MARKET SEGMENTATION AND SUCCESS ANALYSIS

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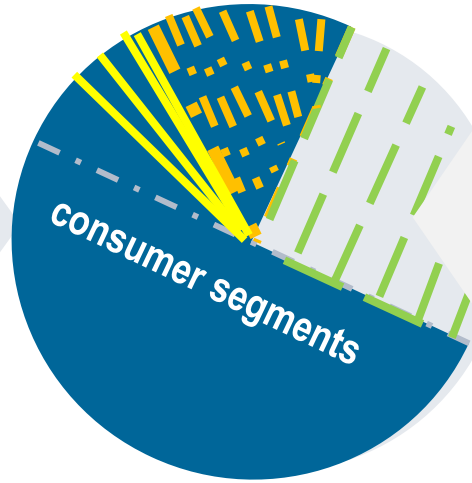Horizon 2020 Programme

University of Pavia

Birgit Hagen
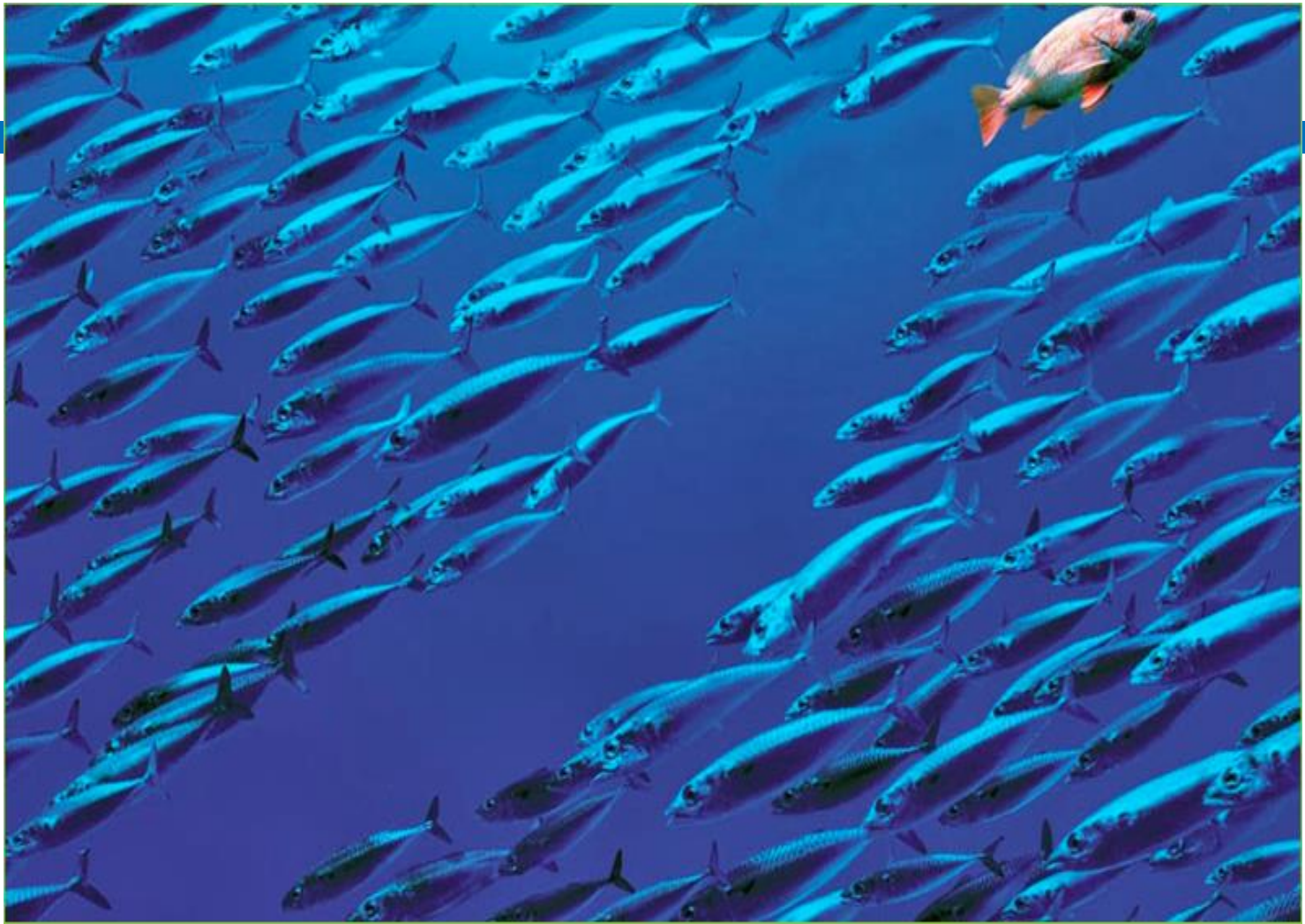
The Success Analysis Model

Consumer data
(800 representative fish buyers/consumers per country)

- Sociodemographic
- Geographic
- Behavioral/ Benefit
- Psychographics

Latent Class Analysis

consumer segments

Multinomial logistic regression

Firm offering
- Claims
- Price
- Packaging etc.

segment(s) ⬌ product/offering
best fit = meet customer expectations = success

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The key role of market segmentation

