A GUIDE TO Customer Segmentation

HOW MARKETERS CAN IDENTIFY THE MOST MEANINGFUL SEGMENTS

kenna

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INTRODUCTION

"If you're not thinking segments, you're not thinking. To think segments means you have to start thinking about what drives customers, customer groups, and the choices that are or might be available to them."

Theodore Levitt,
The Marketing Imagination

While most if not all marketing professionals might agree with the basic concept of segmentation, its practical application on the job tends to be problematic.

For one thing, marketers tend to confuse market and customer segmentation. Each form of segmentation yields a different picture which they're never quite certain how to marry together. Another challenge is that they often end up creating segments which are simply inactionable – too abstract, too many or too few, too detailed or too complex, or simply too removed from the reality and pressures of everyday demand generation.

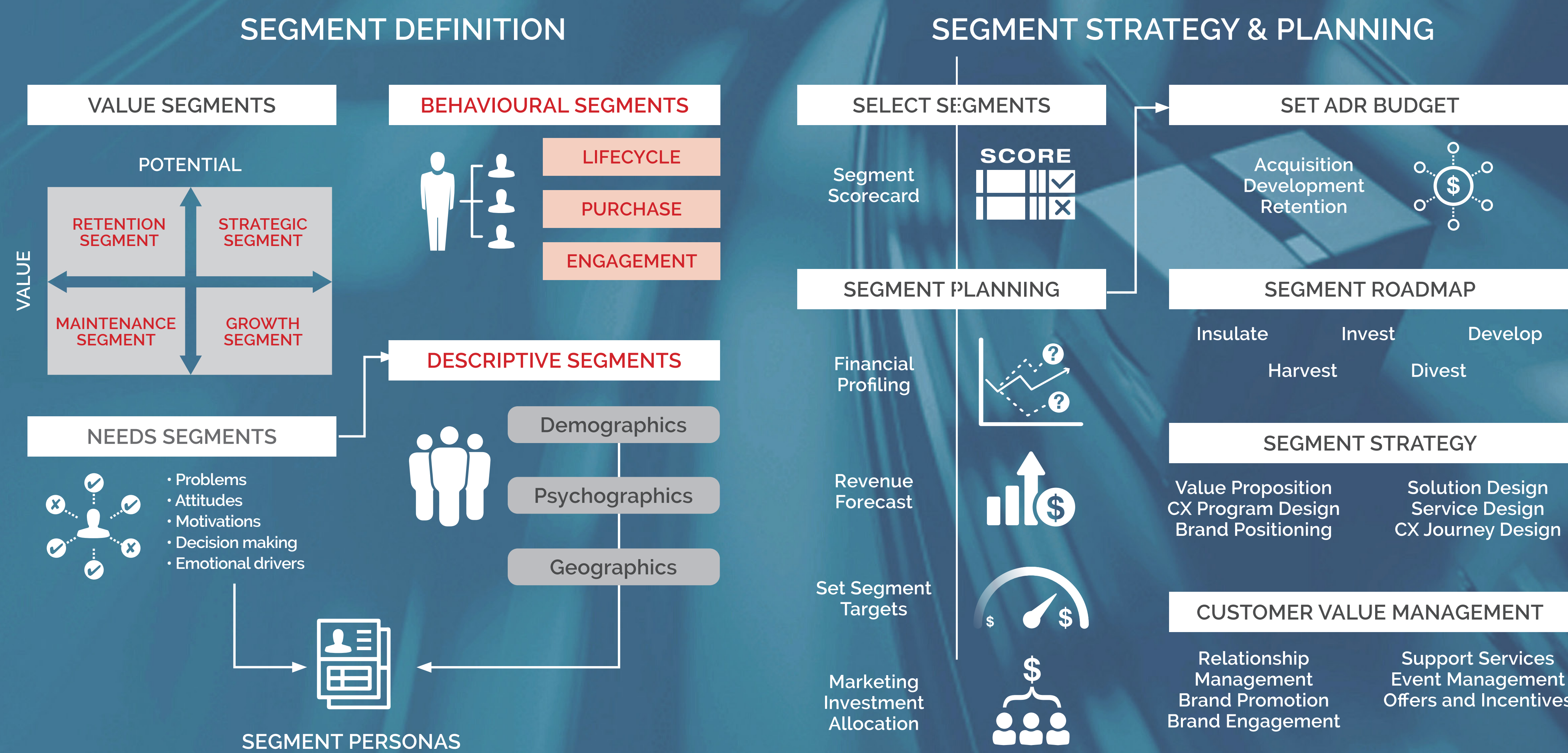
The outcome of many segmentation exercises is often a massive slide deck, a nice wall poster, a few theatrical personas and no coherent strategy – no way, in fact, to convert segment insight into strategic advantage. This lack of segmentation literacy holds back marketers from fully capitalizing on what can be a powerful tool to drive strategy - if done right.

The purpose of this strategic brief is to outline how marketers can use segmentation to identify the truly meaningful segments – and then use that knowledge to close the gap between what customers want and what the brand offers. In short, how to do it right.

"Any market can be segmented in several ways. The marketer hopes to recognize a substantial unmet need that might represent a profitable market opportunity."

Phil Kotler, Kotler on Marketing

SEGMENTATION CANVAS



THE TRUE VALUE OF SEGMENTATION

Where marketers often go wrong with segmentation is that they actually fail to appreciate its true value.

While they might understand its innate purpose – namely, that no brand can ever be all things to all people, therefore it makes sense to focus greater effort on the most likely buyers – segmentation often gets used mainly to describe the marketplace.

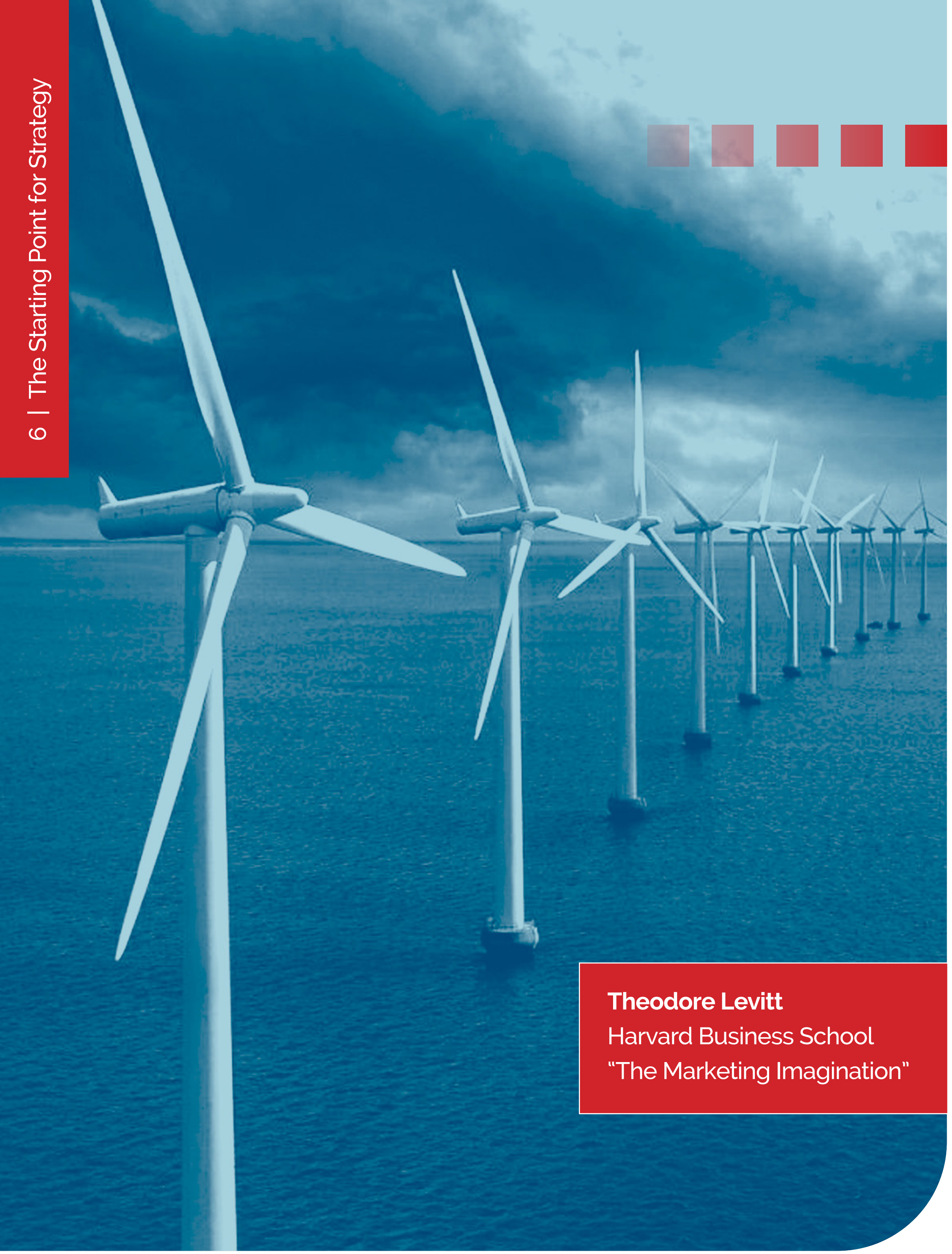
Typically a consumer population within a defined category is partitioned into similar-looking groups, usually on the basis of demographics or psychographics, and then that segment schema is used to define target audiences and position the brand (known in marketing jargon as "Segmentation, Targeting and Positioning").

