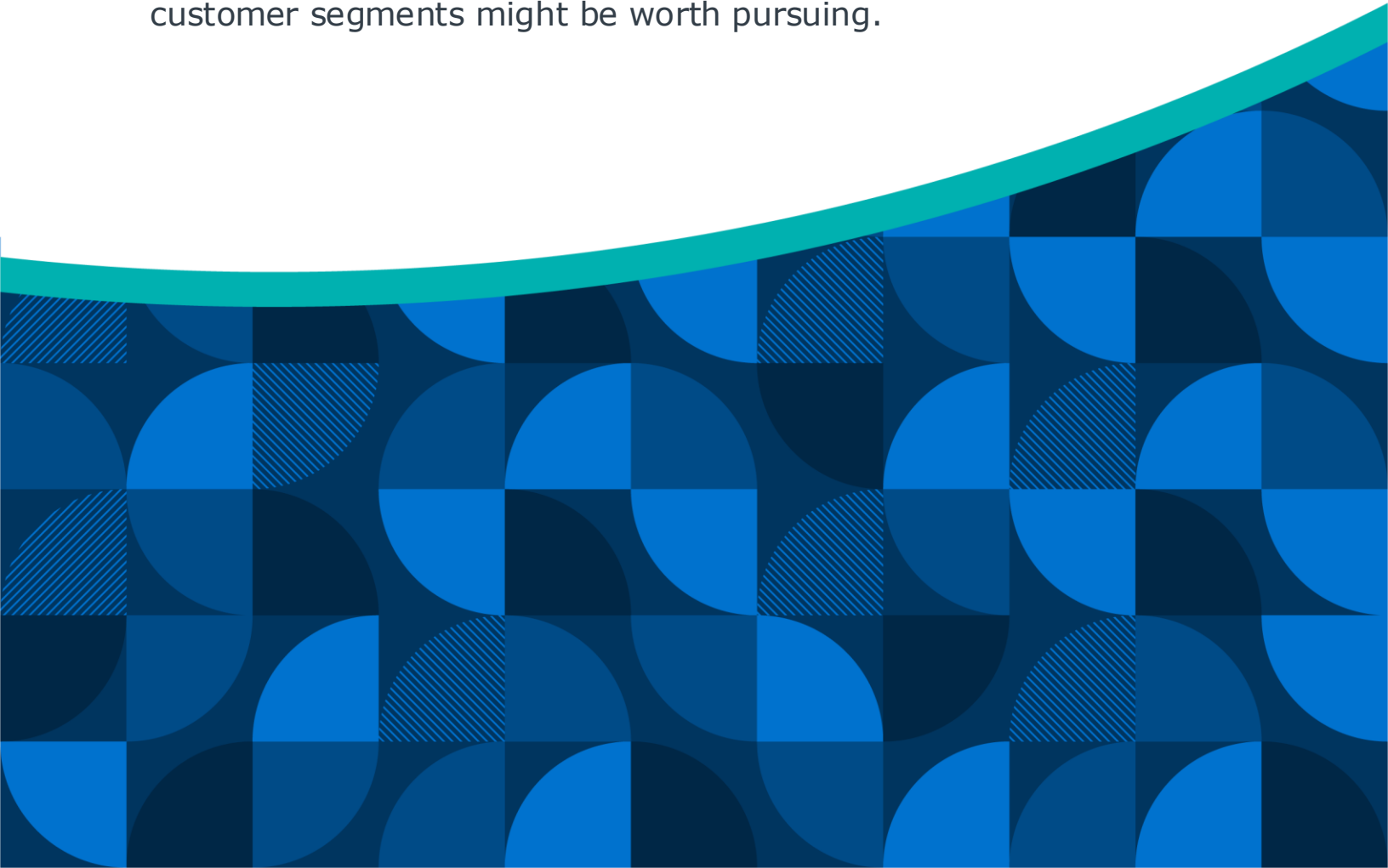




DYNAMIC VALUE PROPOSITION: RELEVANCY TOOLKIT

Market Segmentation Guide

This toolkit aims to help schools assess which, if any, additional customer segments might be worth pursuing.



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Use this guidance for an overview of how to use this toolkit and how it fits into the larger 3-step process to achieve a dynamic value proposition.

