

Presenting the Company's Clientele – Business English Vocabulary. L2

Naming/Classifying/Understanding your buyers into categories


1. Loyalty Ladder



2. Market Segmentation


AMAZON CONSUMER SEGMENTATION

DEMOGRAPHIC SEGMENTATION




- People with Internet access
- Age group of 25 to 50 years, as 45% of online buyers belong to the 35-49 age group.
- Focusing on a younger audience

SITUATIONAL SEGMENTATION




- Convenience as a major reason for online purchases
- Interest in new categories
- New lucrative deals every day, every hour
- Low pricing as a major factor for purchasing online

PSYCHOGRAPHIC SEGMENTATION



- Customers segmented by loyalty
- Customers who like innovations and changes to the website
- Those who value customer care first
- People who click on recommended and suggested products the most

GEOGRAPHIC SEGMENTATION



- International appeal
- Digital sales over 'real-world' sales
- Focuses on developed areas
- For rural areas - smartphone use crucial

(!) **Difference Demography and Psychography**

Demography studies populations, according to quantitative factors:

- How many men and women are there.
- How many people of each race are there.
- Their height and weight.
- How old they are.
- etc.

You can literally “take a picture” of a Demographic factor, with a camera.

On the other hand, **Psychography** studies their preferences:

- Tastes.
- Interests.
- Values.
- Beliefs.
- etc.

These factors, although they can sometimes correlate with demographic factors (specially “age”) create a completely different way of describing and understanding people. For instance, “Age” is the demographic factor that best **predicts** certain preferences.

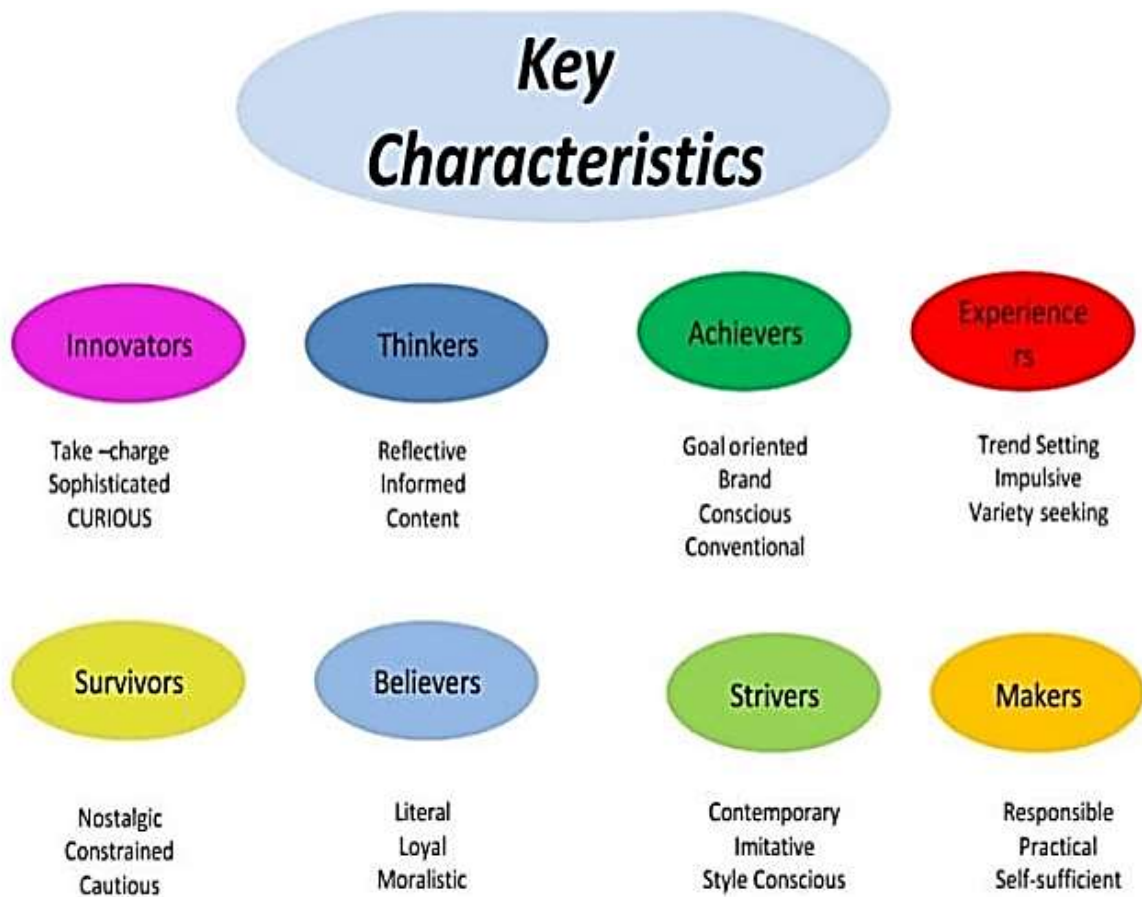
3. VALS Framework

Remember

Demographics describe what people are.

