

# **Marketing systems and Environments: Segmentation and Targeting**

# Segmentation and Target Market Strategy

Case study:

Using a consumer-segmentation approach to make energy-efficiency gains in the residential market.

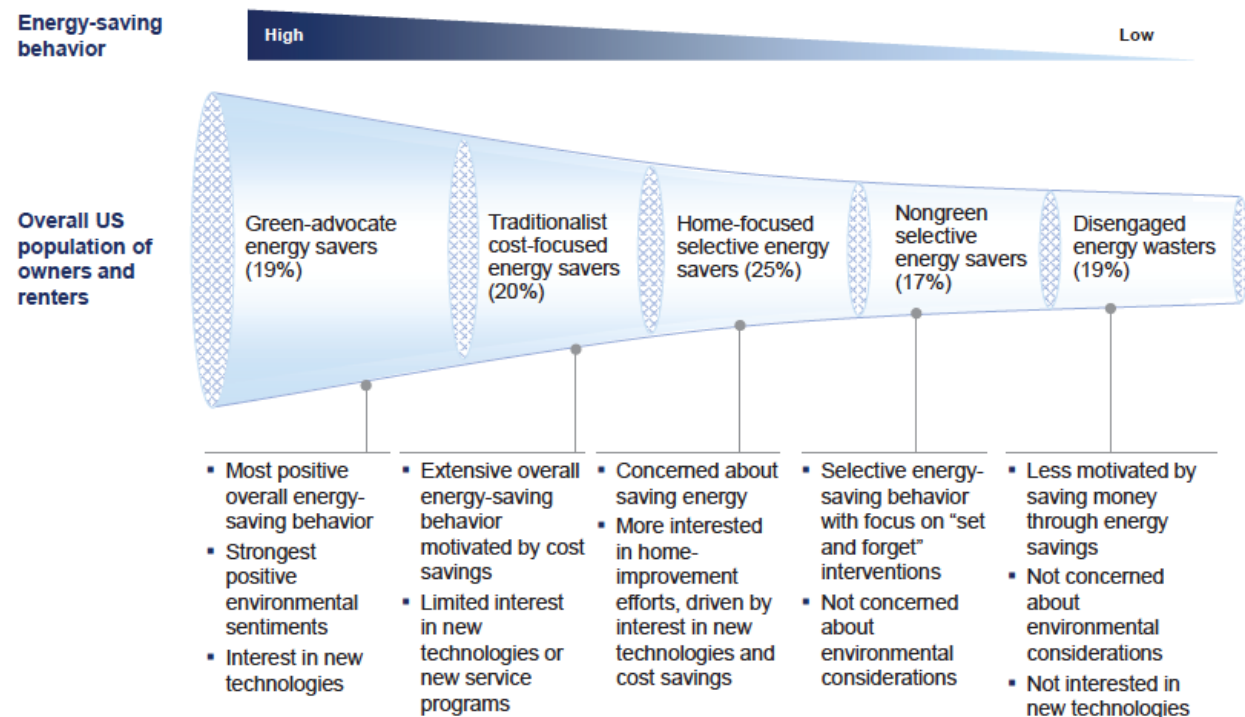
Questions:

1. What are the variables that the case used to segment the market?
2. Based on the characteristics of each segment, what segment strategy could you suggest?

# Exercise - Segmentation

- Read the case of customer segmentation on energy efficiency.
- What are the variables that the case used to segment the market?

- Attitude
  - Awareness
  - Sentiments
  - Interests
- Behavior
  - Energy saving
  - Money saving



# Exercise - Segmentation

- Based on the characteristics of each segment, what segment strategy could you suggest? i.e. what marketing actions could be planned according to the understanding obtained from segmentation?
- **Communication:** how to effectively convince the consumers to adopt energy-efficient product?
- Smart-plug:
  - Green advocates: eliminating energy waste
  - Cost-focused, home-focused, selective saver: using smart-plug doesn't affect your life in any way, except a lower energy bill

# Exercise - Segmentation

- Based on the characteristics of each segment, what segment strategy could you suggest? i.e. what marketing actions could be planned according to the understanding obtained from segmentation?
- **Product/service development:** how to design and/or bundle products/services to meet a particular segment's need?
  - Team with home-improvement stores to serve better the home-focused selective energy savers.
  - Simplify product design and usage to address the non-green selective energy savers.

## After Segmentation...

- The strategic objective of segmentation is to develop marketing strategy that is the most suitable for a homogeneous group of customers.
- However, it might not be convenient or feasible to develop a strategy for each of the segments identified.
- Therefore, you will need to choose your target segment(s) on which to focus your efforts.