Yet segmentation, done right, offers so much more than that.

Segmentation can indeed sharpen our understanding of the market – define the eligible population of potential buyers – identify the most desirable ones based on strategic fit - distinguish between good and bad customers – and ultimately allow marketers to identify the true loyalists deserving of special treatment. However, where segmentation really pays off is in helping marketers zero in on those customers whose needs are being ignored or underserved.

There are countless ways to segment markets and customers, as we'll explain in this Guide. No one form of segmentation offers all of the answers. So the process of segmentation must begin by asking ourselves this question: What outcomes do we expect to achieve by applying segmentation?

Where segmentation really pays off is in helping marketers zero in on those customers whose needs are being ignored or underserved.

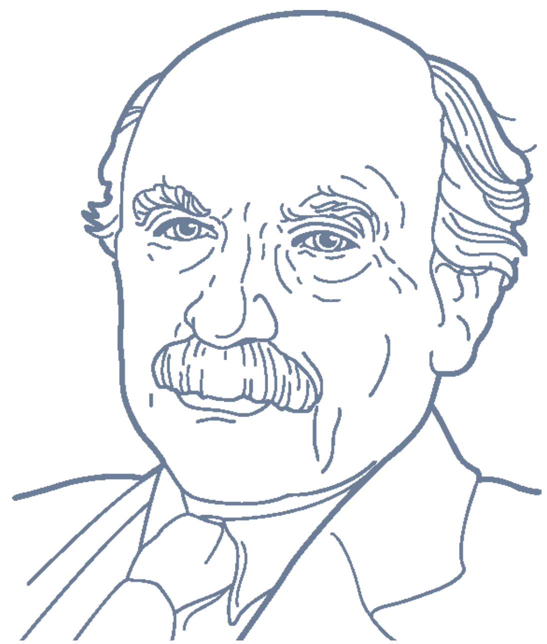


Theodore Levitt
Harvard Business School
"The Marketing Imagination"

THE STARTING POINT FOR STRATEGY

The legendary Theodore Levitt said it best: "To think segments means to think beyond what's obviously out there to see."

What Professor Levitt meant is that if the purpose of a brand is to deliver tangible value in some differentiated way, the job of marketing is to know how customers define value. The answers are never obvious, mostly because customers themselves are not always sure what they want. More importantly, different customers want different things.



The challenge for marketers is to identify those differences and segment people accordingly. They can then pursue meaningful brand differentiation which is "a central part of the marketing effort" Professor Levitt explained.

The trouble with segmentation, however, is that it's tough to get right. Human behavior is complex. We are not entirely rational thinkers. We often let our emotions overrule our cognitive decision making. We differ in how we think, feel and act. Which makes it hard to put people into nice tidy homogeneous groups. What we believe and what we value as individuals seldom lines up with our age cohort or where we choose to live or our socioeconomic class.

We cannot expect a single, one-size-fits-all segmentation model to do all the heavy lifting – to discern the meaningful differences between customers. Instead we need to approach the challenge more holistically. We need to think of segmentation as less a tool and more as a toolbox. Above all, we need to think of it as the starting point for strategy.

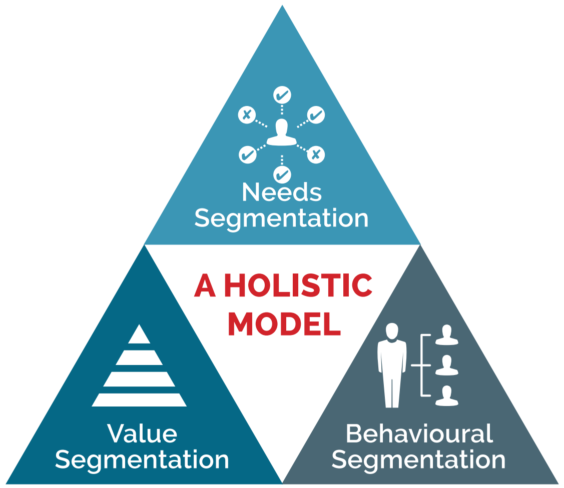
A HOLISTIC MODEL

The right segmentation model is one that is right for the business.

A new company just starting out wants to know which segments of the market will offer them the best shot at success. A fast-growing expansionist company wants to know which adjacent markets have many of the same type of customers they already have. A mature established company wants to leverage its existing customer relationships by finding novel ways to create value for them.

Common across all of these business scenarios is the need to come up with marketing strategies that will lead to a more appealing and distinctive value proposition - more relevant brand positioning and messaging - more memorable brand experiences – more timely and relevant interactions. In short, segmentation delivers better marketing outcomes as a result of knowing what matters most to different customers.

The right segmentation model is actually three models rolled into one. Value Segmentation tells us which customers we should focus on (simply because they offer the greatest return on our investment). Needs Segmentation tells us how we can play an essential role in their lives. And Behavioral Segmentation tells us how we can be more relevant in our interactions and communications with them. This single holistic model gives marketers a full multi-dimensional picture of their customers: what they think, how they behave and how valuable they are, now and in future.



