

# Jean yip's market segmentation



Jean Yip - market segmentation Market segmentation can be based on five criteria. These segments must be measurable, substantial, accessible, differentiable and actionable in order to engage in target marketing. A criterion of the market segment would be the measurability of the potential market. There is an available market to tap on in Singapore. Everybody needs a hair-cut and the Believers are a likely target for Jean Yip. It constitutes a large market as their purchasing power is average or above average which falls into the category of Jean Yip customers.

Furthermore, the Believers are conservative and traditional who believe in established brands. Jean Yip Group, an established brand (founded since 28 years ago); had started from a neighbourhood salon to almost 60 outlets island-wide. This brand would appeal to the Believers. Being believers of repeated products, they would be the more likely target market for Jean Yip as they are motivated by ideals and low resources. Furthermore, they can serve as a steady business to Jean Yip Group's 60 outlets which are easily accessible by anybody. valid points as this segment is large and attractive to target. A second criterion of the market segment would be the whether the marketing campaigns are actionable. The marketing campaigns have to be formulated to attract and serve the potential market. The marketing campaigns have to target the 4Ps, namely the product, price, promotion and place. Jean Yip's hair-styling service is the product and there should be differentiation from other hair salons.

It can be done through branding of its salons through various television programmes which showcase various hair styles. These programmes can engage Jean Yip as its ambassador and thus, create a positive impression

that Jean Yip is a reputable and established brand that people can sought after. This is applicable to the Believers who believe in recognized brands. Under price and promotions, Jean Yip also advertises regularly in above-the-line and below-the-line marketing through various print and online mediums. For instance, Jean Yip also advertises in info-entertainment programmes where these beauty shows showcases discounts and promotions through SMS codes or free-treatment contests. This also subtly portrays Jean Yip's brand image and aid in the top-of-the-mind recall among hair salons in Singapore. This can be a good source of advertising or promotion due to word-of mouth among its customers; especially among the believers who tend to be the repeat and loyal customers. - this second point is not so appropriate, instead you should discuss the factor of - company's objectives, competencies and resources.

That is, rather than the 5 effective segmentation criteria, it would be better if you had used the concepts of "segment attractiveness" and "company's resources, competencies and resources" to support your choice of segment that JY is likely to be targeting at. In the former, you need to cover the size of segment (large middle class population) and characteristics of segment like loyalty to established brands while in the latter, you can discuss JY's mission statement, state-of-the-art-technology and quality service at value for money prices, numerous outlets all over Singapore etc.

Jean Yip's - customer retention Customer relationship management (CRM) refers to the process of 'carefully managing detailed information about individual customers and all customer 'touch points' to maximize customer

loyalty'. (Kotler, Lane, Hoon, Meng & Tiong, 2009, p. 144) For Jean Yip, CRM is just as important. With their large volume of customers, it is impossible for the employees to remember every customer, each with their own attributes. Therefore, having a CRM will assist in this aspect and allow Jean Yip to apply one-to-one marketing for all their customers.

One-to-one marketing consists of four main steps: identify, differentiate, interact and customize. (Kotler, Lane, Hoon, Meng & Tiong, 2009, p. 145) - good introduction To identify its customers, Jean Yip has to firstly collect and maintain reliable data of customer's profile and preferences in an extensive database that can be assessed by all employees at its various branches. In the beginning stages of building the database, this information can be collected during the customer's visit to the salon. A form containing the required information can be given to the customer to be filled up.

These will then be updated into the common database where their preferences can be segmented for specific marketing campaigns. While some may argue that most stylists will remember their regulars and are able to tell what the customer needs without much probing, it is still essential to document these information in the same CRM system so that it is made available even when the stylists are not there. - valid discussion and you can also include the types of information to collect. Moving forward, the next step would be to differentiate customers in terms of their needs and lifetime value to the company. (Kotler, Lane, Hoon, Meng & Tiong, 2009, p. 145) Customers can be grouped according to two main categories. In each category, marketing strategies and customer service delivery can be personalised. This allows Jean Yip to better focus, prioritise and invest their

marketing strategies on the right group of people. v This group is considered as the highest revenue generating customers. Therefore, Jean Yip should work on improving their customer experience and developing their loyalty to the company. Again, this is where the customer's database will come in useful.

The customer's individual profile can be updated at every point of visit and the treatment sought at each particular visit. This will in turn increase their Customer Lifetime value. Special promotions or rebates can be offered to returning customers every time they purchase a service from the salon. Customers would appreciate when a free or discounted treatment such as a hair wash can be thrown in as a perk for them. Alternatively, Jean Yip can also reward these existing customers when they refer a new customer to the salon. - relevant