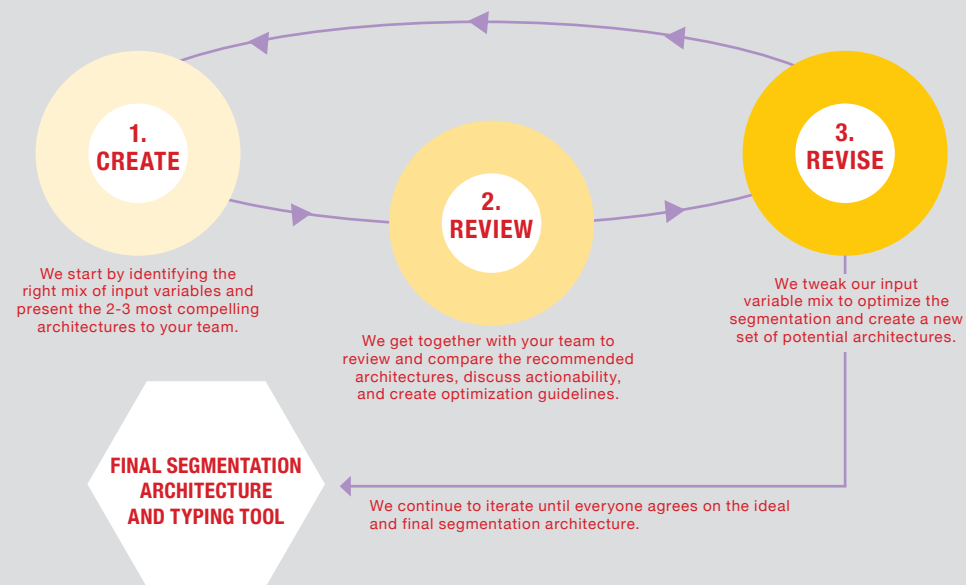
We work with your internal team to design a comprehensive segmentation survey questionnaire, informed by our findings from the discovery process.

TRANSPARENT ANALYTICS

Whether it comes to data preparation, data analysis, or data sharing – we don't believe in black boxes and encourage your team to deeply collaborate with us. This includes the actual cluster analysis, where we use methods such as Two-Step Cluster, Latent Class, K-means, and Cluster Ensemble Analysis.

OPTIMIZING YOUR SEGMENTATION ARCHITECTURE

When it comes to designing a segmentation architecture that meets organizational needs and sets your team up for long term success, close collaboration is key. We rely on an iterative three step process to ensure the best outcome possible.



EFFECTIVELY REACH YOUR CORE CUSTOMERS

The integration of your customer database into the segmentation architecture has become a crucial component of the segmentation journey, and we prepare for this step from the very beginning. Kelton's experts collaborate with your database team to gain an initial understanding of database structure and content as well as existing customer tiers. These discussions will lead to the identification of the most promising variables for inclusion in the segmentation architecture.

Based on a survey of a representative sample of your database customers, we then use a combination of database variables and attitudinal survey variables as inputs to create your segments. Achieving the perfect input mix requires taking into account the trade-offs between high accuracy in database tagging vs. the inclusion of nuanced survey variables that are difficult to predict with database variables.

That's why iterative collaboration continues to be crucial during this phase, and we achieve the ideal solution by running predictive models on the go until we all align on a final architecture.



Introduce your segments with memorable narratives, get buy in, and set priorities.

GET TO KNOW YOUR SEGMENTS

Once your segments have been created, it's time to familiarize yourself with their wants, needs, and key motivators. At Kelton, we do this by hosting **Segment Meet & Greet Workshops**: ideation sessions with your team designed to kickstart the development of strategies and tactics to better serve your target segments.

IMMERSE IN YOUR SEGMENTS' RESPECTIVE WORLDS

During your workshops, we design a series of exercises to get “inside the heads” of consumers in each group or moment. Select examples of the types of exercises we may choose include:

A Picture's Worth a Thousand Words: Small groups dive into a segment by reviewing the initial profile and then selecting representative images from a large set of visual stimuli. The resulting collages are presented and rationalized to the larger group.

A Day in the Life: Participants creatively envision a segment's lifestyle, e. g. by predicting how they would plan a vacation, enjoy a shopping trip, react to a challenging situation, or spend dinner time at home.

