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## Case Study of Segment of One Marketing: Role of Data Analytics

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### **Introduction:**

The field of marketing is still developing, with improvements occurring every year. Businesses are figuring out better methods to link customers with their products. The most recent trend is individualized advertising. A business can design advertising and target the segments that will be incredibly relevant to the buyer's purchase behaviour and almost ensure a purchase or conversion by leveraging data and digital based technologies. Personalised marketing refers to campaigns that are personalized to buyers or customers' interests and demographics.

But after basic personalization, where does it go? Welcome to the era of segment of one marketing.

The revolution in information technology has profoundly transformed the landscape and scale of marketing. As Postma (1998) stated, "Instead of having to rely on lists of target group characteristics, or on what customers say their preferences are, it is now possible to determine what the actual consumption and preferences of certain consumers are." Data analytics is employed to pinpoint and concentrate on individual customers rather than addressing the generic customer profile generated through traditional segmentation. A "learning relationship" is then developed using the interactive data analytics, and a two-way conversation between the supplier and the client follows (Postma, 1998). Through this engagement, the supplier is able to offer the mix of goods and services that the customer needs. The number of encounters between the parties grows over time, and so does their capacity to meet client demands (Jenkinson, 1995; Shepard, 1995).

One context of data analytics usage is in CRM. CRM includes all of the actions necessary to build, maintain, and maximise the value of such connections. Thus, the relationships that arise from CRM are a concrete indicator of its value, which might be high. There is now more awareness of the client's information value, which in some cases is higher than a company's real assets (Simon and Sullivan,

1993). The full significance of these relationships may be understood by taking into account how companies use CRM to attract, keep and maximise the value of their consumers.

CRM is used by some businesses, like Flipkart India, to draw in new clients and expand. This business is a part of a marketing strategy to expand its selection of distribution channels and is targeted at young professionals and better-off elderly individuals. For a business whose research indicates that two-thirds of all products will be sold online by 2013, this is a reasonable progression. Flipkart asserts that it can develop the essential insights for offering each consumer a specifically personalised service by developing a close relationship with them. Other firms have been drawn to CRM because of its capacity to increase customer value. Enhancing the effectiveness of marketing expenditures involves optimizing both the extent and substance of marketing initiatives in alignment with customer value. As a result, catalogue businesses can utilise purchase information to categorise their clients based on how likely they are to respond to specific mailings. Based on a person's specific purchasing inclinations, retailers like Tesco have the capacity to send hundreds of various permutations of offers to that customer (<http://www.tesco.co.uk>).

Role of data analytics and technology advancements have undoubtedly expanded the number of marketing and shopping channels and sparked modifications in consumer behaviour. The potential for data acquisition has increased as well as the data management functionalities. have been expanded, at the same time. Along with these technological advances, segmentation practises have undergone a number of adjustments. The two most significant changes are arguably the use of a greater variety of segmentation variables and the shift towards the segment of one.

### **The Segment Of One: The New Paradigm Of Marketing?**

So the question is that segmentation of one-to-one hold the key to the future of market segmentation? It can be noticed that the data analytics and management opportunities have expanded as a result of technological advancements in predictive analysis that have led to the emergence of new shopping channels. Marketers have seized the chance for more involved interactions as the evolving environment has influenced a shift in customers' shopping habits and preferences. A more intelligent use of segmentation variables has coincided with rising interest in CRM. Additionally, opportunities for customer-centric marketing that targets a single sector have emerged. Based on a rigorous evaluation of its benefits and drawbacks, the one-to-one approach's future scope and utility must be determined. The

one-to-one strategy offers a better comprehension of customers, their purchasing habits, and their preferences.

