

VISUALIZING CUSTOMER PROFILES FOR ACCURATE TARGETING:
THE TECHNIQUE AND THE VALIDATION*

Brian Wansink
Amos Tuck School of Business Administration
Dartmouth College
Hanover, NH 03755
603-646-1336

The article has been published. It's appropriate citation is . . .

Wansink, Brian (1994), "Developing and Validating Useful Consumer Prototypes," Journal of Targeting, Measurement and Analysis for Marketing, 3:1, 18-30.

* The author is grateful to 23 marketing managers who helped validate this technique, and he is also grateful to the Amos Tuck School for their generous support of this project.

VISUALIZING CUSTOMER PROFILES FOR ACCURATE TARGETING:
THE TECHNIQUE AND THE VALIDATION

ABSTRACT

This paper introduces a technique called “Customer Profiling,” which provides a very clear starting point for psychographic research and for market segmentation. Customer Profiling uses a laddering procedure to describe a very specific member of a target subsegment in detail. The assumption is that the insights obtained from describing and analyzing this individual can frequently be generalized across a broader segment.

To examine the effectiveness of this technique, two groups of marketing managers and account managers were asked to describe three segments of adults who would be most likely to be members of a public radio station. One group was told they could use any segmentation method they wanted, while the other group of managers was asked to use customer profiling. Those managers using the customer profiling technique were significantly more accurate in predicting membership status than those managers who had instead used conventional segmentation methods.

Demographic data has its limits in helping us generate insights (Haley 1984; 1985). And so does most psychographic data. Not only does psychographic data frequently lack objectivity, but it is costly and is limited in how easily it can be interpreted (Wells 1974). This paper introduces a technique called “Customer Profiling,” which provides a very clear starting point for psychographic research. From the viewpoint of a researcher or manager, it also overcomes some of the other objections of psychographic research: It is quick, inexpensive, and easily interpretable.

Customer Profiling can be an effective starting point for generating customer hypotheses that can be further examined in the context of focus groups, and the insights it generates can eventually be confirmed quantitatively with questionnaires. In contrast, when there is little time or money, Customer Profiling can be an effective starting point for generating customer hypotheses . . . and it can also be an effective starting point for developing implications for a marketing communication program. Illustrations of its use in both contexts are provided in the paper. Prior to that, Customer Profiling is compared with conventional segmentation approaches and both are applied to predicting membership with a public radio station.

BACKGROUND

Knowing Your Best Customer

Mentally visualizing a prototypical member of a market segment is critically important. Being able to mentally “walk in their shoes” helps a marketer understand what unarticulated needs this person might have, and how we can communicate most effectively to the segment

they represent (Winstein 1986; 1987). It has been claimed that “the fifth ‘P’ of marketing is Personalization” (Schultz 1991). That is, the classic Four P’s of marketing -- Product, price, place (distribution), and promotion are only effective to the extent that they are used to make a “personal” connection with the customer. “Every sale is a personal sale” . . . although this important point about persuasion is not new (Carnegie 1937), it does not seem understood by most marketers.

Many marketing decisions, however, are becoming more driven by data bases than by a personal understanding of the customer. When told the the importance of “really knowing your customer,” it is easy to imagine marketers and advertisers who would claim they already know their customer:

Our primary target customers for frozen pie crusts are females 35-60 with a high school education living in the midwest and southeast, making \$20,000-35,000 year and with 3.2 children who no longer live at home but who visit 2 times per month.

They may even say that they know their target customer “so well” that they can say. . .

43% of category purchasers use our brand; 32% are Brand B users, and 25% are Brand C users. Forty percent of our market are heavy category users, and 85% are loyal. Only 60% of the nonusers are brand loyal, and we draw more switchers from Brand C than Brand B when we advertise heavily. When we price promote, we draw from both brands equally.

