Book review

Handbook of Market Segmentation: Strategic Targeting for Business and Technology Firms

Art Weinstein

The Haworth Press, Binghamton, New York, 2004; ISBN 0-7890-2156-0; £22.00

There are many books about market segmentation and target marketing and most marketing textbooks contain a chapter addressing market segmentation. The problems inherent in many of these are that they tend to assume a 'blank canvas' and focus on consumer markets. In practice, a great deal of segmentation analysis is undertaken in business-to-business markets and few organisations have the luxury of having a totally fresh start to creating target market segments. Particularly in business-to-business markets, companies face entrenched operating practices, existing sales force allocation and contractual arrangements within the supply chain that lead to iterative evolutions to the *status quo*, rather than the roll-out of a revolutionary customer-facing segmentation scheme.

Art Weinstein has worked in the area of market segmentation for many years, from an academic perspective and as a consultant helping facilitate segmentation strategising in a variety of markets. As such, Weinstein recognises that market segmentation must often evolve out of an organisation's existing customer groupings, and that even when exercising suitable caution, there are a myriad of managerial, operational and cultural barriers likely to impede the deployment

of the revised target market scheme. As a result, the 'Handbook of Market Segmentation' is a wonderful addition to the guidance offered to practitioners conducting market segmentation.

This fast-moving and well-structured book is not intended to be a fully referenced textbook, although its author's academic credentials show through in the thorough style of explanation and the use of informative examples to highlight key learning points. Weinstein is Professor and Chair of Marketing in the H. Wayne Huizenga School of Business and Entrepreneurship at Nova Southeastern University in Fort Lauderdale, Florida and has acted as a consultant for HP, Intel, Motorola and Novartis. As Kotler states in the book's preamble, 'Art Weinstein has prepared a handbook for business and technology marketers that is rich in segmentation theory and case examples'.

The tone of the 'Handbook of Market Segmentation' is very direct. What is segmentation? How should my organisation tackle segmentation? Why should it? What are the best practice approaches? What problems is my organisation likely to encounter? How should these problems be pre-empted?

Part I examines the nature of segmentation planning: an overview of

market segmentation, the role of segmentation in business-to-business markets and segmentation research guidelines for marketers. The three chapters of Part I fully explore what is meant by market segmentation, why organisations should adopt this approach to target marketing and how best to approach the task.

The 'how to do' lessons of the book lie in the four chapters of Part II, which address geographics and firmographics, usage analysis, benefit segmentation, purchasing behaviour and organisational psychographics. These discussions of base variables for constructing market segments are particularly insightful and lucid. The true highlight of the 'Handbook of Market Segmentation', however, is Part III which offers two chapters that consider strategy formulation in practice and how to create a segmentation-oriented business. Within these two chapters are many superbly expounded proposals for minimising the implementation hurdles inevitably encountered along the journey to rolling out a market segmentation strategy. These observations are particularly shrewd and demonstrate Weinstein's unrivalled grasp of the operationalisation issues associated with market segmentation.

In case any reader has failed to take on board Weinstein's learnings and guidance, the final Part of the 'Handbook of Market Segmentation' offers six chapters that each present a detailed case illustration of how the most

commonly used segmentation base variables have been applied in a mix of predominantly US-focused businesses: Collins Aviation Services (avionics products), Dev-Soft S.A. (Spanish-based B2B software), Dow Corning (the world's leader of silicon-based industrial products), Lexmark International (the IBM spin-off, now a leading producer of PC printers), Pharmacia Corporation (which has 12 per cent share of the global pharmaceutical industry since merging with Pfizer) and Sportmed (medical instruments to sports medics). While these cases should have been more obviously linked to the themes discussed in the chapters of Parts II and III, they nevertheless provide topical examples of the 'art of segmentation' and illustrate very effectively some of the best practices of strategising.

Few practitioners will fail to feel an affinity with the experiences shared in this zappy workbook. Few readers will reach the final part having failed to appreciate how better to conduct a market segmentation strategy that is more likely to avoid most of the primary pitfalls. The 'Handbook of Market Segmentation' is a must for those involved in creating target market strategies and appropriate market segmentation schemes.

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