



# Effective Market Segmentation

*How LSPs Should Identify  
and Target the Right  
Market Clusters*

By Donald A. DePalma and Hélène Pielmeier

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# Topic

Unfocused lead pipelines cause many language service providers to waste precious sales and marketing resources. They aren't sure which prospects to pursue, so they market to a broad spectrum of buyers that cross company sizes, industries, geographies, and countless other attributes. The targeted firms have little in common with each other and may not be in line with the provider's differentiation and strategic plan. As a result, sales are unpredictable.

CSA Research identified in advisory sessions that even the largest suppliers need guidance to develop a more strategic approach to targeting buyers. To equip LSPs with the tools to succeed, we analyzed the methods used by sales and marketing executives at successful language industry providers. We also drew on best practices from other fields to provide a step-by-step segmentation approach to guide anyone responsible for branding, marketing, sales, or account management. This report covers:

- [Segmentation Defined](#). We explain market segmentation, describe why it's important, and outline the general process. The next three chapters provide how-to descriptions of the segmentation stages, illustrated with examples. Each stage helps you qualify prospects in the segments you develop.
- [Baseline Segmentation](#). We detail how to get started with a seven-step process that relies on readily available data from free and paid lists.
- [Informed Segmentation](#). We provide guidance to refine the results and identify the best targets by adding internal insights as well as data from secondary public and private sources.
- [Engaged Segmentation](#). We further expand the model to incorporate information and datapoints that will be available only as you become more involved with prospects and clients.
- [Recommendations](#). We address four common concerns with segmentation.
- [Related Research](#). We identify other CSA Research reports and briefs that provide additional data and analysis on marketing and sales.

# Related Research

CSA Research has been identifying and analyzing the best practices of the supply side of the language market since 2002. The following research provides additional information about the marketing, lead generation, and business growth topics covered in this report:

- [“LSP Metrix”](#) (Aug15) – This report documents the progression of LSPs as they move from one stage of maturity to the next and the characteristics of providers at each level for all 70 evaluation factors. Among these factors is the ability to target market opportunities in a more intelligent manner – the core of any segmentation exercise.
- [“Strategic Planning for LSPs”](#) (Oct13) – This report guides LSPs through the journey of setting a strategy. It begins with a discussion of the importance of such planning at LSPs both large and small and takes you through that internal and market analysis that leads to a mission statement. It outlines an in-depth assessment of the company, identifies differentiators, and concludes with a discussion of setting the strategic direction for the company, implications, and execution to take the company to next level.
- [“Marketing Strategies for LSPs”](#) (Mar14) – This report provides a useful benchmarking resource for LSPs of all sizes that already have a marketing function, strategy, and budget in place – and for those just moving in that direction. It analyzes the state of marketing based on business variables and outlines how to plan a strategy.
- [“The Language Services Market: 2016”](#) (Jun16) – This annual report provides important information and data about the language services and technology industry that you can use in segmentation and competitive analysis. It includes market sizing, opportunities and challenges, core services and technologies, benchmarks, and details about leading suppliers.

## About Common Sense Advisory

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## Future Research

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Common Sense Advisory seeks interviewees from the community of people involved in building business applications for international use. If you would like to be interviewed or have clients who would like to share their experiences, please e-mail us at [info@commonsenseadvisory.com](mailto:info@commonsenseadvisory.com). We anonymize participants and hold all information in the strictest confidence.

## Applied Research and Advisory Services

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