



LINGUISTIC SEGMENTATION

*From more engaged and cognitively-activated
consumers come more meaningful segments*



Marketing research methodologies have remained static for decades, but we know consumers want more engaging opportunities to share their opinions and habits. We know interviews elicit richer data. And we know larger sample sizes yield more accurate and reliable data. It's time we re-evaluated our methodologies and leveraged artificial intelligence to address these issues.

Being able to identify high-opportunity target segments allows for a strategic approach to marketing, sales and innovation pipelines, and can ultimately drive an increase in revenue. That's why every brand needs to conduct segmentation research regularly. It is indeed foundational, helping to:

- Identify meaningful and differentiated segments
- Understand the behavioral, emotional and attitudinal differences among those groups
- Size the segments and provide their revenue potential as a critical criterion of which segments to target
- Determine which segments will make the best brand targets
- Develop an efficient way of identifying people for further research
- Identify unmet needs or whitespace opportunities for new product/service development



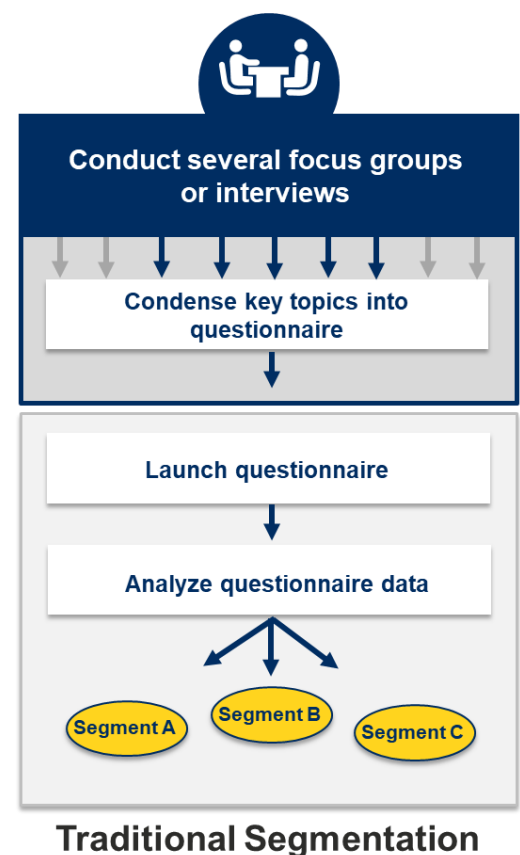
How does traditional segmentation work?

Traditionally, the segmentation process begins in one of two ways.

1. As shown in the bottom half of the diagram, the research team prepares a questionnaire with pre-determined, closed-ended scale-based statements encapsulating segmenting attitudes or needs, and launches it to a large group of consumers. The resulting data are then subjected to cluster analysis, and segments are developed.
2. As shown in the full diagram, the second option entails conducting a small set of consumer interviews first to provide input to populate the pre-determined segmenting questions. The questionnaire is launched and data are statistically analyzed through cluster analysis to create segments.

Both of these methodologies, however, have weaknesses.

Obviously, the first option fails in that it is not founded on the input of actual consumers. By not including consumer insights in the development of the questionnaire, key themes are certain to be missed and therefore cannot contribute to the development of the final segments. Though a research



team might be able to provide some of the more common opinions, emotions, needs, and jobs related to a product, they simply cannot identify all of the edge cases, some of which could be defining for one or more segments. Another major weakness comes from the questionnaire tool itself. Selecting answers from long batteries of rating scales isn't an engaging task, and research has shown that people pay less attention to the task. Furthermore, people use scales in very different ways, thereby creating potential response artifacts. For instance, many people use only a small portion of scales (e.g., they only use the positive options, or they never use the extreme options) which artificially inflates the differences between segments – the segments aren't, in reality, as different as we think. And, with the popularity of mobile phones for participating in research, long lists to be rated on scales simply do not work well.

In fact, recent research has shown that better than half of respondents now use mobile phones to do marketing research surveys, with these skewing towards Millennials and Generation Z. Mobile technology does not lend itself to large batteries of rating scale questions. In contrast, Quester's technique for gathering needs and emotions is text-based — a natural for those responding on their mobile devices.

What is unique about the Quester Linguistic Segmentation process?

As we've just discussed, a key weakness of traditional segmentation is the loss of key information prior to the statistical analysis, and weak quantification of the data. This is where the Quester process shines.

