

Understanding psychographics

Philippe Ravanis
Professor
Columbia College Chicago

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Hard truth

- We can't be everything to everybody
 - Different customers have different needs, and it rarely is possible to satisfy all customers by treating them alike.
- We won't have enough time and money to convince everybody to come see us.
 - We have to make a choice to allocate resources

Targeting

Selecting a group of consumers (segment) who have the will & capacity to buy :

- **Identifiable:** differentiating attributes of segment must be measurable so that they can be identified
- **Accessible:** must be reachable through communication and distribution channels
- **sizable:** should be sufficiently large to justify the resources required to target them
- **Stable:** to minimize the cost of frequent changes.
- **Unique needs:** to justify separate offerings, each targeted segments must respond differently to the different marketing mixes

Segmentation

- Grouping people according to their similarity related to a particular product category
 - sharing one or more characteristics that cause them to have similar product needs & similar response to a market stimulus
 - segment members are internally homogenous and externally heterogeneous
 - as similar as possible within the segment, and as different as possible between segments.

Segmentation methods

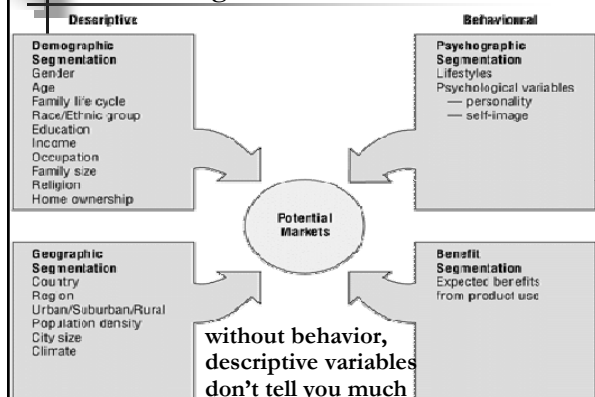
Take-down

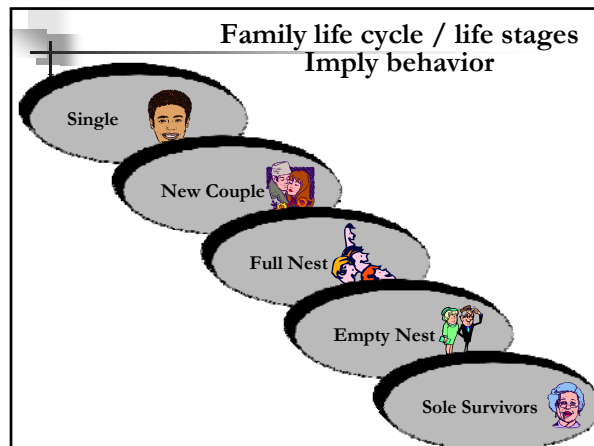


Segment

Build-up

Segmentation variables





Generations
Imply behavior

- Mature: Born 1909 – 1945
- Boom: Born 1946 – 1964
- Gen X: Born 1965 – 1978
- Gen Y: Born 1979 – 1997
- Gen Z / tweens: 1997 on

Woodstock
Aug. 15 -17 '69

Psychographic segmentation

- Use of psychological attributes in determining the behavioral profiles of different customers
 - Purchasing is the observable behavior driven by internal factors
 - In turn, psychological dynamics drives purchases
 - *Not everybody agrees: behaviorists*

Psychographic segmentation

- **Self-concept:** totality of the individual's thoughts and feelings having reference to himself as an object
 - People have a strong need to act consistently with who and what they think they are.
 - People purchase products and services to build their self-image and to express themselves to others.

Psychographic segmentation

- **Personality:** distinctive patterns of behavior, including thoughts & emotions, that characterize each individual's adaptation to the situations of his or her life (internally based dispositions)
- **Lifestyle:** how people live, how they spend their money, and how they allocate their time (external manifestations)

Psychographic segmentation

- **Values:** Enduring beliefs that specific modes of conduct or end-states of existence are preferable to other ones
- **Attitude:** learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given product

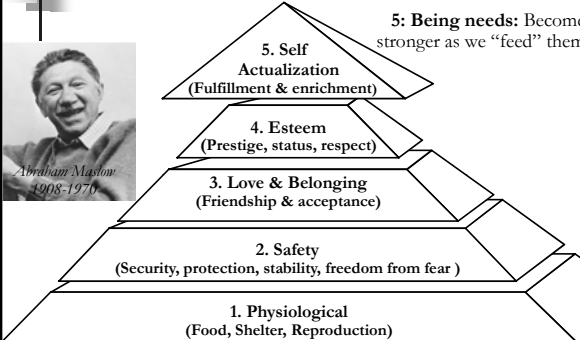
Psychographic segmentation

- **Involvement:** feeling of importance or personal interest associated with a product in a given situation
- **Motivation:** Imbalance between consumer's *current* and *desired* states
- **Motivational Conflict**
 - Approach-Approach
 - Avoidance-Avoidance
 - Approach-Avoidance
 - Fear & envy: the two biggest advertising tricks!

