



# ATTITUDE IS

Consumers of all ages and in all markets are constructing their own identities more freely than ever before. Millennials, in particular, are comfortable in seeking products and experiences beyond the narrow bands of their place in the world or stage in life. As a result, consumption patterns are no longer defined by 'traditional' demographic segments, such as age, gender, location, income and family status. We are entering an era of post-demographic consumerism, and – amid all this flux – marketers must look to 'attitude' to target customers and build loyalty

**WORDS: MARTIN BEWICK**  
**ILLUSTRATION: SÉVERIN MILLET**

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# EVERYTHING

**A**re demographics fit for purpose? It's a loaded question, but one that is vital for marketing today. And it has come to the fore, perhaps, because of the conundrum of one particular customer demographic – the millennial.

"People are obsessed with millennials at the moment, particularly because their spending power is at its peak," says Matthew Draper, commercial director at customer experience insights firm Network Research. "They are the ones who are buying houses, sofas and plasma-screen TVs; they're having children, and reaching peak debt accumulation. Millennials are also strongly associated with being the first generation that is digitally native. For marketers, they are also interesting because of the size of the bulge – the sheer number of them."

According to most descriptions of this widely discussed demographic, millennials are the most individualistic of consumers. They are the beneficiaries of unprecedented cultural and social mobility, and have the technology to associate with much wider groups of influencers, to discover more – and more quickly – and to travel more widely. They have more information at their fingertips than any other generation in history, and each millennial is empowered to use it to demand more of the products and services they use and advocate, in order to hone a highly ➤

## The speed read

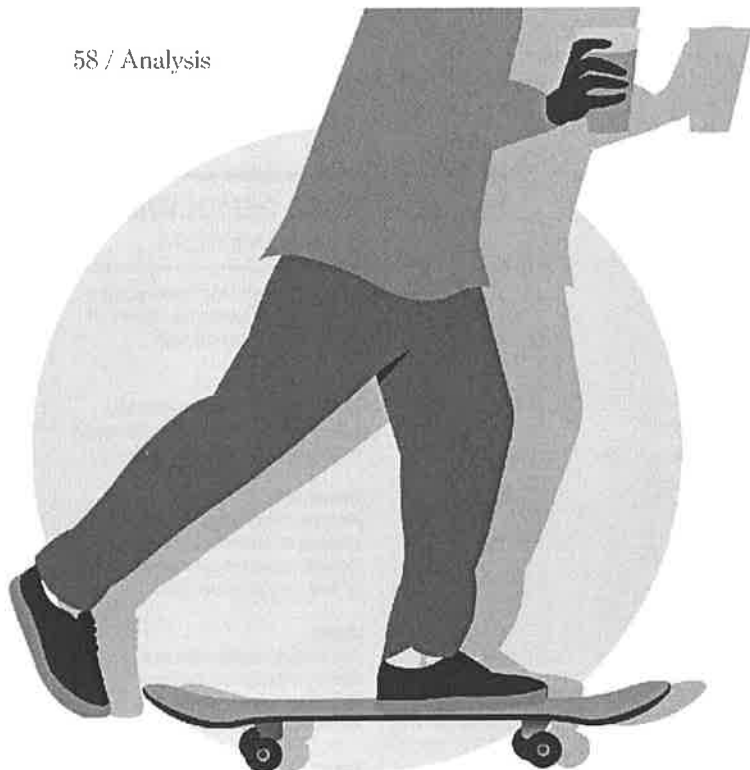
The individualistic character of millennials raises questions about the usefulness of demographic data

The complex nature of consumer choice is reflected in divergent attitudes within demographics

Understanding consumer attitudes can help in targeting more than data on age, income and location

Attitudinal data can be overlaid across demographics to create a clearer picture of consumer behaviour





personalised account of their individuality. But if all that is accurate, then another question arises: is it still possible to think that 16 million millennials in the UK alone can be targeted with a single brand-marketing strategy? That is one reason why there is a question over the usefulness of demographics.

#### **Behavioural study**

If traditional demographics are too narrow in their qualitative value, perhaps another measure needs to be used to target customers and build brands. At Network Research, a recent project set out to understand whether demographics remained the best way to segment consumers, or whether brands should also be looking toward behavioural data to grow their business.

The study engaged 1,500 consumers and 60 of the UK's best-known brands, across 12 categories, and produced detailed insight into the complex nature of consumer choice today.

"The study ranged across brands," says Draper. "Some were established and traditional, such as M&S, *The Sun*, Vauxhall and Primark, and some were younger and trendier, such as Samsung and Apple. We wanted to see if we could upset conventional wisdom. We asked people to what extent they agreed or disagreed with various statements, which – combined – could build up a rounded idea of a person's attitude."

The results of the survey included some surprising findings. For example, in the case of younger millennials, the assumption is frequently made that the urban 18-24-year-old demographic – a segment of mobile-first early adopters – is inherently predicated towards digital brands and technology categories. However, the study showed that this might be a popular misconception, as they also show high engagement with brands across a wide variety of sectors, including some more traditional, service-led ones.

