

Private: How to evaluate market segments

Market segments are fundamental to understanding who you serve and how.

A market segment is a group of people who share one or more common characteristics. They are grouped together for marketing purposes. A 'group' or market segment might be defined because those involved have similar needs and service requirements. Market segments are fundamental to understanding who you serve and how. This guide helps you identify and assess your market segments.

All community service organisations have a least one primary market segment, and most have secondary and subgroups. As you define these at a broad level, you can move on to understand them at a subgroup level. Also refer to How to create client profiles.

You will need to analyse your market segments on multiple levels to successfully undertake marketing and communications. This will help to improve your brand awareness, relevance and reach.

Revisit your mission and purpose

Revisit your mission and purpose statements.

- Do they strongly align with the clients you are considering or servicing?
- Do your statements of mission and purpose identify the types of client issues you are aiming to address?
- Do you need to consider modifying your mission and purpose to reflect changes planned in targeting new and different issues and market segments?

If this review points to a significant drift away or conflict in purpose, this needs to be resolved before considering new market segments.

Look for common themes

When identifying 'market segments' linked to your mission and purpose, aims, goals and objectives, look for themes common to particular groups.

- **Primary market segments** typically include the main client group of a service – e.g. all NDIS eligible people in your defined area that are approved for Supported Independent Living (SIL)
- **Secondary market segments** may also be relevant segments for your organisation, e.g. any person on limited income needing living support in your defined area.

Confirm that the segments you want to address are aligned with your goals and mission. This will assure stakeholders and funders and potential donors that your organisation is a 'good fit' in terms of their aims.

Assess each group

A market segment will have a range of dimensions and can typically be broken down into subgroups. Market segment subgroups enable

you to assess more accurately:

- The potential numbers of clients in your defined area
- Any critical drivers of service delivery, such as the need for regular utility services or transformational change in services
- How to motivate potential funding partners to join with you to address a subgroup
- The likely increase of service demand over time and impact this will have on your organisation.

By mapping the subgroups within your primary segment, you can assess the impact they will have on:

- Resources
- People
- Process
- Finance.

Undertaking an assessment of your market segment groups and subgroups will give you a clearer picture of your service relevancy to your clients as well as any potential funding partner(s).

Assess your social return

Most community service organisations are concerned with financially sustaining their mission as well as demonstrating a social return.

Having a strong sense of the social benefit you provide to your primary segments, subgroups and stakeholders, can help you to align your financial health with achievable outcomes. If you are struggling with this knowledge gap, it might pay to do some market research – refer to [How to conduct market research](#).

Resources

Australian Marketing Institute (AMI). The “marketing for good toolkit” for not for profit organisations have relevant sections from page 8.

<http://dragonflycollective.com.au/wp-content/uploads/downloads/2013/03/Marketing-for-Good-Took-Kit-FINAL.pdf>

Measuring Social return – The UK body, Social Return of Investment Network (SROI Network) is now referred to as Social Value UK. The group provides extensive insights and guidance on this subject. <http://www.socialvalueuk.org/resources/sroi-guide/>

Referenced links

- [How to conduct market research](#)