Psychographic segmentation

- **Need:** Fundamental requirement the meeting of which is the ultimate goal of the behavior
- **Want:** A specific form of consumption desired to satisfy a need

Maslow's hierarchy of needs



Abraham Maslow 1908-1970

5. Self Actualization (Fulfillment & enrichment)

4. Esteem (Prestige, status, respect)

3. Love & Belonging (Friendship & acceptance)

2. Safety (Security, protection, stability, freedom from fear)

1. Physiological (Food, Shelter, Reproduction)

5: Being needs: Become stronger as we "feed" them

1 to 4: Deficit needs If you don't have enough of it, you feel it, fulfill it, then forget about it

Why go to the Dallas Symphony?

Metaneeds for self actualization

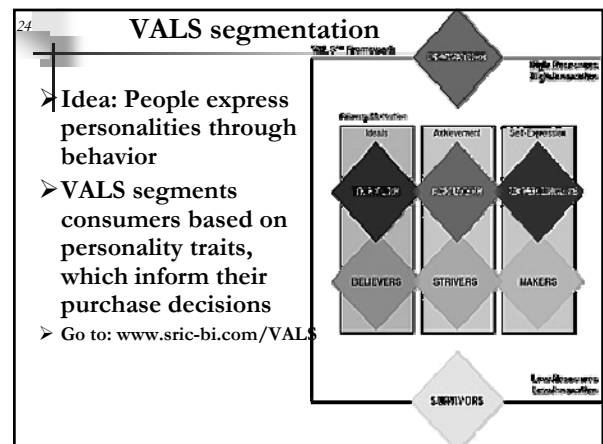
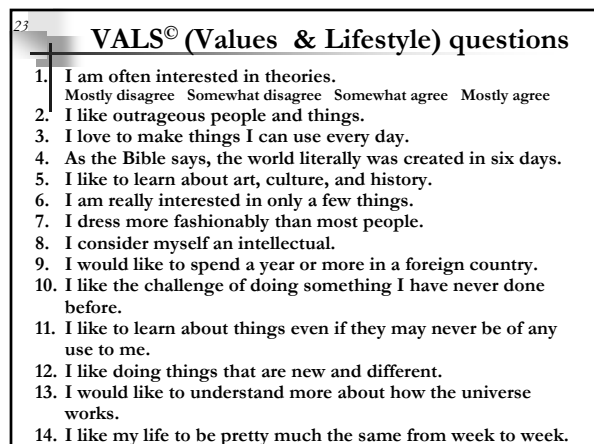
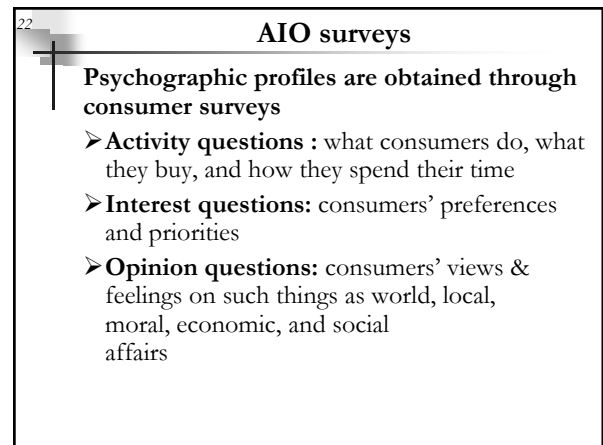
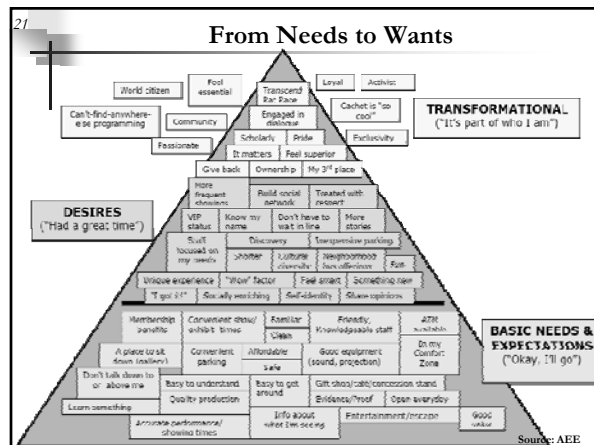
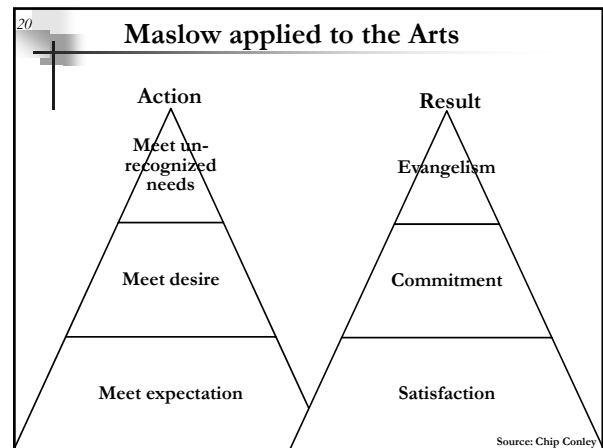
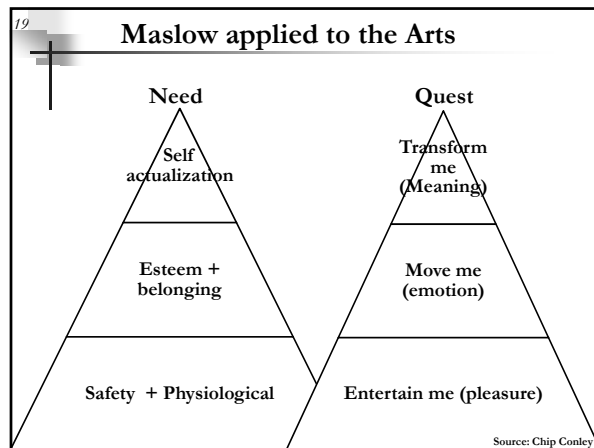
➤ Truth , not dishonesty	➤ Meaningfulness , not senselessness
➤ Goodness , not evil	➤ Richness , not environmental impoverishment
➤ Beauty , not ugliness or vulgarity	➤ Aliveness , not deadness or the mechanization of life
➤ Completion , not incompleteness	➤ Simplicity , not unnecessary complexity
➤ Uniqueness , not bland uniformity	➤ TRANSFORMATION
➤ Playfulness , not grim, humorless, drudgery	

