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Segmentation Study Example
Beauty

March 2010

Methodology

The sample for the **Segmentation Study** was randomly drawn from a national list of Adults 18+. Interviews were conducted between *xxxxxxxxx x, 2009 and xxxxxxxxx x, 2009.*

<u>The participants were qualified by:</u>

Correct Geography
Completing the Survey
Unique Respondent (no duplication of email addresses)
Non-rejecters of XXXXXX Products

<u>Participants then completed a 15 – 20 minute survey on topics including</u>

Product usage
Product spending
Attitudes toward products
Lifestyle statements and beliefs
A self-esteem inventory
Demographics

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Data Analysis

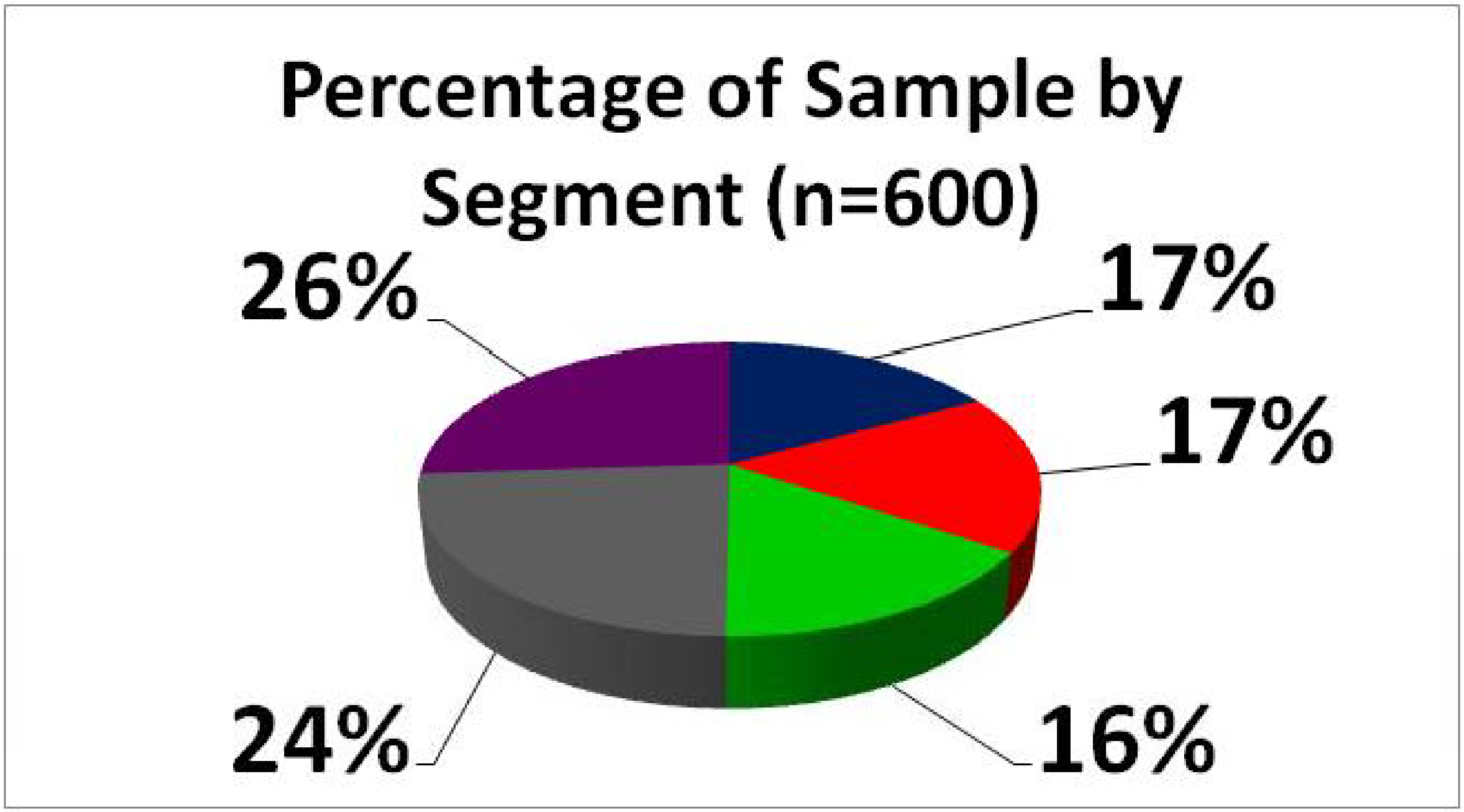
Once collected, data from the survey were analyzed via a two-step process to identify Segments of customers within the total sample.

