



GRADIENT

Product  
Guide

# Do Your Customer Segments Meet Real Peoples' Needs?

The average customer does not exist

Target the right customer, in  
the right place, with the  
right offer

✓ Mindset

✓ Culture

✓ Needs

✓ Demographics

## The Challenge: Customers want personal experiences

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Demographic-based targeting and traditional market research practices are losing ground in their ability to describe and target customers.

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**Consumers, now more than ever, have complete control over their shopping preferences and experiences.** The proliferation of devices and touchpoints has created new complexities for businesses to navigate. The biggest challenge is that despite these fragmented consumer journeys, your individual customers still want a personal experience.

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**Does your segmentation strategy  
account for the individual-level  
differences—and decision  
factors—that guide  
paths to purchases?**

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## SEGMENTATION TODAY IS MORE THAN DEMOGRAPHICS

- Over the last decade, the market for technologies and services that identify individuals' tastes and preference has grown at an exponential pace—and the next big jump is about to take place. Winterberry Group and the Data & Marketing Association (DMA) say that by 2022, businesses will spend \$2.6B on identity technology, up from \$200M in 2015.
- Today, meaningful segments require information related to mindset, life experience, and paradigm—and less by factors such as gender, location, and government census-defined characteristics.

Gradient's Segmentation Solution uses a hybrid of **advanced analytics** and **traditional** market research techniques to build segments that human eyes couldn't otherwise detect.

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## Crafting The Perfect Segments

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Intuition alone is ineffective in helping you connect the dots between people you're reaching and the cohorts in which these individuals belong.

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- 1 We identify the dimensions that matter to your business



- 2 We find like-minded groups of customers and build rich customer personas



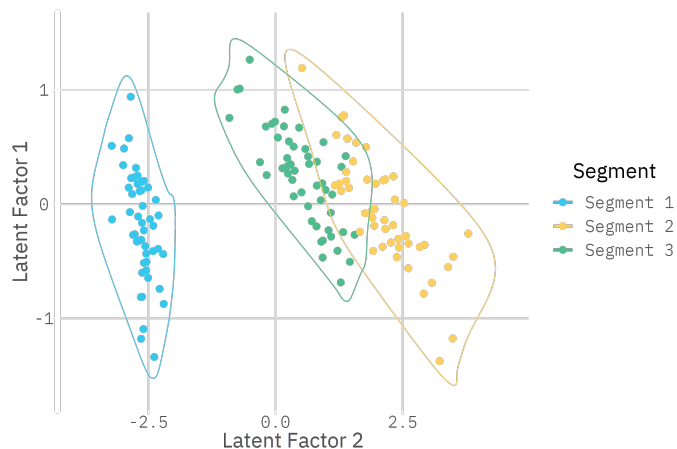
- 3 We determine the current and/or potential size of these groups



- 4 We map the crafter segments directly to your customer information



Lastly, we'll continue to build upon these segments by appending new data sources, testing new hypotheses, and conducting future research to build your customer file



CUSTOMER ID	SEGMENT	RECOMMENDED ACTION
000001	One And Done	Include in a retargeting campaign
000002	Bargain Hunter	Target with a great deal
000003	One And Done	Include in a retargeting campaign
000004	Cash Cows	Appreciate client through loyalty rewards
000005	Cash Cows	Appreciate client through loyalty rewards
000006	Bargain Hunter	Target with a great deal

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## How It Works

## STATE-OF-THE-ART STATISTICS

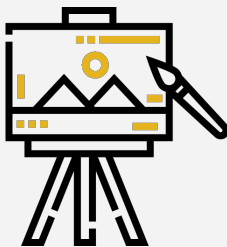
First our team uses a technique called an **Exploratory Factor Analysis**, a method that uncovers the underlying structure of large sets of variables. This part helps us “see” the latent dimensions that drive your segments.

We then apply a range of statistical methodologies, including **supervised** and **unsupervised machine learning techniques** or distance-based approaches, to cluster similar consumers, making them **actionable**.

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## What You Get

### YOU GET THE IDEAL BLEND OF A STORYTELLING ART-FORM AND SCIENTIFIC RIGOR



Gradient kicks off with a deep dive analysis into your business, taking you through a custom research and analytics journey.

We'll work with your teams to design and generate hypotheses to kickstart our segment design process. We conduct both **qualitative** and **quantitative** research to generate and analyze a dataset that represents your target market. Once we assemble the right picture, we give you:

- ✓ A clean dataset and interactive dashboard
- ✓ Segment sizing estimates
- ✓ Estimates by geography
- ✓ Ongoing segment tracking
- ✓ Mapped directly to your customer file
- ✓ A detailed report summarizing personas, with true-to-life pictures
- ✓ Predictive model to classify future customers

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## Stories From The Field

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Our methodology  
and processes in  
action

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### EXAMPLE I: **Global Segmentation For Management Consulting Firm**

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1

We developed, fielded and analysed a survey of tech talent across six markets for a global consultancy company

2

We applied our segmentation methodology and identified five latent segments — with the mindset of tech talent as drivers

3

The consultancy company was able to target tech talent with mindsets that align with the recruiting value proposition and identify adjacent target segments

### EXAMPLE II: **Behavioral Segmentation**

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1

We enriched consumers' demographic data with their behavioral data from mobile and website usage

2

We applied a sequence clustering methodology to identify four consumer segments with their sequences of behavior as drivers

3

Our client was able to personalize their marketing & communication efforts, driving low-value customers to a similar behavioral profile as high-value customers





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## To get started

We need to understand your strategic marketing objectives and existing KPIs. For additional resolution, we need to know which key competitors, segments, and geographies that are critical for your brand.

## Pricing

Contact [hello@gradientmetrics.com](mailto:hello@gradientmetrics.com) to brainstorm a plan, discuss pricing in more detail, and identify steps in order to get started for your company.

-  One-time fee for the initial instrument design and analysis
-  Nominal fee based on frequency of use for applying the typing tool to a tracking study or customer database
-  Additional hosting fees if applicable
-  You can cancel ongoing studies at any time



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