

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Marketing

Title	Apply market segmentation to support new product and new market development
Code	105537L5
Range	This unit of competency is applicable to those who are responsible for conducting market segment analysis. It involves the use of segmentation methods to provide recommendations on product design for different customer segments.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in market segmentation <ul style="list-style-type: none"> • Understand objectives of segmenting insurance market • Familiar with common techniques to segment insurance market, e.g. demographic, behavioral, occasion • Apply segmentation techniques to segment insurance market 2 (a). Plan for market segment analysis <ul style="list-style-type: none"> • Identify objectives of market segment analysis, e.g. to respond to an anticipated need of a segment • Employ appropriate segmentation technique(s) • Collect segment data based on segmentation technique(s) • Identity market information/report to facilitate the process 2 (b). Conduct market segment analysis <ul style="list-style-type: none"> • Identify segment needs • Measure segment size • Assess if segment can sustain • Assess if segment is accessible via promotion and distributions • Assess if customers in segment prefer similar products • Compare customer needs of different segments • Evaluate if different products are required for different segments 3. Present market segmentation analysis results and recommendations to support product development <ul style="list-style-type: none"> • Present comprehensive segment analysis results • Provide feasible recommendations on product design for different segments. • Identify the 4P's of marketing (product, promotion, price, and place) for particular segments.
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to divide customer groups based on appropriate and clearly defined criteria to reflect demands of different segments • Able to generate a comprehensive profile of customer segments • Able to provide feasible recommendations on product designs for different segments.
Remark	This unit of competency is also applicable to general insurers, life insurers and broker.