

New tool from Bonamy Finch makes its easier for agencies to compare segmentation solutions

Contributed by Bonamy Finch
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Consumer insights and analytics specialist Bonamy Finch has launched BoFiLer, a segment profiling tool specifically to help market research agencies more easily compare and select segment solutions.

The tool has been developed from an analysis of the company's whole database of projects to develop a concise set of measures that can be used to determine how good a segmentation solution actually is. Reflecting the need to make analysis more accessible in general, these measures are combined to form a single score. Each segmentation solution is compared with others developed for a project, and with the other segmentations in the Bonamy Finch database. This enables agencies to quickly make better-informed decisions about what solutions to review in depth before making recommendations to their own clients.

"We have run over 800 segmentations in more than 40 categories at the last count. One thing that has always struck us as seriously remiss within segmentation is the availability of simple to interpret, meaningful statistical indicators of whether or not a particular solution is any good," explains Leigh Morris.

"Our experience tells us that what really makes a segmentation successful is whether the segments themselves tell a good story. There are two fundamental indicators of this. First, does each segment clearly stand out on some things, as opposed to nothing or everything? Second, are the things they stand out on actually important to what people do in the category? The set of 'performance indicators'•

"We have developed captures both these statistical and pragmatic properties of a segmentation solution. For instance reliability focuses on future statistical validity, whilst reportability relates to how easy it is to present clear differences between the segments. Reflecting the need to make analysis as accessible to a wider audience as possible, these measures are weighted in BoFiler and combined to form a single metric (akin to a % and interpreted as such). We call this the Segmentation Evaluation Net Score (SENS).•

Morris says that providing these three simple measures together with an overall evaluation score of how good a segmentation is, represents a significant development within this most strategic area of advanced analytics.

"Our indicators of how good each solution is are incorporated into the BoFiler tool, alongside the overall SENS rating. We wouldn't recommend choosing a segmentation solution based on the SENS metric alone - but we do believe it provides clearer guidance than has been available up until now on which ones not to choose.•