

Different Segmentations for Different Purposes

Psychographic segmentations can be used to create advertising that will influence consumers to think warmly about a particular brand. But they're not as well suited for other purposes. You would need a different kind of nondemographic segmentation to investigate, for instance, what kinds of products to make. Here we set out the different characteristics of these two types of segmentation exercises.

	Segmentations to develop advertising	Segmentations to develop new products
Populations studied	Users of the product or service to be advertised	Users of related products or services that already meet similar needs; partners such as distributors and retailers
Data sources tapped	Attitude surveys	Purchase and usage data on consumers, supplemented by surveys; analyses of consumers' finances and channel preferences
Analytical tools used	Statistical analysis of survey results	Analysis of customers (both in the field and in the laboratory) who remain loyal and those who switch to competing offerings
Outputs	Segments that differ in their responses to a given message	Segments that differ in their purchasing power, goals, aspirations, and behavior

contrast to breakthrough products—such as an effective over-the-counter dandruff shampoo—that addressed intense unmet needs, ordinary third-generation products had to find customers who were already and especially susceptible to their allure. Since the attraction was based on things like status, it made sense to fashion segments reflecting the personal characteristics and lifestyles of the target consumers. As competitors increased the speed and skill with which they could copy or reengineer products, the functional dimension of existing offerings became less compelling. Ironically, by the mid-1970s, belief in the power of imagery to stimulate sales of dull items may have begun to take pressure off product developers to come up with products and services displaying genuinely innovative technology and fresh design, thus aggravating the problem.

Two concurrent developments gave this new emphasis on the consumer's self-conception, emotions, and personality an extra measure of rigor. Social scientists began to apply their modes of analysis to business problems, and business executives, confused by the fragmentation of the mass audience and the speed with which tastes were changing, welcomed their insights. Using attitudinal indicators similar to those elicited by personality tests, psychologists carved out marketing segments based on their members' shared worldview. Those early segments

were populated with the Inner-Directed, Traditionalists, Hedonists, and the like.

In 1978, Arnold Mitchell and his colleagues at the Stanford Research Institute launched the Values and Lifestyles (VALS) program, a commercial research service, which was soon retained by scores of consumer product companies and advertising agencies. VALS drew heavily on frameworks developed by Harvard sociologist David Riesman, coauthor of *The Lonely Crowd*, and Brandeis psychologist Abraham Maslow, who posited the now well-known hierarchy of needs. VALS classified individuals according to nine enduring psychological types. An individual consumer's behavior, the theory went, could in turn be explained by his or her correspondence to one of those types. VALS and similar models soon turned psychographics into the most accepted mode of segmentation. Not surprisingly, it was embraced by advertising departments and agencies, which appreciated a certifiably scientific technique whose stock-in-trade was inventing characters, just as they themselves had been doing for some time.

Psychographics, it should be said, proved to be effective at brand reinforcement and positioning. The Pepsi Generation campaign of decades ago, for example, did coalesce a wide assortment of consumers into a group that identified with the youth culture emerging at the time. But even