









# Lessons Learned: Hypothesis Segmentation

## HYPOTHESIS SEGMENTATION

The best way to describe hypothesis segmentation is with an example. In one of the trials of this toolkit, a financial service provider was considering three options to address their challenges and was starting to hone in on the one that might be the answer. Based on their needs, they were able to look at options 1 and 2 to determine the right kinds of products based on use cases as well as customers' transactional histories.

Option 1 PRIORITY LEVEL	Option 2 USE CASE	Option 3 DRIVER BASED
Examples	Examples	Examples
 <p><b>Gold: High transactions</b></p>  <p><b>Bronze: Low transactions</b></p>	 <p><b>Farmers buying goods</b></p>  <p><b>Students receiving funds</b></p>	 <p><b>Savings seekers</b></p>  <p><b>Prestige seekers</b></p>
<p><b>Behavioral Segmentation</b></p> <p>Based on priority level of customers determined by transaction data. Customers are assigned to a gold, bronze, or silver group depending on their value to the organization.</p>	<p><b>Demographic + Behavioral Segmentation</b></p> <p>Based on the circumstances in which customers would use a money transfer service. Loosely based on occupation and sender / receiver distinction.</p>	<p><b>Attitudinal Segmentation</b></p> <p>Based on customers' most valued drivers, which influence their choice of money transfer services.</p>
<ul style="list-style-type: none"> <li>✓ Easy to find in transaction data</li> <li>✓ Prioritization based on clear definition of value</li> </ul>	<ul style="list-style-type: none"> <li>✓ Easy to communicate internally + to tellers</li> <li>✓ "Cases" are fairly fixed</li> <li>✓ Useful for product development</li> </ul>	<ul style="list-style-type: none"> <li>✓ Good for competitive positioning</li> <li>✓ Addresses customer needs</li> <li>✓ Good for messaging</li> </ul>
<ul style="list-style-type: none"> <li>X No insight into customer needs or lifetime value</li> <li>X Not useful for messaging or product design</li> </ul>	<ul style="list-style-type: none"> <li>X Somewhat difficult to identify in data</li> <li>X May not be mutually exclusive</li> </ul>	<ul style="list-style-type: none"> <li>X Driver needs not very static, customers not mutually exclusive</li> <li>X Difficult to find in data</li> </ul>