Segmentation and Targeting

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Overview

Segmentation and targeting are essential components of social marketing; they are the processes used to identify groups with similar needs or wants and develop and deliver offerings that provide something members of the group value. Conducting a segmentation study and then using the results is a three-step process.

1. Segmentation: Dividing a market or audience into groups based on one or more criteria

2. Targeting: Determining which of those groups to target

3. Developing product positioning and marketing strategies tailored to the specific needs and wants of each target group

This process can be used with any market or audience—members of the public, professionals, policymakers or organizations. The goal is to identify segments whose members are similar to each other and distinct from other groups in how they would response to the social marketing program. Segments might differ in the costs and benefits they associate with a behavior; their wants, needs and values; how or where they can be reached; or the communication approaches that will reach them best.

Why segment?

'When reflecting on the nature of markets, consumer behavior and competitive activities, it is obvious that no product or service appeals to all consumers and even those who purchase the same product may do so for diverse reasons.' (Wind & Bell, 2008: 222)

Similarly, the goal of social marketing is to develop and deliver offerings that appeal to the individuals whose behavior we would like to change. Yet each person has a unique constellation of beliefs, values, resources and restrictions that affect what they want, what they need, and what they do. It is not possible to design an offering that reaches, appeals to, and can be accessed by every person equally.

With few exceptions, organizations do not have the resources to design a custom offering for each individual. By using systematic segmentation and targeting, we can ensure offerings are designed to reach and appeal to a large group of individuals willing or able to make the desired behavior change. In addition, researchers have found that market segmentation encourages consumer orientation by keeping organizations closely in touch with their consumers, 'ensuring more efficient resource allocation and resulting in programs which are better attuned to customer needs' (Dibb and Simkin, 2009, p. 1, citing Albert, 2003; Beane and Ennis, 1987; Freytag & Clarke, 2001). Well-done segmentation and targeting strengthens social change efforts by enabling limited resources to achieve the greatest amount of change.

History

The concept of segmenting markets was first introduced by Smith in 1956, who wrote, 'Market segmentation involves viewing a heterogeneous market as a number of smaller homogeneous markets, in response to differing preferences, attributable to the desires of

customers for more precise satisfactions of their varying wants.' Segmentation has been viewed as a key marketing concept since the early 1960s and a significant portion of the marketing research literature focuses on it (Wind & Bell, 2008). Nonetheless, use of segmentation has been far from universal in commercial, non-profit, or social marketing practice.

A reader new to the literature could easily conclude that segmentation's primary practical use is to develop advertising and other communications. In a 2006 article, Yankelovich and Meer lamented that 'market segmentation has become narrowly focused on the needs of advertising' and other authors have noted that segmentation is neglected by many companies (see Wind & Bell, 2008; Weinstein, 2004). In the social sector, many of the frameworks and review articles addressing segmentation are specific to health communication (see, for example, Sutton, Balch & Lefebvre, 1996; Slater 1996). However, authors in the commercial sector have noted that an increasing number of companies and organizations are employing segmentation approaches (Wind & Bell, 2008; Weinstein, 2004; Dibb & Simkin 2009). Similarly, a cursory review of the literature shows an increasing number of papers discussing segmentation for social marketing programs—a welcome development, since historically government agencies, in particular, were resistant to segmentation and targeting because they believed their mandate was to reach 'everyone.' However, some may be embracing segmentation a bit too much: some programs over segment or create unnecessary segments by identifying differentiating variables and segmenting on them even though they do not necessarily impact behavior.

An overview of the development of segmentation as a marketing approach is provided by Yankelovich and Meer (2006). They note that the earliest segmentation emphasized grouping individuals on demographic traits, such as age, sex, education levels and income. One common approach was to include in advertising a person whom the target group resembled or wished they

did. Another was to emphasize emotional rather than functional benefits that the product offered. In 1964, Daniel Yankelovich suggested broadening the use of segmentation, looking at traits such as values, tastes, and preferences which were more likely to influence purchases and using segmentation to inform product innovation, pricing and choice of distribution channels in addition to advertising. By the 1970s, social scientists began to use attitudinal indicators for segmentation, and in 1978, the Values and Lifestyle (VALS) program, a commercial research service developed by the Stanford Research Institute, launched the era of psychographic segmentation. VALS classified individuals into one of nine enduring psychological types and was widely used by consumer product companies and advertising agencies.

