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# Best practice in survey design for segmentation

Segmentation research is an effective tool for defining your target audience, aided by the abundance of data generated from digital platforms and mobile devices. But the secret of success lies in good survey design and this article looks at best practices to design a segmentation that's sensitive to consumer and cultural nuance, capable of operating at scale and immunised against survivor bias

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**W**e are witnessing a growth in the volume of segmentation research being conducted right across our client base.

This is perhaps surprising given the recent negative sentiment about segmentation expressed by marketing academics like Byron Sharp. So what's driving this trend? A key factor has been the volume of data generated by modern digital platforms, embedded sensors and mobile devices, which is doubling every three years. Companies that own or access this kind of deterministic first-party data absolutely love it. It enables them to precisely segment consumers on the basis of real purchase or engagement behaviour. In comparison, broad-brush demographic targeting of age and gender segments is often perceived as hopelessly probabilistic and obsolete. This is a mistake.

Growing evidence suggests that recent trends in data analytics and first-party data segmentation have given rise to a problem that we call 'survivor bias'. In marketing terms, the idea relates to a brand's audience or customer base consisting largely of people who have 'survived' its sales and marketing process. A key symptom of survivor bias is overreliance on data generated by current customers or users. Segmenting first-party data can often be like looking at one's market through a drinking

straw – the view is detailed in the extreme but can be rather limited.

The reason why is obvious to any market researcher: it's a classic case of old-fashioned sample bias. Occasional and light brand users tend to leave only the faintest of footprints within first-party data. Consequently, over time, their attitudes and desires become underrepresented within a brand team's world view, leading to market strategies that are inward-looking, hyperfocused on small core consumer groups and prone to losing market share.

Market research mitigates survivor bias by grounding first-party segmentations within a statistically representative market model. An uptick in segmentation fieldwork studies perhaps reflects a need for brands to recontextualise their first-party data within a wider-angle picture of consumer behaviour and motivations. This suggests that broad demographic trends, and segmentation of consumer behaviours that are not captured by first-party data, are still crucial for brand success. But creating predictive, cross-market segmentation models in a world of merging cultures, diverging values and eroding norms is getting increasingly difficult to achieve.

## HOW TO SEGMENT

Developing effective and balanced segmentations at scale across global markets and cultures is a key objective for many multinational companies. There is no magic

formula to do this, but we've learnt that good survey design is an indispensable first step towards success. What follows is a series of best practices that you can use to design a segmentation that's sensitive to consumer and cultural nuance, capable of operating at scale and immunised against survivor bias.

There are some common questions that nearly all segmentations must ask if they are to capture the diversity of relationships that consumers have with a product category:

- **Price anchors:** Determining how much money different people are prepared to spend in different circumstances within a category.
- **Time and effort:** Determining how much time and effort people are prepared to put into their purchase decision.
- **Knowledge:** The level of prior category knowledge will have a big effect on how people go about making decisions.
- **Established behaviours:** Understanding a consumer's default or established behaviour within a category.
- **Conscious decision-making processes:** Understanding what information people use, or think they will use, to make decisions and the metrics they use to determine a choice.
- **Emotional and subconscious decisions:** Discovering the implicit, as opposed to explicit, drivers of choice.
- **Purchase and usage context:** Understanding how consumption or usage contexts and purchase environments influence choice.

The two biggest challenges are to map out the conscious and unconscious decision-making drivers and convert them into a set of usable questions. Most businesses understand the primary decision drivers in their category, but rarely appreciate the variance in their relative importance across cultures. We recommend conducting a qualitative-quantitative study within a cross-section of markets to map this variance as an indispensable prelude to developing a segmentation questionnaire. There are six stages to this:

### 1 A PRELIMINARY QUAL-QUANT STUDY

The technique we recommend is a short online survey with a few open-ended category-specific questions, such as: What are general attitudes towards the product category? What do people think about when making a purchase decision? How do people normally go about making their decision? Examine a recent purchase to identify the reasons for a specific choice. Ask questions about what stops someone from buying certain products. Find out what helps people make decisions.