[CLICK HERE TO LEARN MORE ABOUT
KELTON'S WORKSHOP EXERCISES.](#)

DECIDE YOUR SEGMENT MVPs

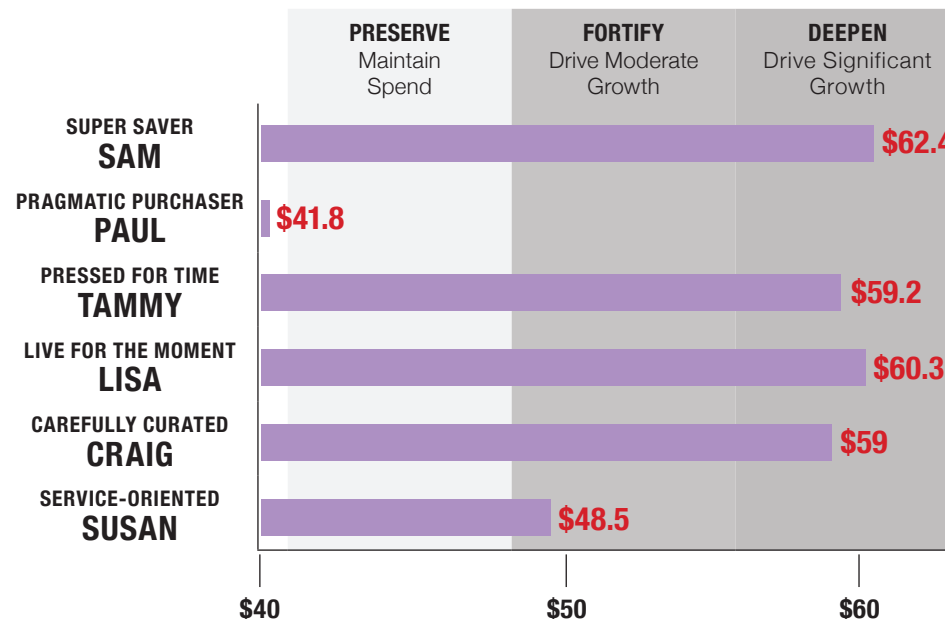
You can't be all things to all people. That's why it's essential to prioritize your segments, identifying the groups that are most valuable to your business.

We help you figure out where to focus by assigning value to each segment. We do this by considering factors that represent both the status quo as well as factors that future proof your targets by aiming at core brand strategy goals. For example, we might include metrics such as segment size, category spend, competitive share of wallet, brand awareness/affinity, and key brand attributes, in addition to existing CRM knowledge.

The end result is a model that quantifies the growth opportunity for each segment, so you can determine your real MVPs.

First, we assess the growth opportunity among current customers versus prospects.

Then, we apply the measurements identified in Step one to each segment to assess their relative potential value.