Identify opportunity

Assess opportunity

Company strategy

* **Fosters understanding of stakeholders**
* **Helps define target (customer) segments**
* **Helps identify trends**
– lead and lag markets & segments
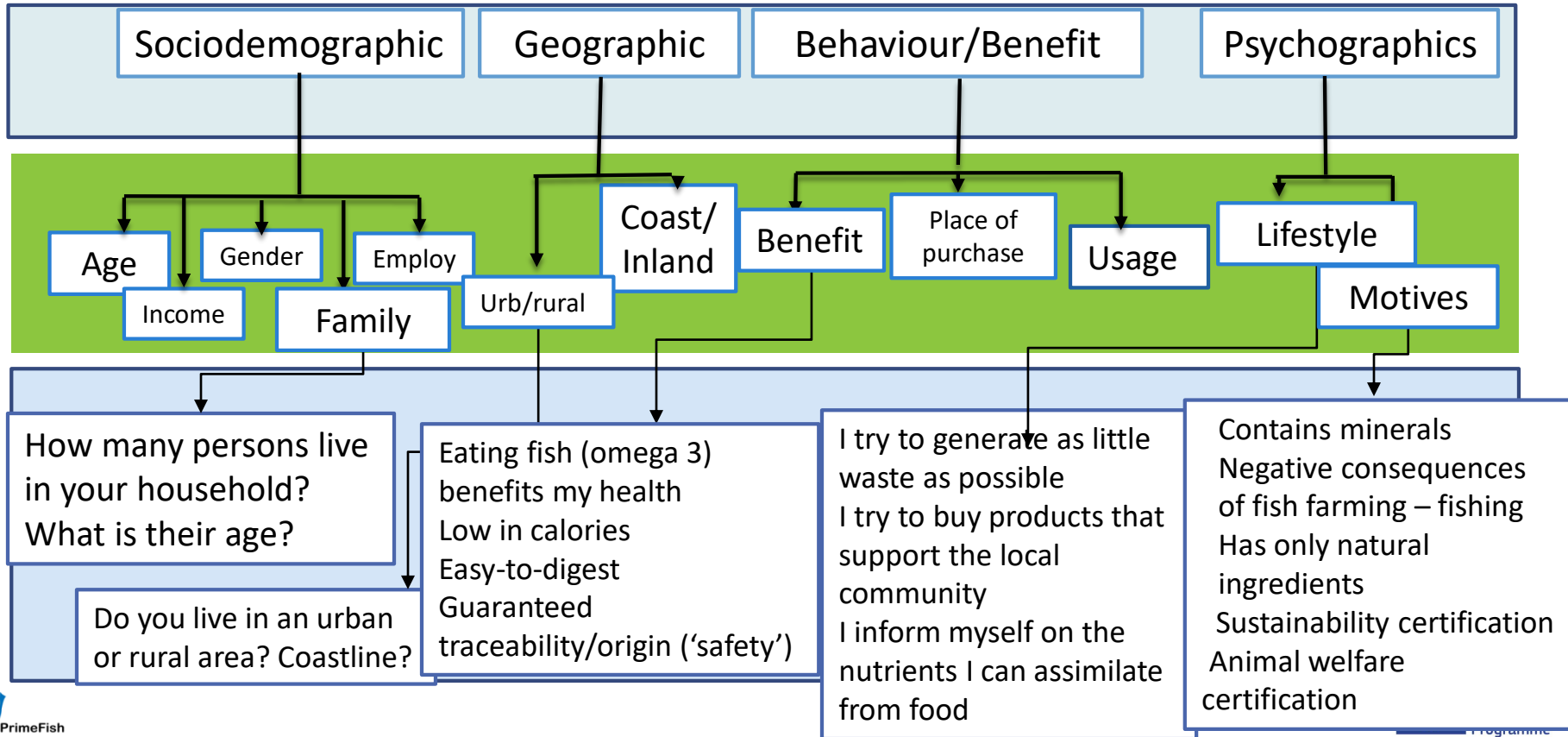
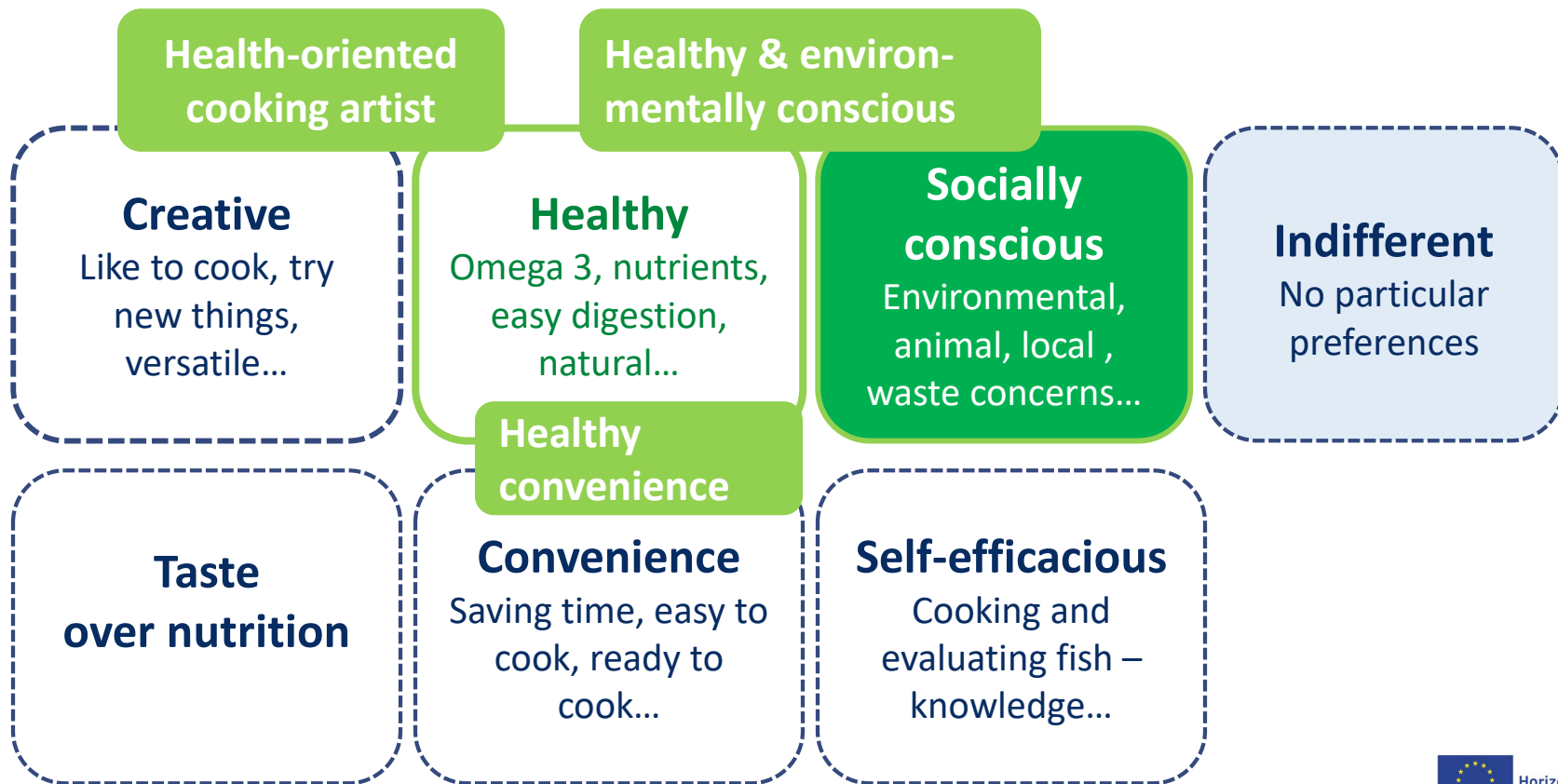• **Helps assess potential**
• **Helps assess 'accessability'**

