

THE



SEGMENTATION BARRIERS

TO CREATING EXCEPTIONAL #CX

Widely accepted research tells us the most important driver of loyalty is the customer experience (CX) itself. However, research from modern marketing firm Quarry reveals most organizations' CX initiatives are hindered by their current conception of "the customer"—in other words, their segmentation model. The State of Segmentation survey uncovers 7 barriers businesses need to overcome in their approach to segmentation to create exceptional CX.

BARRIER 1 AWARENESS

There is a lack of a foundational and broadly shared view of customers that can be used to drive decisions and inspire innovation across all functions within an organization.

18% of respondents are in the dark about the existence of any formal segmentation model in their organization.

BARRIER 2 SAMENESS

If competitors have a similar way of looking at customers, they cannot possibly expect to create differentiated experiences.

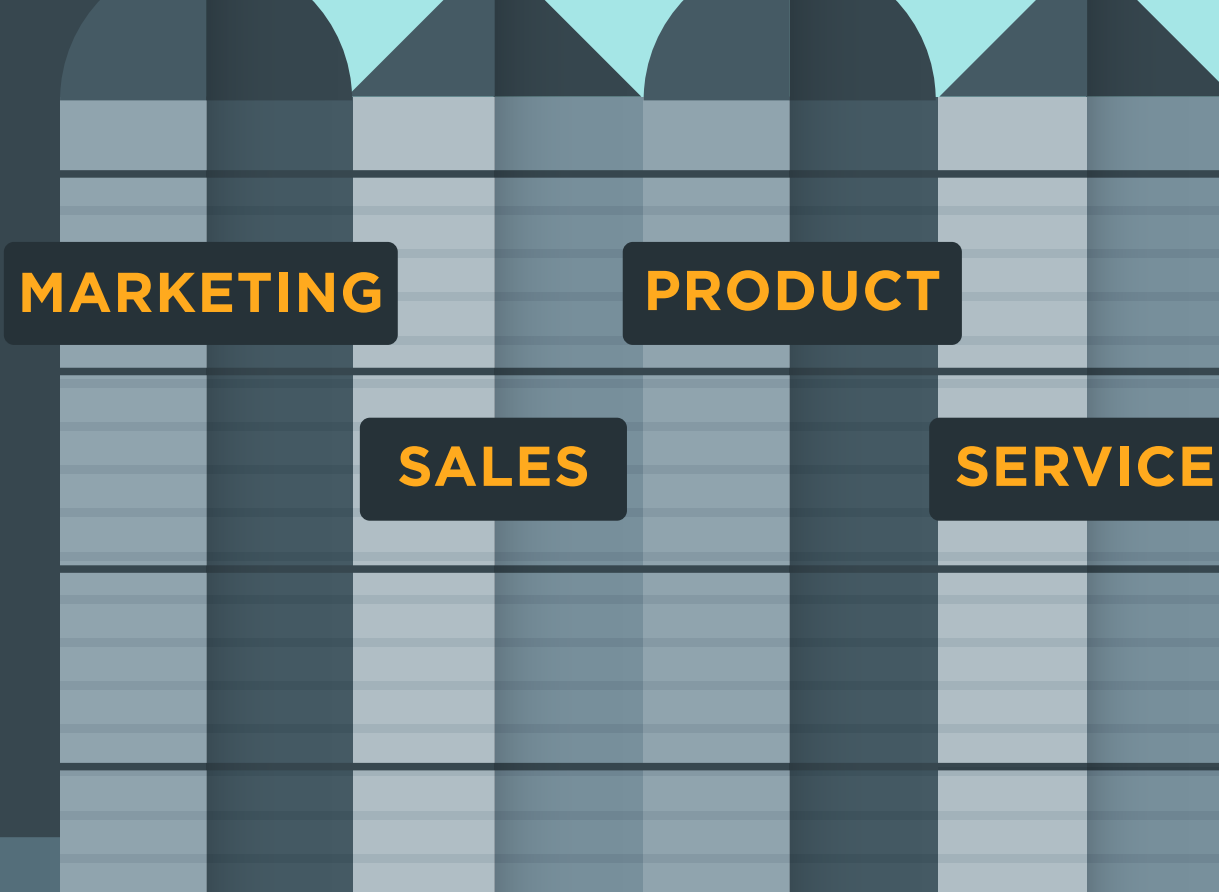
70% say their segmentation model is not noticeably different from their competitors'. Talk about a sea of sameness!

BRAND A BRAND B BRAND C

BARRIER 3

SILOS

Companies without an experiential segmentation model cannot provide a common language for their team and create consistent omnichannel experiences.



90% don't have a single, shared segmentation model across their organization. Time to integrate with insight.

BARRIER 4

INTUITION

A top-down approach relies on intuition or qualitative research alone, which is insufficient for building a segmentation model for omni-channel experience design. However, data analytics—or bottom-up—can identify patterns that our brains aren't naturally equipped to see.

85% who have a segmentation model defined it based on intuition or qualitative research. That's a lot of guesswork.

BARRIER 5

METHODOLOGY

Cluster-driven methods are not widely practiced, even though they allow organizations to learn what constellation of attitudes, behaviors, and demographics are key to grouping like customers and differentiating them from others.

15% used statistical clustering to drive the definition of their segmentation model. Room to improve.

BARRIER 6

CLUSTERING

Very few organizations base their cluster models on a single data type, even though doing so has been shown to more accurately predict how your target customers will respond to your tactics and messaging.

4% of those using statistical clustering base their cluster models on a single data type. That's way too few.

BARRIER 7

COMPLACENCY

Most organizations do not have a segmentation model in place that is fine-tuned to creating better CX, even though many think their current state of customer understanding and segmentation is acceptable.

60% of sales, marketing and product development executives are satisfied with their segmentation. That complacency puts them at risk...

To get savvy about segmentation and its role in enabling your organization's CX initiatives, download the full State of Segmentation report at QUARRY.COM/SOS

Quarry is the modern marketing firm for brands with complex buying journeys. | @Quarry

Quarry surveyed 200 marketing, sales and product executives at B2B and B2C companies with sales from \$100MM to \$10B.

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