**Socialize
your segments,
map
the strategy,
and execute
on a custom
implementation
plan.**

**WE FOCUS ON FOUR KEY AREAS
DURING THE ACT PHASE:**

1

TAKE YOUR SEGMENTS ON TOUR

2

MAP OUT THE STRATEGY

3

OPTIMIZE BRAND STRATEGY AND MESSAGING

4

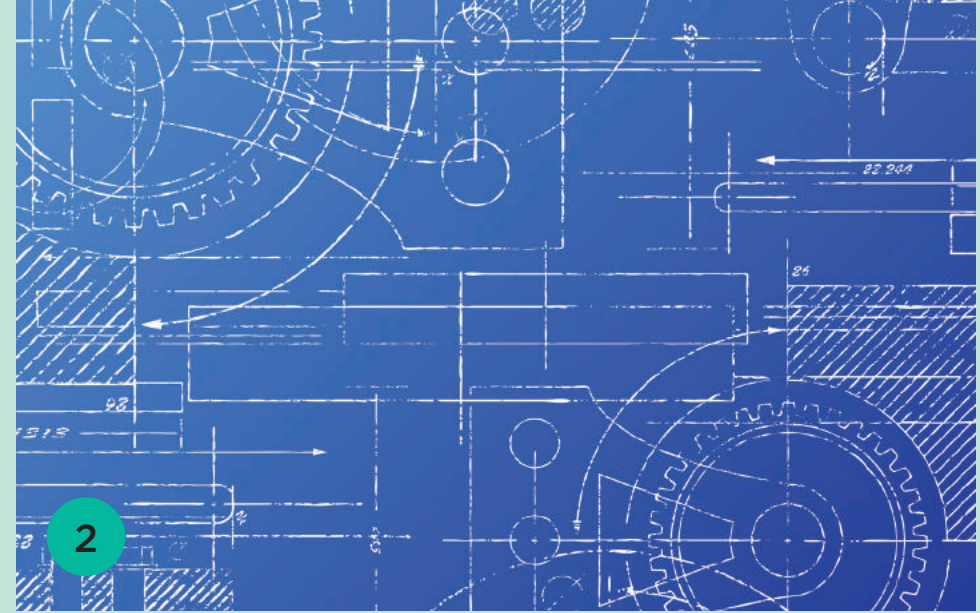
DRIVE INNOVATION



TAKE YOUR SEGMENTS ON TOUR

We equip you with a series of tools and creatively designed experiences to humanize priority segments and help employees internalize the segmentation architecture. In addition to training sessions, infographics, podcasts, and Pinterest boards, this can include:

- Leadership endorsements via a video or letter from your CEO to encourage ongoing segment activation.
- Segment museums - multi sensory exemplifications of your segments' natural environments that inspire new marketing tactics.



MAP OUT THE STRATEGY

Armed with a sense of priorities, we lead your team through a rigorous strategy-building process that transforms the research into a marketing roadmap with specific goals, tactics, KPIs, and implementation schedules for each segment. In addition to workshops and stakeholder interviews, we will for example:

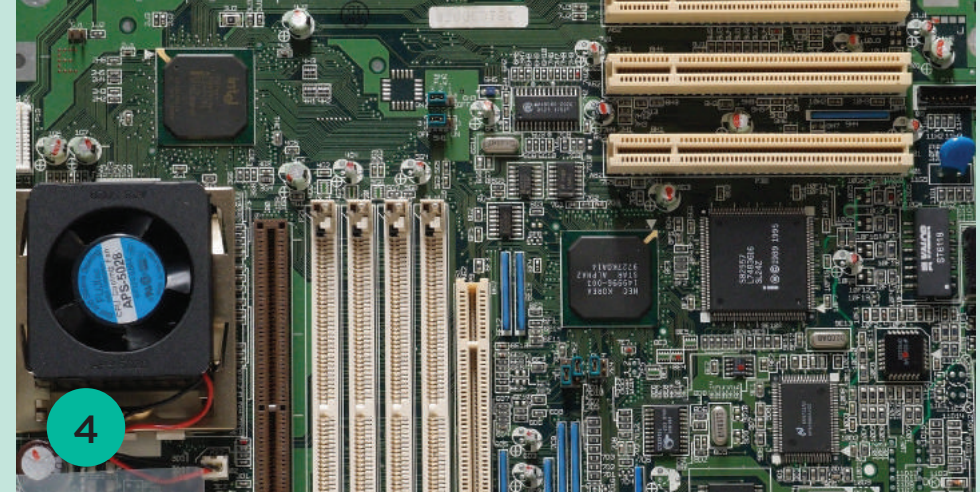
- Organize Ideation Sessions that generate unique and thoughtful activation tactics for key target segments.
- Write Creative Briefs for Agencies to ensure that you take full advantage of all segmentation insights.



OPTIMIZE BRAND STRATEGY AND MESSAGING

Now that we know your segments, let's develop the brand strategy and value propositions that will resonate most effectively with each group – and determine where to reach them. This may include:

- Value proposition development and repositioning strategy to specifically target key segments.
- MRI linkage studies and third-party data appends that expand your segment profiles and provide media planning guidance.
- Creation of 360 degree digital profiles based on behavioral data to optimize your digital media mix and drive SEM efforts.

