

Marketing Segmentation Fundamentals

- Define segmentation: organizing audiences by needs, situations, and tasks, not static labels
- Reductive demographics-only labels explain less than 18% of purchasing decisions
- Shift focus from "who people are" to "what people are trying to accomplish"
- Roadmap: diagnose, apply needs-situation-task frameworks, build segments, activate, avoid pitfalls



The High Cost of Labeling People



- Labels like 'Millennials' or 'urban professionals' mask real behavioral variation



- King Charles vs. Ozzy Osbourne: identical demographics, opposite values



- Behavioral signals deliver 2.56x higher conversion rates than demographic targeting



- 62% of people feel brands don't understand them due to broad-stroke labeling



Shifting the Unit of Analysis: From Identity to Action



- Demographics predict less than 18% of purchasing decisions and fail to explain real behavior.



- Behavioral signals (recency, emotional tone, dwell patterns) explain over 60% of engagement variance.



- Replace static labels with three predictive lenses: needs, situation, and task.



- Use demographics only as a reach layer—never as the organizing principle for segmentation.

BEHAVIORAL SIGNALS

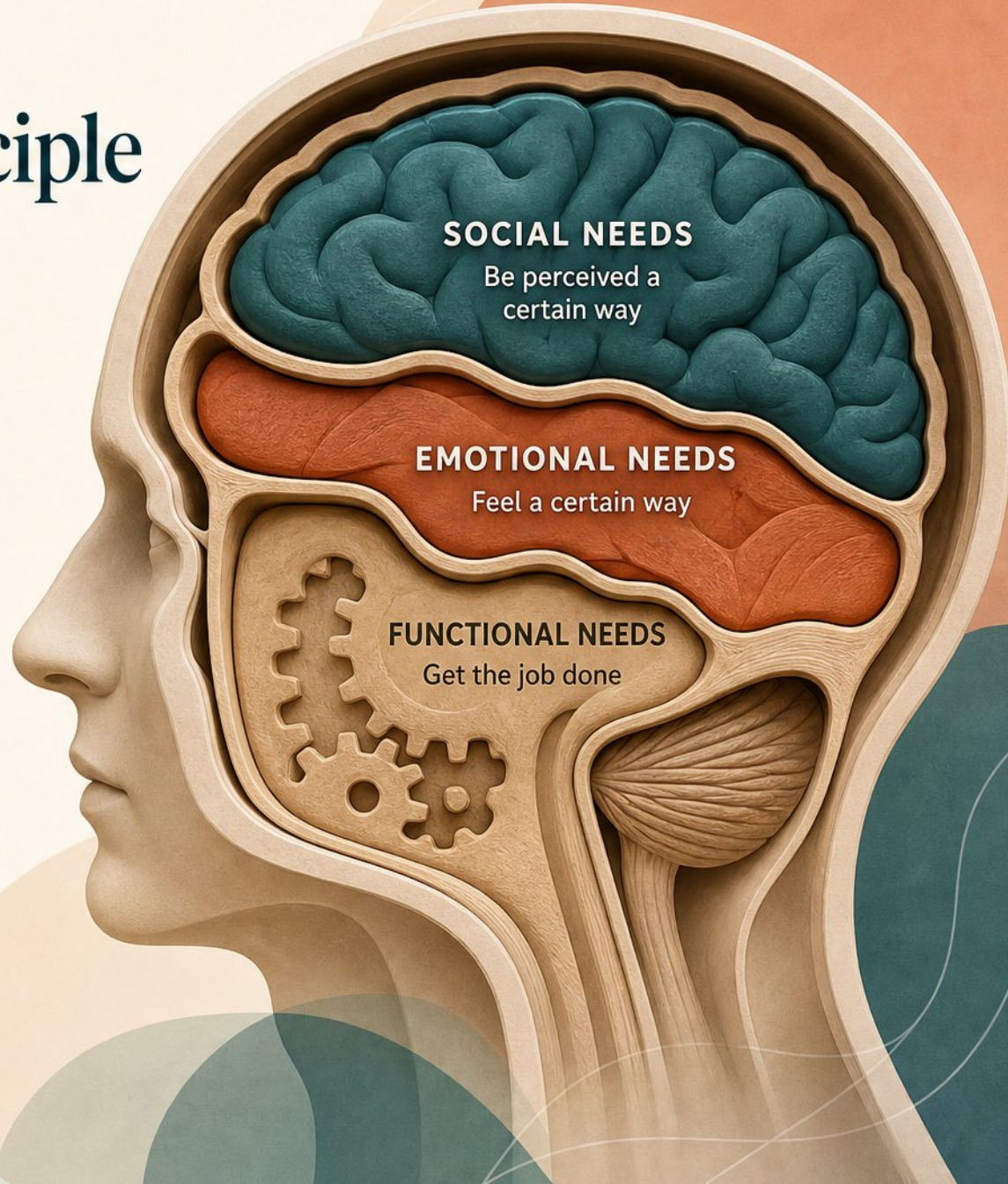


