

Product Profile

Establishing a Market Segmentation Framework

What is the Align FSC Market Segmentation Framework “Quick Hit” Product?

Align FSC provides a systematic approach to transforming your marketing and sales approach from “all things to all people” to identifying and targeting specific, higher profit customer groups by:

- Developing a practical market segmentation scheme to guide overall planning and execution
- Generating market data and mapping the segmentation profile of your market footprint and up to 5 individual branches
- Examining your current customer base and uncovering the “core segment groups” that are self-selecting your institution
- Providing guidance on marketing techniques to effectively market and sell specific segments
- Delivering periodic support on the use of your market segmentation framework and feedback on proposed target marketing campaigns

Why a Market Segmentation Framework?

The success of any “market-driven” business development initiative hinges on how well a company can identify prospects’ desires and organize its resources to satisfy them profitably. In today’s increasingly competitive market, it is extremely difficult, inefficient and expensive to grow market share by employing mass-marketing ... trying to be “all things to all people.” Instead, properly segmenting the market – identifying groups with similar needs and behaviors for purchasing financial services and their convenience preferences for product delivery - is the key to effective, efficient marketing.

The largest financial institutions have become highly skilled in developing complex models to segment and sub-segment groups for targeted advertising, direct mail, affinity marketing and customer cross-sell initiatives. The good news is that smaller institutions with fewer marketing resources can compete with the national players in their local markets with effective segmentation strategies of their own, and in doing so capture a greater market share of key customer groups.

By emphasizing the “KISS principal” in developing a market segmentation framework, Align FSC provides a practical and easily understood method that can be consistently employed from the CEO to the teller in the branch.

Your institution will be better able to identify the most attractive groups, position product and service offerings that appeal to their financial service purchase behavior and convenience preferences, and increase the return on marketing investments in advertising and sales promotions. Your institution will rely less on “mass marketing” and more on thoughtful niche targeting and delivery.

What are the Align FSC deliverables?

Align FSC will facilitate a full-day, on-site presentation of its findings and a round-table discussion with the sponsoring executives and key managers to discuss in detail the Market Segmentation Framework developed for the institution.

Specifically, Align FSC will deliver:

- **“Gap Analysis”** – Align FSC will provide a summary of your institutions current marketing practices versus the market segmentation approach developed during the engagement, identifying the key actions necessary to achieve the goals outlined at the outset of the project. Align FSC will highlight those activities and investments that will have the biggest impact on company performance.
- **Marketing Segmentation Framework** –Align FSC will provide its recommended market segmentation framework approach for you to establish a market-driven approach to your business. Align FSC will also define an implementation “Roadmap” summarizing the necessary activities and investments required to achieve the company’s goals, including a summary of the required human resources (staffing and skill sets), interdepartmental process, data, tools / systems and outside resources needed for success. These will be prioritized based on the impact to the Company along with approximate costs and implementation timelines of each.
- **Progress “Checkups” in the 3rd, 7th and 12th Months** – Align FSC will meet with the sponsoring executive and key managers in half-day, on-site sessions during the third, seventh and twelfth months after the Framework delivery to assess progress, recalibrate the recommendations based on to-date experience and assist in helping guide areas where execution is most difficult.

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What is the Align FSC Engagement Process?

Align FSC will take a “holistic” approach to addressing market segmentation and developing a framework specific to your institution through a proven methodology focusing on ...

- **Goals & Objectives** -- Align FSC will review your current consumer or commercial business plans and investigate management’s perspective on market segmentation and the current role, if any, it plays in the broader strategic direction of the organization. Align FSC will then be positioned to determine the level of market segmentation required and how the Company intends to use the information. To complete this task, Align FSC will conduct a series of interviews with selected Company executives and managers to identify current formal and informal goals and objectives; perspectives about the organization’s current market position and market environment; strengths and weaknesses; opportunities; marketing culture; and key management perspectives on the Company’s position and future directions. The results will be to provide a framework by which a market segmentation plan can be developed specific to your institution.

- **Current Marketing Practices & Infrastructure Review** - The second task is an in-depth review of available primary and secondary information about your consumer or commercial market segments, their service usage, requirements and perceptions, key competitor activities and service performance. Align FSC will examine your internal customer information including any existing segmentation information, the Company’s marketing database and the usefulness of its current market information. As part of this task, Align FSC will prepare an overall assessment of how market segmentation is currently measured internally and externally including what types of marketing research the Company sponsors and databases available. Align FSC will provide the Company with its perspective on the state-of-market segmentation and product financial information with specific recommendations on critical areas to be addressed.

- **Market Segmentation Framework Development** -- Align FSC will assist you in developing a consumer or commercial market segmentation scheme. To facilitate this analysis, Align FSC will utilize your existing market and customer data, if available, with respect to the Align FSC proprietary geo-demographic market potential model. If unavailable, Align FSC is prepared to provide market demographic data, as required, to project population estimates on your market segments. Align FSC will work with you in the design, development and interpretation of the analysis. Once compiled, Align FSC will work with you to:
 - Develop a market segmentation profile of the overall Company market and major submarkets
 - Generate maps showing the segment composition of markets
 - Compare your customer information to the market at large
 - Determine your market share of each of the segments

Models developed during the course of the Project will be available for your ongoing use.

What are the benefits of developing a Market Segmentation Framework?

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