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Use this toolkit to help you assess if a customer segment in your market is a viable choice for your school to pursue.

How to Use This Toolkit

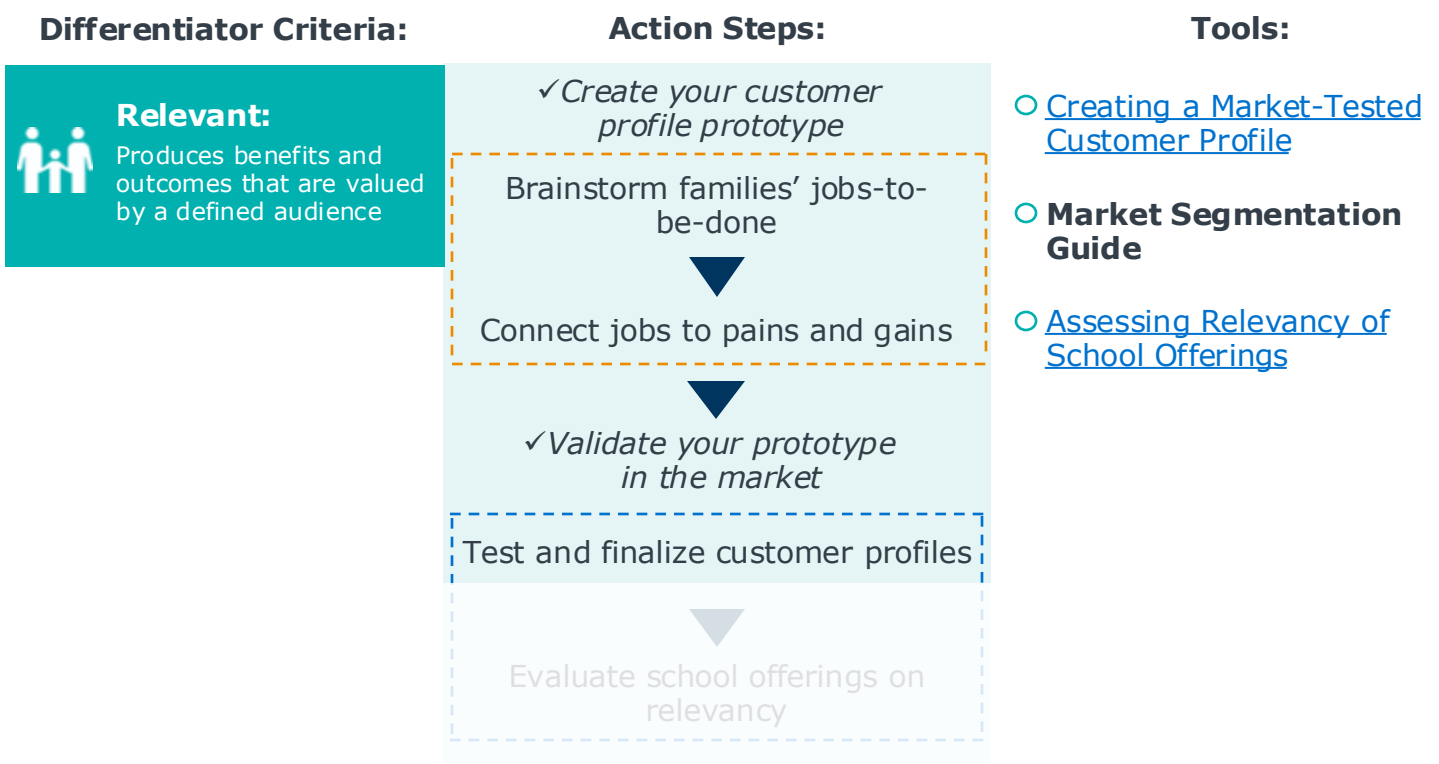
Great programs don't matter if they don't matter to your audience. Too often, schools invest in offerings without clearly understanding what families truly value. The first step to building relevance is developing a clear, data-informed customer profile that captures parent and student needs.