Maslow applied to the Arts

What is transformative in the arts?

1. Ability to see the world in a new, meaningful way
2. Expand capacity for empathy for the other: heightened perception of oneness
3. A deeper recognition of yourself and your passion & capabilities
4. An opening up & awareness of your own "emotional well"
5. An appreciation for the purity & power of beauty

Source: Chip Conley



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I'm an Innovator / thinker

- Sophisticated, well educated & well-informed,
- Moderate respect for the status quo institutions of authority & social decorum
- Change leaders, most receptive to new ideas & technologies
- Image important not as evidence of status or power but as an expression of independence & personality, reflecting a cultivated taste for the finer things in life
- Etc ...

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Tapestry® Segmentation

- Classifies U.S. neighborhoods into 65 segments based on their socioeconomic & demographic composition.
- For a broader view of markets, segments are divided into 12 LifeMode Summary Groups that reflect lifestyles/life stages
- Go to: www.esri.com/tapestry

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In my ZIP code: Laptops and Lattes

- Affluent, single, highly educated, liberal, partial to city life
- Technologically savvy
- Favorite store: Banana Republic
- They exercise regularly & take vitamins
- They enjoy yoga, jogging, skiing, reading, watching foreign films on DVD, dining out, going to movies, rock concerts, shows, museums, and nightclubs, and traveling abroad

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Urban arts eclectic

- 5% of English adults



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Benefit segmentation

- Based on expected benefits or risks consumers associate with purchase/use of product:
 - Functional (Is it good / bad?)
 - Economic (Is it cheap / expensive)
 - Psychological (is it shocking? violence, sex...)
 - Social (does it make me look good / bad?)

