

The Demographic of One

The next generation of customer profiling



PSYCHEGRAPHICS

personality-centric marketing and communications

Introduction: Cult Of The Individual As Game-changer For Customer Profiling

As the mass media continues to fragment so the traditional approaches to predicting customer behaviours are becoming obsolete. With communications channels now becoming customised and tailored to suit individual, rather than group, interests, the days of current demographic profiling methods are numbered. With the emergence of what is effectively the **Demographic Of One**, the near-future will be dominated by the emergent techniques of psychographics.

This next generation model of profiling, already being pioneered and applied by major players such as Nielsen as well as Psychographics.com, is based on assessing the unique behaviour of individuals, rather than the blunt, vague preferences of the group identity. The demonstrable benefits to organisations adopting them are immense in terms of the successful engagement with customers and the conversion of prospects and leads into loyal customers and repeat business.

Quite simply an individual's unique personality makes the greatest impact on their purchasing decisions. Being able to communicate with people according to their natural preferences and motivations can boost buy in and uptake considerably.

The organisations which will survive and thrive in this environment are those that move up the value chain and get closer to the customer. They must move from vendor status to trusted partner/friend status.

The mass market, as the Mad Men style advertisers of the 1960s would recognise it, no longer exists. Niche is the new industry standard. The old categorisations, based on ABC social classes and mosaic profiling are now perceived as being not fit for purpose. Peer recommendation and user-generated content; these are how goods, services and concepts are bought and sold today. The Amazon model has taken over. However profiling techniques used by all organisations to target new and existing prospects, have not kept pace. As we enter the age of the **Demographic of One**, each prospect needs, and indeed expects, to be marketed to as a unique individual.

Old School: The Decline Of Profiling Version 1.0

The problem with most customer segmentation approaches until now has been that they are heavy on the segmentation and light on the targeting. Categories are very broad. For example, segmenting people on the basis of their postcode allows certain inferences to be made about demographics and lifestyle. However you are left knowing *where* they are but not *who* they are.

Effective targeting, as opposed to segmentation, depends on understanding and capturing the emotional and behavioural factors that drive personal decision-making. People buy on emotion and then rationalise the decision after the fact.

You must look at a person's psychological make-up and how they interact with the outside world. This is unique.

Old style profiling could tell you about a person's financial status or their geographical location and certain predictions could be made on that basis. However the classifications produced by these techniques - *Mondeo Man* versus *Middle England Mothers* or *Generation Y* versus *Baby Boomer* - have been shown to be so wide as to be almost meaningless, especially as the rise of social networking, tweeting and blogging demonstrates that people want to be treated as individuals.

The main approaches of old-school profiling are as follows

Social class (the classic A,B,C1,C2,D,E segmentation) determined by income, education, occupation. This works to a certain extent in predicting purchasing habits in areas such as car ownership but is very broad brush. These rigid categories have become very blurred in recent years. Most brands are mass prestige which means they are within the reach of most people at a stretch. Also this model is very Anglo-Saxon based and not applicable to huge emerging markets in India or China.

Lifestyle: Attempts have been made to classify people by their actual purchases, using categories based on Maslow's hierarchy of needs. This produces groups such as *esteem-seekers*, *contented conformers* and *strivers*. However again these groups are large and superficial, taking no account of the innate complexity of individuals. Few people recognise themselves in these labels

Other lifestyle systems focus on factors such as people's marital status, age, and home ownership patterns. This is useful if you are selling retirement or mortgage products but is expensive, labour/process intensive and of limited use in predicting patterns of consumption beyond the most basic level

Granular Postcode data: This combines demographic and lifestyle data for residents of particular postcode districts. It produces categories such as *urban prosperity* and *modest means* but again is expensive and of little use in predicting attitudes to topics such as charitable giving or green energy.

The Shock Of The New: The Rise Of Next Generation Customer Profiling

Research indicates that people don't want to be communicated with on the basis of their income or address. They want to be treated as individuals. If marketers understand people's inherent beliefs and motivations then they can deduce how receptive they are to different forms of communication. This allows you to tailor the message specifically to them. Such an approach achieves buy-in, builds trust and is a far greater determiner of intention to purchase.

Behavioural profiling achieves a far higher conversion rate of opportunities into sales by customised engagement at individual level. People have to see themselves in the communication. In the fragmented world of modern marketing you have to have multiple personalities to appeal to a broad consumer base. Your product must be conservative and staid for one customer, hip and innovative for another. New psychographic technology allows companies to behave like individuals, emphasising different aspects of their complex personalities as the conversation requires.

Psychographics allows the targeting of like-minded people, rather than like-addressed or like-salaried. Based on the theories of Swiss psychologist Carl Gustav Jung it measures an individual's personality and behaviour.

Marketing in this way is powerful and effective. For example, consider what an automobile manufacturer or dealer might wish to tell people to sell them a new car. Would they emphasise safety, speed, style or colour? The answer of course depends on the individual's own personality profile rather than on their address, marital status or job.

In this respect psychographics represents arguably the most significant advance in consumer profiling and engagement since the motivational research and depth psychology techniques developed by America's advertising industry in the 1950s.

Psychographics; Create Value Now

In sharp contrast to the complex, time-consuming and expensive data capture processes of more traditional methods, psychographics is simple, fast and inexpensive, providing the fastest and most accurate personality profiling capture and analysis system available on the Internet.

The user-friendly widget application can accurately obtain an individual's personality type in under three minutes. The data captured will form the basis of a lifetime of highly targeted and effective marketing activity tailored specifically to that individual's personality type and unique behaviours. The **Demographic of One** has arrived.

Expert endorsement of the **Demographic of One** approach

TRUSTe, the leading internet privacy services provider to web sites such as Yahoo, Facebook, MSN, eBay, Disney, New York Times and Apple reported in its recent behavioural targeting study that 72% of those surveyed said they found online advertising intrusive and annoying when the products and services being advertised were not relevant to their wants and needs.

"There is no link, none, between the age of the specified demographic, delivery of the campaign and the sales generated by that campaign;" - TV network **CBS Corp. Chief Research Officer David Poltrack** on why CBS is devising a new way for categorizing viewers, based on viewer behaviour instead of their vital statistics.

"What consumers want now is an emotional connection—they want to be able to connect with what's behind the brand, what's behind the promise. The brands that can move to that emotional level, that can create loyalty beyond reason, are going to be the brands where premium profits lie." - **Kevin Roberts, CEO of Saatchi and Saatchi Advertising.**

Contact: Stephen Sharp
Psychographics

M: 0044 7786 126 629
T: 0044 141 416 0117
Skype ID: stephensharp

e: sharp@psychographics.com
w: www.psychographics.com