

SMF2.0

The Samsung Way of Marketing in the “Digital Everything” Era

Table of Contents

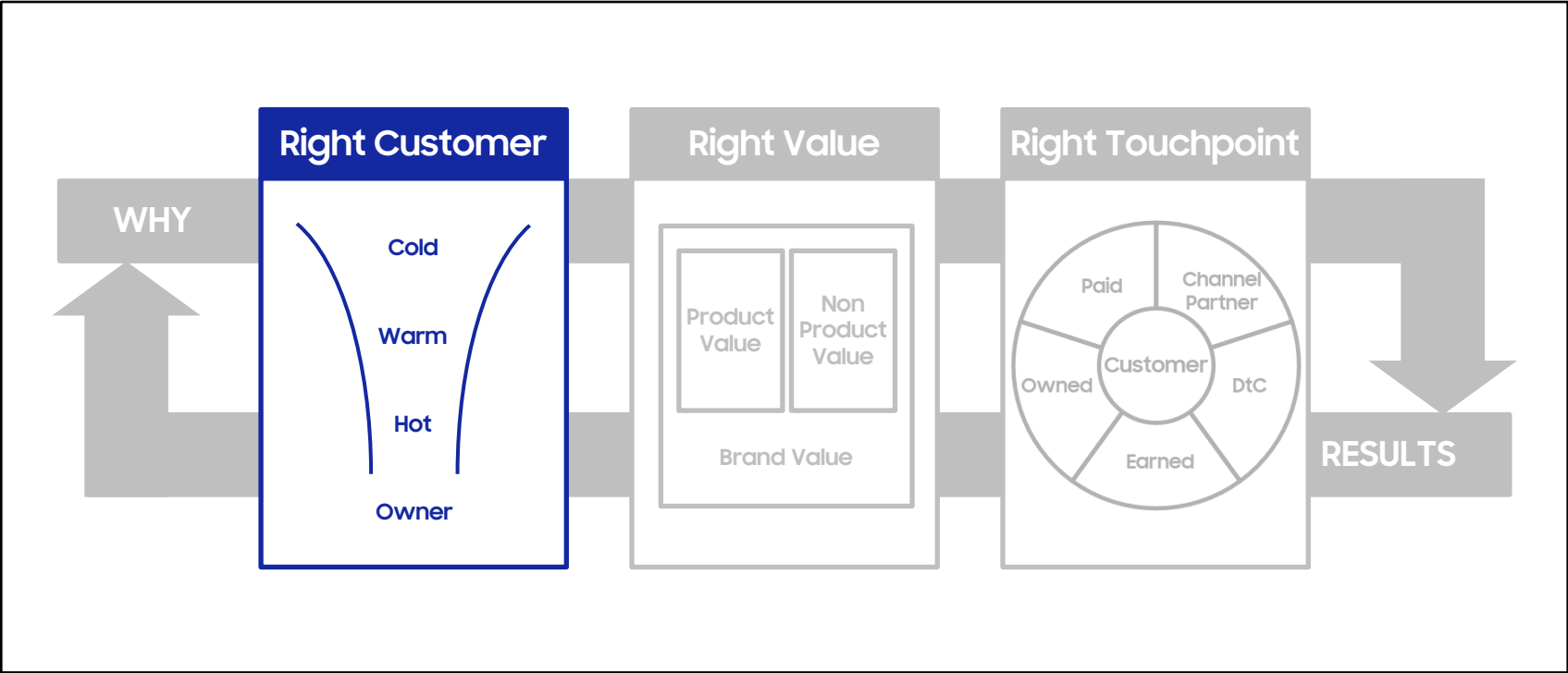
1. Introduction
2. The "WHY"
3. The "Right Customer"
4. The "Right Value"
5. The "Right Touchpoint"

The “Right Customer”