Step 1 involved a Factor Analysis of survey items.

Step 2 involved a K-Means Cluster Analysis on respondents’ factor scores derived in Step 1
.

This analytic process identified 5 Segments.

Research Summary and Observations



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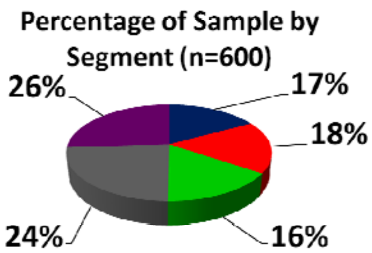
Research Summary and Observations



Segment 1: XXXXXXX

They take their beauty seriously, but also enjoy it—beauty as sport. This segment uses the most and spends the most on beauty care products. And they buy at drug stores and department stores. They are looking for the best value. They are brand loyal and look to products that give something extra. They want brands that embody the notions of "natural" and "youthful". These are confident women that enjoy being as beautiful as they can be. They see makeup and beauty products as the tools that give them power. And they see how achieving their best looks can help them in various aspects of their lives.

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Detailed Findings

Segment Value

Segments 1 and 4 represent the greatest value within the category on an Index basis. Segments 2 and 3 do not represent valuable targets.

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
N in Sample	102	105	94	143	156
% of Sample	17%	18%	16%	24%	26%
% of Spending (Cat)	23%	10%	10%	30%	27%
Category Spend Index	133	59	65	126	103

Detailed Findings Segment Usage of XXXXXX

Segments 1 and 4 represent the greatest value for the brand on an Index basis. Segment 5 also has a high proportion of brand users.

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
N in Sample	102	105	94	143	156
% of Sample	17%	18%	16%	24%	26%
% of Spending (Cat)	23%	10%	10%	30%	27%
Category Spend Index	133	59	65	126	103
XX Spend Index	117	58	69	98	107
Index of XX Users	143	58	32	120	123

Segment 1	Segment 2	Segment 3
Attitudes & Perceptions		
Agreement ratings for this segment are highest of all segments in most attitude and perception statements. Segment 1 respondents perceive women as powerful/successful and link appearance to the achievement of these. *See Pages 52, 53, 56* Image (by way of appearance) is very important to them; most would like to improve the way they look. *Page 53* For respondents in S1, being well-groomed/made-up contributes to their sense of confidence. *Page 54-55* S1 respondents view grooming as something they do for themselves, but also are most likely to indicate that men notice. *Page 63*	Agreement ratings for this segment are among the lowest of the segments (along with S3) in most attitude and perception statements. S2 respondents agreed the most with statements related to women's professional success and their right to indulge occasionally, (though their scores were proportionally lower than all other segments by far). *See Page 56* S2 respondents had very low agreement scores on all statements related to appearance and linking appearance to confidence, success, status, power, etc. *Pages 52-56* S2 respondents view grooming as something they do for themselves. *Page 63*	Agreement ratings for this segment are among the lowest of the segments (along with S2) in most attitude and perception statements. S3 respondents agreed the most with statements related to women's professional success and their right to indulge occasionally, (though their scores were proportionally lower than S1, S4, and S5). *See Page 56* They all also had a moderately high agreement score for being happy with their natural looks. *Page 56* S3 respondents had low agreement scores on all other statements related to appearance and linking appearance to confidence, success, status, power, etc. *Pages 52-56*