The advantage of doing this quantitatively is that you gain a sense of the relative significance of factors and avoid feeding in too many phantom factors that might be peculiar to single individuals.

### 2 UNDERSTANDING THE LESS CONSCIOUS DRIVERS

Conducting a brief qual-quant pilot provides a good list of conscious choice factors, but consideration of less conscious drivers is equally important. We cannot rely on research respondents to self-identify these. In order to tease them out, we recommend starting with a cheat sheet like the one shown in Figure 1, which maps out from various academic sources some of the most significant unconscious factors driving choice. Consider how they might apply to the category you are considering.

### 3 THINKING ABOUT HOW TO ASK THE QUESTIONS

Once you've identified all factors that seem important to understanding consumer behaviour within a category, how do you convert them into survey questions? To

FIGURE 1: EMOTIONAL CHOICE DRIVERS

Security	How important is it to make a safe choice; willingness to take a risk?
Mastery	Is the product being purchased to make me better at performing a task? If so, how strong is my desire for mastery?
Empowerment	Will the product empower me, make me more capable? Am I looking to be empowered?
Achievement	Will my choice give me a sense of achievement, make me feel proud?
Esteem	Will my choice raise my standing, my level of social esteem? How important is this?
Belonging	Will it help me connect with others? How strong is my desire to be connected with others?
Conformity	Will this choice help me conform? Or the opposite: will it make me stand out from conformity?
Nurturance	Will buying this make me or others feel good?
Health and well-being	Will this product satisfy my desire for myself and family to lead a healthy life?
Engagement	Will this product absorb me, make me feel more productive?
Loss aversion	Am I driven by the need to hold on to what I have got?
Excitement	Will this product excite me?
Aesthetics	Will this product deliver aesthetic pleasures? How important is this?
Urgency	How much am I driven by a sense of urgency to make a decision?
Desire for change	How eager am I to try new things? Do I get bored doing the same thing?
Mood	Is my purchase driven by the mood I am in?

effectively compare the relationship between one factor and another, segmentation experts tend to prefer scale-based, Likert-style measures. This often leads to segmentation questionnaires comprised of long lists of attitudinal statements that people are required to agree or disagree with.

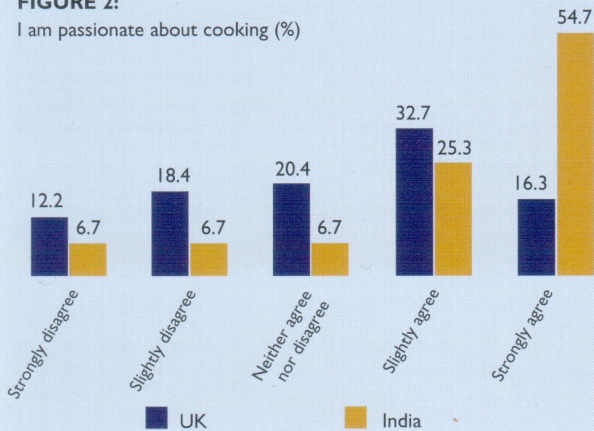
This is probably the single biggest mistake one can make when designing a segmentation study, especially if the project runs across different markets. Attitudinal questions require conjecture that is subject to all sorts of cognitive biases. When we ask a question in different countries, we often get data

that reflects, to a significant degree, cultural reactions to how a question has been asked rather than the actual attitude or behaviour we intended to measure. So how can we get clean, accurate data that enables accurate cross-market comparisons?

