

Segmentation

Business & Management

Splitting customers usefully, and the test for whether a segment is real.

Bases for segmentation, and what each supports.

Basis	Example	Useful for
Demographic	Age, income, location	Media buying
Firmographic	Size, industry	B2B targeting
Behavioural	Usage, frequency, recency	Product and lifecycle
Needs-based	Job to be done	Positioning
Value	Revenue, margin	Prioritisation
RFM	Recency, frequency, monetary	Retail and e-commerce

Test a segment three ways: is it measurable, substantial, and reachable? Fail any one and it is a description, not a segment.