

Segmentation, Segmentation, Segmentation

A few weeks ago I drove to Hudson, Quebec to participate in a British Car show. As I was driving into the show grounds, a parking attendant stopped me to allow some other cars to go in.

As I watched, around the corner came a 1927 Rolls Royce. It was magnificent; huge headlights, gleaming coachwork reeking of aged Connolly leather, and bespoke hand-rubbed wax. And behind it came another one and another one and another one – probably 50 in total. In addition to the Rolls, there were Jaguars, MGs, Austin's, Minis, and I could go on. Watching them all roll in, I thought back to a hotel I recently stayed at that was hosting an exotic car club. The cars included Vipers, Lamborghinis and Maseratis. Though not my personal preference, I certainly appreciate the exotic (or should that be erotic) styling and the primal power these vehicles exude, even while parked.

So why talk about car clubs? According to my University of Ottawa MBA Marketing Professor, David Litvack, the three most important things in Marketing are 1) Segmentation, 2) Segmentation and 3) Segmentation. Vintage British car owners are an interesting lot. We are friendly, keen to offer help and advice to anyone who will listen, most tend to be between 45 and 70 years old, male and have a reasonable amount of disposable income. Out of interest and financial necessity, most of us do our own work on the cars (there is ALWAYS something to do on a British car). In short, we are a well defined market segment perhaps called "Vintage British Car Enthusiasts".

"Exotic Car Enthusiasts" also fit into a market segment, but a somewhat different one from the "Vintage British Car Enthusiasts". These folks are all about driving (claiming 45 minutes for the 169km between Ottawa and Montreal – I'd have to be there to believe it!). They do not work on their own cars but will spend hundreds of thousands of dollars to buy them and tens of thousands more having them maintained. This particular group was mostly from Calgary and had spent about \$6000 to transport each car to Eastern Canada for their tour. They had even hired security guards to watch their cars while they visited a nearby Casino. Mostly male (although there were a 'his and her' pair of Lamborghinis in the convoy), this niche own their own businesses (an increase in the price of gas will not affect their driving habits), are fashion conscious, and between 30 and 55 years old. Both are car enthusiasts, both with a reasonable amount of disposable income, but they are completely different types of customers. To approach them the same way would be a big mistake.

To get the most value from your Marketing activities you should define your target market segment in excruciating detail. Take some time to describe the ideal customer for your product or service. If you are selling to a company; physical, logical and financial characteristics are very important (left brain). When selling to consumers; personality, emotion, style and status are very important (right brain). For consumers, a great deal of segment research has already been done (such as the 'soccer mom' stereotype) but be careful with this as your combination of product and service is unique and someone else's definition of a market segment may not be optimal in your situation.

How do you segment your market? Can you readily spot a potential customer? Could you refine it to increase your closing ratios? Send us your target segment description and we'd be pleased to 'tweak' it for you... send it to: info@kingsfordConsulting.ca.

(Once you've defined your target segment, you should develop a buyer behaviour profile. [Check out our paper on Buyer Behaviour](#))