Psychographics describe how people live.

Attitudes identify trends that influence behavior.



Segment	Lifestyle Characteristics	Psychological Characteristics	Consumer Characteristics
Innovators (8% of pop.)	Successful, sophisticated Value personal growth Wide intellectual interests Varied leisure activities Well informed, concerned with social issues Highly social Politically very active	Optimistic Self-confident Involved Outgoing Growth oriented Open to change <established & emerging leaders in business & government>	Enjoy the "finer things" Receptive to new products, technologies, distribution. Skeptical of advertising Frequent readers of a wide variety of publications Light TV viewers
Thinkers (11% of pop.)	Moderately active in community and politics Leisure centers on home Value education & travel Health conscious Politically moderate and tolerant	Mature Satisfied Reflective Open-minded Intrinsically motivated Value order, knowledge, and responsibility	Little interest in image or prestige Above average consumers of products for the home Like educational and public affairs programming on TV Read widely and often Look for value & durability
Achievers (13% of pop.)	Lives center on career & family Have formal social relations Avoid excess change or stimulation May emphasize work at the expense of recreation Politically conservative	Moderate Goal oriented Conventional Deliberate In control	Attracted to premium products Prime target for a variety of products Average TV watchers Read business, news, and self-help publications
Experiencers (12% of pop.)	Like the new, offbeat, and risky Like exercise, socializing, sports, and outdoors Concerned about image Unconforming, but admire wealth, power, and fame Politically apathetic	Extraverted Unconventional Active Impetuous Energetic Enthusiastic and impulsive	Follow fashion and fads Spend much of disposable income on socializing Buy on impulse Attend to advertising Listen to rock music
Believers (16% of pop.)	Respect rules and trust authority figures Enjoy settled, comfortable, predictable existence Socialize within family and established groups Politically conservative Reasonably well informed	Traditional Conforming Cautious Moralistic Settled	Buy American Slow to change habits Look for bargains Watch TV more than average Read retirement, home and garden, and general interest magazines

Segment	Lifestyle Characteristics	Psychological Characteristics	Consumer Characteristics
Strivers (13% of pop.)	Narrow interests Easily bored Somewhat isolated Look to peer group for motivation and approval Unconcerned about health and nutrition Politically apathetic	Dissatisfied Unsure Alienated Impulsive Approval seeking	Image conscious Limited discretionary income, but carry credit balances Spend on clothing and personal care products Prefer TV to reading
Makers (13% of pop.)	Enjoy outdoors Prefer "hands on" activities Spend leisure with family and close friends Avoid joining organizations except unions Distrust politicians, foreigners, and big business	Practical Self-sufficient Constructive Committed Satisfied	Shop for comfort, durability, value Unimpressed by luxuries Buy the basics Listen to radio Read auto, home mechanics, fishing, outdoors magazines
Survivors (14% of pop.)	Limited interests and activities Prime concerns are safety and security Burdened with health problems Conservative and traditional Rely on organized religion	Powerless Narrowly focused Risk averse Burdened Conservative	Brand loyal Use coupons and watch for sales Trust advertising Watch TV often Read tabloids and women's magazines

Practice. Can you name the following profiles?

- (1) practical, self-sufficient, like to work with their hands, value things with a functional purpose such as tools and utility vehicles, tend to hunt and fish more than the general population. Favorite Things:
 - Dodge Ram
 - Budweiser

- (2) conventional; politically conservative; social lives revolve around family, church and career; work provides status, material success and sense of duty; tend to own swimming pools. Favorite Things:
 - Honda
 - low-calorie domestic beer
 - recognition at work

- (3) young, enthusiastic, seek variety and excitement; into sports and social activities; spend money on fast food, clothes, movies, music; likely to have attended rock concert in past year. Favorite Things:
 - VW
 - Red Bull
 - to be entertained

- 4) money defines success; concerned about opinions of others; trying to find their place in life but may feel unsure of themselves; want to be stylish and own high-status possessions. Favorite Things:
 - Chevrolet
 - *Playboy*
 - Coke Classic
 - win the lottery