Suppose we were able to find 100 women who fit this general description. Suppose that we asked them to write down 10 characteristics that are particularly revealing about themselves and that they might use to describe themselves. It is doubtful that even one of these 100 would say:

Hi, my name's Susan, and I'm a 30-60 year old with a high school plus education and 3.2 kids who no longer live at home but who visit 2 times per month. I also like to think of myself as a heavy user of pie crusts when compared to people who live in Northeast or people or who live in large cities. Although I'm pretty brand loyal when I shop for pie crusts, I guess I would shop around if I had a really big coupon. You could say I'm more a switcher when it comes to laundry detergent than with frozen pie crusts, and I'm definitely a variety seeker when it comes to breakfast cereals. Well, I guess that about covers it.

No consumer sees herself or himself as a bundle of shallow statistics. As Fortini-Campbell (1990) writes “Statistics alone do as much good describing people as a ruler does measuring beach ball.” It does not wrap around the ball, and it says nothing of when and where it is used. Nor does it say anything about what people feel or think when they are using it. When attempting to identify target markets, marketers often make no attempt to intuitively move “past the data” (Haley 1968; Plummer 1984; Wells and Tigert 1971).

Regardless of how much a marketer, advertiser, or consultant knows about marketing and advertising, he or she will never know as much about the bagged concrete industry, or about the accounting profession, or about retail meat channels as the people in these industries. Unlike fast moving packaged goods, these industries are less burdened by a print-outs of demographic and sales data. How can they possibly know their customers? Consider Michael, the marketing manager for a company that produces bagged concrete. If we were to ask him to “describe some of your best customers,” he would probably name a specific person and proceed to describe them in detail.

It is important to realize that the specific person Michael mentions probably represents (with small variations) a generalizable subsegment of his company's market. That is, when he

describes “Tony Bower at Plymouth Industries,” Tony is probably representative of a much larger segment of customers (or potential customers). As a result, the more the Michael talks about “Tony” -- his motivations and aspirations, what he does in his free time, who he wants to impress, where he wants to be in 10 years, why he buy’s Michael’s bagged concrete, etc. -- the more insights we can gain about this basic segment to which Tony unknowingly belongs.

Of course, developing this “Customer Profile” of Tony only only accounts for one segment of the market. At this point, Michael could be asked, “What other types of good customers do you have?” and we would be off onto another segment.

Limitations

One needs to be careful to not confuse the spirit of the Customer Profiling process with its execution. This process provides an opportunity to exercise one’s creativity in an effort to generate critical insights about customers. It is not necessary that one knows the answer to everything that he or she might want to know about this customer. In essence, one has a license to play psychologist and to guess or infer an answer. The value of profiling lies in attempting to disclose the basic needs and motivations of a particular segment of consumers. Although the previous example only focused on a current customer (Tony), this exercise can also be done on an “ideal customer,” or on “the kind of customer who is a great word-or-mouth champion,” or “the kind of customer who is a real heavy user . . .”, etc.

Is there a risk of this approach being too narrow? Probably. But just as conventional methods often “vanillaize” the market by collapsing across too many different types of segments, this Customer Profiling approach forces our thinking to be more specific. When looking at the continuum that ranges from “Everyone -- to -- Someone”, we do better by looking at a number of very specific, but very richly profiled (“Someone”) segments than we do looking at only a couple that are too general (“Everyone”). In an ideal situation, any intuitive

insights one generates should be followed up with a quantifiable research that can either confirm or disconfirm these insights.

The Basic Process and Technique

Developing a rich Customer Profile is one way to psychographically segment very specific market segments. The value of the Customer Profiling process is directly related to how vividly one can visualize the person and how accurately and creatively one can describe him or her. The basic process is as follows:

1. Recall (or imagine) an ideal customer (or decision maker)
Name him or her
2. Describe him or her in “recognizable” detail.
 - Why does the person use the product/service he or she uses
 - How does this person “see” himself or herself
 - How would this person’s neighbors describe him or her
 - What is important to this person?
 - Whom does this person want to most impress?, etc.
3. Recall another type of model customer (and describe)
4. Repeat the process until the profiles start to overlap
5. Generalize into target markets and highlight important details
6. Use the relevant insights to inform marketing activities