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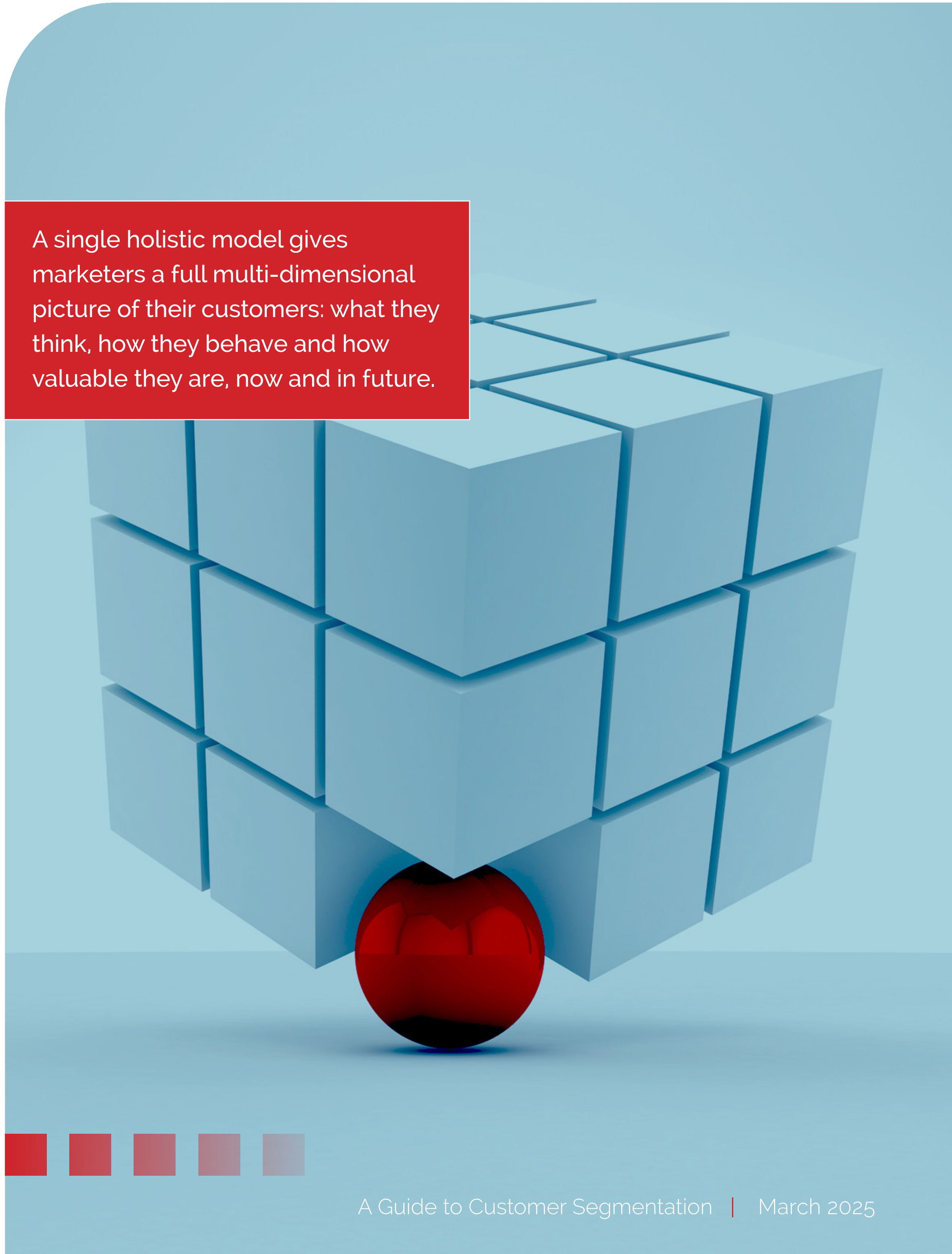
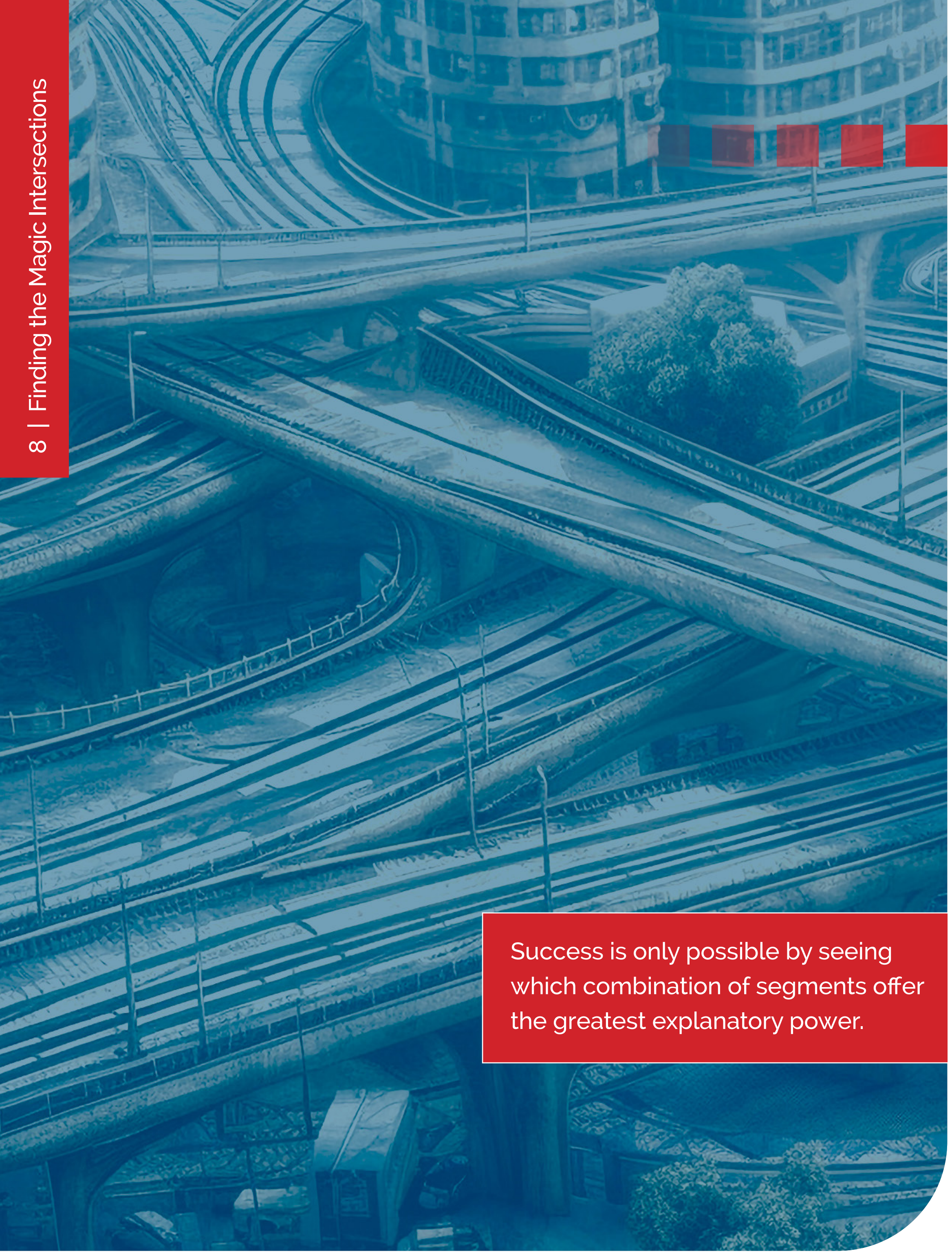




Success is only possible by seeing which combination of segments offer the greatest explanatory power.

FINDING THE MAGIC INTERSECTIONS

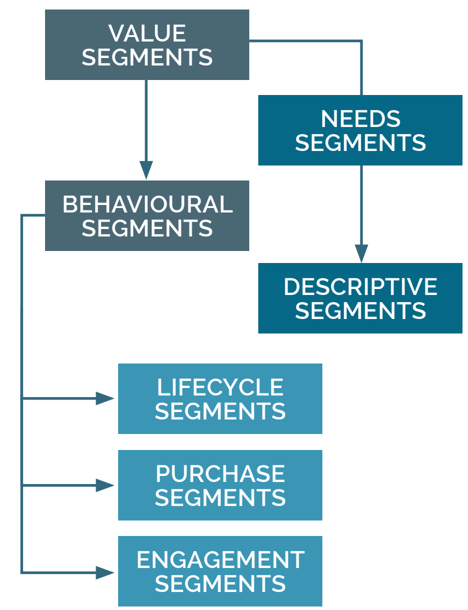
Multidimensional segmentation is a lot like trying to solve a Rubik's Cube.

You start out with all of these scrambled colored squares and then you need to figure out how to get the colors matched up on all sides by twisting, turning, and rotating the cube faces. All kinds of combinations are possible, but there is just one right solution.

The same goes for segmentation. Success is only possible by seeing which combination of segments offer the greatest explanatory power.

The right solution is one which finds the strongest correlations across value, needs, and behavior. What emerges from the segmentation analysis is a set of nested sub-groups. Each node of the segmentation tree – each distinct group - is similar in how segment members behave and engage. And then each group can be profiled in terms of their demographics and psychographics.

The marketer must then look for the "magic intersections" – sub-groups of special interest – that represent a market opportunity. Think of a first-year customer on a faster-than-usual spending trajectory. Or a long-time repeat customer who is highly engaged. Or an infrequent buyer who just happens to be heavy spender. If a group is sizable and cohesive enough, it deserves to be actioned in some way.



