

Product Strategy: Next Wave of Customers for a Leading Storage Vendor

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An IDC Consulting Client Success Story from the Customer Insight Practice Area

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Client Challenge – To hone its marketing strategies, this client sought to better understand the demographics, buying behavior and usage patterns of the networked storage customer base, and how these differ by market segments.

IDC Consulting Proposal – IDC proposed a telephone survey of 100 customers and 100 prospective customers with specific quotas based on level of SAN deployment. Information would be collected in several areas that could serve as the basis for a segmentation model:

- Company descriptors
- Storage strategy needs
- Service needs
- Storage management tools needs
- IP Storage influences
- Storage vendor needs

Methodology – Using both K-means cluster and latent class segmentation schemes IDC explored several two, three, and four segmentation models using the each of the above variables. A three segment solution using latent class regression based on SAN status as dependent variable, service need variable and tools used variable as independent variable, best-of-breed products, and company size as a covariate. IDC provided a profile of each group based on company demographics, product/service needs, channel usage, and future buying intentions.

Results – Client marketing and product development teams gain a better understanding of buying behavior and product needs of key customer segments. IDC recommended targeting segment that would be next wave of storage customers. These would have smaller resources to manage than current-base of customer, be less feature driven but have greater needs for reliability, ease of use and customer service. Based on this information client developed new product and channel strategy for these new customers.

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