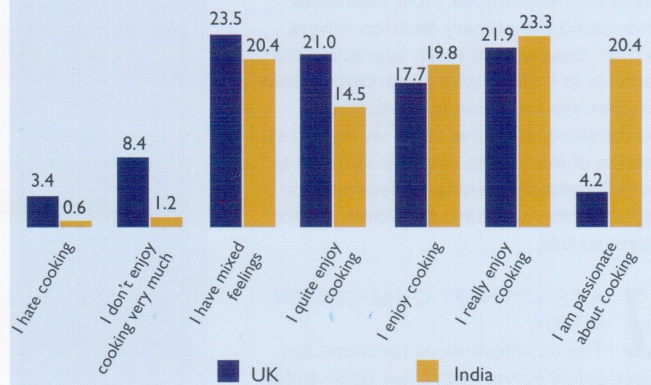
One suggestion is to change from agreement scales to using more bespoke double-ended scales that don't ask respondents to explicitly agree with things. This can harmonise responses more closely across cultures. Another solution is to create a bespoke scale with custom anchor points that reflects a fuller spectrum of feelings

**FIGURE 2:**

I am passionate about cooking (%)

**FIGURE 3:**

Which one of these statements best describes you? (%)



people may have. For instance, instead of asking a basic scale such as 'I am passionate about cooking: Strongly disagree – strongly agree', ask 'Which of these statements best describes how you feel about cooking? I hate cooking; I don't enjoy cooking very much; I have mixed feelings – sometimes I enjoy it, sometimes it's a chore; I quite enjoy cooking; I enjoy cooking; I really enjoy cooking; I am passionate about cooking.'

This approach yields a more even and consistent distribution of answers (Figures 2 and 3). The aim is to ensure answers are varied, unbiased and well thought-out, and that culture biases are accounted for and calibrated. Other question formats worth considering include: comparative scales, behavioural scales, predictive questions, MaxDiff questions and quizzes.

## 4 PILOTING

The point is to experiment and to ask things in a distinct and resonant way to ensure that you are getting to core attitudinal and behavioural differences in people. The best way to do this is to try it out. We recommend you pilot-test different question formats to find the most efficient approaches for distributing answers. This will yield a more meaningful segmentation outcome.

## 5 CHOOSING YOUR QUESTIONS

Finding the best way to ask a question is important, but prioritising and selecting what questions to ask is even more

so. Piloting makes this easy. In general, the best questions for segmentation are the 'Marmite questions' that split audiences clearly and evenly. These are the ones you really want to identify and build into your segmentation. There is no hard-and-fast rule, but we recommend that at least two-thirds of your questions should have a relatively even distribution across the scale.

## 6 CRAFTING THE DESIGN OF YOUR SURVEY

Having whittled down what questions you want to ask and how you want to ask them, the next step is crafting the survey. The quality of feedback you get from a segmentation survey is heavily dependent on the attitude of the respondents completing the survey; we should never take the survey experience for granted.

You want to have a survey that puts respondents first and your questions second. Here are some tips to help achieve this. First, when pitching your survey, use the intro to draw people in and advertise your survey as an interesting and fulfilling experience. Second, use a storyboard to build a clear narrative for your survey. One thing respondents find most frustrating is being presented with a jumbled mass of questions with no sense of order. A clear theme and structure will draw people along. Third, it is essential to maintain interest. We recommend always using a mixture of different question formats

and styles. Avoid asking repetitive banks of questions in the same way. And finally, make sure you provide feedback. We find that telling respondents how they are getting on in a survey or feeding related information to them is a great way of increasing engagement.

Put all this together and you will have an engaging survey, where people's answers clearly divide them into comparable and multidimensional segments – segments that supervene on real attitudinal differences and which result in real behavioural differences.

It then becomes possible to safely blend deterministic first-party data into a broader and statistically representative picture of a market. At its best, segmentation can be a great tool for both unifying and energising a company's culture around a common vision of the market and its opportunities. It can also yield vivid portraits of target consumer groups that are able to reach and shape the deepest intuitions of marketers.

In a world where traditional and historic divides are losing their meaning, we are confident that if done right, segmentation remains an incredibly effective tool for understanding your market and tailoring your brand message.

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