Segmentation Worksheet (1/5)

STEP 1

Define Your Objective
What are the business objectives you are looking to address with this segmentation effort?

Will you focus more on strategic or tactical issues / opportunities?

STRATEGIC	TACTICAL
Higher level business direction decisions	*More specific review of actions related to products, communications or operations*
• What are the main business issues facing the organization right now? Are these centered on opportunities the organization is looking to go after, or around problems it needs to solve? • Of these, which are specific to your current or potential future customers? • What are the underlying assumptions your organization is currently making about these customers and do these need to be tested?	• Do you think that your offering needs to be adjusted, or does the messaging surrounding it need to be improved? • Are there specific segments you have in mind for which to adjust your offering / messaging? • Are you launching a new product, or expanding into a new market? • Are you receiving a challenge from a new competitor, or is usage or purchasing down for any reason?

Think through the following categories and examples:

	CHALLENGES	OPPORTUNITIES
ACQUISITION	Increasing customer awareness	Expanding customer base
USAGE	Reducing dormancy	Increasing uptake of product offerings, improving customer value proposition
RETENTION	Increasing customer loyalty	Increasing lifetime value of customers
EXPANSION	Solving for stagnant growth	Entering a new market / Launching a new product offering

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Describe your business objectives below

What are the given assumptions?
What parts of the organizational strategy are set, and will not be changed by this effort?

STEP 2

What is your target market for this research effort?

Think of the box to the right as representing the full population of your market below, what part is relevant to you. Start partitioning out the market to get to the groups about which you care (e.g., only the unbanked, rural areas, or females, etc.).

CURRENT CUSTOMERS	
Relevant market →	UNBANKED

Example: Telecom in Country X

The full set of customers in country/region _____

Describe the customer population you are looking to better understand and why you have selected it.

Make sure your relevant market matches with the business objectives. If in doubt, it's better to include more people than to miss potential target customers

MATERIALS REQUIRED	• Outline of business objective and relevant market • Past research or available relevant information • Meeting agenda

SUGGESTED ATTENDEES	• **Project Sponsor:** Decision maker for implementation of segmentation results
	• **Project lead:** Reports to the project sponsor and leads segmentation effort
	• **Other stakeholders:** Representatives from one or more of the following functions;
	    • Organizational leadership
	    • Marketing/advertising
	    • Sales
	    • Product design/development
	    • Finance
	• **Research leads:** People involved in and responsible for research/analyses

SUGGESTED AGENDA	1. **Recap of business objectives and relevant market**
	2. **Think through any past research or available relevant information**
	3. **Brainstorming session**
	    • List any upfront hypotheses
	    • Potential exercises: (A) Brainstorm Relevant Characteristics, (B) A day in the life or (C) Buying Process
	    • Consolidate results and draft hypothetical segments, if possible providing a descriptive name for each group
	    • Sense check segmentation against objectives
	4. **Develop plan for testing hypotheses; what information needs to be gathered to either prove or disprove any of the hypotheses**

MISC. TIPS	• **Impartial Moderator:** While having an impartial moderator isn't required, we suggest having this person to make sure that they are focused on holding a good discussion without also having to think about their own contributions to the content • **Additional characteristics:** We recommend really pushing your organization to expand their option set here. It can be easy to default to standard options, but the key characteristic might be outside that list and seem obvious after-the-fact. • **Hypothesis characteristics:** Pushing yourself to form a strong hypothesis can make or break the project. Focusing research is key.

A Brainstorm Relevant Characteristics

Start by listing all the characteristics you think may be relevant for your objectives/situation (for more examples, refer to the full guidebook)

DEMOGRAPHIC	LIFESTYLE (PSYCHOGRAPHIC)	ATTITUDINAL	BEHAVIORAL
❑ Age ❑ Gender ❑ Income ❑ Education ❑ Location ❑ Ethnicity ❑ ❑ ❑ ❑	❑ Hobbies ❑ Religious beliefs ❑ Political views ❑ Interest in new technologies ❑ ❑ ❑ ❑	❑ Views on need for offering ❑ Rationale for usage/non-usage ❑ Interest in product features ❑ ❑ ❑ ❑	❑ Specific product usage ❑ Similar products usage ❑ Usage intent for new product ❑ ❑ ❑ ❑