Segment 1	Segment 2	Segment 3
Price/Place		
Price is not a priority for this segment *See Page 73* At an average of $29.12/month per person, they spend more than all other segments. *Page 13* While most of these respondents shop for beauty products at Supermarkets/drug stores, it is considerably fewer than for other segments. *Page 74* More Segment 1 respondents (45%) shop for beauty products at department stores than respondents in other segments. *Slide 74*	Price is more of a priority for this segment than S1, S4, and S5 *See Page 73* At an average of $13.00/month per person, they spend less than all other segments. *Page 13* Most of these respondents shop for beauty products at Supermarkets/drug stores and mass merchandisers. *Page 74*	Price is more of a priority for this segment than S1, S4, and S5 *See Page 73* At an average of $14.26/month per person, they spend considerably less than S1, S4, and S5. *Page 13* Most of these respondents shop for beauty products at Supermarkets/drug stores and mass merchandisers. *Page 74*

Implications

Segments 1 and 4 represent XXXXXXXXXXXXXXXXXXXX

Together, they represent XX% of customers and XX% of spending.

Segments 1 & 4 share xxxxxxxxx for the category, are relatively xxxxxxxxxx and spend xxxxxxxxx compared to the other segments. They are also both looking for the same basic brand characteristics—but as we'll see below, for different reasons.

Important differences between Segments 1 & 4 lie in the areas of:

-
-
-
-
-
-
-

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Segmentation Study Example
Business to Business