DEMOGRAPHICS



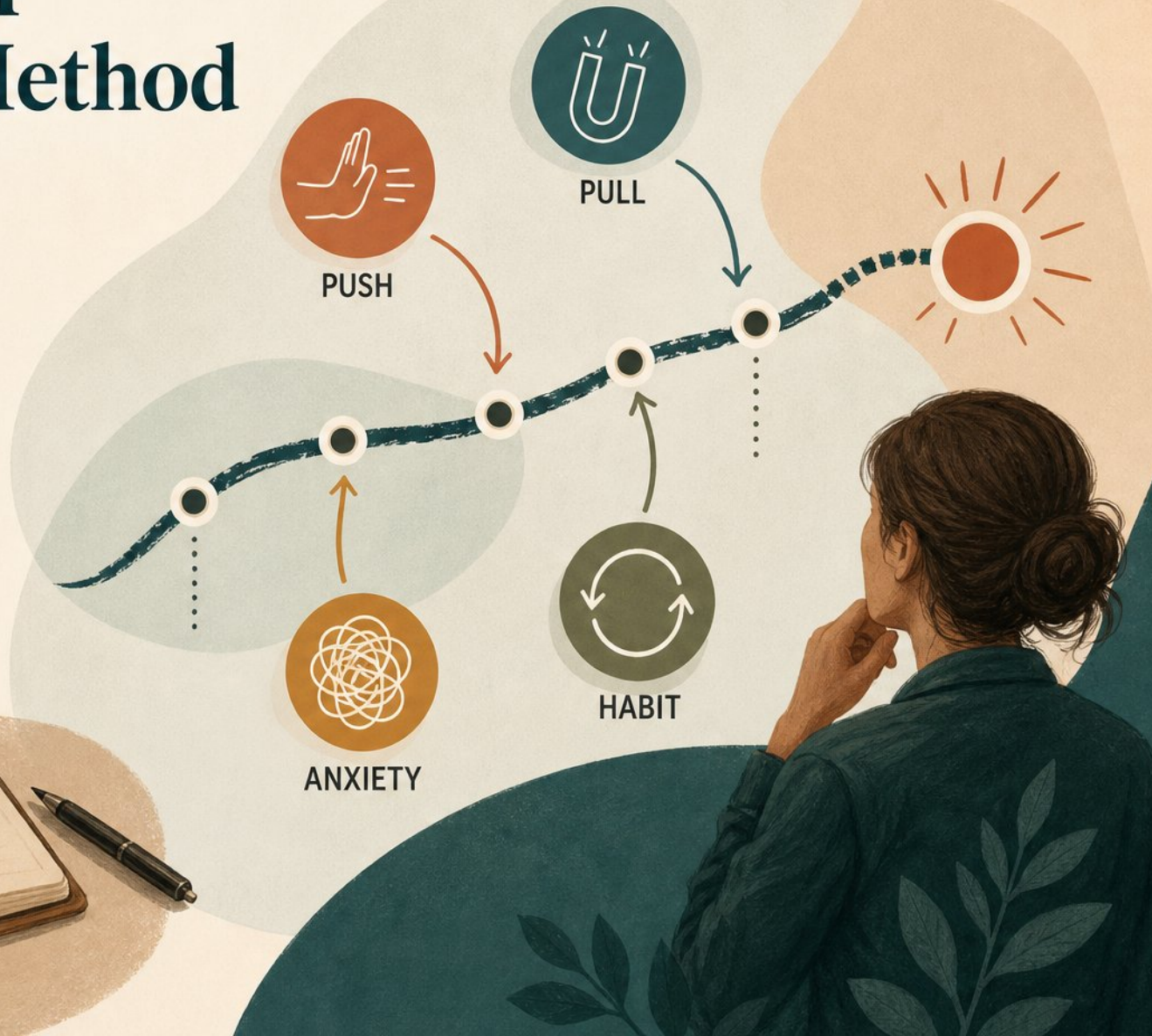
Needs as the Organizing Principle

- Functional (get the job done), emotional (feel a certain way), social (be perceived a certain way)
- Stated needs vs. latent unmet needs: customers rarely articulate what they truly require
- JTBD Needs Framework: core job, consumption chain jobs, emotional jobs, financial outcomes
- Lead with discovery, not confirmation — avoid inventing needs that fit pre-existing labels



Discovering Needs: The Switch Interview Method

- Reconstruct the real purchase story backward from the day of switch
- Identify the Four Forces: Push, Pull, Anxiety, and Habit
- Anchor the timeline at the first thought, then walk event by event
- Use practical techniques: play dumb, capture exact language, seek contradictions



From Interview Insights to Validated Needs Segments

RAW INTERVIEW INSIGHTS



JOB MAPPING

Break the core job into 8 discrete steps from define to conclude



VALIDATED NEEDS SEGMENTS



- Translate interviews into specific, measurable, solution-free outcome statements



- Job mapping: break the core job into 8 discrete steps from define to conclude



- Quantitatively validate with surveys on outcome importance and satisfaction



- Use factor and cluster analysis to find groups with different unmet needs



Situational Segmentation: Context Is Everything

- Situation = context of use (time, place, social setting, channel), not a persona
- Same person enters different segments depending on the context (e.g., weekday rush vs. weekend leisure)
- Key dimensions: macro-context (societal, economic) and micro-context (location, activity, immediate needs)
- Ipsos finding: contextual influences drive over 50% of brand choice decisions



Situational Segmentation in Practice

- Map customer segments against situational factors to uncover distinct need states
- 'Rushed weekday shoppers' vs. 'weekend browsers' require different offers
- Morning commuters hire a milkshake for a different job than afternoon parents
- Adapt pricing and distribution: happy hour, convenience placement, mobile checkout



Task-Based Segmentation: Hiring Products for a Job



- Define the 'job' as the progress a customer seeks in a given circumstance



- Core dimensions: functional task, emotional feeling, and social perception



- Jobs span demographics: a 28-year-old and a 55-year-old can share the same unmet job



- Task-based personas replace age, title, and income with job context and success criteria



