



LUMERIC™ Project Summaries

Project Type:

Customer Segmentation Strategy

Sector: Online Art Print Retailer

Company Size: \$20m

Company Position:

Market Challenger

Client Level:

Director of Marketing

The Critical Decision:

Can an emerging provider of online Art Prints retailer capture greater market share from larger competitors and improve margins by shifting to a customer segment driven merchandising and messaging strategy?

The Answer:

Yes. There are several, measurable segments in the market that would shift a greater share of their purchases to the client if offerings were more customized to meet their needs with many willing to pay a premium for the convenience of being fed product options targeted to their specific interests.

The Discussion:

After experiencing rapid growth over the six years the company was in business, the client reached a plateau where they had to provide significant discounts in order to continue to capture market share even though their product was recognized as best in quality. Management wanted to continue to capture share while reversing the trend in margin erosion and hypothesized that a shift to a customer segmentation strategy might be a path to delivering on these objectives.

Through a two-part qualitative and quantitative research program with current and prospective customers, Lumeric identified five distinct and measurable segments. Lumeric then recommended targeting three of these segments with customized offerings based on perceived responsiveness to a targeted offering and willingness to pay a premium for it. Within six months of implementation, the client saw a 12% increase in sales with a 5% improvement in margins with new customers. 