The “Right Customer” in SMF2.0

SAMSUNG MARKETING FRAMEWORK 2.0

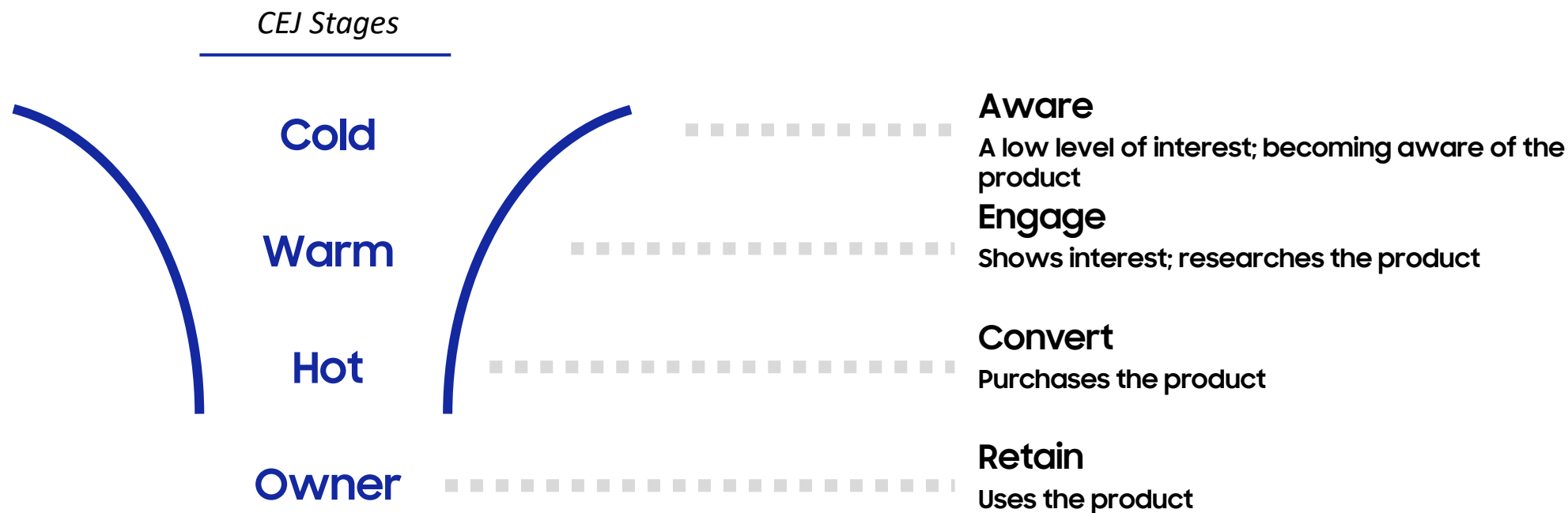


What is the “Right Customer”?

The “Right Customer” involves **the process of defining and understanding the customers that are considered most ideal to achieve the WHY in each CEJ stage.**

What is the "CEJ"?

To find the right customer, we must first understand the Customer Experience Journey (CEJ), which categorizes customers into 4 stages according to their degree of purchase intentions - "Cold", "Warm", "Hot", "Owners".



Changes in Customers

The digital age allows us to get a 360° view of our customers, gain a deeper understanding of them, and target the right customers from a holistic perspective across all CEJ stages.

In the past

Limited knowledge on customer needs

We were unable to fully identify customer needs with traditional market research methods e.g., surveys, focus group interviews

A static approach

We targeted everyone as prospective customers, regardless of the different customer needs at each CEJ stage

Focus on buyers

We focused our marketing resources on sales and considered positive customer experiences as an impact on the purchase of other prospective customers

In the digital era

Deeper understanding of customers

We look at customers from various angles and identify specific needs by combining information acquired from various online and offline channels.

An agile approach in all CEJ stages

We take a 360° view of customers and take this holistic view in targeting customers across the entire CEJ

Strengthened post-sale relationship with users

We stress the importance of developing and strengthening relationships in the retain stage and take good care of “owners” (post-sale)



Who is your **TARGET CUSTOMER** in the CEJ
and what do they want?



1. Gain a 360° view of customers

Are you utilizing information collected through market research and on/offline channels to study your customers from various angles?

2. Define your target segment

Did you select the most appropriate target segment according to its attractiveness and suitability?

3. Identify customer needs across the CEJ

What are the needs and trigger points* of your target customers at each CEJ stage?

*factors that move customers to the next stage of the CEJ



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1. Gain a 360° view of customers

Gaining a 360° view of customers entails looking at them in all dimensions by collecting their information through various channels.