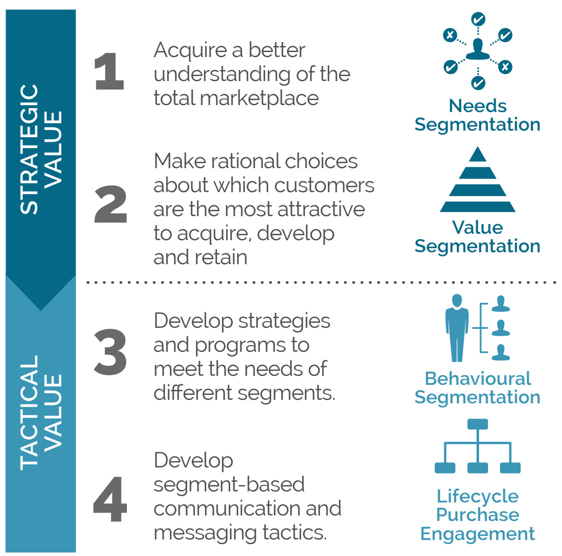
GETTING SEGMENTATION RIGHT

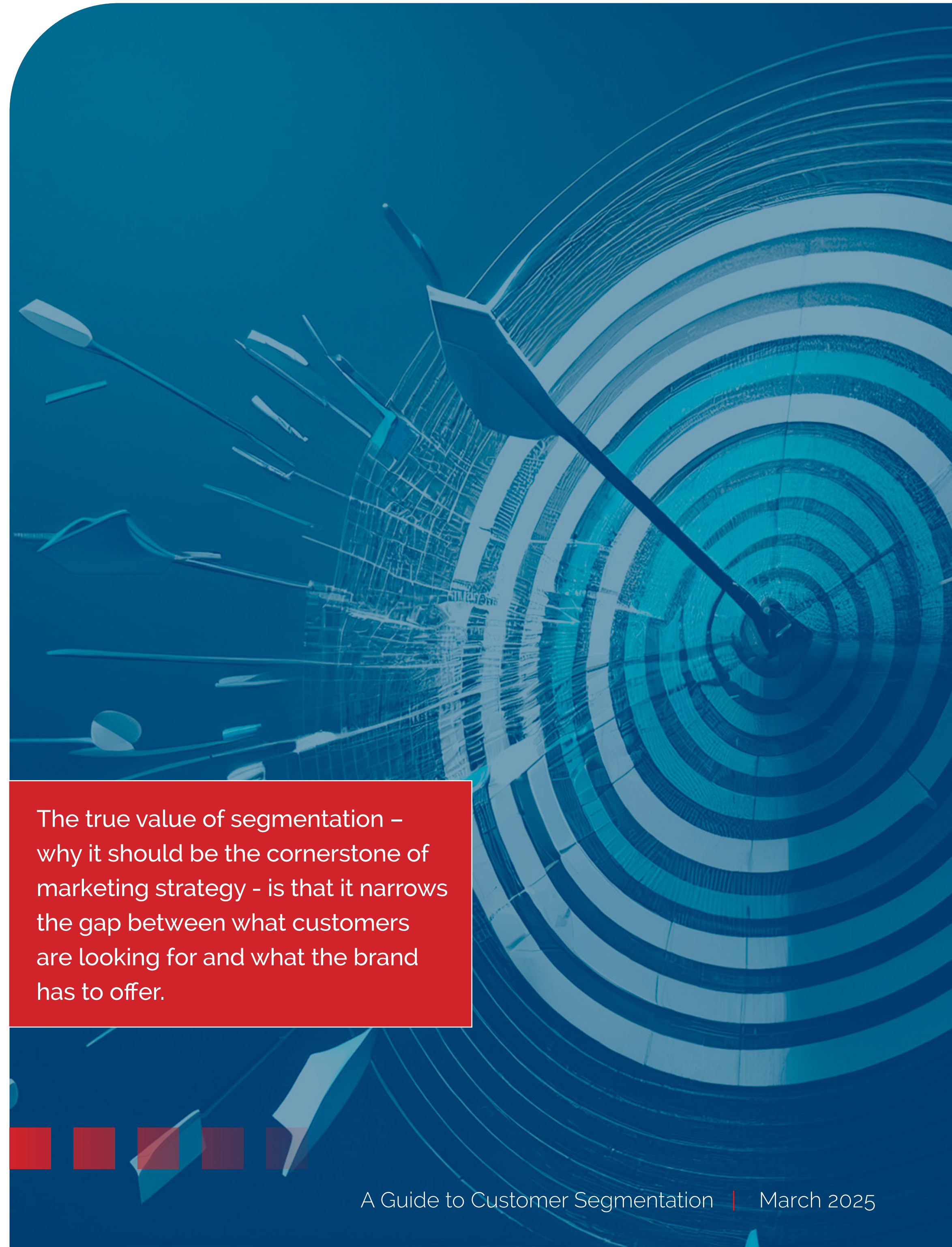
If the sole motivation behind a segmentation initiative is to target customers more effectively with tailored messaging or offers, it is largely a waste of time. The best that can be expected is to save a few marketing dollars in communication costs or bump up the sales conversion rate marginally.

The true value of segmentation – why it should be the cornerstone of marketing strategy - is that it narrows the gap between what customers are looking for and what the brand can offer.

Marketing strategies are never formulated around individual consumers or businesses. Marketers do not invest in new products and services based on what each individual customer wants. Those decisions get made, almost always, on the revenue generating potential of many like-minded customers with similar needs. Rational choices have to be made about which segments make the most sense to pursue based on their market attractiveness. Are the needs of those customers best served by our brand? Do we offer them value they cannot find elsewhere? Will our message resonate with them?

By pairing Value and Needs Segmentation marketers can make that determination – know which customers are the best strategic fit. Those segments then become the focus of the business. The job of marketing at that point is to figure out how to manage relationships with those customers over time – designing and assembling strategies and programs that will maximize their lifetime value.





The true value of segmentation – why it should be the cornerstone of marketing strategy - is that it narrows the gap between what customers are looking for and what the brand has to offer.

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VALUE SEGMENTATION

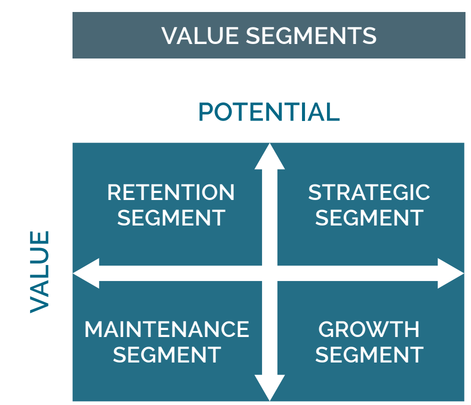
The purpose of value segmentation is to funnel marketing effort and resources toward those customers who offer the greatest potential for growth.

In its simplest form, Value Segmentation can be visualized as a 4-cell grid with Value on the Y axis, representing current spending, and Incremental Revenue Potential on the X axis, meaning the share of category spending we don't have.

The upper right quadrant is where we want to invest – customers high in current and potential value. The upper left quadrant is high value but we may have already captured a lot of their spending. The bottom right quadrant is probably the competition's customers, and the bottom left quadrant is the least appealing, being low in current value and potential.

If sufficient sales detail is available, each segment can be further divided based on a top-to-bottom decile ranking of customers based on past spending. What that analysis almost always reveals, of course, is just how few customers truly account for much of the recurring revenue. It is not unusual to find small sub-sets of customers who are driving 60-80% or more of revenue.

The advantage of calculating the potential incremental value of customers is that it shows us just how much unrealized growth there is within the customer portfolio. Some of that growth can be realized through more effective cross-selling and up-selling - some by capturing a greater share of category spending from brand switchers – some by creating new forms of value for existing customers based on known or latent needs.



NEEDS SEGMENTATION

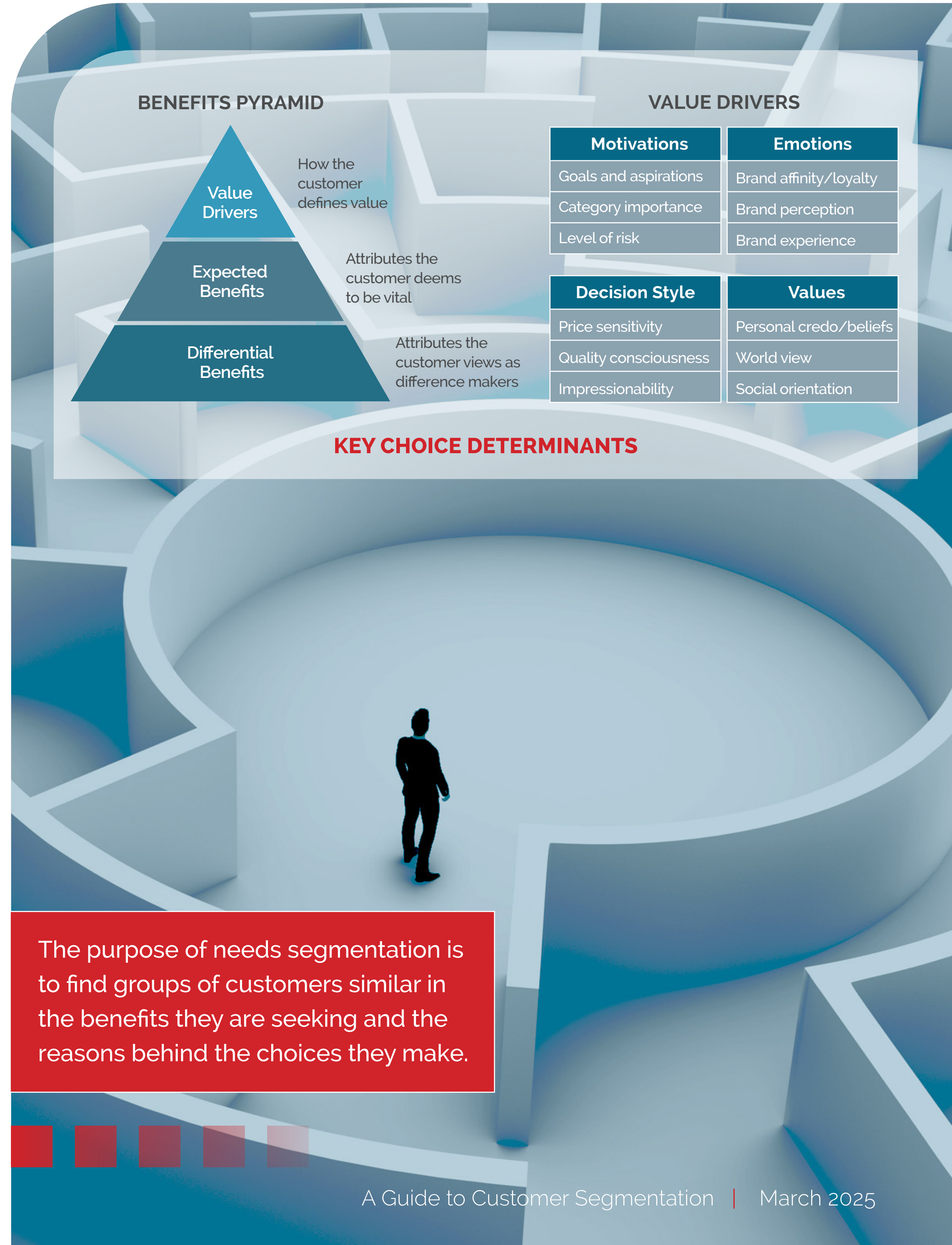
So why do different people want different things?