Wind and Bell (2008) outline a number of recent developments in segmentation, including (1) advances in database marketing and innovative distribution approaches as a result of the revolution in information technology and strategy; (2) an Internet-fueled expansion of segmentation methods and the ability to implement market segmentation research more effectively, and (3) a subtle shift in the bases of segmentation from a historical emphasis on demographics and other characteristics, preferences, usage rates, etc. to a contemplation of customer lifetime value (CLV) and explicit calculation of CLV. They suggest Gupta and Lehmann (2003) as a source for the latter.

The use of international segmentation has also increased as technological developments have led to increased globalization (Steenkamp & Ter Hofstede, 2002). In the past it was common for international organizations to use multi-domestic strategies, in effect treating each country as a separate market by tailoring products for local needs and preferences and developing distinct advertising, pricing and distribution strategies. Segmentation was conducted within each country. Over time, national borders have become less important for many industries

and organizations have moved toward global or pan-regional strategies. Segmentation can be used to identify individuals in different countries that have more in common with each other than with other people in the same country. In such situations, using similar marketing strategies in multiple countries leads to lower costs for production, promotion and distribution while still delivering offerings that are responsive to consumer needs and wants. The case study in this chapter on a multi-country anti-smoking campaign provides an example.

Segmentation

Conducting a segmentation study involves two critical decisions: developing the basis for the segmentation—that is, deciding what variables people will be segmented on—and determining the segmentation method to be used. Once the segmentation has been conducted, resulting segments are then profiled.

Develop Basis for Segmentation

People or organizations can be grouped in many ways. A good segmentation will:

- Identify conceptually distinct groups that respond in different ways to different elements of the marketing mix

- Be mutually exclusive. Each unit of analysis—person, household, organization, etc.— will fit into only one segment.

- Be measurable. Certain potential segmentation variables can be difficult to measure as a practical matter.

- Result in segments that can be—and will be—used. The marketing literature notes that many segmentations fail to be implemented for reasons including segmentation objectives that were inconsistent with the organization's overall strategy, insufficient

operational capabilities to implement the segmentation results, and management

discomfort with segments that do not make sense to them (Sausen, et al., 2005; Wind,

1978; Yankelovich & Meer, 2006)

Considering a number of factors can help determine which variables will provide the

most useful segmentation.

Type of decision(s) to be made using the segmentation results. Segmentation

objectives can include identification of new target markets, product-related decisions (e.g.,

positioning, price, design, communication), retaining customers, increasing customer satisfaction

or value, determining appropriate resource allocations, clearer identification of market

opportunities, and better design of marketing programs (Dibb, 1998; Dibb and Simkin, 2001;

Kotler, 2002; Meadows and Dibb, 1998; Sausen, et al., 2005; Wind, 1978). The decisions that

will be made drive both the type of information needed and the group of people from which it

should come (Wind & Bell, 2008; Yankelovich & Meer, 2006). For example, consider the

following goals and corresponding information needs:

- New product concepts or introductions: purchase or usage data from individuals
  who use related products or engage in related behaviors that satisfy similar needs
  or want

- Pricing decisions: price sensitivity (alone or in conjunction with usage patterns)

- Promotion: benefits sought, media usage, psychographic/lifestyle information
  from those who engage in the behavior of interest

- Distribution: benefits sought in location; convenience

Type of behavior to be changed and its importance to the market. Writing about customer purchases, Yankelovich and Meer (2006) recommend varying what the segmentation should try to find out based on the gravity of the decision. For example, for shallow-- or low involvement--decisions, such as choosing relatively inexpensive consumer products (i.e., a brand of soft drink), segmentation can examine factors such as buying and usage behavior, willingness to pay a small premium for higher quality, and degree of brand loyalty. For middle-of-the-spectrum decisions, such as visiting a clinic about a medical condition or switching car brands, segmentation should try to identify whether the consumers are do-it-yourself or do-it-for-me types, their needs, and their social status, self-image and lifestyle. For deep--or high involvement--decisions, such as choosing a medical treatment or deciding where to live, segmentation should explore their core values and beliefs relating to the decision.