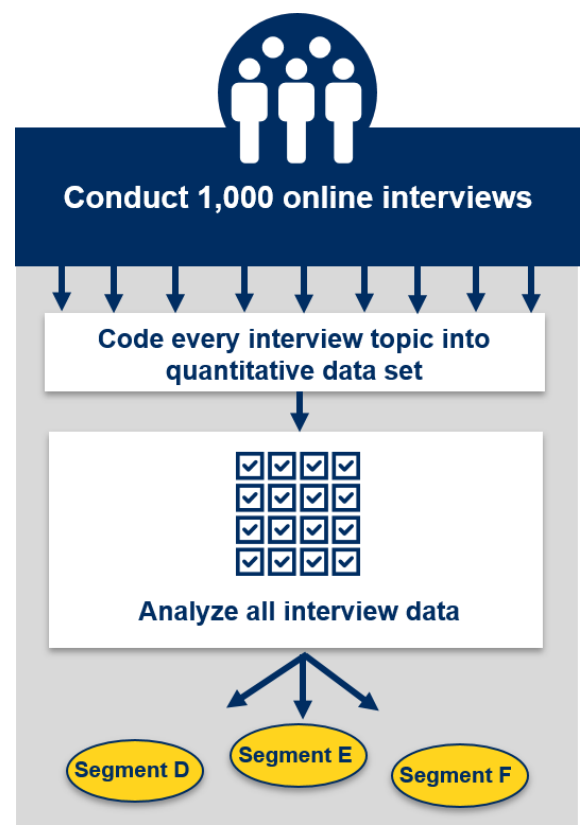
Rather than relying on human interpretation to decide which pieces of information are or aren't important enough to be included in the questionnaire, Quester's discovery process is based on consumers organically providing their needs, attitudes and emotions as an integral part of the segmenting interview. It is not a separate, small, preliminary step.

As you see in the illustration, the process begins by conducting at least 1,000 blended quali-quant interviews with consumers, moderated by voice-assisted artificial intelligence. These interviews elicit opinions and emotions in the participants' own words about the key segmenting topic. The interview creates the context for participants to talk about actual needs, emotions and attitudes, unrestrained by pre-determined answer options and scales. As such, the data collection process is inherently meaningful and engaging for most people. It allows not only for needs/features or attitudes to be stated, but also the emotion that accompanies them, in a completely natural and conversational manner.

During the interview, information is gathered about each person's understanding, knowledge, needs and use of relevant products.

The AI moderator then helps participants think through their important needs, attitudes and emotions about a product category (e.g., tablets, music services, fast moving consumable goods, insurance, etc.). In addition, product usage, brand use, brand imagery and other information is also collected.

Once the interviews are complete, the key segmenting section of the interview is linguistically analyzed and coded into customized themes based on what people *actually talk about* — the needs, motives, "jobs," and more.



Quester Segmentation

Finally, researchers apply advanced statistical procedures to both categorical and continuous data, using two-step cluster analysis. The resulting segments are then validated and profiled against a set of additional measures (e.g., demographics, category behaviors, attitudes). To allow the segments to be identified for subsequent research, discriminant function analysis is used to create a quantitative algorithm.

The Quester Linguistic Segmentation advantage

Quester's Linguistic Segmentation technique takes advantage of essential characteristics from both qualitative and quantitative research techniques and supports them with proprietary AI-moderated interview capabilities.

The end result is a set of clearly differentiated segments, named and profiled by their unique attributes. Each segment's key demographic, psychographic, emotional, and product use characteristics and category spend are outlined. The process even generates guidance on how to effectively message to each segment. And very importantly, the size of each segment is provided. With all of these details clearly outlined, it becomes clear which segments are most valuable and relevant to target and how to target them.

Quester's approach challenges traditional methodologies by offering a way to organically elicit consumers' needs during the interview rather than to have them rate a prefabricated list. This method is only possible due to the technological advances of AI. By leveraging the deep insights that emerge from qualitative conversations on a quantitative scale, marketers can benefit from more consumer-generated segments that help them to connect with people on a deeper level.

Contact Quester

If you'd like to learn more about the Quester Linguistic Segmentation framework, [please get in touch with us](#).

Quester® is an award-winning consumer intelligence firm that uses proprietary [artificial intelligence technologies](#) to conduct multi-lingual qualitative research on a quantitative scale. We specialize in yielding superior consumer understanding in areas such as [innovation](#), [concept development](#), [brand positioning](#), [segmentation](#), and [path to purchase](#). Our online software-based moderator and analytical software probes deep into participant thought processes, analyzes responses, and allows researchers to make wise business decisions grounded in data, and has netted Quester an [EXPLOR Award](#) from the TMRE and an [Ogilvy Award](#) from The ARF. Learn about our tools on our [website](#).

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