- "Rich in segmentation theory and case examples."
- —Philip Kotler, PhD, Kellogg School of Management, Northwestern University
- "An essential resource for marketing students."
- —Sally Dibb, PhD, and Lyndon Simkin, PhD, Warwick Business School, University of Warwick, United Kingdom

HANDBOOK — of MARKET SEGMENTATION

Strategic Targeting for Business and Technology Firms
Third Edition

Art Weinstein, PhD

CONTENTS

Preface	xiii
Acknowledgments	xvii
PART I: SEGMENTATION PLANNING	
Chapter 1. Market Segmentation: An Overview	3
Segmentation: The Key to Marketing Success	4
Segmentation in Action	5
Segmentation Options	7
Business Segmentation Insight 1: Segmentation Research	
Findings in High-Tech and Industrial Market's	8
Nichemanship: Segmented Marketing at Its Best	12
The Benefits of Segmentation	15
Limitations of Segmentation	16
Segmentation Skillbuilder 1: How Well Is Your	
Company Using Segmentation Techniques?	17
Segmentation: Some Misunderstandings Resolved	18
Summary	19
Chapter 2. Market Definition and Segmentation	
in B2B Markets	21
The Market Definition Challenge	21
Business Segmentation Insight 2: Mission, Vision,	~ .
and Market Definition	24
A Strategic Market Definition Framework	26
Market Definition Applications Based on the Framework	30
Segmentation Skillbuilder 2: Defining Your Market—	
A Three-Level Approach	31
Summary	31

Chapter 3. Segmentation Planning and Research Guidelines for Business Marketers	33
Segmentation Roadblocks	34
Using Planning and Research to Segment Business Markets: A Ten-Point Program	36
Segmentation Skillbuilder 3: Designing the Segmentation Study	50
Business Segmentation Insight 3: Segmentation Research —An Assessment	51
Summary Amendist Internet Segmentation Pusings Madestine	54
Appendix: Internet Segmentation—Business Marketing Applications	54
PART II: BUSINESS SEGMENTATION BASES	
Chapter 4. Geographics and Firmographics	61
Geographic Segmentation Bases	62
Segmentation Skillbuilder 4: Defining Geographic Markets	66
Business Segmentation Insight 4: How a Major	
Pharmaceutical Company Uses Geographic Sales	~ ~
Analysis to Segment Its Markets Tapping Census Products for Geographics and Business	66
Demographics	68
Firmographics	71
Summary	77
Chapter 5. Usage Analysis	81
End Use Analysis	82
Usage Segmentation	83
Conceptualizing and Operationalizing Usage Dimensions Business Segmentation Insight 5: Usage Segmentation	86
Applications	89
Assessment of the Usage Dimension Segmentation Skillbuilder 5: Usage Analysis—Key Issues	91 93
Summary Segmentation Skittbuttaer 5: Osage Analysis—Rey Issues	93 94

Chapter 6. Benefit Segmentation	97
Concepts and Applications of Benefit Segmentation Business Segmentation Insight 6: Customer Value	98
and Benefits	101
Pros and Cons of Benefit Segmentation Three Brief Examples of Benefit Segmentation in Business	103
Markets Segmentation Skillbuilder 6: Using Segmentation Grids	105
to Identify Benefit Segments for Your Company Summary	106 108
Chapter 7. Purchasing Behavior and Organizational Psychographics	113
rsychographics	113
How Business Markets Are Different	113
The Nested Approach Business Segmentation Insight 7: In Conversation	116
with Dr. Benson P. Shapiro Segmentation Skillbuilder 7: Using the Nested Approach	119
to Segment Your Market	120
Business Psychographics	120
Buyer Adopter Categories	127
Summary	130
PART III: IMPLEMENTING SEGMENTATION STRATEGY	
Chapter 8. Strategic Target Marketing	133
Target Market Strategy Formulation	134
The Three Basic Steps to Strategy Formulation Business Segmentation Insight 8: Guidelines on Market	135
Segment Attractiveness	138
Segmentation Strategy Development	140
Business Segmentation and the Marketing Mix Segmentation Skillbuilder 8: Target Market Strategy	143
Worksheet	144
Target Market Strategy: An Application	153
Summary	153

Chapter 9. Enhancing Segmentation's Value	155
Creating a Segmentation-Driven Organization Business Segmentation Insight 9: How High-Tech	155
Business Cultures Impact Segmentation Strategy	157
Strategic Segmentation and Implementation Considerations The Segmentation Audit Segmentation Skillbuilder 9: Segmentation	158 161
Implementation Questions	162
Twenty-First-Century B2B Segmentation:	
A Look Back, a Look Ahead	165
Summary	170
PART IV: SEGMENTATION STRATEGY CASES	
Case 1. Collins Aviation Services: Building a Cluster-Based	
Segmentation Model	173
Market Definition and Segmentation	173
Recommended Segmentation by Loyalty-Based	
Characteristics	177
Segmentation Applied to Date	178
End-of-Case Questions Suggested Readings	180 180
Case 2. Dev-Soft S.A.: Segmentation and Distribution in Europe	183
Company Background	183
Industrial Software Sector	185
Dev-Soft's Product Lines and Preliminary Distribution	100
Channels	185
Segmenting the Software Market	186
Target Market Selection	189
Description of a Direction of the Control of the Co	
Revising the Distribution Strategy	
Risks and Challenges	191
	190 191 192 192

Case 3. Dow Corning: Segmentation and Customer Value	193
Change in the Market Situation for Dow Corning How Did Dow Corning Tackle This Challenge? Value Based Marketing at Dow Corning Discoursing	194 195
Value-Based Marketing at Dow Corning: Discovering and Understanding the Customer	197
End-of-Case Questions	199
Suggested Readings	199
Case 4. Lexmark International: Creating New Market	
Space	201
Introduction	201
What Is New Market Space?	202
Lexmark International: NMS As a Competitive Marketing Tool	204
Lexmark and New Market Space: Some Lessons Learned	207
Future Prospects	208
End-of-Case Questions	209
Suggested Readings	209
Case 5. Pharmacia Corporation: Pharmaceutical	
Segmentation	211
Industry Overview	211
Brief History	211
Industry Challenges and Market Segmentation	212
Pharmaceutical Segmentation Bases An Rx for Pharmaceutical Segmentation	214 215
End-of-Case Questions	216
Suggested Readings	216
Case 6. Sportmed: Market Definition and Benefit	
Segmentation	219
Sportmed's Customers	219
Sportmed's Market Definition	220
Extending the Market Definition Analysis	221
Strategic Marketing Considerations	222
End-of-Case Questions	223
Suggested Readings	223
Notes	225
Index	233