Segmentation variables. Some common bases of segmentation include:

- **Behavioral**—Dividing individuals based on their engagement in or response to a behavior. This is often the best starting point for segmentation (Kotler & Armstrong, 2004). Behavioral segmentations can take a number of forms; one of the simplest is to divide individuals into those who perform the behavior and those who do not. However, in many instances, more groupings are useful. For example, the Texas WIC program (see case study in this chapter) divided pregnant mothers into those who had never used WIC, those who had previously used it but did not currently do so, and those who currently used it. Many commercial marketers divide users into heavy, medium, light, and non-users. At other times, behavioral segmentation is appropriate because different groups need to (or will be willing to) take different actions. For example, for a campaign to reduce nutrient pollution flowing into the Chesapeake Bay, the largest estuary in the

United States, The Chesapeake Bay Foundation's segmented homeowners living in the Washington, D.C. area into those who do their own yard work (84%) and those who hire a yard service (16%). The former were asked to fertilize their lawns in the fall rather than the spring; the latter, to hire an environmentally responsible lawn service. A survey was conducted to determine the size of the segments and measure attitudes and behaviors related to environmental concern and lawn care (Landers et al., 2006).

- **Demographics and other personal characteristics**—Divisions by age, sex, education, ethnicity/race, income, marital status, occupation, presence of children, etc. This is a very common approach to segmentation, yet demographic characteristics are often considered poor segmentation variables, if used alone, because in many instances they do not predict behavior (Wind & Bell, 2008; Yankelovich & Meer, 2006;). For some social marketing efforts addressing specific health topics, an initial demographic segmentation is appropriate. For CDC's annual influenza campaign "the Flu Ends with U" , initial segmentation for 2010-11 started with four priority groups: mothers of children and adolescents (0–18 years); young adults 19–24 years of age; people 25–49 years of age living with asthma and/or diabetes (representing the most prevalent chronic health conditions among persons with severe H1N1 illness); and adults 65–75 years of age. Extensive formative research was conducted with each of these groups to understand their respective knowledge, attitudes, and behaviors regarding vaccines (AED, 2010). Program planners then crafted separate but complementary media, marketing, and advertising strategies to inspire action. The result was a suite of creative print, online, and broadcast materials tailored to specific audiences and outlets, to encourage vaccination by educating them about CDC's clinical vaccination recommendations and to dispel mistrust

and misperceptions. These materials were disseminated through an extensive network of national partners, and media outreach tools include matte articles, educational roundtables, radio media tours, and public service announcements.

- **Psychographics**—Divisions by social status, lifestyle, or attitudes. Psychographic segmentations can provide insights into the lifestyles, attitudes, self-image and aspirations of people who use a particular product or engage in a particular behavior; as a result, this type of segmentation is considered useful for developing communication campaigns, brand reinforcement, and positioning, but not useful for predicting product purchases, product development or pricing (Yankelovich & Meer, 2006)—or health behaviors (Donovan & Henley, 2003). One challenge is that the cluster analysis used to create psychographic segments results in overlap across segments; as Donovan and Henley note, '70 per cent of Cluster A might agree with the statement "I prefer visiting natural wilderness areas to man-made entertainments such as SeaWorld" versus 35 per cent of Cluster B agreeing with the statement—a statistically significant difference. Nevertheless, 35 per cent of Cluster B do share this characteristic with Cluster A' (2003: 214). An example of a combined psychographic and behavioral segmentation strategy is provided in the *Got a Minute?* case study in this chapter.

