



## URBAN WALLACE ASSOCIATES

35 Bedford St., Suite 8, Lexington, MA 02420

ph 781 862 0033 fax 781 862 1292 web www.uwa.com

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### Market Segmentation: UWA Expertise and Examples

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Urban Wallace segmentation work is based on the knowledge that a segment is a group of customers who exhibit the same buying behavior and seek the same benefits from a product or service. We refer to these shared characteristics as “purchase logic.” Purchase logic is an understanding of customer motivation that goes far beyond industry or demographic classifications. By grouping customers by purchase logic, we are able to identify real market segments.

**Purchase  
Logic  
Defines  
Market  
Segments**

When conducting segmentation work, we first identify the different purchase logics in a market by using qualitative research to define customer needs and to determine why customers act the way they do. Then, we use quantitative research to measure the number of customers in each segment and to reveal ways of identifying members of that segment. The research we employ draws on specialized skills and proprietary techniques.

The overall objective of segmentation is to gain powerful insights that make marketing and selling activities more effective. Because true segmentation work is fundamental to all marketing, the applications for our work in this area have been quite varied, ranging from consumer products and banking to trucking and software.

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### EXAMPLES

**Banking**

For several different divisions of a large bank, Urban Wallace has identified groups of customers with unmet needs. We found segments that wanted products and services that our client could offer and determined why these customers wanted those services. Our customer segmentation work helped this bank significantly grow its retail banking, private banking, brokerage and mutual fund businesses.

*“The biggest added value of Urban Wallace is their practical analysis. They use segmentation to produce action plans that we use to build our business.”*

 **Business  
Supplies**

An office supplies company with a large direct sales force was losing market share to independent distributors. Salespeople were convinced that their products were priced too high. Instead, we found that many customers were switching to distributors even though their prices were higher. These customers were a segment that wanted services our client did not offer. We developed a new strategy to meet the needs of this segment that distributors could not match.

*“We implemented 100% of their recommendations, and gained back 15 points of market share in two years.”*