

Marketing Segmentation Assignment

Rationale:

There are many tools marketers use to attract and persuade prospective customers to buy their products and services. Deciding whether or not to use social media, direct mail, TV or radio ads, a simple website or some combination is a real question. But in truth, ***the most important part of marketing is identifying the right customers!*** If you aren't communicating with the people who actually need your product/service, then you aren't likely to sell anything at all. Conversely, if you find the right people – including people who have enough money to buy – then all you need is a good offer (price & features) and a good message. BUT – it's the segmentation that comes first!

This assignment is designed to give you a better understanding of the marketing segmentation process and then tools marketers use. Hopefully you'll have a little fun with it because you get to analyze yourself as part of the market!

Details:

Two major organizations have developed complex methods to help marketers define their consumer segments using different, but valuable tools.

- **VALS**, developed by SRI International, identifies nine different psychographic traits that help marketers reach the best prospect for their market. VALS uses a survey to identify the various segments. After you've read through the rest of this assignment, check out the website for VALS. <http://www.strategicbusinessinsights.com/vals/>
- Claritas is another segmentation company that uses a different strategy. Claritas has compiled demographics for EVERY US zip code and have established a series *lifestyle segments* that help marketers link the lifestyle segment to their specific market. Working with Claritas, marketers can identify zip code areas that meet the psychographic characteristics of their market. Their system is called **PRIZM Segmentation**.
https://claritas360.claritas.com/mybestsegments/?_ga=2.239209795.1187593029.1568902234-92626551.1568902234#zipLookup

Your assignment is to use these tools to segment yourself!

1. VALS – Go to the VALS site and take the VALS survey to see how they categorize you and then analyze the results. Include the following:
 - a. A description of your primary and secondary segments to which you were assigned, based on the survey you took.
 - b. Then, let me know if you think they got it right or did they miss the mark? Provide at least two examples that support your findings.
 - c. Then select two of your favorite products – do you think your VALS results support the fact that you prefer these products? Explain your reasoning.

2. PRIZM – Next go to the PRIZM site and do a zip code look up for your home address. If you are not comfortable with that – select some other area with which you are familiar. To do this, however, you must know something about their neighborhood demographics. The result will be a listing of lifestyle segments that Claritas believes makes up the zip code area you used. Analyze the results:
 - a. Look at the PRIZM data – do you believe it accurately reflects the psychographics of your zip code area you selected? What did they get right and what was wrong or off? Explain your reasoning and give examples.
 - b. Identify two products (not the ones listed on the PRIZM results page) you believe are targeted to people in your zip code area. Explain why you believe it to be true.
3. Your Evaluation: Let me know what you think about these tools? How would you imagine using them? Do you think they are valid? How do you feel about companies like SRI International or Claritas that sell this information for a living? Is this practice acceptable, intrusive, ethical?
4. Make sure you include a summary conclusion.

The grading:

This project is worth 100 points, and will include handing in a two page typed analysis answering the questions above. Be specific – provide examples – give thoughtful explanations (e.g. "I disagree because I don't like the products they listed." Is not a "thoughtful" explanation.)

VALS segmentation and your evaluation of the accuracy of the tool – 30 points

VALS product selection and your conclusion of VALS accuracy with that product – 10 points

PRIZM analysis and your evaluation of the accuracy of the tool – 30 points

PRIZM products being targeted to your area and your conclusion – 10 points

Your evaluation of these tools and overall impressions – 10 points

Professionalism – spelling, grammar, presentation – 10 points