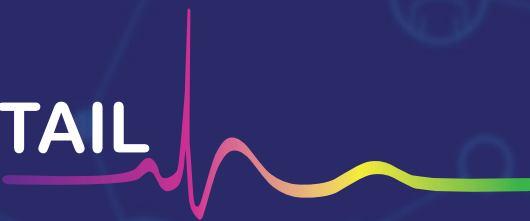# Data for Business Value

(Part 1)

Using Survey Data for Customer Segmentation

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In today's data-driven business landscape, understanding your customers isn't just about collecting information, it's about deriving actionable insights that can drive business growth and customer engagement.

This article is the first in a three-part series exploring real-world examples of how businesses can leverage data for business value, starting with one of the most fundamental aspects: customer segmentation through survey data.

Collecting Customer Satisfaction Data

The journey begins with collecting customer satisfaction data across eight critical product features such as price and security, as represented by the image below:

	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
Price			■		
User Experience				■	
Scalability				■	
Security			■		
Innovation					■
Customer Support		■			
Integration	■				
Reputation				■	

Collecting customer satisfaction data across eight product features.

This data could come from various sources, including pop-up surveys on product webpages or direct email campaigns to directly ask customers about product feedback. Using a five-point Likert scale ranging from 'Very Dissatisfied' to 'Very Satisfied', we can gather some simple yet detailed feedback about how customers perceive our product features.

This approach not only provides a solid foundation for deeper analysis, including customer segmentation, but also enables tailored strategies like targeted communications and product enhancements. For example, if most users highlight a cumbersome user experience, it provides strong evidence to prioritize that area in our development roadmap. In short, gathering satisfaction data supports our business in multiple ways beyond customer segmentation.

From Data to Insights: Customer Segmentation Analysis

The analysis of the satisfaction data can be conducted in a variety of ways, including some well-known data clustering methods. It is also worth noting that the segmentation analysis could be augmented with the demographic and behavioural data that is sitting in our Customer Relationship Management (CRM) systems. This creates more comprehensive customer profiles, allowing for deeper insights. To ensure this new survey data is valuable for future analysis, it should be integrated into our CRM, enabling us to leverage it for ongoing data-driven initiatives and future strategic decisions.

For the sake of simplifying our story about data for business value, let's assume that we restrict our analysis to the simple survey dataset and do not integrate it with other sources. This data

reveals four distinct customer segments, each with unique characteristics and priorities visually illustrated by the slide below:

Customer Segmentation
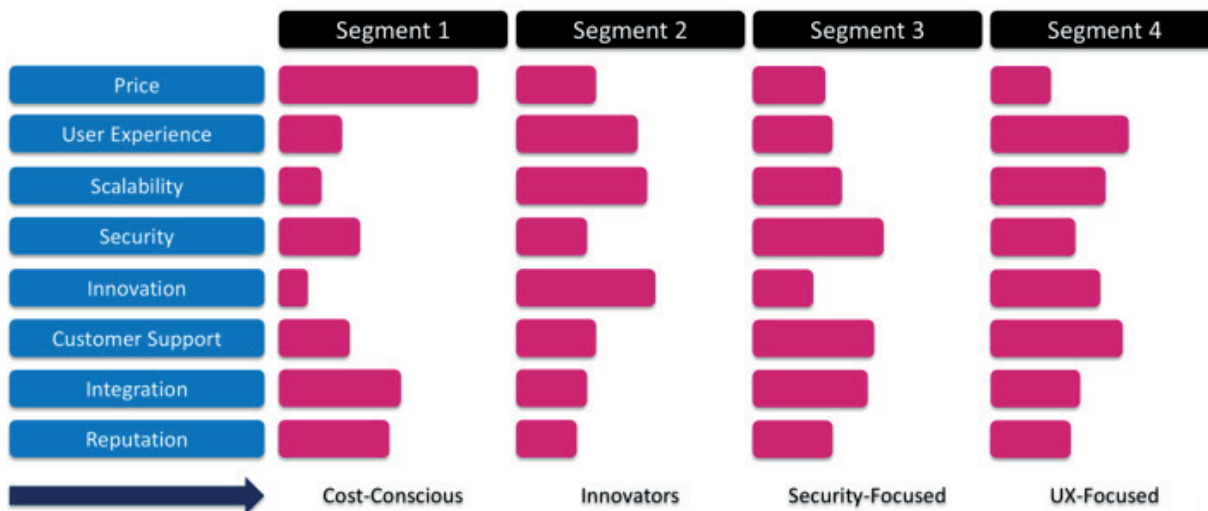
Using product satisfaction data for customer segmentation.

The four segments are further described below:

1. **Cost-Conscious Customers:** This segment prioritizes pricing and value for money, making purchasing decisions primarily based on financial considerations.
2. **Innovators:** These customers place high value on cutting-edge features and continuous product improvements, showing strong interest in innovation and new capabilities.
3. **Security-Focused Users:** This group emphasizes security features and reliability, making them particularly important for industries handling sensitive data.
4. **UX-Focused Customers:** These users prioritize user experience and interface design, valuing intuitive navigation and smooth functionality above other features. Understanding these segments allows businesses to influence multiple strategic areas such as:

   - Marketing: Tailoring marketing messages to specific customer groups.
   - Product Development: Prioritize feature development based on segment preferences.
   - Customer Support: Creating targeted customer support strategies.
   - Pricing: Developing segment-specific pricing strategies.

Conclusion

The segmentation analysis provides a foundation for strategic decision-making, but it's just the beginning of our data journey. In our next article, '**Data for Business Value (Part 2): Data Enrichment and Visualization**,' we'll explore how to enrich this segmentation data and create data visualizations that drive action. Following that, our final piece will demonstrate how to leverage these insights for a data-driven content strategy, completing our exploration of turning data into business value.

The power of customer segmentation lies not just in the insights it provides, but in how we use these insights to drive meaningful business decisions. Stay tuned for the next article, where we'll dive deeper into further bringing these segments to life through data enrichment and visualization techniques.

This article is part of a three-part series on **Data for Business Value**.
Coming next:

- Part 2: Data Enrichment and Visualization
- Part 3: Putting it All Together with Data-Driven Content Strategy

Visit our website to find out more about how we help organizations transform complex data into actionable insights that drive strategic decision-making and innovative engagement.

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