There were other surprises, too. The propensity to purchase environmental or green brands, for example, was just as strong among lower-income demographics as with higher earners. By marketing environmentally friendly brands only to the middle classes, brands are missing out on a potentially huge target market.

The study also looked at the *Financial Times*. Generally thought to be the preserve of a high-income-band readership – perhaps mostly middle-aged and male – the study found that younger early adopters and fashion followers were far more likely to recommend the brand than those with higher incomes.

Network Research also uncovered a number of attitudinal trends that are linked to a more conservative, unengaged consumer audience – typically with a far smaller purchase and usage repertoire of big brands, and being the least-frequent brand advocates. However, these resistant consumers came from a wide range of demographic segments. Being able to understand



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MATTHEW DRAPER, COMMERCIAL DIRECTOR, NETWORK RESEARCH



such an attitudinal segment could allow marketers to maximise the effectiveness of ad spend by avoiding such a segment and actively targeting more engaged consumers elsewhere.

Other recent consumer behaviour studies have found similar aberrations. The Internet Advertising Bureau, for example, has reported that women now account for the majority of video-game players in the UK, and there are more gamers aged over 44 than under 18.

In 2015, Netflix vice-president of product innovation, Todd Yellin, described how the company's data showed that there were many 19-year-old men who watched *Dance Moms*, and plenty of 73-year-old women who were fans of *Breaking Bad* and *Avengers*. These weren't the brands' target demographics, but it was the reality. Demographics, said Yellin, were "almost useless".

### Attitude first

Are they, then, still fit for purpose? "Yes," says Draper, after a long pause. "But their relevance has to be questioned, and unexpected occurrences you might see in a set of demographic data shouldn't be taken as aberrations. They should be explored, because they are potentially real and significant.

"Demographics were always given primacy as a means of targeting – age, gender, location – but they are a crude tool. Of course, not all 18-35-year-olds are the same. I might be 55, but I might have a young outlook. Attitudes always drew a veil over demographics and, if we cluster around attitudes rather than demographics, we can see more. Looking at something through the demographic prism means you won't discover all the opportunities available to you. It only tells a little bit of the story.

"Digital marketing data can give us insights into attitudes through all kinds of analytics. It's a rather sweeping statement, but – at Network Research – we say that attitudes are three times more likely to predict behaviour than demographics alone. Demographics still have a role, but there's much more going on."

"I think we need to push brands in this direction, and see the relevance of it. Life stages will always have some influence, but you have people in their sixties going mountain biking these days, and that was pretty much unheard of 20 years ago. What we now know is that there are cohorts of people with shared interests that have an age range of 18 to 75."

### Insight into practice

"Part of our work is to educate clients that, sometimes, segmentation doesn't have to be based on demographics," says Ben Leet, general manager, UK, at YouGov. "For example, we've recently helped a high-profile retail bank in the UK move towards attitudinal segmentation. More than age profile, gender or social grade, it's the customers' attitude towards money – and towards risk – that drives their decision-making when it comes to retail banking and financial products. By understanding this, you can choose not to base advertising campaigns around age, income or region, but around those attitudes.

"To start to target those consumers, you can take that attitudinal segmentation – that dynamic – and plug it into our profiles tool, overlay the segments across a data set, analyse >

## POST-DEMOGRAPHIC CONSUMERISM

Insights powerhouse Trendwatching outlines the following four drivers of the post-demographic age

### Access

Ubiquitous global information and collective brand familiarity is fostering an increasingly universal experience.

### Permission

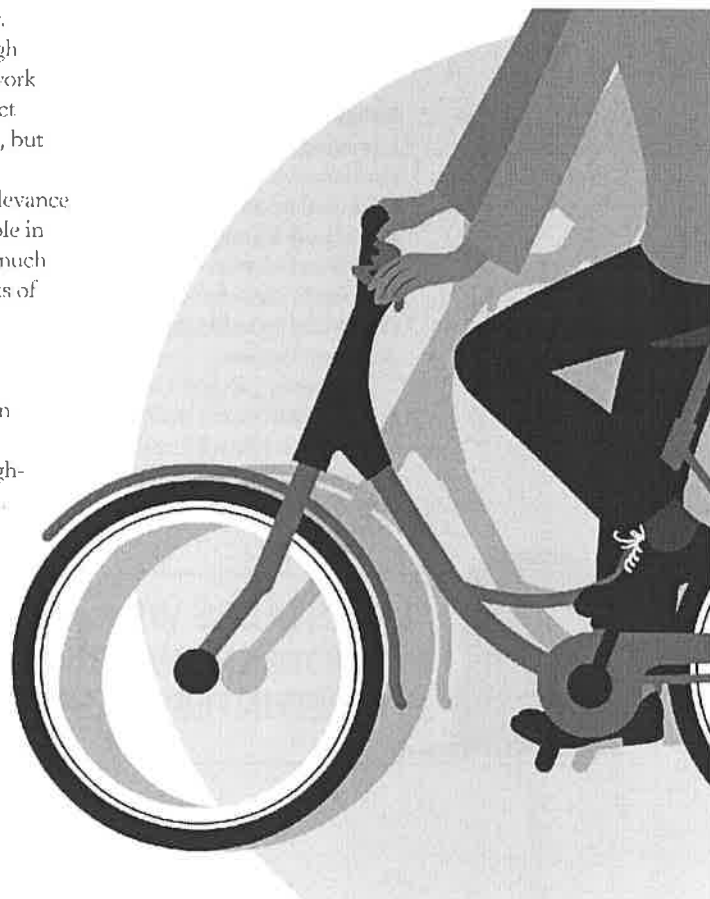
Increased freedom is driving the collapse of 'natural' convention after 'natural' convention, and the formation of new consumer identities

### Ability

The ability to experiment and identify with a wider variety of brands and products is fuelling increased personalisation.