- **Geographic**—Organizations may choose to operate in some locales but not others, or to customize offerings to meet local needs and preferences (for example, consumer product companies tailor their flavorings to regional tastes) or environmental constraints (Kotler & Armstrong, 2004, provide examples of hotel chains creating smaller properties in less-populated markets and retailers creating smaller footprint stores in urban centers). One example of using geographic segmentation in social marketing is the USAID NetMark

project in Ethiopia, To help control malaria, the government of Ethiopia distributed free insecticide-treated nets (ITNs) to households. However, levels of ITN awareness and use were low among free-net beneficiaries, the majority of whom resided in rural and peri-urban settings where mass media was not readily available. The NetMark projected segmented the market, choosing to focus on rural and peri-urban settings, and then used communication tactics appropriate to these settings. The project chose specific rural and peri-urban areas and then collaborated with community mobilizers and government health extension workers to work through community-based organizations and carry out door-to-door campaigns in these areas. NetMark also used a media-equipped van to reach community-based organizations with educational films about malaria. (USAID/AED 2007).

- **Benefits sought**—Divisions based on the benefits people associate with a behavior, good or service. For example, Stead and colleagues (2007) found that four different subgroups associated different benefits with physical activity: competing against an opponent, bettering their own personal best (e.g., in running or swimming), improving their body image, and getting out to meet people or maintain friendships. For the Chesapeake Bay Foundation campaign mentioned above, formative research identified that benefits of environmental improvement were not as salient as immediate personal rewards, and program planners decided to emphasize personal benefit with a humorous approach. The slogan of the multimedia campaign became "Save the Crabs—then Eat 'Em." The program included partnerships with local lawn care companies, restaurants and well-known chefs along with ads and other collateral, including a consumer website. In spite

of a small budget, a post-intervention survey showed increased awareness of lawn care behaviors that contribute to Bay pollution, and decreased intent to fertilize in the spring.

Using Theories and Models

Theories and models of behavior and behavior change can make segmentation more efficient by helping us identify the factors that influence behavior change and systematically think through individuals' processes of behavior change. A review of the many theories and models of value to social marketers is beyond the scope of this chapter, however, the work of Fishbein and colleagues can be used as a starting point. They conducted a thorough review of five theories and models that contain "almost all of the variables that have been utilized in attempts to understand and change a wide variety of human behaviors" (2001: 4): the health belief model, social cognitive theory, the theory of reasoned action, the theory of self-regulation and self-control, and the theory of subjective culture and interpersonal relationships. They identified eight variables that "appeared to account for most of the variance in any given deliberate behavior" (2001: 4), three of which were shown to be necessary and sufficient to produce any behavior: "a person must have a strong *positive intention* to perform the behavior in question; the individual must have the *skills necessary* to carry out the behavior; and the *environment must provide a context of opportunity, or be free from constraints*, such that the behavior can occur" (Fishbein, et al., 2001: 5; italics added). Consideration of these variables is a good first step for determining an appropriate segmentation basis; Lotenberg (2010) suggests using them to formulate three questions which we have adapted to reflect their use for segmentation:

1. *Does the population of interest divide into groups based on **opportunity** to engage in the desired behavior?*

2. *Does the population of interest divide into groups based on **motivation** to engage in the desired behavior?*

3. *Does the population of interest divide into groups based on the **ability** to engage in the desired behavior?*

Reflecting on the questions in this order will ensure that opportunity is assessed first, Lotenberg (2010) notes that this is critical because it *must* be present for the behavior to occur yet many social marketing programs do not have the ability to provide opportunity (or do not believe that they do) and instead skip to addressing motivation or ability.

If segmenting by motivation appears to be worth pursuing, the remaining five variables identified by Fishbein and colleagues (2001) often influence an individual's intent to perform a behavior: social (normative) pressure, a belief that the advantages of performing the behavior outweigh the disadvantages, the degree to which a behavior is consistent with one's self-image, emotional reactions to the behavior (whether taking the action would feel good or bad), and self-efficacy (belief that one has the capability to take the action). These behavioral determinants can be appropriate segmentation bases . For example, in this chapter's case study describing segmenting parents, self-efficacy was one of the variables on which segments differed. When developing segmentations, it also important to consider that an individual's opportunity, motivation and ability are not always constant; they can vary across situations and internal states. Valid and useful segmentations will therefore divide groups based on the factors that will influence behavior in the desired setting. For example, a person might weigh advantages and disadvantages of specific foods differently when making lunch at home, when ordering at a fast-food drive-thru while on the way to a meeting, and when going to a nice restaurant for a special celebration. Similarly, a new mother may have the skills to breastfeed at home, but may need to

develop self-advocacy or other skills to successfully transfer this behavior to the workplace (Lotenberg, 2010).

