

## Do You Use Market Segmentation? Bravo!

Bravo became an overnight success by catering to several highly specific market segments. Private cable operators can follow the same approach.

By Bryan Rader ■ *Bandwidth Consulting LLC*

**N**ot long ago, Bravo was a sleepy channel at the bottom of the cable lineup. Today, it is a “gotta have” network across the United States.

How did it leap ahead of competitors to go from a back-burner channel to a front-runner? Its success is due to its new president, Lauren Zalaznick, who took over the channel in 2004.

Zalaznick divided her core audience into five segments. As she explained to SUCCESS magazine, “We put behavioral modeling around these segments; we thought about what they’d like to see, what they like to watch, what they do every day.”

By segmenting the audience, Bravo created such hits as “Real Housewives,” “Top Chef,” “Millionaire Matchmaker” and “Flipping Out.” I know I’m not in any of Zalaznick’s market segments, as I haven’t seen these shows! But you have to love her ratings success. Segmenting helped create hit shows to attract each audience. The same concept that worked for Bravo will certainly work for us.

Market segmentation is not a new concept, but it may be important for private cable operators (PCOs) as we plan for next year. Lately I hear a lot of talk about one market segment. People are frantic about customers who have cut the cable cord, joined Netflix, bought iPhones and do everything online. Their entertainment is no longer centered on the TV. It’s all about the Internet, and that makes some people nervous.

But wait. This techno-savvy customer does not represent every apartment resident we serve. Not everyone has dumped his or her TV for the Internet.

This group is only one market segment, and operators should be aware of that.

What about everyone else? I’ll try to identify our customer types, and I encourage you to do this exercise with your management team. It will help your 2010 planning.

**Speedsters** are the market segment transitioning to broadband only. They are younger residents – twentysomethings, college students, singles with roommates, gamers and others. They may no longer sign up for cable, partly to save money, but they will pay for top-shelf speed and quality of service (QoS). We can customize a plan for them around speed (maybe including burstable speeds) and reliability.

The next group is **Costco users**, who buy products in large quantities to capture big discounts. They will buy video, voice and data, but they expect big savings for being good customers.

These folks load up on paper towels and bottled water and take coupons with them to restaurants. They offer a great opportunity to sell a lot of services in a “volume discount” way. Marketing to Costco users should focus on convenience, promotional savings and high-quality technical support. They can be extremely loyal.

**Sports Fans** make up another segment. This market segment is huge in MDUs. These guys own the biggest HDTV sets and are generally unavailable on Sunday afternoons during football season. Their buying decisions are driven by sports programming and HD quality. Do we carry the NFL Network? Do we offer all the hockey games on Versus? What about pay-per-view events? These guys want it all and will pay for it.

A key segment is **International**. Lumping all nationalities into one category may be problematic, but they do share common demands and needs: international calling plans; international channels such Fox Soccer, TV Asia and Univision; and patient, bilingual customer reps for sign-up and support. They provide great word-of-mouth, too.

Finally, there are **Slowskys** – the people who say, “I just want it to work.” Simple, straightforward, not too many remote controls. Many of these folks prefer a good analog lineup with a reasonable broadband speed. In some MDUs, this can be a very large segment. We should package services just for them.

Segment your market and build packages that suit each segment. It worked for Bravo; it will work for us. **BBP**

### About the Author

Bryan Rader is CEO of Bandwidth Consulting LLC, which he founded in 2007 to assist providers with their performance in the multifamily market. Prior to starting Bandwidth Consulting, he founded and ran private cable operator MediaWorks for 10 years. You can reach Bryan at [bryanjrader@yahoo.com](mailto:bryanjrader@yahoo.com) or at 636-536-0011. Learn more at [www.bandwidthconsultingllc.com](http://www.bandwidthconsultingllc.com).