* Source : SCV (Single Customer View), Marketing Science Group, GMC, May 2020

1. Gain a 360° view of customers

In addition to traditional customer research methods (like surveys, focus group interviews) and internal analysis reports (like the Consumer and Market Insights Report), **comprehensively leveraging digitally-collected data** can also help us deepen our understanding of customers.

1. Gain a 360° view of customers

As shown below, digitally collectable data has become diverse.

We can accumulate customer insights and deepen our understanding of customers by collecting and interpreting various types of data.

Dataset	Data Type example
1st Party Data	<p><u>From Samsung-owned touchpoints</u></p> <p>Customer information (name, address, phone number, email address, etc.), s.com visit history, purchase history, wishlist items, etc.</p>
2nd Party Data	<p><u>From business partners</u></p> <p>Business partner's customer information, browsing history, purchase history, etc.</p>
3rd Party Data	<p><u>From 3rd-party providers</u></p> <p>Interests, degrees of interest in specific product groups, life events, demographics, etc.</p>

* PII : Personally Identifiable Information

* Source : CDM Framework & Toolkit, Marketing Science Group, GMC, Mar 2018



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2. Define your target segment

After understanding our customers from various perspectives, we should define our target for the marketing campaign.



What is a target segment?

It is the main target group with which to communicate in marketing campaigns.

After segmenting customer groups in various viewpoints as described in the previous step, the next step is to target a group considering its attractiveness and suitability.

※When choosing a target segment, creating a persona to represent the group helps you think about the needs for each CEJ stage.

2. Define your target segment

We judge, from our own perspective, whether the target segment is attractive and suitable.

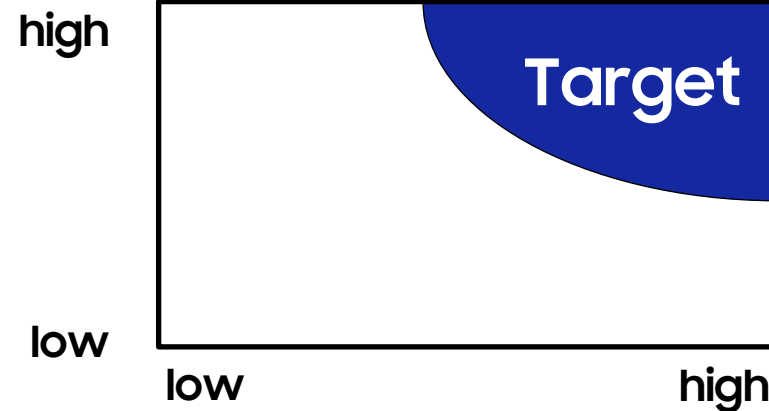
Attractiveness

Reachable

Can this segment access and communicate within our on/offline touchpoints easily and in real-time?

Sizable

Is this segment sizable enough to become visible as a business opportunity in a short period of time?