Just classifying people into groups based on who they are or how valuable they are or even their buying patterns will offer very few clues. The only way to gain insight into why people make the choices they do is to understand the underlying motivations and attitudes that drive their decision making. What problem are they trying to solve? How urgent and important is that need? How do they define value? What really matters to them most?

The purpose of needs segmentation is to find groups of customers similar in the benefits they are seeking and the reasons behind the choices they make. If marketers can figure out what those segments look like, it becomes so much easier to identify those customers most likely to be interested in what the brand has to offer. More importantly, that insight leads to the possibility of developing a new or extended value proposition that is aligned with the needs of customers.

There are two steps to an intelligently designed needs segmentation: the first is to divine the benefits that customers are looking for – the second to probe for the value drivers that explain why. Anytime someone makes a purchase decision they are taking into consideration their full need set – a stacked ranking, in their mind, of expected benefits and desired outcomes. Those benefits can be divided into base expectations – the minimum requirements that must be met – and differential benefits – the ones that are tie breakers (that's where brand differentiation and positioning eventually come into play).

Once customers are placed on this value spectrum (think premium seeking buyers versus bargain hunters) they can be sub-divided on the basis of their purchase motivations, decision style, underlying emotions (how they feel about the brand), and even their personal values and beliefs.



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BEHAVIOURAL SEGMENTS

LIFECYCLE SEGMENTS

Defined by the stage of the customer relationship

- Tenure
- Current State
  - New
  - Active
  - Mature
  - Declining
  - Dormant
  - Lapsed
- Lifetime Value

PURCHASING SEGMENTS

Defined by current and past purchase history

- # Brands
- Past Yr Sales
- Prev YR Sales
- Growth Rate (+/-)
- Category X-sell
- Avg Spending
- Share of Wallet
- Purchase Frequency
- Purchase Intervals

ENGAGEMENT SEGMENTS

Defined by the level of brand engagement

- Social Interactions
- Web Interactions
- Mobile Interactions
- Service Interactions
- Event Enrollments
- Subscriptions
- Community Signups
- Loyalty Points
- Reviews/Feedback

BEHAVIOURAL SEGMENTATION

Where segmentation becomes actionable at a tactical level is when actual behavioral data can be used to identify common purchase patterns and product affinities.

As a customer relationship matures over time, behavioural patterns change and evolve. New first-time customers, for example, will branch into two groups: those who are one-and-done, and those who convert into repeat buyers. Customers who remain active may settle into a steady, predictable spending pattern, never deviating too much from average, while the growth velocity of others may take a sharp upward or downward turn. Long-time devoted customers may favour a single product category which they purchase at regular intervals, while brand enthusiasts, who are always open to new products, may buy across as many different product lines as possible. And, of course, customers will vary dramatically in their degree of brand engagement and cross-channel activity.

The purpose of behavioral segmentation is to find those groups of customers whose purchase and engagement patterns are so distinct that they merit differential treatment. It enables marketers to guide customers along the relationship continuum from first-time buyer to lifelong loyalist – giving them a reason to stay connected – while offering continuous value to lock in their loyalty.

Cross-sell programs are an obvious marketing opportunity, targeting active customers with "next best offer" promotions based on observable affinities. Rewarding customers for crossing certain spending thresholds - informing them of ancillary products triggered by a recent purchase – encouraging them to provide feedback and suggestions in the aftermath of a purchase – inviting them to participate in brand events and community forums - all of these relationship programs and more pivot around distinct behavioral segments.

The purpose of behavioral segmentation is to find those groups of customers whose purchase and engagement patterns are so distinct that they merit special treatment.

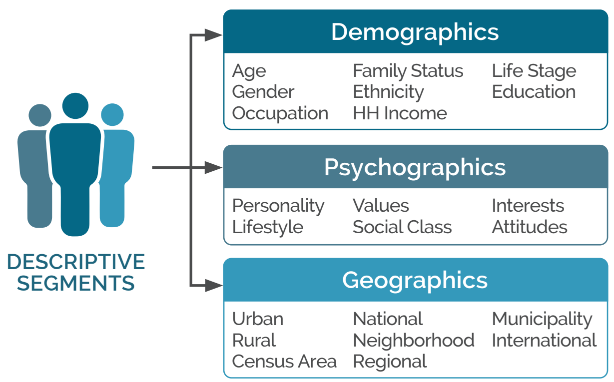
DESCRIPTIVE SEGMENTATION

Conventional approaches to segmentation have always leaned heavily on the demographic characteristics, geographic location, and psychographic profile of customers. Target segments are selected based on what marketers figure are their core consumers according to their market research. They then select the appropriate media mix to target those customers with messaging aimed at the "average" buyer who matches that profile.