- (5) successful, affluent, active, high self-esteem, interested in expressing themselves in different ways; often leaders yet seek new challenges; tendency for foreign travel, dinner parties and the arts. Favorite Things:
 - BMW
 - *Wired*
 - sparkling water
 - a rewarding experience

- 6) poor, elderly, low education, concerned about health, cautious; may feel resigned and passive about life; worried about security and safety; may not buy much but are loyal to their favorite brands. Favorite Things:
 - an American car
 - a home-brewed cup of coffee

- 7) conventional, conservative, predictable; strong, fixed beliefs and rules of conduct about church, family, community, and nation; modest incomes and education but sufficient to meet their needs. Favorite Things:
 - Mercury
 - local TV news
 - a close-knit family

- 8) mature, reflective; well-educated, well-informed and value knowledge; professional occupations; while respecting order, also open to new ideas and change in society; want durability and functionality in what they buy. Favorite Things:
 - Subaru
 - a glass of wine
 - a substantive discussion

Characteristic Snapshots Emphasize Important Differences by VALS™

	Ideals	Achievement	Self-Expression					
	Innovators	Thinkers	Believers	Achievers	Strivers	Experiencers	Makers	Survivors
Are confident enough to experiment	Plan, research, consider before acting	Believe in right/wrong for a good life	Have a me-first, my-family-first attitude	Are the center of street culture	Go against the current mainstream	Are distrustful of government	Are cautious and risk averse	
Are information ready	Are the old guard	Want friendly communities	Are fully scheduled	Live in the moment	Want everything	Believe in sharp gender roles	Are oldest	
Are future oriented	Enjoy historical perspective	Not looking to change society	Are peer conscious	Wear their wealth	Are spontaneous	Protect what they think they own	Spend most of their time alone	
Are receptive to new ideas and technologies	Have "ought" and "should" benchmarks for social conduct	Have no tolerance for ambiguity	Are anchors of the status quo	Desire to better their lives; have difficulty in doing so	Have a heightened sense of visual stimulation	Have strong mechanical and automotive interests	Take comfort in routine and the familiar	
Enjoy problem-solving challenges	Use technology in functional ways	Have strong me-too fashion attitudes	Believe money is the source of authority	Experience revolving employment	Introduce new sayings	Have strong outdoor interests	Are loyal to brands and products	
Are self-directed consumers	Are not influenced by what's hot	Watch TV; read romance novels	Are committed to family and job	Are fun loving	See themselves as very sociable	Are not concerned with being fashionable	Are least likely to use the internet	
Are skeptical about advertising	Follow traditional intellectual pursuits	Find advertising a legitimate information source	Value tech that provides a productivity boost	Use video and video games as a form of fantasy	Are first in, first out of trend adoption	May be perceived as anti-intellectual	Are heavy TV viewers	

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Demographic and Behavior Snapshots Highlight the Vibrancy of Using VALS™



Primary Motivation	Ideals			Achievement		Self-Expression		Survivors
	Innovators	Thinkers	Believers	Achievers	Strivers	Experiencers	Makers	
Psychological Descriptors	Lifestyle Changers Information Ready Future Oriented	Conservative Mature Reflective	Economical Neighborhoodly Me-Too Followers	Aspirational Hardworking Moderate	Fun Loving Up to Date Overwhelmed	Assertive Energetic Optimistic	Hands-On Practical Self-Reliant	Cautious Loyal Traditional
Median age	42	62	52	38	31	25	47	68
Median HHI	\$126K	\$115K	\$60K	\$116K	\$39K	\$85K	\$59K	\$25K
	Percent of Innovators	Percent of Thinkers	Percent of Believers	Percent of Achievers	Percent of Strivers	Percent of Experiencers	Percent of Makers	Percent of Survivors
Women	49	52	78	51	43	46	30	59
Married	46	78	57	82	28	25	68	38
Employed Full Time	64	45	49	78	45	52	60	10
Live with Parent(s)	12	<1	4	4	19	43	4	3
Have a Student Loan (Personal or Joint)	17	7	4	12	4	9	3	<1
Work Full Time	67	51	42	65	40	41	55	13
Political Outlook: Very Conservative	3	18	19	12	12	11	18	23
Visited a General/Family Doctor in Past 12 Months	52	55	46	41	27	30	46	47
Obtained Medical Insurance from Government Source	10	10	12	5	14	6	11	18
Watched Netflix in Past 7 Days	33	21	17	26	26	36	20	8
Household Subscribes to Amazon Prime	70	52	30	59	27	48	33	13

Source: VALS™/GfK MRI Fall 2018