

# The Application of Throw Method in Market Segmentation of Industrial Products



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Market segmentation is sure to be first concerned, no matter how an enterprise divides its organizational structure with corresponding solutions: how to more effectively subdivide markets, lock target markets and identify the target markets' potential and features. On the strength of research experience in the field of industrial products for nearly two decades, Sinotrust found that practice is far more complicated than theory in terms of market segmentation of industrial products. Herein introduce feasible thinking and methods on market segmentation.

## Application of throw method in segmentation

The throw method relates to three factors, namely, operating factor, throw factor and descriptive factor, among which the throw factor plays a critical role.

### 1. Find throw factor

Actually, the throw method is applied to link the target operating factors of marketing and strategy with users' descriptive factors, but it is by no means easy to directly set up links. Hence, we need to find the throw factor between the target operating factor and the descriptive factor of client, and then clearly match each operating factor of marketing with the descriptive factor of client. Thus, the features of various subdivided clients can directly reflect the diversity of marketing policies.

Usually, the throw factor pertains to the intrinsic of client. Based on different traits of products and service, the intrinsic characteristic factors may vary, but the intrinsic characteristic factors correspond largely to the product and price factors.

### 2. Throw operation procedures

The basic market segmentation can be cast when various throw factors are found. The specific procedures can be divided into three steps: list key factors; find primary relations and performance of factors; subdivide market and describe the features of subdivided market.

### 3. Throw method and market research

In practice, the judgment on throw factor can count on the qualitative market research method, but it is essential to prove that the throw factors as the key segmentation dimension are true and effective and can function to describe, so certain sample size is required for test. The subdivided market upon the scientific throw method demands qualitative hypotheses and analysis as well as quantitative verification.

### **Advantages of the throw method**

An enterprise can benefit in two aspects if the throw method is adopted for market segmentation:

Locate features by following up a clue - Many companies not only offer products but associated products and services as well. The throw method for a certain product can be well copied to other products, thus the reference value of market segmentation can be enhanced.

Keep dynamic monitoring - The throw method can maintain dynamic compliance of subdivided markets. There is no need to frequently change the segmentation dimension. Moreover, the throw method adopts the throw factors based on the intrinsic features of users; also the users' descriptive factors are a part of market segmentation. Therefore, the subdivided markets can be dynamically monitored thanks to the stability of users' intrinsic features and the observability of statistical features. As long as we grasp the changing trends and appeal of various subdivided markets, we can composedly adjust the marketing policies.

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