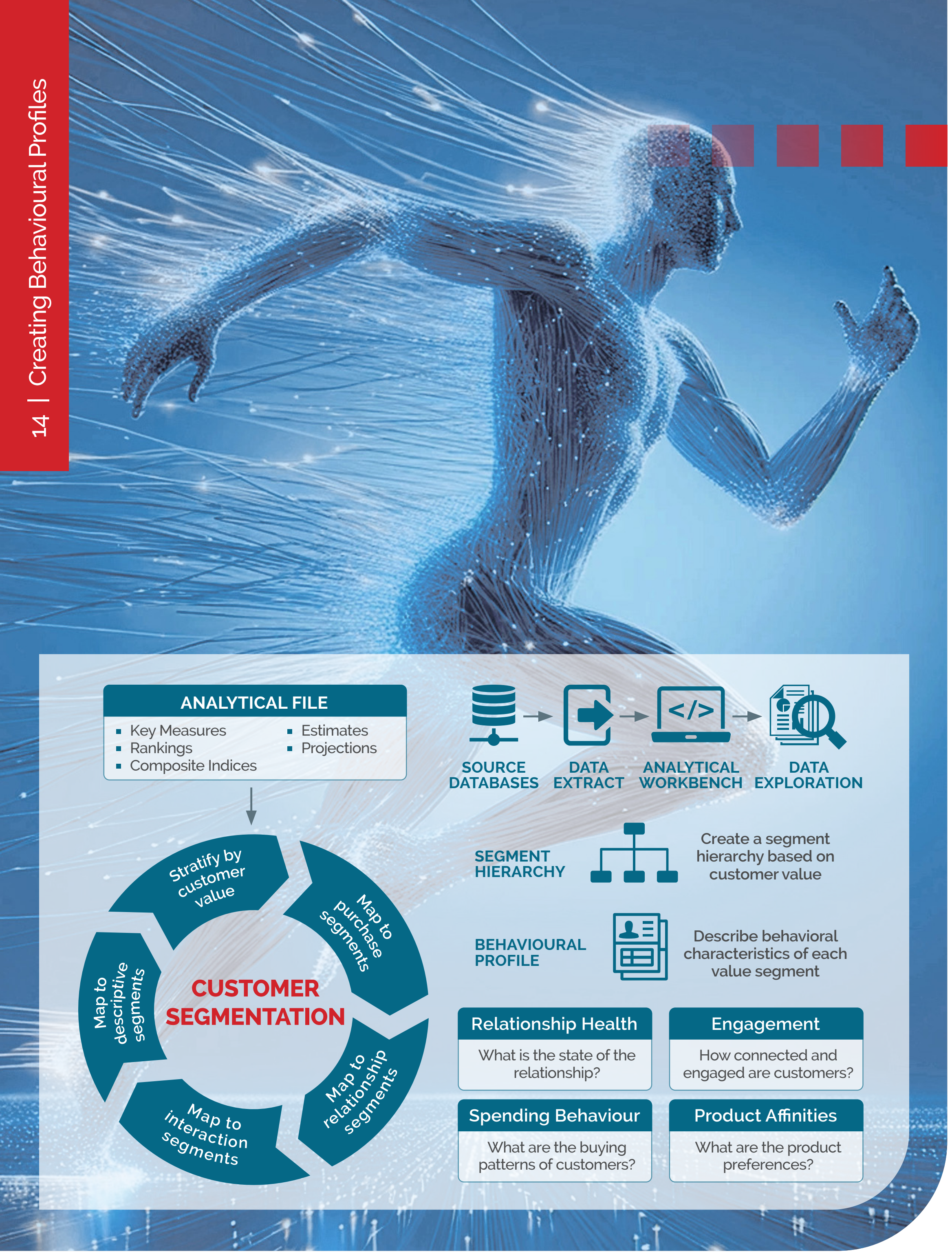
That targeting approach was effective when most of the marketing budget got absorbed by mass advertising. In those days it was important to pre-determine who the most likely consumers were and how to reach them in order to make the best use of media dollars. Today marketers have to ability to mico-target their audiences, whether through social media, e-mail or other forms of data-driven communications. But that doesn't mean it isn't worthwhile to understand what customers look like – it just means that descriptive segmentation has more of a support role to play.

Rather than segment the market on the basis of what customers look like – whether that's by generational cohort, lifecycle stage, social class, lifestyle or interests – and then make tenuous assumptions about how they are likely to respond or behave, marketers can use that same information to draw a clearer picture of the customers who make up the Value and Needs segments.

In other words, marketers just need to flip the standard approach by first selecting the desired segments on the basis of Value and Needs and then describing them. No doubt some correlations will be found – lifestyle, for example, often explains the choices customers make - and those findings can provide crucial detail to create vivid segment profiles (known as "personas").



The purpose of descriptive segmentation is to draw a clearer picture of the customers who make up the Value and Needs Segments



CREATING BEHAVIOURAL PROFILES

In order to identify and profile the key behavioral groups, a systematic analysis of the customer base is required. The goal is to see how customers differ in their behavior, and to set performance benchmarks that can guide strategic planning.

Raw transactions are extracted from multiple systems of record and converted into a Single View of Customer (SVOC), or from a Customer Data Platform. An analytical file is then created which is used to create rankings, run correlations, create composite indices and append other calculations such as lifetime value, model scores, and spending estimates. All of this information is then organized into different profile dimensions.

- **Value Stratification** – The Value Segments are created by stratifying the customer base into past year spending deciles and then sub-dividing those segments based on incremental spending potential (what they might be worth if you captured all of their category expenditures).
- **Relationship Health** – Customers are grouped by lifecycle-related measures such as tenure, share of wallet, retention rate, lifetime value and other relationship state indicators.
- **Spending Behaviour** – Customers are grouped based on their spending history and buying patterns, including their purchase frequency, purchase intervals, average spending, cross-sell ratio, and growth velocity year-over-year.
- **Product Affinities** – Customers are grouped based on the types of products they buy, in what sequence and combination, and their migration paths across categories.
- **Engagement** – Customers are grouped based on their brand interactions and level of engagement, such as program enrollments, event registrations, community involvement, service interactions, app usage, reviews and comments and more.

A systematic analysis of the customer base is required to identify and profile the different behavioral groups.

CREATING NEEDS SEGMENTS

The creation of Needs Segments that can be directly tied back to the Value Segments involves conducting a comprehensive census survey of the customer population.

An e-mail file is pulled from the SVOC or CDP database with ID tags that can allow survey respondents to be matched back to their master record. A qualitative research study is then deployed asking customers to respond to a series of statements designed to elicit their level of agreement. The statements are organized into various dimensions:

- **Benefits** – Customers are asked about the challenges they face, the benefits that matter to them, from most to least important, as well as what attributes they consider to be tie breakers, all else being equal.
- **Attitudes and Motivations** – Customers are asked about the intangible factors that influence their choice, what their alternatives would be if the brand or product did not exist, their interest in having a relationship with the brand, whether they are loyal to brands they like, how they compare the brand to competitors, how often they switch, and what might cause them to defect.
- **Decision Style** – Customers are asked about how they like to make decisions, how much research they typically do, how price sensitive or impulsive they are, how they compare and evaluate different brands, and the importance of referrals and recommendations in their ultimate decision.
- **Emotional Drivers** – Customers are asked about their perception of the brand, how they feel about it, whether they trust it.

To find the segments that are most similar across all of these dimensions, a statistical technique called cluster analysis is used. Once the segments have been defined, immersion interviews are arranged with select customers from each segment. This qualitative feedback is then used to develop vivid segment profiles in the form of "personas" which are a composite archetype of the type of customer in each segment.