A specific model of behavior often used as a segmentation basis in social marketing is the Transtheoretical Model of Stages of Change (Prochaska, et al., 2002). It is valuable because it provides a simple, validated list of questions to use to divide people into different stages (precontemplation, contemplation, preparation, action, and confirmation/maintenance) and gives guidance on intervention strategies for different stages (e.g., emphasizing benefits in the early stages and costs in the later ones). Hastings (2008) points out that some caution should be exercised in applying the model, in that it has been recognized that individuals do not necessarily move in a linear fashion through each stage and may not consciously move through each phase. Later versions of the model take note of these issues (Hastings, 2008; Andreasen, 1995).

Case study: Using Segmentation to Increase Enrollment in a Public Health Program

In the United States, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides nutrition education, supplementary nutritious foods, and referrals to appropriate health and social services. Women who are pregnant, who have had a baby in the past six months, or who are breastfeeding an infant less than one year, as well as infants and children less than 5 years old, are eligible for WIC if they live in households with incomes at or below 185 per cent of the U.S. federal poverty level and are at nutritional risk.

The Texas WIC program used segmentation and targeting to develop a social marketing plan to increase WIC enrollment. The process began with a survey of 15,000 pregnant Medicaid (government-provided health insurance for low income residents) recipients who were automatically income-eligible for WIC. The 28-item mail survey was developed, translated into Spanish, and pretested in urban and rural settings. Of the 2,944 respondents, 64.6 percent were 'current' WIC participants (n=1,842), 5.5 per cent were 'previous' participants (n=156) and 28.2 had 'never' enrolled in WIC (n=852).

Survey data were analyzed using frequency distribution, cross tabulations, and chi-square automatic interaction detection (CHAID). CHAID analyses were used to compare the

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relationship between multiple independent variables (sociodemographic characteristics) and the dependent variable of WIC enrollment. CHAID creates a 'tree' that segments the respondents into distinct subgroups and identifies the subgroups with the highest and lowest proportion of respondents exhibiting the dependent variable. CHAID analysis identified the segment with the highest proportion of women not participating in WIC (49.4%): women who were non-Hispanic white, not married and not receiving food stamps (a government program providing food assistance to low-income families; income criteria are stricter than for WIC). Similarly, CHAID identified a segment with the lowest proportion of currently-enrolled WIC participants: women who were non-Hispanic white; married, divorced, separated or widowed; and not receiving food stamps.

The survey and follow-up focus groups (5; n=38) and telephone interviews (n=81) with never-enrolled women provided insight into why women did not enroll. Major reasons included confusion about eligibility, reluctance to accept government assistance for fear of stigmatization and embarrassment; valuing self-sufficiency; fearing loss of dignity by accepting free food; and expectations of disrespectful treatment by WIC staff and grocery cashiers.

Research findings were used to develop a comprehensive social marketing plan which re-positioned WIC as a temporary nutrition-education and health-referral program in which families can maintain their pride and self-esteem rather than a food-assistance program. Audience segmentation results were used to determine regions within the state and specific media outlets where advertising should be placed; advertisements addressed common misperceptions about WIC eligibility and embarrassment about accepting government assistance. To address service delivery problems, the plan recommended methods to decrease waiting times, customer service training programs for WIC staff and grocery store cashiers, and ongoing collection of program enrollment and satisfaction data, introduction of a peer-buddy system, and improved nutrition education materials and activities.

Source: C. Bryant, J. Lindenberger, C. Brown, E. Kent, J.M. Schreiber, M. Bustillo, and M.W. Canright, 'A social marketing approach to increasing enrollment in a public health program: A case study of the Texas WIC Program,' *Human Organization, 60*(3), 234-246, 2001.