March 2010

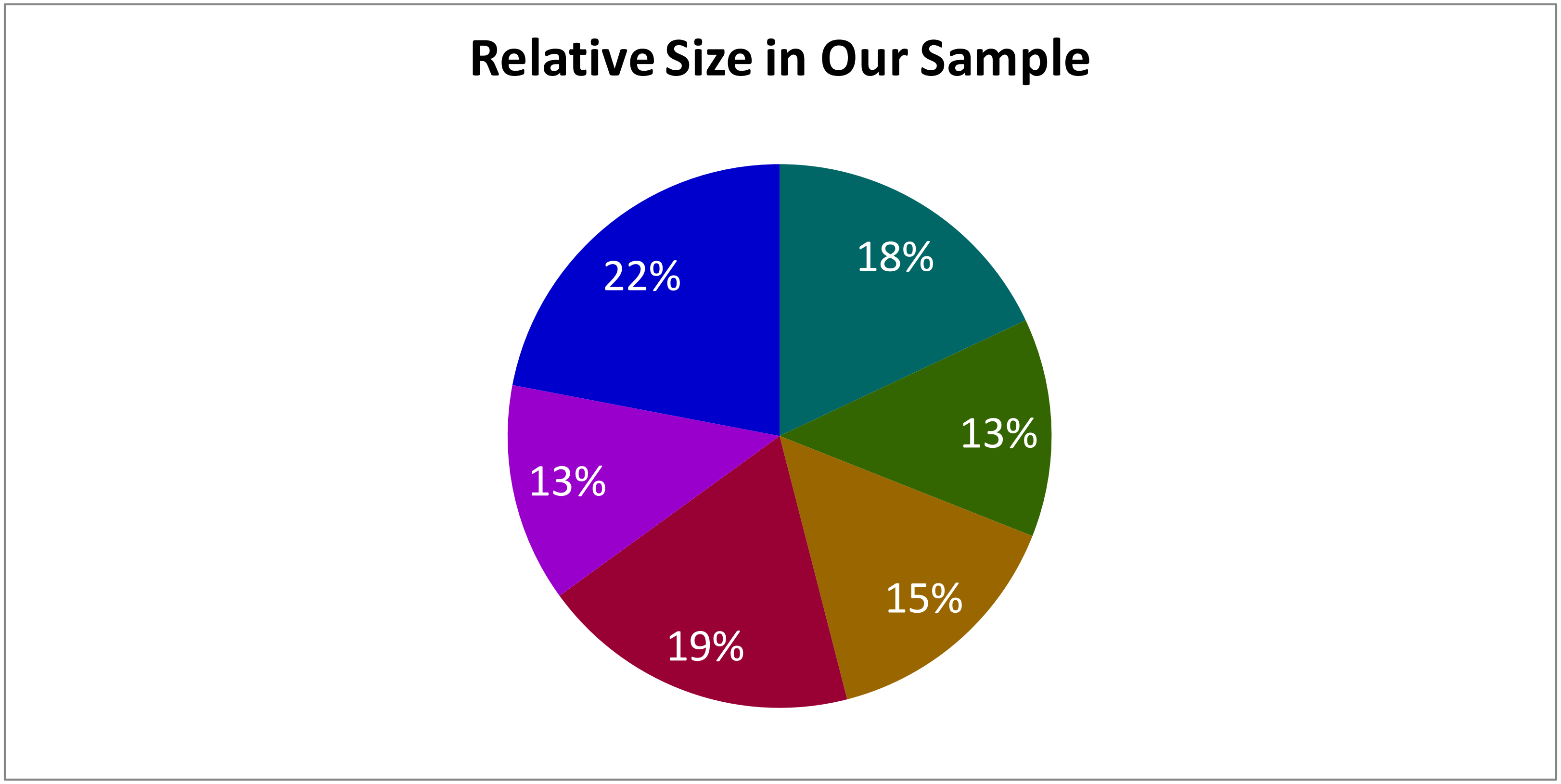
Behavioral/Attitudinal Segments

- The behavioral and attitudinal questions asked of all respondents were entered into a Hierarchical Cluster Analysis.
  - Solutions of 2, 3, 4, 5, 6, 7 and 8 were developed and evaluated for goodness of fit with the data.

- This analysis yielded a six (6) segment solution:
  - XXXXXXXX
  - XXXXXXXX
  - XXXXXXXX
  - XXXXXXXX
  - XXXXXXXX
  - XXXXXXXX

- To keep charts readable, significant differences are not noted. Differences between segments of xx percentage points or more are significant at the 95% level of confidence.

Behavioral/Attitudinal Segments



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Segment Summaries

	Segment 1	Segment 2	Segment 3
Product Usage & Purchase	Use basic products plus Electronic Deposit and Business Line of Credit Not recent or likely new product purchasers	Use basic products plus Electronic Deposit Very recent and likely new product purchasers	Use basic products plus Electronic Deposit, Business Line of Credit, Payroll Processing and SBA Loans Not recent or likely new product purchasers
Decision Making & Influencers	When choosing a bank, xxxxxxxxxxx will visit the bank, discuss it with outside partners and industry colleagues, review the bank's web site and talk to a rep in person or over the phone. Speaking with a bank rep, comparing prices, talking with colleagues, evaluating prices and web sites are all part of the decision process. Top 3 Motivators: • • • Bottom 3 Motivators: • • •	Speaking with a bank rep, comparing prices, talking with colleagues, evaluating prices and web sites are all part of the decision process. Top 3 Motivators: • • • Bottom 3 Motivators: • • •	When choosing a bank, xxxxxxxxxxx will visit the bank, discuss it with outside partners and industry colleagues. Speaking with a bank rep, comparing prices, and talking with colleagues are all part of the decision process. Top 3 Motivators: • • • Bottom 3 Motivators: • • •

Segment Summaries

	Segment 4	Segment 5	Segment 6
Product Usage & Purchase	Use basic products plus Electronic Deposit and Business Line of Credit Very recent and very likely new product purchasers	Use basic products plus Electronic Deposit and Business Line of Credit Moderate recent purchase of new banking products; very likely new product purchasers	Use basic products plus Electronic Deposit, Check Imaging, Check or Deposit Mgt and Business Line of Credit NOT recent purchasers of new banking products; moderately likely new product purchasers
Decision Making & Influencers	When choosing a new bank, xxxxxxxxx will visit a convenient bank and consult outside partners and industry colleagues about it. Speaking with a bank rep, comparing prices and talking with colleagues, are all part of the decision process. Top 3 Motivators: • • • Bottom 3 Motivators: • • •	When choosing a new bank, xxxxxxxxxxx will visit a bank and consult outside partners and industry colleagues about it. Visiting a bank and speaking with a bank rep, comparing prices and talking with colleagues, are all part of the decision process. Top 3 Motivators: • • • Bottom 3 Motivators: • • •	When choosing a new bank, xxxxxxx will visit a bank and consult outside partners and industry colleagues about it. Visiting a bank and speaking with a bank rep, comparing prices and talking with colleagues, are all part of the decision process. Top 3 Motivators: • • • Bottom 3 Motivators: • • •