

# QDI STRATEGIES

*20/20 Vision for Marketing Breakthroughs*

## Hyundai Uses Behavioral Segmentation to Take the Bull by the Horns and Send the Bear Packing

By Michael Barr



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Hyundai took the bull by the horns in this bear market and scored big. The company used behavioral segmentation to identify what was keeping prospects from buying and then developed a strategy that made it easier for customers to part with their hard-earned dollars. What can you learn from their example: in every market change, even a downturn, there is an opportunity to use the power of behavioral segmentation to make your product or service stand out?

### Talk to Your Target Prospects:

Each news cycle brings a tsunami of information impacting your customers' purchasing decisions. The smart marketer understands every change in the marketplace is an opportunity to capture new customers. How do you seize that opportunity and grow your business? Relying on secondary data or past segmentations isn't a realistic option. Even in these tough times, resist the urge to repeat a smaller version of last year's marketing strategy and tactics. Use voice of the customer research to talk to prospects you are currently winning as well as those you would like to win. You can't overestimate the value of talking to your customers. Ask new, open-ended questions.

Focus on learning:

- ⇒ What their reason is for buying – how is it changing?
- ⇒ What their needs are – how have they been impacted by recent events?
- ⇒ What's keeping them from buying?
- ⇒ What they think of your product versus the competition's product?
- ⇒ What would change their perception of your product versus the competition's?

**In This Article:**  
The power of behavioral segmentation to drive sales even in a tough economy.

### **Sort Findings:**

Take a hard look at your data and sort groups with similar characteristics to determine which segments to target. Hyundai discovered as the market changed so did their segmentation. Significant numbers of prospects were no longer focusing on gas mileage performance and they weren't necessarily looking for more discounts. Armed with strategic customer insight, Hyundai identified a business opportunity.

### **Define Segment**

Hyundai determined fear of losing a job was a barrier preventing prospective buyers from purchasing a car. After defining the segment, the company developed and aligned sales and marketing strategies to reach this new segment. By targeting prospects concerned about job security, Hyundai broadened their audience and increased the number of customers who looked at their cars. David Zuchowski, Vice President of national sales for Hyundai noted in a *New York Times* article, "It doesn't matter how many zillion dollars you put in rebates, or what A.P.R. you give them. If people are worried about their job, they don't really care and they're just not going to get off the fence." So how did Hyundai motivate customers to move off the fence?

### **Develop Strategy to Target New Segment**

Next, Hyundai developed a strategy to ease the fears of this segment. The company's Assurance Program releases customers from car payments without harming their credit score. As Jonah Bloom stated in *Advertising Age*, "right there, is an honest-to-goodness big marketing idea ... Hyundai confronts the recession head-on and does some-

thing tangible to tackle its effects."

### **Create Messages**

Craft messages to address the specific concerns of your customers. Hyundai advertising used straight talk that resonated with customers. The company said, "We're introducing Hyundai Assurance, to show you the faith we have in you. Right now, finance or lease any new Hyundai, and if in the next year you lose your income, we'll let you return it. That's the Hyundai Assurance."

### **Test**

With some creativity, almost all new segmentations and strategies can be tested either in a small geographic area or among a select group of customers. Verify that your strategy is on track before you launch a new program nationwide. This gives you an opportunity to make corrections to your messages as well as validate the strategy to make sure your investment will pay off.

How can you take the bull by the horns and send the bear packing? Use behavioral segmentation to identify what's meaningful to your customers and apply that information in strategy development.

When January sales came out, it was official; Hyundai's Assurance Program hit a home run. The company was one of only a few automakers to post an increase in sales. So here's the question of the hour: are you using behavioral segmentation to differentiate your product, reach new customers and drive additional sales?

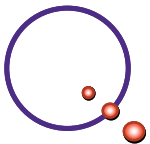
## Who are we?

QDI Strategies is an international marketing consulting firm with a reputation for developing actionable strategies. What distinguishes our work? Our experienced consultants use QDI's proven discovery process and value-based analytics to help leading businesses reach their goals in the following key areas:

New Product Strategy/ New Market Entry Strategy  
Segmentation Strategy  
Channel Strategy  
Growth Strategy

## For More Information

If you would like to receive additional information on the power of behavioral segmentation to drive sales or discuss other marketing challenges you're facing, please call Michael Barr at 847-566-2020 or email him at [mbarr@qdistrategies.com](mailto:mbarr@qdistrategies.com).



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