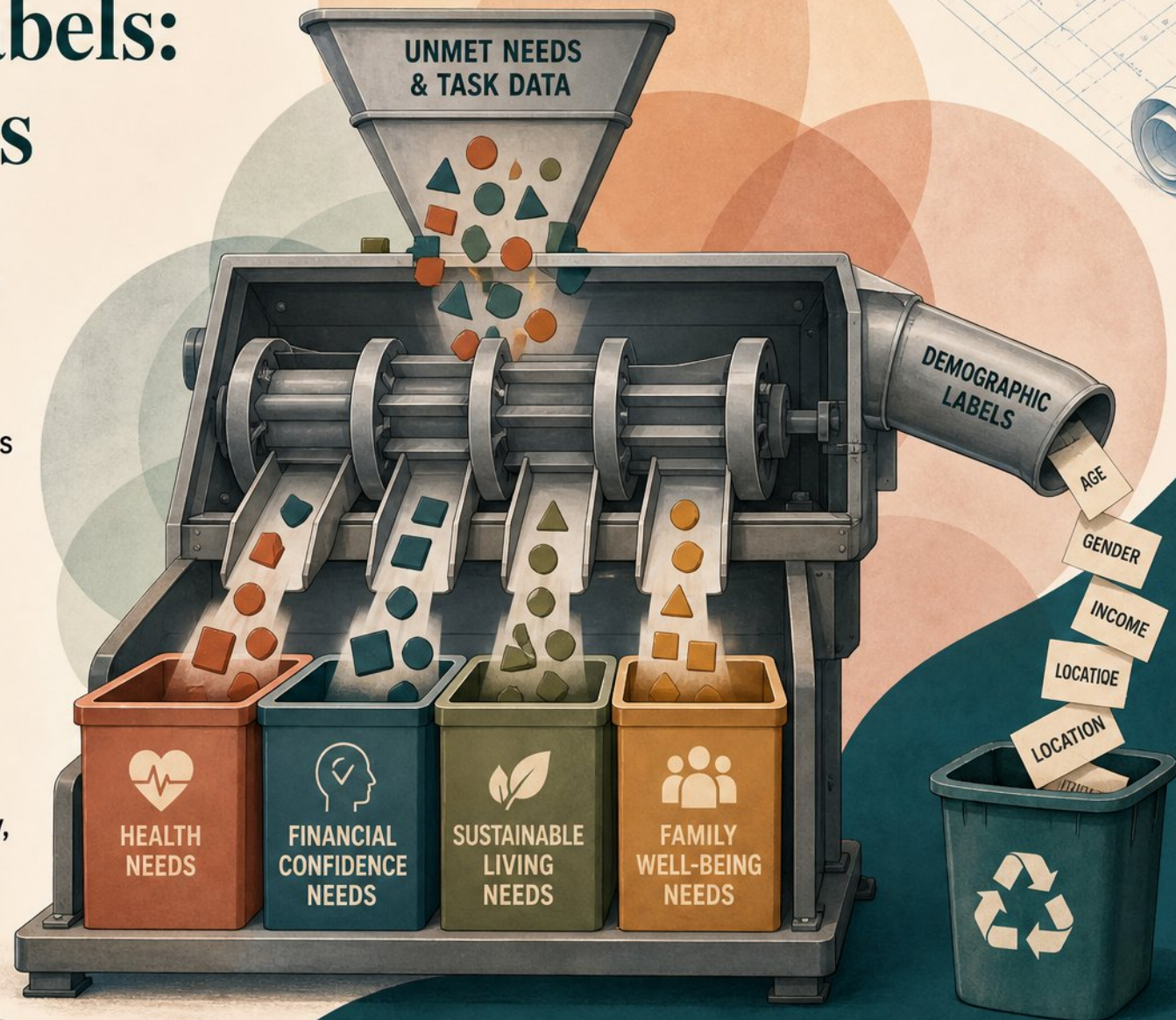
Task-Based Segmentation Examples and Archetypes

- B2B project mgmt: "Compliance-Driven," 'Growth-Stage,' 'Agency Leads'
- Cold-weather gear: "Thrill Seeker," 'Purpose-Driven Protector,' 'Social Explorer'
- ITVX: 7 viewer groups clustered by JTBD, unified product, editorial, marketing
- Name by core task: "Weeknight Time-Starved Cooks," not "Busy Families"



Building Segments Without Labels: The Process

- Needs discovery → situation mapping → task clustering: a three-stage process
- Cluster on unmet-need vectors (K-means, latent class), not demographics
- Name segments by core task or need ("Health-Optimizing Planners"), not personas
- Validate: predict behaviors, preferences, willingness-to-pay, channel choices



Activating Segments in Campaigns and Content



- Each segment gets a distinct value proposition tied to its core job



- Select channels by situational and task fit, not demographics



- Use AI to predict individual behavior within segments, not stereotype



- Measure conversion lift, CAC reduction, and CLV—not just CTR



Common Pitfalls and How to Avoid Them



- Slipping back into labeling: use 'mobile-first discovery seekers,' not 'Gen Z segment'.



- Too many micro-segments: aim for 3–7 distinct, addressable, and actionable groups.



- Ignoring segment fluidity: needs are states, not fixed identities; validate periodically.



- Treating demographics as the primary cut: lead with needs, use demographics for reach.



- Checklist test: verify segments with naming, behavior-prediction, and context-specificity tests.



Practical Application and Next Steps



Audit label dependency: what % of segment definitions rely on demographics?



Redesign one segment using needs-situation-task; lead with a switch interview.