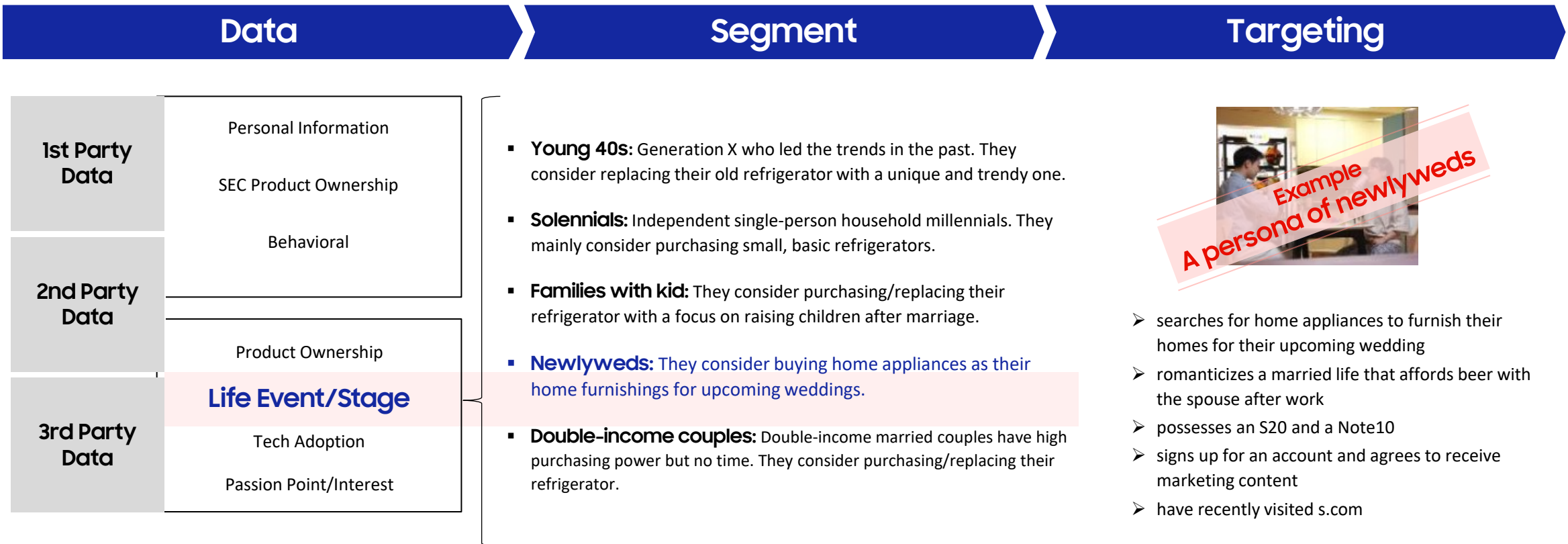
Suitability

Product-relevant

Can the product's strengths be the key buying factor for this segment?

2. Example: The BESPOKE Refrigerator

For example, we defined the BESPOKE launch campaign's target segment under the theme of life events and stages. We conducted the campaign with newlyweds as its target segment.





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Once we have assessed our target segment, we should analyze the **characteristics and needs of each CEJ stage** of the segment.

3. Identify customer needs across the CEJ

We identify customer needs by CEJ stage according to the planned marketing campaign.

CEJ Stage	Cold	Warm	Hot	Owner
Customer needs across the CEJ	Mass Audience	Affinity Audience	In-Market Audience	In-Life Audience
	<ul style="list-style-type: none">• has low or unknown purchase intentions• is vaguely interested in the product they need	<ul style="list-style-type: none">• shows interest in product features and benefits• wants to know specific product features and differentiated benefits that best suit their tastes and situations	<ul style="list-style-type: none">• has purchase intentions• compares the given product with other products• wants to find the best buying option to finalize their purchase decisions	<ul style="list-style-type: none">• is interested in information and services related to product use• wants to use the product without any problems

3. Example: The BESPOKE Refrigerator

For example, let's look at the needs of newlyweds, BESPOKE's target segment, at each CEJ stage.

CEJ Stage	Cold	Warm	Hot	Owner
Customer needs across the CEJ	<p>"We have a lot to prepare for the wedding. What kind of appliances do newlyweds buy for their home these days?"</p> <p>"What's popular these days?"</p> <p>"Which refrigerator brand should we choose?"</p>	<p>"Aren't all refrigerators the same?"</p> <p>"Would BESPOKE fit our home decor?"</p>	<p>"I think BESPOKE's design is good, but does it come with good features?"</p> <p>"Where should we buy it?"</p> <p>"I wonder if we could get the best deal."</p>	<p>"How can we make the best of BESPOKE?"</p> <p>"I wonder what other products would go well with BESPOKE."</p>

3. Identify customer needs across the CEJ

Although we cannot satisfy all of our customers' needs in every CEJ stage, we must still identify the