This technique is called “laddering.” In effect, by continuously asking “why,” one keeps “going down rungs” until arriving at basic values that may be important in motivating this person in this context (Haskins and Kendrick 1989). The emphasis on this approach is on creativity. The more one can intuit about their customers, the more effective their efforts at reaching and satisfying them will be. The critical test of this approach, however, is how well it can answer three questions: 1) How do Customer Profiling insights compare with insights

generated from more general methods of segmentation analysis? 2) How accurate and valid are Customer Profiling insights? and 3) How useful are these Customer Profiling insights in providing implementation guidance for a marketing communication program? These questions are examined in each of the next three sections.

HOW DO CUSTOMER PROFILING INSIGHTS COMPARE WITH SEGMENTATION ANALYSIS INSIGHTS?

Methodology

The objective is to determine how accurately the segments obtained through a Customer Profiling technique describe a more broad base of customers. In determining the accuracy of the Customer Profiling technique, the relevant comparison is with those segments that are instead obtained through the more general forms of segmentation analysis. Although the method by which one does a segmentation analysis certainly varies from manager to manager, a number of managers were be asked to articulate their approach, and the similarities were notable.

Thirty-two managers were asked to take part in a mail survey which involved the identification and specification of target markets. Twenty-three of these individuals responded (72 percent response) in a timely enough of a manner to be included in the study. Nineteen of these 23 individuals were either brand managers or account managers, and their salary ranged from \$62,000 to \$107,000/year. All of these managers were recent MBA graduates of a premier eastern business school, and their average age was 31. While in their MBA program, they had taken a course in Marketing Communication, and it was because of that experience they were contacted.

Since we were ultimately interested in the accuracy and validity of their segmentation efforts, it was necessary to use a product or service with which all would be equally familiar. Because all had gone to business school in New England, it was assumed (and subsequently

verified) that they would be familiar with the local public radio station (Vermont Public Radio affiliate -- WVPR) that had been proximate to the college while they were students. All 23 managers were asked to identify three segments of people who were most likely to be members of WVPR (membership = \$25/year.) None of these managers had any specific information about membership or listenership. The only information included in the mailing was a copy of the station's monthly programming guide.

The only portion of the mailings that differed was the instructions on how they were to go about determining these three target markets. Half of the subjects were asked to identify these groups in whatever way they would normally approach such a problem. These will be referred to as the Segmentation Analysis Group. After defining these groups, these managers were asked to articulate the basic procedure they used to identify these target markets. The other half of the managers were asked to use the Customer Profiling procedure that was outlined above. This group will be referred to as the Target Profiling Group. After defining their three target groups, these managers were also asked to outline -- in their own words -- the basic procedure they used, including any modifications they made on these procedures.

All subjects then returned their questionnaire through the mail. Of those that were returned, 13 were from the Segmentation Analysis Group and 10 from the Target Profiling Group.

Comparing the Two Approaches

It appeared that the managers in the Segmentation Analysis Group tended to use a four-step procedure. Although this exact procedure was not used across all 13 managers, it fairly represents the general approach they articulated. Broadly speaking, the managers in this segmentation analysis group first thought about the target market in terms of demographic variables (such as age, income, education, profession, etc.). They next made inferences about the related interests or affiliations of these different segments (e.g., belongs to other arts

organizations, subscribes to many magazines). Third, these managers considered why such segments might become a member of WVPR, and used these inferences to better describe these segments. Last, a determination was made as to which of these groups represented the largest potential subset of the target market (WVPR members). This general process is abbreviated in Table 1.

INSERT TABLE 1 ABOUT HERE

In contrast to this, the managers who were in the Customer Profiling Group were instructed to think about a specific individual who they considered to be an “ideal” user. Although these managers also described this person in terms of demographic variables, related interest or affiliations, and inferences as to why they joined, the descriptions made by this group tended to be much richer and to contain much more detail. Part of this was due to the managers trying to answer difficult, speculative, and personal questions about their customer. This process and some of these questions are outlined in Table 1.