Methods of Segmentation

A number of methodologies can be used to conduct segmentation research; using a

combination of methods often provides the most useful result. The case studies presented in this

chapter highlight some common practices, such as starting with a survey and then augmenting

the findings with qualitative research to better explore the benefits and barriers individuals

associated with the desired behavior, as was done for the Texas WIC program. When

quantitative data analysis is used, methods can range from simple (creating segments based on

one variable, such as smoking status or program participation) to complex multivariate approaches such as the CHAID and cluster analysis approaches discussed in the case studies.

Many social marketing programs start by identifying existing studies that include data on the behaviors of interest, such as large government surveys. These studies often also include demographic data, but may lack other information useful in designing effective marketing efforts, such as information on respondents' lifestyles, leisure time activities, and media habits. In some instances, syndicated commercial marketing databases are more useful to social marketers if they contain information on the behaviors of interest.

Some commercial vendors offer geodemographic segmentation systems that can be useful; these systems include geoSmart in Australia; MOSAIC, available in 20 countries; ACORN in the United Kingdom, and PRIZM in the United States. Each system works by assigning households to demographically (and, for some, behaviorally) distinct segments. For example, by merging the U.S. Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance System database with the PRIZM database, researchers were able to segment binge drinkers—individuals who self-reported consuming 5 or more drinks on at least 2 occasions in the past 30 days. The merged dataset identified the top 10 clusters with the highest concentration of adults engaging in binge drinking and provided estimates of the market areas where they resided. (Moss et al., 2009).

Profiling

Once a group has been segmented, developing a profile of each segment provides the information needed to choose which segments to target and then to develop marketing strategies customized to their characteristics. Profiles typically outline the size of each segment and

whatever characteristics are helpful for developing strategies to bring about the desired behavior change. For population-based programs, demographic characteristics –age, sex, marital status, education, income, presence of children, etc.—are common. This information is often supplemented with psychographics—attitudes, interests and opinions, lifestyle, etc. as well as media habits for promotional campaigns.

Case Study: Segmentation Parents to Increase Their Involvement with Preteens

Parental involvement with preteens appears to act as a protective factor against the lure of tobacco use, yet a sizeable proportion of parents do not spend a lot of time with their preteens. The U.S. Centers for Disease Control and Prevention (CDC) used segmentation and targeting to identify parents who would be willing to become more involved, and then developed *Got a Minute? Give it to Your Kid,* a campaign kit for state and local tobacco control programs to use to reach them.

Early work included a review of the parenting literature and convening an expert panel. From these emerged seven types of effective parenting interventions, which were ultimately narrowed to two possibilities that were strongly supported in the literature, could be most easily communicated, showed the greatest potential for interesting parents and would not overlap too much with other campaigns aimed at parents: (1) convincing parents less involved with their children to become more involved (e.g., encourage more awareness of their child's life, more activities with their child and better monitoring of where their child is), or (2) attempt to spur parents who were not setting clear rules to set and enforce such rules. CDC also decided to focus on parents of children ages 9-12: the years immediately before children are likely to be offered their first cigarette at age 12.

A mixture of qualitative and quantitative research methods was used to segment audiences. Initial focus groups divided parents into those who were heavily involved with their child's life (doers) and those who were less involved (non-doers) and explored what might get them more involved or setting clear rules. Both groups were eager to connect better with their children but not eager to set or enforce rules about tobacco or other subjects.