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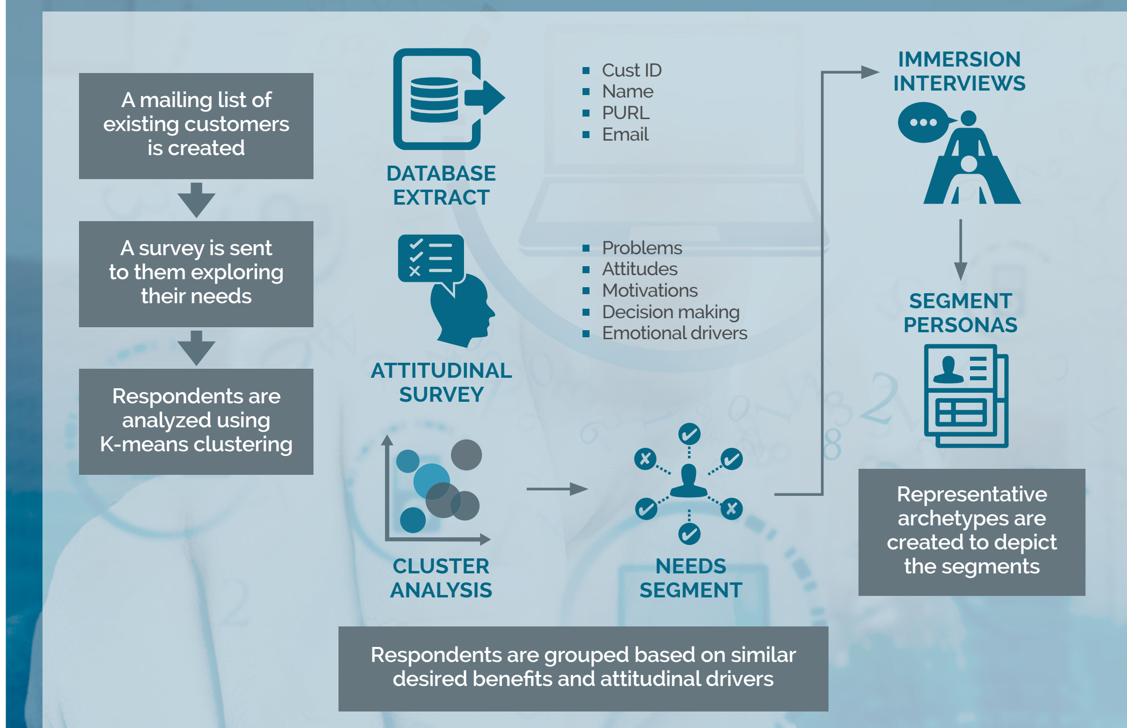
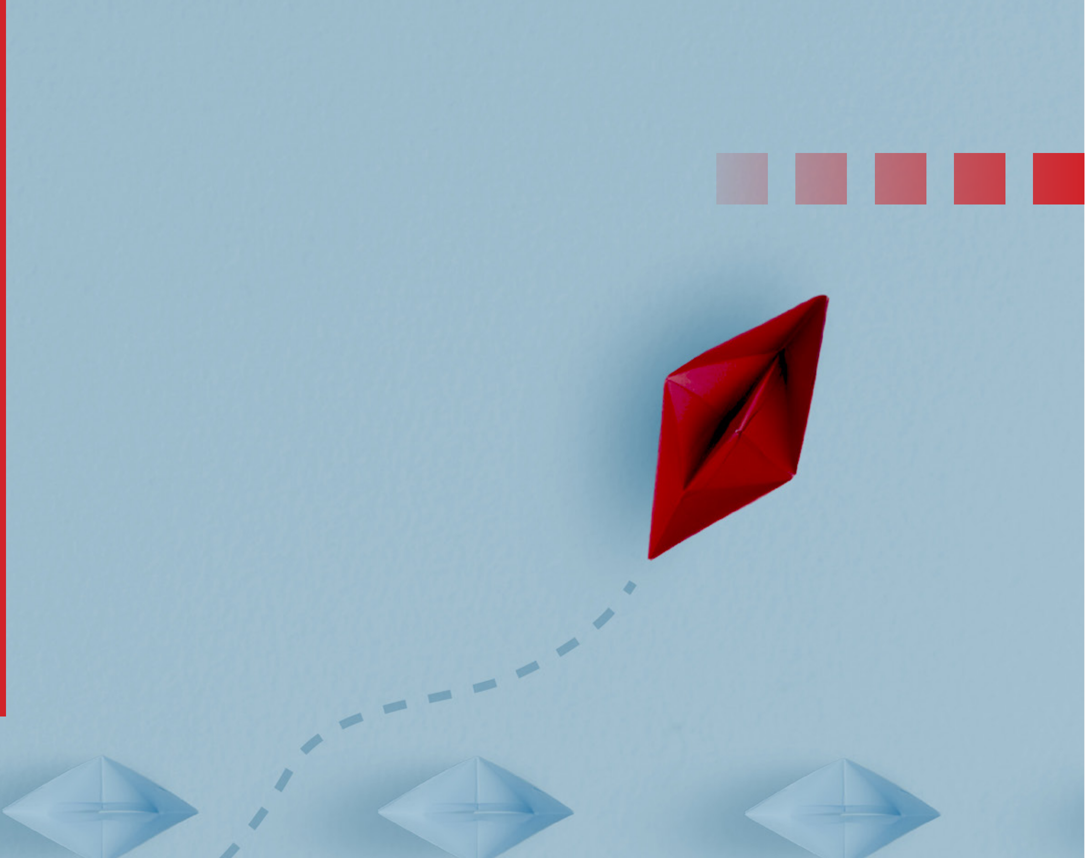
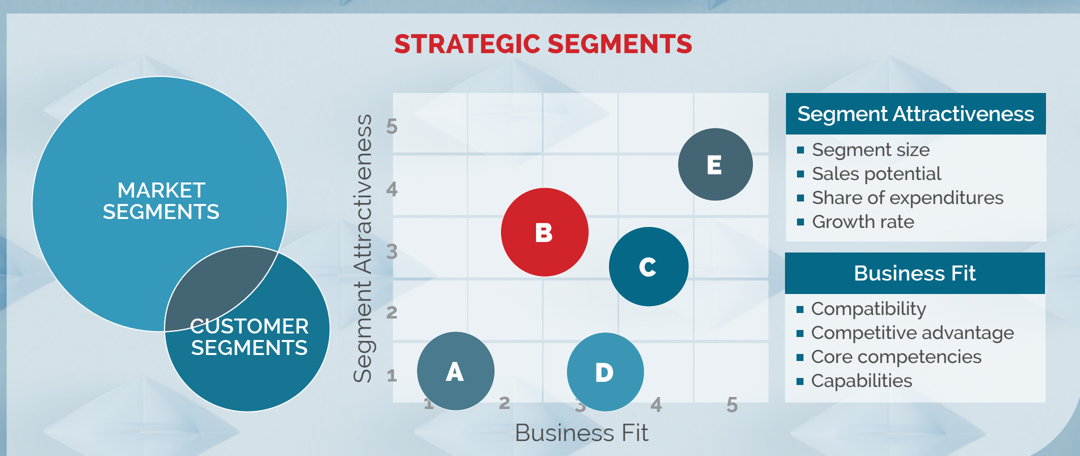




Choosing the right strategic segments to pursue involves a careful evaluation of their potential value and the ability of the company to win them over.



CHOOSING THE RIGHT STRATEGIC SEGMENTS

The Needs Segments have been defined. A clear picture of the market has been drawn. A five or six Needs Segment solution has been developed. Now the tough part: gaining collective agreement on the right strategic segments to pursue.

Choosing the right strategic segments involves a careful evaluation of their potential value and the ability of the company to win a greater share of their business. In some cases that answer may be unambigous. A specialist niche supplier may only want to serve a very narrow segment of the market which they know to be underserved or where they already have a superior or first-mover advantage. More often, however, a company competes across multiple product categories and cannot afford to go after everyone. So it must decide which segments represent the best source of future growth.

The way to tackle that question is to assess the relative value of each segment using a Segment Evaluation Matrix. On the Y axis is a set of weighted profile attributes that add up to an overall attractiveness score; on the X axis are the factors that determine the degree of strategic fit with the current competencies and strengths of the company.

Typical attractiveness criteria might include the size of the segment and how fast it is growing; the current share of category expenditures; the estimated spending potential; and much more. Business fit criteria might include how closely the company can match customer needs and expectations; the compatability of the current brand portfolio and positioning; and the level of sustainable competitive advantage.

Once the dual scores are calculated the segments are plotted on a 2 x 2 matrix. A decision can then be made to invest in those segments where the business has the greatest odds of success or where the opportunity is so great that it warrants the risk to invest in growth.

MANAGING SEGMENTS AS INVESTMENTS

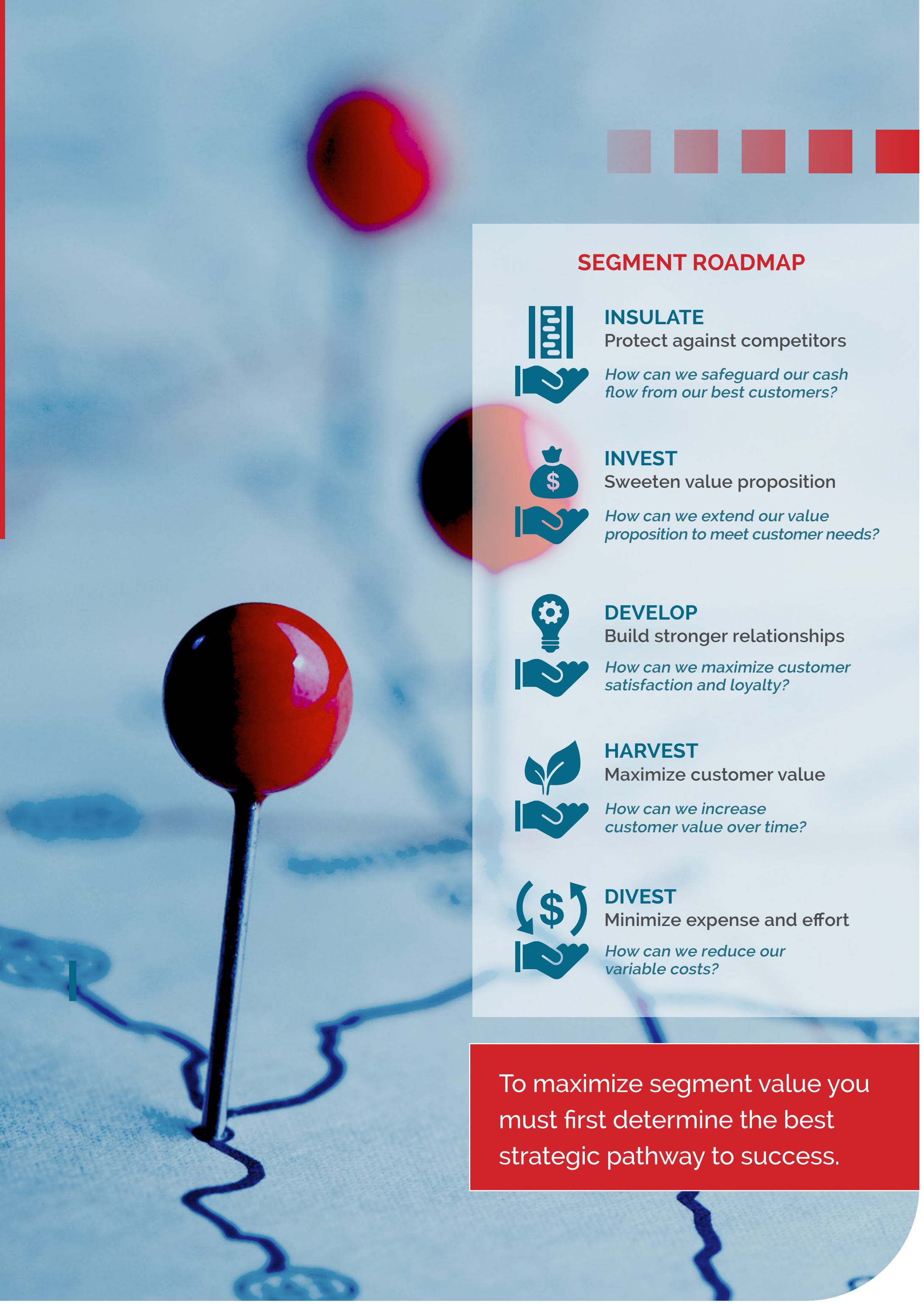
At this stage you have selected the Strategic Segments that are the best fit for the business – you have identified the Customer Segments that are the largest and most reliable source of recurring revenue – now you need to calculate how much you need to spend in order to manage those relationships and unlock greater cash flow.