This toolkit is *one of three relevancy toolkits* that will assist schools in completing step 1 of EAB's 3-step dynamic value proposition. Refer to **p. 5** of [EAB's Value Proposition Management System Implementation Guide](#) for an overview of the 3-step process, and **p. 7** for an overview of step 1.

This toolkit begins with a brainstorming exercise to help school leaders identify potential new customer segments in their market. Next, a viability questionnaire helps assess whether each segment is worth pursuing further. Based on the results, schools can then decide whether to create a Customer Profile Prototype (in the Creating a Market-Tested Customer Profile toolkit) for any new segments beyond their traditional independent school audience.

See the graphic below for a step-by-step overview and track your progress using the action plan checklist on **pp. 8–9** of the Implementation Guide.

The Value Proposition Management System: Step 1





EAB's Dynamic Value Proposition

Customer Segment Viability Toolkit

Use this toolkit to help you assess if a customer segment in your market is a viable choice for your school to pursue.

Customer Segment Brainstorming Guide

Use the following examples and guiding questions to brainstorm potential new customer segments in your market.

Potential New Segments

International Families



Potential Family Priorities

- Status in community and workforce back home
- Concerns about personal safety and visas

First-Generation Families



Potential Family Priorities

- Family pride being first to get degree
- Feeling included among families who have long attended independent schools

Generation-Z Families



Potential Family Priorities

- Focus on innovation instead of tradition
- More discerning in spending money on private education

Brainstorm Segments

Keep the following guiding questions in mind when brainstorming new or potential segments in your market:

- What are the characteristics of families in your community that don't interact with your school?
- What demographic changes or trends have you noticed in the market?
- What families do your competitors target that you do not?

Customer Segment Viability Questionnaire

Select one customer segment to assess at a time. Now, on **pp. 7-9**, follow these instructions for each customer segment you choose. Check the box next to each statement if your school can answer in the affirmative for the selected customer segment. Then, answer the accompanying reflection question in each section.

Selected Customer Segment: _____

1. Market Size and Growth Potential:

- There is a sizeable percentage of families in this segment in our market.* ☐
- The percentage of families in this segment of our market is growing. ☐

▶ Reflection Question

How can you keep track of the market growth of families in this segment?

2. Profitability:

- Families in this segment are able to pay full or majority of tuition.* ☐
- Families in this market are willing to pay full or majority of tuition. ☐

▶ Reflection Question

How could your school adjust its pricing strategy and financial aid support for families in this segment, if needed?

*Note: Consider using EAB's [Projecting Enrollment at Your School with Employment Data Tool](#) for guidance on how to determine the market size and profitability of each segment. While some of the tool is geared towards the COVID-19 pandemic, several insights can still be applied to any market sizing effort.

Customer Segment Viability Questionnaire (cont.)

3. Customer Needs:

- Our school understands the specific jobs, pains, and gains of families in this segment. ☐
- Our school is able to meet the specific jobs, pains, and gains of families in this segment. ☐

► Reflection Question

What sort of jobs, pains, and gains do families in this segment share with your current families? What jobs, pains, and gains are different?

4. Competition:

- There is little competition among schools in our market for enrolling families in this segment.* ☐
- We see gaps in the market where our school offerings can provide value to families in this segment that competitors cannot. ☐

► Reflection Question

What decision criteria do you think families in this segment use when choosing one school over other schools?

*Note: Refer to **p. 33** of the Creating a Market-Tested Customer Profile toolkit to help you determine this information.

Determine Customer Segment Viability (cont.)

5. Accessibility:

- Our school can easily and effectively target families in this segment. ☐
- We know what barriers could prevent families in this customer segment from enrolling at our school. ☐

► Reflection Question

What do you think may prevent families in this segment from considering and enrolling at your school, besides potentially tuition?

Next Steps

- ✓ Review your responses above. If you marked 'yes' for at least one statement in each of the five sections, determine with the school leadership team how you might incorporate this segment into your value proposition work.
- ✓ If you did not mark 'yes' for at least one statement in each of the five sections, keep track of this segment and identify what would need to change to explore marketing to this segment.
- ✓ Consider if you should make a Customer Profile Prototype for any additional segments that may be in your market. Repeat the steps in the [Creating a Market-Tested Customer Profile toolkit](#) for any new segments you decide to explore.



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