In addition to the focus groups, a combination behavioral and psychographic segmentation was used to find clusters of parenting styles. The analysis used data from Healthstyles, a survey of adults containing demographic, psychographic, and health and wellness questions. First, 21 items from the Healthstyles survey that measured parenting styles were factor analyzed. Next, k-means cluster analysis of the resulting factors categorized parents into groups with maximum similarity within each group, but maximum distinction between groups. Researchers chose a three-cluster solution: (1) On-Target Parents, who appeared high in positive involvement, rule setting, enforcement, and confidence that they could protect their children from behavioral and health risks; (2) Non-enforcers, who were very involved in their child's life and wellbeing, articulated clear rules but were lax in enforcing them, and lacked confidence that

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they could protect their children; and (3) Less-involved Parents, who showed the lowest levels of involvement and rule setting, though they were not quite as lax in rule enforcement as the non-enforcers, and who were somewhat unconfident about protecting their children from behavioral risks. Other questions in the database were then used to develop a profile of each group, including size estimates and media use. CDC chose to target less-involved parents. The profiling revealed that this group was not demographically distinct (i.e., its members could be found in a variety of demographic groups), wanted to spend more time with their children but did not know how, had low self-efficacy on a wide range of behaviors, tended to be overwhelmed and had a great deal of trouble finding time to spend with their children.

The segmentation research was used to develop a campaign that emphasized offering parents simple ways to get more involved with their child. Campaign materials emphasized the parents' desired benefit of better communication with their preteen, offered suggestions that would require little parental time (to overcome that barrier), and modeled the behavior to improve self-efficacy. Equipped with ideas and improved confidence, parents should then be more likely to engage in the behaviors targeted by the campaign, establishing an involved parenting style that is likely to act as a protective factor against tobacco use.

Sources: AED. (2002). *Audience Segmentation Recommendations: Employing Parenting for Prevention of Youth Tobacco Use*. Submitted to the Centers for Disease Control and Prevention/ Office of Smoking and Health. Washington, DC: Author.

Centers for Disease Control and Prevention. (undated). *Got a minute? Give it to your kid*. A ready-to-use tobacco control program focusing on parents. Atlanta, GA: Author.

Targeting: Selecting Segments

'Good segmentations identify the groups most worth pursuing. '

 Yankelovich & Meer, 2006:2

Undifferentiated marketing is the term used to describe targeting the whole market with one offer rather than segmenting; differentiated marketing involves designing separate offers for two or more market segments; concentrated (or niche) marketing involves focusing limited resources on niches that may be overlooked by larger competitors; and atomization or segment-of-one marketing involves customizing offers for individual consumers (Weinstein, 2004).

Available resources should play a large role in determining which type of marketing to pursue. Common criteria for selecting segments include:

- Size. Targets should be big enough to warrant attention and have the potential to make an impact on the problem being tackled (Hasting, 2008).

- Accessibility. Useful segments are those that the program has the distribution channels and resources to reach effectively and efficiently.

- Responsiveness, or likelihood to change.

- Actionable. The sponsoring organization has sufficient resources to develop programs that can serve the segments.

- Pertinence to organizational mission.

Donovan and colleagues (1999, 2003) developed the TARPARE model to help understand segments and assess the viability of addressing them with limited resources.

T: Total number of people in the segment; generally, the greater the number, the higher the priority.

AR: Proportion of people At Risk in the segment, based on assessments of proportions classified as low, medium or high risk with respect to the issue; associated risk factors, and expected benefits of risk reduction in the segment. In general, the greater proportion at risk, the greater potential return and therefore the category's higher priority.

P: Persuasibility of the target audience; generally, the more feasible it is to change the attitudes or behaviors of the segment, the higher the priority of the segment.

A: Accessibility of the target audience—how easy (and cost-efficient) it is to reach each segment via available channels.

R: Resources required to meet target audience needs—financial, human, and structural—

and whether the resources are available to reach each segment or would have to be added.

E: Equity—including social justice considerations, such as whether small groups warrant

special programs for reasons of equity.

TARPARE was developed as a qualitative assessment, though it can also be represented as a

weighted multi-attribute model. See Donovan and Henley (2003) for details.

Case study: Segmentation for a Multi-Country Anti-Smoking Campaign

In 2005, the European Union launched an anti-smoking campaign, 'Help—for a life without tobacco,' across its (at that time) 25 member states. Campaign goals are to encourage a tobacco-free lifestyle, help existing smokers to stop smoking, and reduce passive smoking. Television advertisements are the main component of the campaign; they aired in January and September in both 2006 and 2007 on national television channels and three pan-European providers. Three advertisements were developed to address each theme, conveying that tobacco is a problem that takes many forms, including the dangers of people starting smoking, the difficulty but importance of people stopping, and the damaging effects of environmental tobacco smoke on non-smokers. All used a persuasive approach and were linked with a unifying slogan and an ironic device (substituting a party whistle for a cigarette).