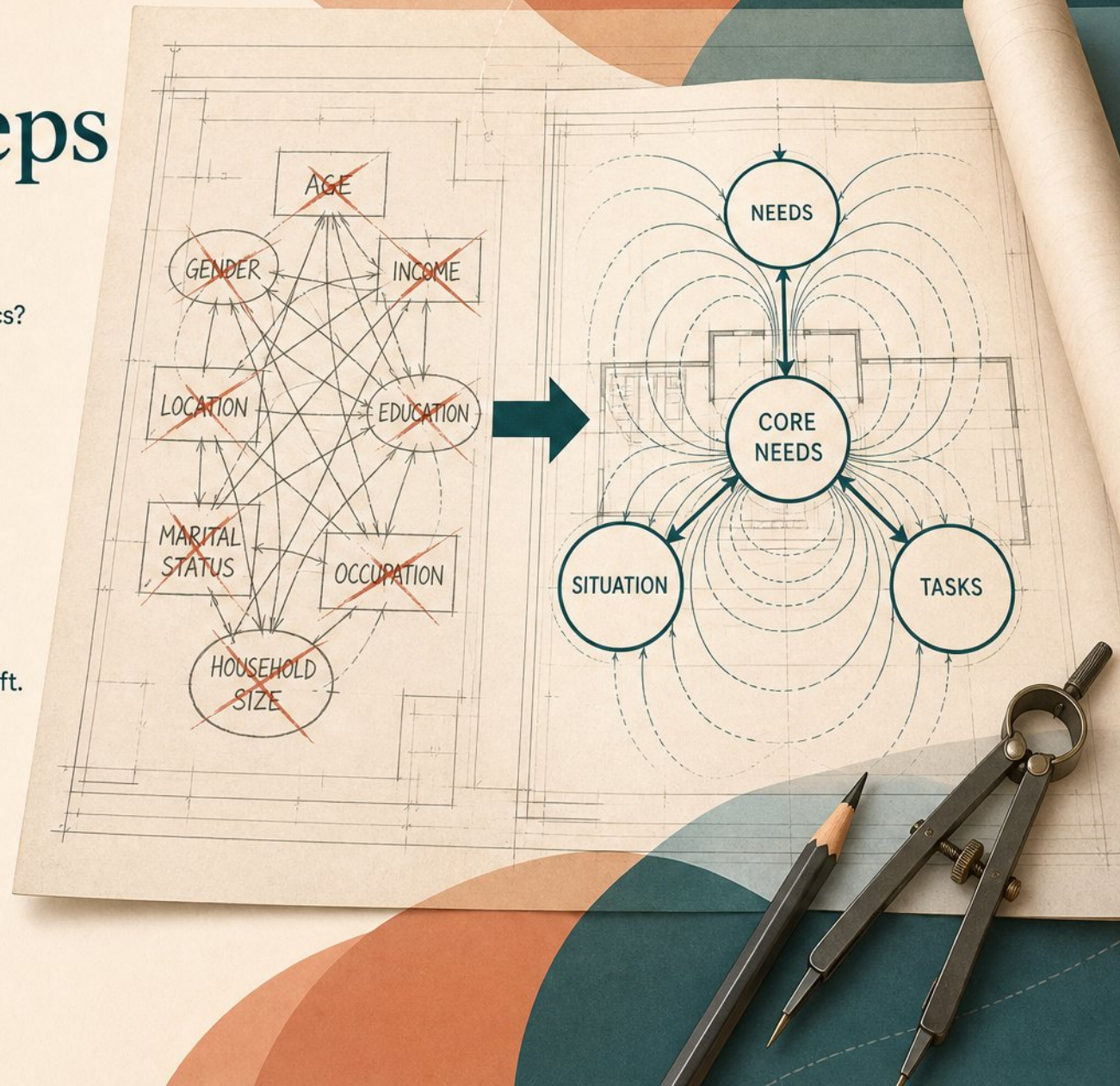
Map segment IDs into CRM and CDP; test recognition before scaling.



Pilot: needs-based vs. demographic targeting, citing the 2.56x conversion uplift.



Next: explore JTBD certification, AI segmentation, and advanced clustering courses.



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