* **Differentiation**
* **Adjustment /creation**
- **of offerings**
- **of marketing activities to meet customer expectations**

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Multidimensional segmentation variables

Sociodemographic | **Geographic** | **Behaviour/Benefit** | **Psychographics**

Age | Gender | Employ | Coast/Inland | Benefit | Place of purchase | Usage | Lifestyle

Income | Family | Urb/rural | | | | | Motives

How many persons live in your household?
What is their age?

Do you live in an urban or rural area? Coastline?

Eating fish (omega 3) benefits my health
Low in calories
Easy-to-digest
Guaranteed traceability/origin ('safety')

I try to generate as little waste as possible
I try to buy products that support the local community
I inform myself on the nutrients I can assimilate from food

Contains minerals
Negative consequences of fish farming – fishing
Has only natural ingredients
Sustainability certification
Animal welfare certification

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The big picture: baseline dimensions

Health-oriented cooking artist

Healthy & environ-mentally conscious

Creative
Like to cook, try new things, versatile…

Healthy
Omega 3, nutrients, easy digestion, natural…

Healthy convenience

Socially conscious
Environmental, animal, local , waste concerns…

Indifferent
No particular preferences

Taste over nutrition

Convenience
Saving time, easy to cook, ready to cook…

Self-efficacious
Cooking and evaluating fish – knowledge…

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Italy	Healthy & environmentally conscious	Brand-convenience-taste	Self-efficacious health oriented cooking artist	Local connoisseur	Price-wise convenience	Self-efficacious pragmatic	Indifferent
Spain	Brand/seller dependent high quality	Self-efficacious egoistic brand buyer	Independent "good-for-me" connoisseur	360° health	Cooking artist	Indifferent	
France	Egoistic health	Health oriented, egoistic (not creative) cook	Cooking artist	Self-efficacious convenience	Indifferent		
Germany	Cooking artist	Healthy & environmentally-conscious	Convenience-brand loyal	Health oriented cooking artist	Cheap brand & taste	Indifferent	
UK	Healthy convenience	Egoistic health & convenience	Cooking artist	Self-efficacious - & local ecologist	Indifferent		