For the segmentation, researchers used data from a 10-minute telephone survey conducted in 2006 and 2007; total sample sizes (with a goal of 1000 per country) were 24,125 in 2006 and 24,161 in 2007. Segmentation analysis was restricted to current smokers who had seen at least one of the three advertisements (n=2,474 for 2006 and 2,491 for 2007). Researchers first used chi-square tests and ANOVA to assess degree of awareness of the advertisements; smokers were more aware of the advertisements than non-smokers or ex-smokers. Next, they used confirmatory factor analysis to assess the reliability and validity of the three main constructs of interest: attitudes toward the campaign, comprehension of main messages, and level of responsible thinking (elaboration). At both waves, measurement models revealed adequate fit so the items used to measure each construct were averaged together in a scale. Finally, they used hierarchical clustering followed by k-means analysis to segment smokers in the 2006 study on the scaled variables. The result was three clusters: Message Involved (n=759; 43%), Message Indifferent (n=691; 39%), and Message Distanced (n=317; xx%). For the Message Involved, all three variables--attitude, comprehension, and responsible thinking--had greater relevance. In addition, this group had the highest intent to quit smoking and smoked significantly less than the Message Distanced. Attitude, comprehension and responsible thinking had average relevance to the Message Indifferent; this group tended to be younger and to comprehend, but not think responsibly about, the anti-smoking message Members of the Message Distanced were the least likely to think responsibly about the message and had the lowest intention to quit (71% said they had no intention of doing so). To validate the clusters, researchers replicated the analysis using

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the 2007 data. They also found no significant differences in the proportion of smokers from each country in each cluster across the two years of data. They concluded that the clusters were stable.

Researchers also examined the proportion of each cluster within each member state, and found that they were not evenly distributed; Austria, Hungary, Lithuania, the Netherlands, and Spain had greater proportions of Message Indifferents and fewer Message Involveds than countries including Cyprus, Czech Republic, Finland, Germany, Ireland, Malta, Poland, Portugal, Slovakia, Slovenia and the United Kingdom.

Source: Walsh, G., Hassan, L.M., Shiu, E., Andrews, J.C., Hasting, G. (2009). Segmentation in social marketing: insights from the European Union's multi-country, anti-smoking campaign. *European Journal of Marketing, 44* (7/8), 1140-64.

Identifying and Overcoming Organizational Barriers to Segmentation

Organizations confront a number of barriers to successfully conducting useful segmentation studies, including shortage of data, unsuitable personnel, operational problems and resistance to change (Dibb and Simkin, 2009). Once a segmentation study has been conducted, three common pitfalls that often result in disappointment with the results are: excessive interest in consumers' identities, which distracts from the product features that matter most to current and potential customers; too little emphasis on actual consumer behavior; and undue absorption in the technical details of segmentation, leading to segments which management doesn't understand or trust (Yankelovich & Meer, 2006).

Dibb and Simkin (2009) developed a series of 'rules' to help bridge the theory/practice divide that often occurs when organizations conduct and attempt to implement segmentation studies; dividing guidance into before, during and after segmentation. Advice includes applying appropriate resources, seeking early stakeholder support, encouraging commitment by articulating benefits, managing expectations, an d producing a detailed implementation plan so

that people, budgets, program and managers' outlooks are aligned with the segments and priorities.

Conclusion

Market segmentation and targeting is an important component of social marketing; it is the means by which we determine how to best bring about behavior change. Strong segmentations identify conceptually distinct groups that respond in different ways to different elements of the marketing mix. Targeting decisions take into account the size of segment, its accessibility and likely responsiveness to the intervention, and whether the organization has the necessary resources to serve the segment(s). Since segmentation studies require substantial resources and commitment, it is critical to actively manage their conceptualization, implementation, and application.

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