Most businesses tend to set their marketing budget based on some percentage of revenue, usually in the 5-20% range, depending on the type of industry. Marketers will then split that budget across different channels, programs, and campaigns. But segmentation strategy demands a bottom-up budgeting formula based on a forecast of expected future cash flow from customers.

Each segment is financially profiled, yielding an estimate of what a customer might be worth over a specific longitudinal timeframe (usually spanning three years), using investment modelling to predict the likely cash flow. The modelling variables might include average spending, cross-sell ratio, growth velocity and retention rate. That revenue forecast can then be used to establish an allowable budget allocation divided into three broad classifications: Customer Acquisition, Development and Retention.

This bottom-up approach to budgeting is far easier to explain and justify than the more conventional top-down method because it is grounded in actual, observable behavior. The risk of over-investing in acquisition marketing, or underfunding relationship management, is mitigated. A proper equilibrium is achieved between what it takes to grow the portfolio, and the need to look after existing customers, a balancing act that marketers have always struggled with.

Segmentation strategy demands a bottom-up budgeting formula based on a financial forecast of the expected future cash flow of customers.



To maximize segment value you must first determine the best strategic pathway to success.

DEVELOPING A STRATEGIC ROADMAP

You now know how much you can afford to invest in maximizing the value of each segment. You have set segment-specific financial targets and estimated how much it will cost to achieve them. Now you have to start thinking about a segment strategy and plan.

To maximize segment value you must first determine the best strategic pathway to success. What is the optimal way to spend that allowable marketing budget? How can you generate the greatest return on that investment?

You need to start with a Strategic Roadmap. There are five broad strategies to consider as part of that Roadmap:

1. **Insulate Your Best Customers** – You will want to ensure that you are paying a lot of attention to servicing the needs of your best customers and rewarding them for their loyalty. Never take them for granted.
2. **Invest in the Most Promising Customers** – There are some customers whose spending potential qualifies them as highly desirable. Figure out what it will take to convert them into high value customers.
3. **Develop Stronger Relationships** – You probably have a lot of customers whose feelings of loyalty are mixed. They may be passive or habitual customers. Don't assume they'll stick around forever. What more can you do to make them happier?
4. **Harvest the Value of Your Full Portfolio** – As much as two thirds of your full customer portfolio have plateaued in value. Which customers can be encouraged to spend more with you?
5. **Divest Unprofitable Relationships** – Some customers may actually be costing you money – spending less with you than you are spending on them just to maintain the relationship. Exit the relationship as quietly and gracefully as possible.

MAPPING OUT A SEGMENT STRATEGY

The whole point of identifying and focusing on strategic segments is that it should provoke more innovative thinking around how to make a difference in the lives of customers. By understanding the unique needs of different segments, marketers can identify opportunities to capture a greater share of wallet or find entirely new ways to grow revenue.

The goal of segment strategy is to map out a set of game-changing ideas that will help to differentiate the business in the market and serve potential new or underserved needs.

- **Value Proposition** – The aim is to enhance current benefits to gain a competitive edge, or come up with something entirely different or unique that will provide sustainable advantage and potentially disrupt the market.
- **CX Program Design** – Customer relationships can be improved by catering more closely to the expectations and needs of different segments.
- **Brand Positioning** – By knowing what truly matters to customers and what attributes they perceive to be difference makers, the brand can be positioned according to what will resonate with each segment.
- **Solution Design** – New products and services can be designed to serve latent, emerging or underserved needs amongst the different segments.
- **Service Design** – Existing services can be optimized to maximize satisfaction while addressing the differing needs of customers for convenience, ease, simplicity and speed.
- **CX Journey Design** – Customer interactions can be customized and streamlined to meet the demands of different customers .

At the heart of successful relationship management is having a deep understanding of the different behavioral segments and what it will take to increase customer value.

MANAGING CUSTOMER VALUE

The value of segmentation to data-driven marketers is the ability to optimize program performance through more targeted and relevant interactions with customers. Knowing what customers have bought in the past, where they are in their lifecycle, how frequently they buy and their level of brand enthusiasm as shown by their willingness to engage with the brand can enable marketers to more effectively manage the relationship over time.

At the heart of successful relationship management is having a deep understanding of the different behavioral segments and what it will take to increase customer value and loyalty at every opportunity.

- **Relationship Management** – Knowing at what stage a customer is in their lifecycle, and their value relative to what it should be, can help to guide the growth and nurturing of the relationship.
- **Brand Promotion** – Given the different brand affinities of customers, promotional messaging can be tailored accordingly, focusing on the brands that customers care about or that will most likely interest them.
- **Brand Engagement** – By taking into account the degree of brand engagement and channel preferences, customers can be encouraged to stay continuously connected throughout the relationship, whether through apps, subscriptions, communities, events, or alerts and notifications.
- **Support Services** – More personalized service and support can be offered to customers based on their prior interaction history, service needs and preferences.
- **Event Management** – Events can be created that are specific to the educational, learning and training needs of customers at different stages of the relationship.
- **Offers and Incentives** – More relevant offers, incentives, rewards and entitlements can be used to increase customer value through targeted cross-selling and upselling.

KEY TAKEAWAYS

1. Where segmentation really pays off is in helping marketers zero in on those customers **whose needs are being ignored or underserved**.
2. We cannot expect a single, one-size-fits-all segmentation model to discern all of the meaningful differences between customers. Instead we need to approach the challenge more holistically. We need to think of segmentation as less a tool and more as a toolbox. Above all, **we need to think of it as the starting point for strategy**.
3. A single holistic model gives marketers a **full multi-dimensional picture of customers**: what they think, how they behave and how valuable they are, now and in future.
4. Success is only possible by seeing which combination of segments offer **the greatest explanatory power**.
5. The true value of segmentation – why it **should be the cornerstone of marketing strategy** - is that it narrows the gap between what customers are looking for and what the brand has to offer.
6. The purpose of value segmentation is to funnel marketing effort and resources toward those customers who offer **the greatest potential for growth**.
7. The purpose of needs segmentation is to find groups of customers similar in the benefits they are seeking and **the reasons behind the choices they make**.
8. The purpose of behavioral segmentation is to find those groups of customers whose purchase and engagement patterns are so distinct that they **merit special treatment**.
9. The purpose of descriptive segmentation is to **draw a clearer picture of the customers** who make up the Value and Needs Segments.
10. At the heart of successful relationship management is having a deep understanding of the different behavioral segments and **what it will take to increase customer value**.
11. **A systematic analysis of the customer base** is required to identify and profile the different behavioral groups.
12. Choosing the right segments to pursue involves a careful evaluation of their potential value and **the ability of the company to win them over**.
13. Segmentation strategy demands a **bottom-up budgeting formula** based on a financial forecast of the expected future cash flow of customers.
14. To maximize segment value you must first determine **the best strategic pathway to success**.
15. The goal of segment strategy is to map out **a set of game-changing ideas** that will help to differentiate the brand in the market and serve potential new or underserved needs.
16. The creation of needs segments that **can be tied back to the Value Segments** involves conducting a comprehensive census survey of the customer population.

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