Egoistic vs inclusive health

9 % +

29 % =

'good for me'- connoisseur

PROFILE	PREFERENCES
E, seaside/urban	▪ Nutrients, omega 3
▪ 48 years old, fam 3	▪ Healthy, natural
▪ M-L edu.	▪ Traceability
▪ Children eat fish	▪ Texture, appearance
▪ 94 E/month fish	▪ Fresh, wild, traditional
▪ *Seabass (whole/fresh)/cod* -H	▪ Indiff: bones
▪ Buys: supermkt/fishmonger	▪ Relies on label/fish seller

nutritional, digestive & inclusive health

PROFILE	PREFERENCES
E, seaside/urban	▪ Healthy, natural, nutrients
41 years old, fam 3-4	▪ Easy to digest
▪ M edu.	▪ Traceability, environment, sustainability
▪ Children eat fish	
▪ 87 E/month fish	▪ Indiff: wild/farmed
▪ *Seabream (fresh fillet)/cod/ salmon* - M-H	▪ Traditional, ~~bones~~
	▪ Relies on fish seller
▪ Buys:supermkt/fishmonger	

Health & convenience (France, UK)

Self efficacious convenience

31 % =

PROFILE

F, Countryside/intermediate

- 45+ years old, fam 3
- M-H edu.
- Children eat fish
- 97 E/month fish
- *Seabream/cod/herring*- M-H
- Buys: supermarket
- **IS KNOWLEDGEABLE!**

PREFERENCES

- Nutrients
- Traceability, environment, sustainablity
- '**Easy**'-to cook, to stock, to use (all formats)
- Fresh, wild, traditional
- Indiff: bones
- Relies on label/fish seller

Healthy convenience

22 % +

PROFILE

- UK, Countryside/urban
- 54+ years old
- M-H edu.
- 60 £ /month fish
- *Seabream/ seabass* - M-H
- Buys: supermarket

PREFERENCES

- Healthy, natural, digestion
- Traceability, environment
- '**Easy**'-ready to cook,to use (versatile), to stock
- Fresh, wild, ~~bones~~
- Relies on label/super-market

'Altruists' vs 'unconcerned'

self efficacious & local ecologist

13 % +

PROFILE	PREFERENCES
▪ UK, Countryside/urban	▪ Local, environment, sustainability
▪ 24+ years old	▪ traceability
▪ M-L edu.	▪ Evaluation/trust to cook
▪ 40 £ /month fish	▪ Quality-price
▪ *Salmon/Seabream/ seabass* - M	▪ Indiff: fresh, wild, ~~bones~~
▪ Buys: supermarket	▪ Relies on label/ads

Brand – convenience - taste

6 % +

PROFILE	PREFERENCES
▪ I, Countrys./intermediate	· Favorite brand
▪ 30 years old	· Availability; new formats
▪ M edu.	· Taste
▪ 94 E/month fish	▪ **Unimportant: nutrients, sustainability; insign: 'health'**
▪ *Salmon/Seabream/ Cod* - M	
▪ Buys: supermarket	▪ Indiff: fresh, wild, ~~bones~~
▪ No time	▪ Relies on label/ads

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Meet consumer expectations!

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- Market: UK
- Specie: Salmon
- Format: Fillet
- Claims: Convenience, natural, sustainable
- Communication: environment, traceability, label

Reinforce health claims, consider in-store promotion, change packaging

- UK

54+ years old
Countryside/urban
Buys: supermarket
Information: label/supermarket

Healthy convenience

- Healthy, natural, easy to digest
- Environment, traceability
- Easy-ready-to cook
- Fresh fillet, no bones

Segmentation & economic sustainAbility

- **Advice and guidance for (small) companies**
- **More effective marketing – more successful offerings**
- **Identification of new market opportunities – segment-wise; country-wise**
- **(Fewer lost opportunities; fewer false starts)**

= sustainable economic growth

Segmentation & environmental sustainAbility

- ◘ **Increases awareness of health and environment- related topics of consumer segments and countries**

- ◘ **May trigger cross-fertilization/spill-over across lead and lag segments/markets**

- ◘ **Identifies opportunities for tailor-made policy action (e.g. health policy)**

- ◘ **Identifies need for tailor-made environmental policy action**

Thank you for your attention!