### Desire

The eroding connection between financial resources and social status is giving rise to a more democratic post-demographic status, and changing the balance of power between generations.





## "I WOULDN'T SAY DEMOGRAPHICS ARE DEAD – IT'S HORSES FOR COURSES, AND IT DEPENDS ON THE PRODUCT"

BEN LEET, GENERAL MANAGER, UK, YOUGOV

almost anything, and generate insight that is specific to those segments. If a brand wants, for example, to run a campaign around sponsorship of cycling – or whatever it might be – we can match attitudes to cycling across segments, and it helps produce a much more commercially minded result.

"The segmentation and data points can also be plugged into the brand's programmatic advertising. It's using big data in real time, and we're finding that these kinds of planning and tracking solutions – which include attitudinal segmentation – are providing much higher value than more traditional projects, where we would try to understand an organisation's customers in a broader way. Insights from segmentation are helping companies to make more money through better targeting."

Leet, however, warns marketers against swapping one model of segmentation for another and using it 'across

the board'. "I wouldn't say demographics are completely redundant," he says. "I'd say it's horses for courses, and it depends on the product or the proposition. With a big-ticket item, such as a Ferrari, demographics are probably reasonably important. To Ferrari, a 20-year-old's attitude to money and risk is all well and good, but if they don't have the cash to buy one, none of that matters. You still need to know income, social grade and, perhaps, where they live and their age, because it will help you define whether they are a bona fide potential customer."

"For other examples, especially low-end tickets – mobile phones, perhaps – then I'd argue that demographics are not so relevant, and any understanding of consumers should be attitudinal-driven. It depends to some extent on the value of the product in question. But even with the example of Ferrari, you should still be seeking to overlay attitudinal data across demographics. That potential customer might not only be super rich, but also shy about displaying their wealth, so are not going to want to buy a bright-red sports car."

### Ability to change

The internet, among many things, has brought consumers the ability to experiment and identify with a wider variety of brands than ever before. This surfeit of choice and experience means some of the old certainties about demographics – young and old, rich and poor – are being eroded, as people feel free to shun convention and create new, more malleable, consumer identities.

The key takeout for Network Research is that traditional demographics have their place, but the modern consumer is too nuanced, too complex, to be pigeon-holed into a single set of segments. Marketers seeking to understand their target audience should consider that attitudinal segments for brands can refresh and drive strategy, and open up new markets. There might not be a one-size-fits-all solution, but framing a target audience by age and income band is no longer enough. ✓



3 ways to...

# LEVERAGE YOUR AUDIENCE

Three experts share their personal outlook on what trends and tactics marketers can use to leverage today's online audiences



**Sara Khan, press and marketing manager at the Crafts Council**

## ***"Collaborate to drive campaigns"***

Collaboration with your audience will be key. Audiences are craving more raw content, so one area of growth that needs to be looked at is livestreamed videos. Facebook, Snapchat, Instagram and Twitter have all caught onto this trend and it will continue to grow in 2018. Digital influencers are a great way to introduce these elements to a brand, and it will be important to create genuinely collaborative content with them to drive campaigns, as they will best understand how their audiences engage with that content. This will help brands grow organically with audiences that have shared interests.



**Samit Patel, Kickstarter, crowdfunding and growth marketing consultant**

## ***"Think of the overall customer journey"***

First, stay ahead of consumer trends and keep training yourself every day by looking, for example, at relevant blogs. Next, and at every stage, try to ensure that you and the wider business know exactly what is happening with your customers. Where are people clicking and seeking information? Having data will allow you to better optimise web pages and the overall customer journey. Also, keep an eye on the objectives and create strategies based around this. Test everything, too, and never think you know it all. What works for one project might not work for another. Trying to create shortcuts can lead to errors in work, so work on each new project as with a fresh canvas.



**Paul Hickey, director of digital solutions at life event marketing firm TwentyCi**

## ***"Build context through qual and quant"***

Understand your customer data. Qual and quant data are only really useful when they're used together. If they're in isolation then you don't get the full picture. With quant data you can get huge volumes of it, and start to see the trends that are coming through. With the qual data, you build up the context. Those are the two areas that really help you understand your audience. Allied together, it provides much greater knowledge of any trend and will pay dividends for your company. Using data insights in this way can help produce up to four times the basket value for comms than traditional direct marketing methods.