Now that you've listed your characteristics, think through the pros and cons of the different types of characteristics, as listed in the Segmentation Guidebook

Now that you've thought through these, list out potential characteristics and combinations of characteristics which could drive your segmentation
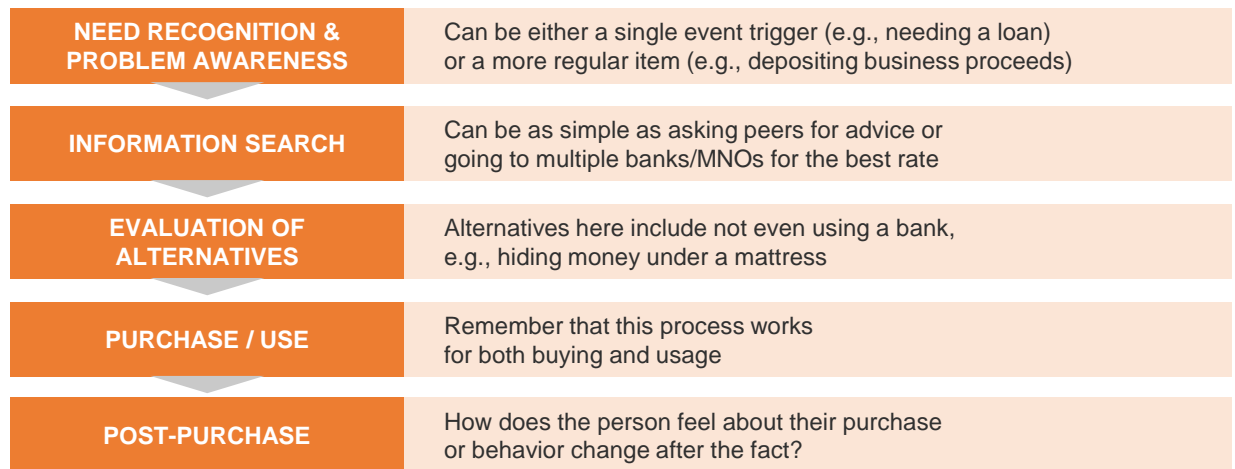
B A Day in the Life

Close your eyes and imagine one of your customers. Think about what they look like, where they live, what they do for a living, etc. Try to imagine a day in their lives…how does it start? What's the first thing they do? Are they going to have a busy day? What do they do in their free time? What challenges do they face during their day?

Now, think about how this customer uses your product or service. When do they use it, and why? Why do they choose yours and not a competitor's? What do they like about your product / service? What might they dislike?

[Have each person in the room complete this exercise separately, then compare and discuss results]

C Buying Process

Try to map out each step in your customer's buying process. It might include the following steps:

NEED RECOGNITION & PROBLEM AWARENESS	Can be either a single event trigger (e.g., needing a loan) or a more regular item (e.g., depositing business proceeds)
INFORMATION SEARCH	Can be as simple as asking peers for advice or going to multiple banks/MNOs for the best rate
EVALUATION OF ALTERNATIVES	Alternatives here include not even using a bank, e.g., hiding money under a mattress
PURCHASE / USE	Remember that this process works for both buying and usage
POST-PURCHASE	How does the person feel about their purchase or behavior change after the fact?

Think about how all of those steps might break out for different customers. For example, in step #2, what are the different ways your customers learn about your product or service? Is it from word-of-mouth, and, if so, who are the trusted advisors in their circle? At the 'Evaluation of Alternatives' or 'Purchase / Usage' steps, what are the things that may cause a potential customer to use your product offering? Alternatively, what are the things that may cause them to pass?

Use post-it notes on a whiteboard to map out all of the possible paths that a customer might take through this process. If you feel especially ambitious, try to assign a percentage to how many customers are taking which options at each step.

Now, pick one path through the process. What type of customer would take this particular path? How are they different from another customer who might take a different one? Repeat this process until you have thought through a few different types of customers. Another interesting variation is to think through where the biggest drop-off point might be for your customers. See if you can agree on this as a group and then relate this to your previous conversation of which customers are following which path.