In many industries, aggressive firms are moving toward multiple-segment strategies. Campbell Soup, for example, makes its nacho cheese soup spicier for customers in Texas and California and offers a Creole soup for southern markets and a red-bean soup for Hispanic markets. In New York, Campbell uses promotions linking Swanson frozen dinners with the New York Giants football team, and in the Sierra Nevada Mountains, skiers are treated to hot soup samples. Developing multiple strategies is costly and often must be justified by an enhanced aggregate impact.

There can be important synergies between segment offerings. For example, in the alpine ski industry, the image developed by high-performance skis is important to sales at the recreational-ski end of the business. Thus, a manufacturer that is weak at the high end will have difficulty at the low end. Conversely, a successful high-end firm will want to exploit that success by having entries in the other segments. A key success factor in the general aviation industry is a broad product line, ranging from fixed-gear, single-engine piston aircraft to turboprop planes, because customers tend to trade up and will switch to a different firm if the product line has major gaps.

CUSTOMER MOTIVATIONS

After identifying customer segments, the next step is to consider their motivations: What lies behind their purchase decisions? And how does that differ by segment? It is helpful to list the segments and the motivation priorities of each, as shown in Figure 2.6 for air travelers.

Internet retailers have learned that there are distinct shopper segments, and each has a very different set of driving motivations.[4]

- ***Newbie shoppers***—need a simple interface, as well as a lot of hand-holding and reassurance.
- ***Reluctant shoppers***—need information, reassurance, and access to live customer support.
- ***Frugal shoppers***—need to be convinced that the price is good and they don't have to search elsewhere.
- ***Strategic shoppers***—need access to the opinions of peers or experts and choices in configuring the products they buy.
- ***Enthusiastic shoppers***—need community tools to share their experiences, as well as engaging tools to view the merchandise and personalized recommendations.
- ***Convenience shoppers***—(the largest group) want efficient navigation, a lot of information from customers and experts, and superior customer service.

Segment	Motivation
Business	Reliable service, convenient schedules, easy-to-use airports, frequent-flyer programs, and comfortable service
Vacationers	Price, feasible schedules

Figure 2.6 Customer Motivation Grid: Air Travelers

Some motivations will help to define strategy. A truck, for example, might be designed and positioned with respect to power. Before making such a strategic commitment, it is crucial to know where power fits in the motivation set. Other motivations may not define a strategy or differentiate a business, but may instead represent a dimension for which parity performance must be obtained or the battle will be lost. If the prime motivation for buyers of gourmet frozen-food dinners is taste, a viable firm must be able to deliver at least acceptable taste.

Determining Motivations

As Figure 2.7 suggests, consumer motivation analysis starts with the task of identifying motivations for a given segment. Although a group of managers can identify motivations, a more valid list is usually obtained by getting customers to discuss the product or service in a systematic way. Why is it being used? What is the objective? What is associated with a good or bad use experience? For a motivation such as car safety, respondents might be asked why safety is important. Such probes might result in the identification of more basic motives, such as the desire to feel calm and secure rather than anxious.

Customers can be accessed with group or individual interviews. Griffin and Hauser of the MIT Quality Function Deployment (QFD) program compared the two approaches in a study of food-carrying devices.[5] They found that individual interviews were more cost-effective and that the group processes did not generate enough extra information to warrant the added expense. They also explored the number of interviews needed to gain a complete list of motivations and concluded that 20–30 will cover 90 to 95 percent of the motivations.

The number of motivations can be in the hundreds, so a second task is to cluster them into groups and subgroups. Affinity charts developed by a managerial team are commonly used. Each team member is given a set of motives on cards. One member puts a motive on the table or pins it to a wall, and the others add similar cards to the pile until there is a consensus that the piles represent reasonable groupings. An alternative is to use customers or groups of customers to sort the motives into piles. The customers are then asked to select one card from each pile that best represents their motives. Although managers gain buy-in and learning by going through the process themselves, Griffin and Hauser report that in the twenty applications at one firm, the managers considered customer-based approaches better representations than their own.

A third task of customer motivation analysis is to determine the relative importance of the motivations. Again, the management team can address this issue. Alternatively, customers can be asked to assess the importance of the motivations directly or perhaps through trade-off questions. If an engineer had to sacrifice response time or accuracy in an oscilloscope, which would it be? Or how would an airline passenger trade off convenient departure time with

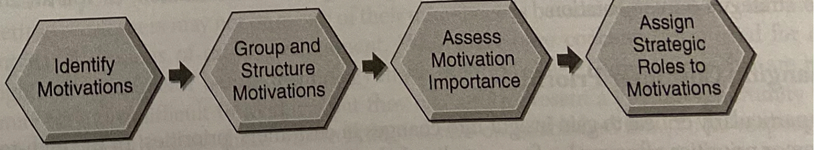

Figure 2.7 Customer Motivation Analysis