Audience Segmentation Guide

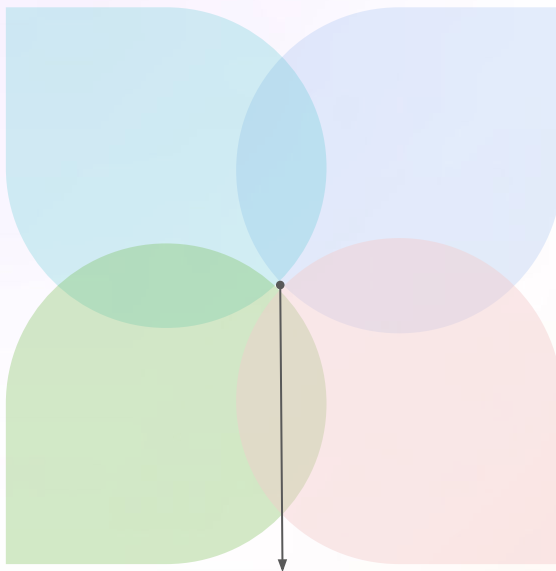# Audience Segmentation Guide

Types of traditional segments.

Segmenting by Sociodemographics

- **Age:** Group your audience into age brackets (e.g., 18-24, 25-34, 35-44).
- **Gender:** Divide your audience based on gender (e.g., male, female, non-specified)
- **Income:** Segment by income levels (e.g., low, middle, high income).
- **Education:** Group by education level (e.g., high school, college, postgraduate).
- **Occupation:** Divide by professional needs and type of occupation (e.g., volunteer, medical field, c-level, etc.)
- **Family status:** Categorize by relationship status or parental status.

Segmenting by Geographical Area

- **Country/Region:** Divide the market into areas such as North America, or by specific country such as Spain.
- **City:** Focus on specific big cities (e.g., New York, Paris, etc.).
- **Climate:** Segment based weather conditions or sensitivity in differents areas.
- **Population density:** Segmenting based living areas (e.g., Urban or Rural)

Segmenting by Psychographics

- **Lifestyle:** Identify and segment based how consumers spend their time and money (e.g., Fitness enthusiasts, art collectors, etc.)
- **Values:** Segment audiences based on core values and beliefs (e.g., eco-friendly, etc.)
- **Personality :** Divide by personality traits (e.g., extrovert, introvert, social butterfly, etc.)
- **Topics:** Segment by specific interest or hobbies (e.g., technology, travel, fashion, etc.)

Segmenting by Behaviors

- **Buying behavior:** Cater to purchasing patterns (e.g., impulse vs. planned buyers).
- **Purchase behavior:** Group buyers by frequency of purchase (e.g., loyalty programs, occasional buyers).
- **Brand Loyalty:** Group customers by loyalty level (retention of regular customers vs. acquisition of new customers)
- **Benefits Sought:** Highlight specific benefits (e.g., quality or convenience) that resonate with different segments.

Audiense excels in the segmentation process.

In just a few minutes, you can have an overview of the different groups that make up your audience. And if you spot interesting segments/clusters, you can explore these target groups in more detail.

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Differences between a Segment and a Cluster, in how they are used within Audiense's platforms.

Marketing Segment by Audiense

A marketing segment is a **predefined group of consumers within a larger market who share common characteristics** and respond similarly to a marketing strategy.

👉 **This approach is deductive**, where companies start with hypotheses about their audience and use qualitative and quantitative data to validate these assumptions.

- **Traditional Data Sources:** Segments are created using a combination of qualitative and quantitative data from both physical and digital sources. This include demographics, geographic locations, psychographics, and behaviors.
- **Predefined Categories:** Users can define specific segments such as age groups, income levels, or interests.
- **Multiple Segments per Member:** One individual can belong to multiple segments. For example, a person can be in both the 'young adults' and 'fitness enthusiasts' segments.
- **Strengths:** This method allows for control and validation of specific hypotheses about the market. Agencies can follow a particular storyline to verify their segments and ensure their marketing strategies align with their understanding of the audience.
- **Weaknesses:** It requires a high level of expertise and a comprehensive understanding of how to translate segment categories into actionable marketing strategies. It's also dependent on having a good amount of initial data.

Deductive, hypothesis-driven, predefined groups, requires significant expertise and initial data, allows for multiple memberships per individual, and provides control over segment definitions and validations.

Clusters by Audiense

A cluster refers to **a group of consumers identified through advanced data analysis techniques, where algorithms automatically find groups with similar characteristics or behaviors.**

👉 **This is an inductive approach**, where there are no predefined hypotheses, and the data itself reveals the patterns.

- **Data-Driven Discovery:** Clusters are discovered through data analysis, using algorithms to detect similarities within the data. This could be based on behaviors, social media interactions, or purchasing patterns.
- **Single Cluster per Member:** Each consumer is assigned to one cluster that best represents their dominant characteristics or behaviors.
- **Strengths:** This approach provides precise, data-driven insights into consumer behaviors, useful for specific campaign tactics, influencer identification, and deep dives into particular industries. It offers very fine-tuned and precise segments derived from sophisticated algorithms.
- **Weaknesses:** The results can be somewhat random or aleatory, as the clusters are purely based on data patterns without initial hypotheses or control points. This means there's less control over the segmenting process and its outcome.

Inductive, data-driven discovery without initial hypotheses, automatically identified by algorithms, each individual belongs to a single cluster, provides precise and actionable insights but offers less control over the process and results.