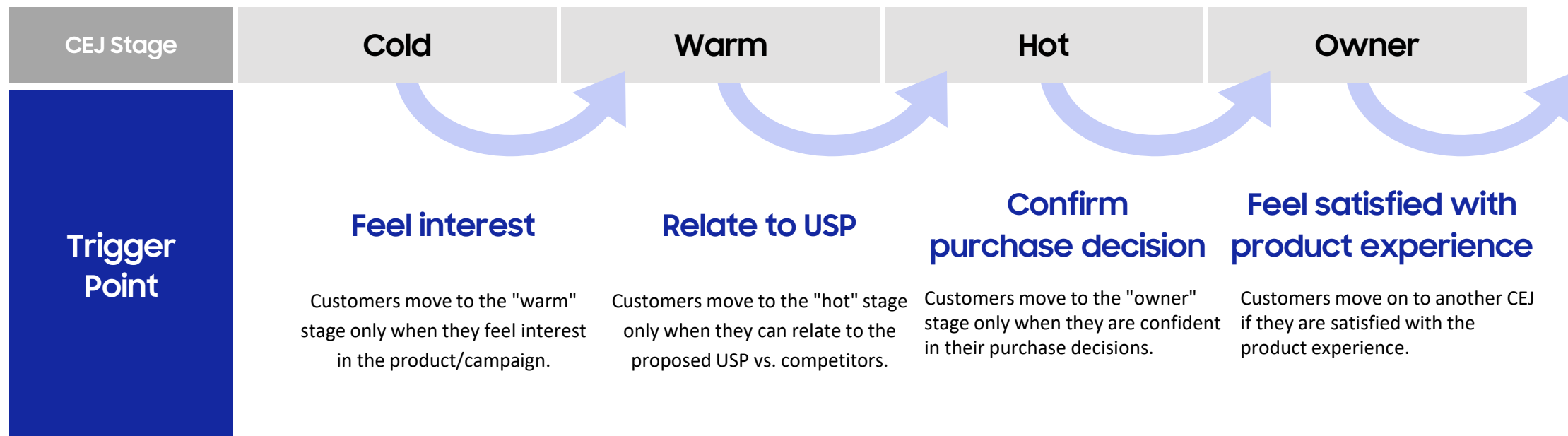
“Trigger Point” to make customers continue their experience journey.

What are trigger points?

Factors that move customers to the next stage of the CEJ

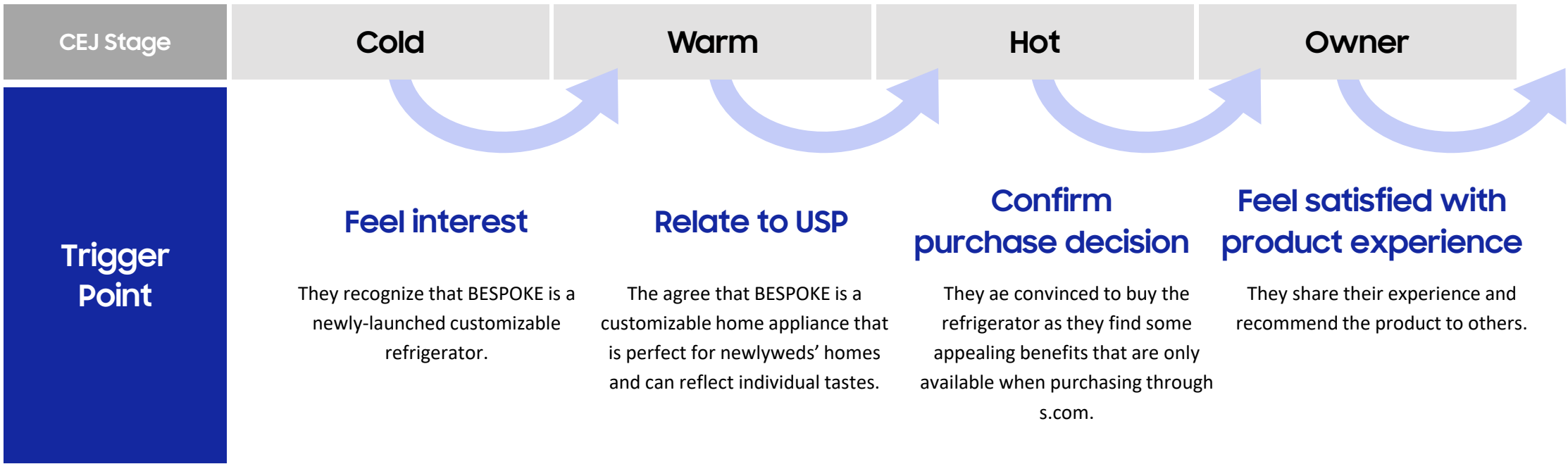
3. Identify customer needs across the CEJ

We find trigger points for each CEJ stage.



3. Example: The BESPOKE Refrigerator

For example, let’s look at the trigger points of newlyweds, BESPOKE’s target segment, for each CEJ stage.



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