

# Market Segmentation Preplanning Checklist



Actionability needs to be built into the segmentation projects from the beginning.

## Phase 1: Pre-Project Strategic Alignment

- Focus on Business Outcomes:** Define the strategic purpose of the segmentation.
- Define the "Strategic End":** Determine what decisions will be made from the segmentation (e.g., pricing, R&D, media buy).
- Stakeholder Alignment:** Create buy-in from cross-functional teams (sales, product, finance and C-level executives).
- Qualitative Discovery:** Uncover the "consumers' language" and hidden drivers via focus groups or depth interviews.

Notes:

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## Phase 2: Sampling & Data Integrity

- Representative Sampling:** Determine if the sample should include current users, lapsed users, and competitors' customers. The sampling plan must be designed to accurately represent the target market *universe*.
- Sample Size Check:** Plan for a large enough sample to identify clusters in the market.

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## Phase 3: Questionnaire & Variable Design

- Volumetric Tracking:** Include usage frequency and spend data in the survey to identify high-value segments.
- Variable Partitioning:** Separate the "Segmenting" variables (the *why*) from "Descriptor" variables (the *who*).
- Mobile Optimization:** Design the survey for smartphone users (no grids, limited open-ends) to ensure high completion rates.

Notes:

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## Phase 4: Plan for Actionability

- Substantial:** Include product usage and spend questions in the questionnaire to ensure the segments' profitability is estimated.
- Reachable:** Include a media-consumption module to help guide media planning and buying.
- Stable:** The questions should be relevant today and 3-5 years from now.
- Distinctive:** Include a variety of question types (needs, behaviors, psychographics, personality characteristics, and demographics) in the survey.

*Notes:*

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## Phase 5: Plan for Post-Project Activation

- Typing Tool Development:** Ensure the questionnaire consists of highly differentiating questions so that sharp differences between segments can be revealed.
- Bridging Model:** Identify the data that will be used to tie the survey data to your CRM or other database. A Bridging Model must be built using information that is shared by the original segments and your CRM database to establish the appropriate connections.
- Activation Workshops:** Schedule a session to help internal teams integrate the segments into their workflows.
- Projection Model:** Include geographic data (ZIP Codes, for example) and demographic data questions using exactly the same questions and answers as the U.S. Census data or other target database.

*Notes:*

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