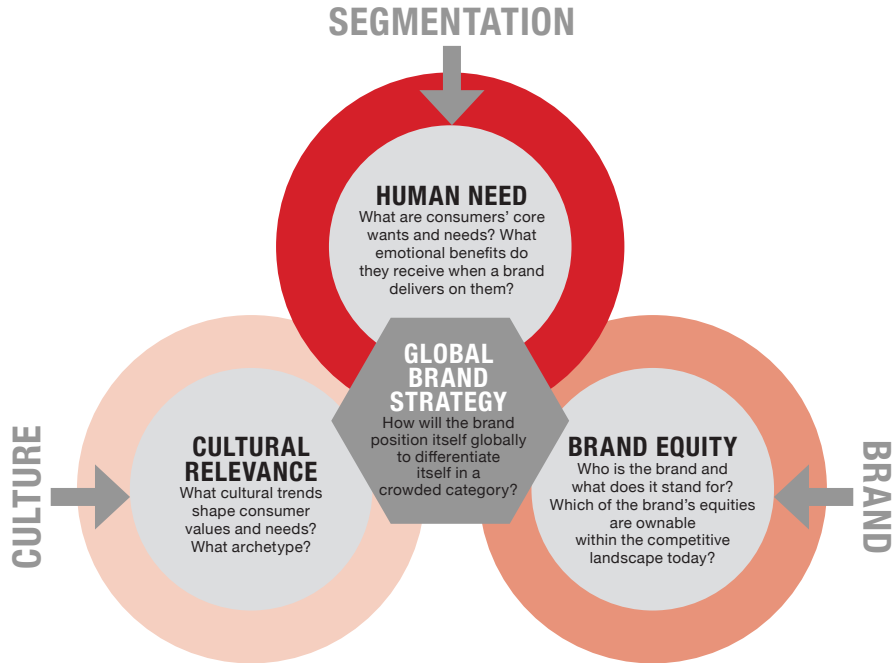


DRIVE INNOVATION

No matter whether you're aiming for incremental or exponential innovation, we will help you streamline efforts through applying a segment lens. Our innovation team knows how to incorporate segment needs through initiatives such as:

- Emergent Opportunity Analysis based on segment or moment-specific cultural insights that can inform everything from feature optimization to event sponsorships.
- Ethnographic shop-alongs and similar qualitative segment observations that uncover new wants or pain points and inspire retail experience innovations.
- Competitive audits to measure performance on crucial segment drivers and prioritize areas in need of optimization.

KELTON'S GLOBAL BRAND STRATEGY FRAMEWORK



TOYO TIRES
driven to perform

GLOBAL SEGMENTATION TO INSPIRE BRAND POSITIONING

THE CHALLENGE

Global premium tire retailer Toyo Tires saw an opportunity to stand out in a category dominated by homogeneous products and messaging. We designed a segmentation with the goal of focusing on emotional decision-drivers that the competition was missing.

After surveying target consumers in 8 countries, we identified ownable brand differentiators among broader automotive preferences as well as specific tire attitudes, and we created unique consumer segments around these characteristics.

THE RESULTS

We used our segmentation insights to develop forward-looking brand territories within a framework of cultural relevance, human needs, and brand equity. The resulting stimuli were refined through co-creation sessions with priority segments and pressure-tested for cross-cultural relevance, eventually leading to the launch of a new, differentiated brand positioning for Toyo Tires.



THE FEELING IS **AUDIBLE.**



THE FEELING IS **AUDIBLE.**



OUR RESEARCH FUELED A CREATIVE CAMPAIGN THAT GOT PEOPLE FROM ALL WALKS OF LIFE LISTENING.

THE CHALLENGE

Listen to the audience of the world's leading audio entertainment company in four key territories—and find the best way to speak to every single customer.

THE RESULTS

Our work with Audible laid the groundwork for a national ad campaign: **“The Feeling Is Audible.”** We also helped the company update its subscription messaging, making sure each member received communications that spoke to them directly.



A NEW WAY FORWARD

Segmentations are a critical component of any solid business strategy – but the most successful segmentations drive strategy altogether. Kelton's unique process dedicates as much time and resources to acting on findings as it does to creating the study itself. It emphasizes clear priorities, continues with custom deliverables tailored for key stakeholders, and ends with a well-defined strategic roadmap to move your business forward.

With a long history of experience running global and domestic segmentations for the world's most loved brands, we know how to put segmentations to work and can't wait to help you do the same.



Want to learn more about how segmentations can help grow your business? Talk to Martin.

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**WE LOVE TALKING ABOUT THIS STUFF.
GIVE US A CALL OR DROP US A LINE.**

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Click here to learn more about Kelton's segmentation approach.