An expanding variety of customer buying options aligns with the market fragmentation that has been discussed. Changes in segmentation are being prompted by these changes. Consumers are becoming more sophisticated in their purchasing habits, choosing from a variety of traditional retail outlets as well as online and other electronic channels, televised home shopping networks, direct mail advertisements, catalogues, and virtual stores (Harris et al., 2000). These changes are changing the traits of consumer behaviour and have an impact on how companies classify their markets. For many years, researchers have predicted that electronic shopping will become more significant (Peterson et al., 1997). An expanding variety of customer buying options aligns with the market fragmentation that has been discussed. Changes in segmentation are being prompted by these changes. Consumers are becoming more sophisticated in their purchasing habits, choosing from a variety of traditional retail outlets as well as online and other electronic channels, televised home shopping networks, direct mail advertisements, catalogues, and virtual stores (Harris et al., 2000). These changes are changing the traits of consumer behaviour and have an impact on how companies classify their markets. For a long time, writers have predicted that the popularity of increase in online shopping (Peterson et al., 1997).

Access and affordability to the internet and online based purchasing is being boosted by additional causes as well. The Internet has been made available on mobile phones thanks to the introduction of wireless application protocol (WAP) technology. Online purchasing is now available through specially designed mobile Internet sites (Reed, 2000). Others will benefit from interactive purchasing options brought on by the adoption of marketing through digital television. Although just 10% of homes presently have access to digital services, a sharp rise is unavoidable as conventional media of television is becoming obsolete gradually, and rapid increase in personal electronic devices is inevitable.

### **What effect would these changes in shopping have on market segmentation, then?**

The most important thing to keep in mind is that shifting purchasing channels encourage businesses to alter how they engage with customers. This is so that direct marketers may "understand their customers' needs and to establish personal relationships," which makes the Internet "the best relationship tool ever" (Geller, 1998). As a result, consumers who previously visited travel agencies to buy packaged vacations are increasingly dealing directly, either over the phone or online.

According to some experts, the segment of one, which has been the target of increasingly sophisticated segmentation systems, will eventually be reached (Peppers and Rogers, 1993, 1999). According to Sheth et al. (2000), this strategy "emphasises understanding and satisfying the needs, wants, and resources of individual consumers and customers rather than those of mass markets or market segments." This new marketing strategy has adopted a number of buzzwords. The term "customer-centric marketing" was used by Sheth et al. (2000) to describe a strategy that, in their words, enables marketers to "create an offering that customises the product and/or some other element(s) of the marketing mix or standardises the offering."

### **Challenges ahead for segment of one:**

Marketers have responded positively to CRM and the idea of the segment of one. Some people even think of one-to-one marketing as a new marketing panacea (Peppers and Rogers, 1993). However, a critical assessment of the concept's scope and applicability must counterbalance the hoopla surrounding its benefits with a careful examination of any potential drawbacks. Ryan (2000), for instance, identified three issues with the one-to-one program's reach:

- a) One-to-one marketing is overly focused on the consumer and is frequently inappropriate for business-to-business (B2B) situations where it may be necessary to make numerous interactions with numerous different people in order to make a sale.
- b) One-to-one marketing is overly customer-focused in that it prioritises keeping current clients at the price of attracting new ones. While Ryan (2000) did not disagree with the idea that "the customer is everything," he did advocate for a more balanced strategy that places equal emphasis on attracting new clients and keeping old ones.
- c) A closed-loop is not supported by one-to-one. Ryan (2000) argued that while one-to-one interactions are sufficient for dealing with interactions between a single company and a single individual, it can be challenging to link a specific advantage to a specific contact in situations requiring connections with multiple individuals (such as business-to-business).

In conclusion, market segmentation continues to be praised by marketing academics and professionals. However, it is crucial to take into account the potential impact upon segmentation practise as growing role of data analytics and technology affects the structure of channels of marketing and clients become further sophisticated in their purchase based behaviour. CRM has benefited from improved data capture and manipulation, which has opened up possibilities for more precise segmentation strategies. This tendency is demonstrated by the present focus on customer-focused marketing and the segment of one. There is plenty of data to support the new strategy, but its scope and applicability are plainly constrained.

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