Comparing the Results of the Two Approaches

In general, those managers using the Customer Profiling technique generating an average of 11.4 thoughts about each of the three profiles they described compared to the 6.8 thoughts generated by those managers in the Segmentation Analysis group. This difference was significant ($t = 3.9$; $p < .01$), and was driven by the difference in thoughts that were related to psychographic criteria. Managers using the Customer Profiling technique generated many more psychographic thoughts ($= 8.3$) than those in the Segmentation Analysis group [$= 4.1$ ($t = 4.2$; $p < .01$)]. The specific content of these profiles is most illustrative.

Although numerous different market segments were alluded to by both sets of managers, four segments were mentioned with notable frequency by both groups. These segments of

WVPR members were commonly defined as the Yuppie segment, the Establishment segment, the Intelligentsia segment, and the Granola segment. The two most frequently described segments were the first two. Some typical descriptions that managers made in describing these segments is provided in Table 2.

INSERT TABLE 2 ABOUT HERE

Three points about Table 2 are especially illuminating. First, it is notable that both groups of managers identified the similar segments with high frequency. Second, the level of detail provided by the those managers in using the Customer Profiling technique is much more specific than that given by the managers in the Segmentation Analysis Group. Some descriptions of an individual from the Yuppies segment, for instance, included: “He likes to impress others; not loyal to institutions; more of a spender than a saver; can be self-righteous.”

The last feature in Table 2 that is especially notable lies in the prototypical segmentation descriptions given by those in the Segmentation Analysis Group. There is lack of clear psychographic distinction between their description of the Yuppie segment and that of the Establishment segment. With the exception of their age and the ages of their children, there is no significant difference between these two segments. The descriptions given by those using the Customer Profiling technique, in contrast, provide a more clear delineation between these two segments.

It is important to note that the procedure itself (Target Profiling versus Segmentation Analysis) had little impact over whether a particular target group would be identified and described. The primary difference between these procedures was illustrated in the extent to which these segments could be defined in distinct detail. Detail that will eventually be useful in helping generate important marketing implications.

HOW ACCURATE ARE CUSTOMER PROFILING INSIGHTS?

Although the differences illustrated in Table 2 are provocative, the important question is whether they are of value in actually predicting membership in WVPR. To the extent that the Customer Profiling technique enables one to better understand current membership, the technique should likewise help one learn more about how to more effectively appeal to similar individuals in the segment who have not yet joined WVPR's membership ranks.

Methodology

To examine the accuracy of the profiles that were generated by the two groups of managers, 261 adults were contacted to provide the demographic and psychographic information that would be necessary for a comparative validation. These subjects were recruited through eight PTA (Parent-Teacher Association) groups in small New England towns, and six dollars were donated to the respective organization for each member who participated in the study. A total of 261 subjects participated. Ninety-one percent of the subjects were between the ages of 30 and 60. Their educational background was heterogeneous.

Subjects were met in groups of 6 to 30 at the school where their PTA met. Upon arriving, they were asked to take alternate seats, and they were given a closed packet of materials by the experimenter which contained a cover sheet of instructions and a number of consecutively labeled booklets. One of the booklets they were given asked them if they were a member of WVPR, and then proceeded to ask them over 80 questions which were related to characteristics that had earlier been identified in the segmentation descriptions and in the target profiling descriptions of the 23 managers. These questions were generally related to the types of information noted in Table 2. Some of these questions were demographic while others were descretly-worded psychographic questions. Although every subject was asked the identical

questions, the order of these questions were randomized to avoid a bias due to fatigue. Of the 261 individuals involved in the study, 93 (36%) were members of WVPR.

Analysis and Results

Recall that each of the 23 managers involved in the study described three distinct market segments they believed would currently comprise WVPR membership. Since the accuracy of two different approaches is being compared (Target Profiling versus Marketing Segmentation), the accuracy of these managers reflects one dimension of the relative value of these two approaches. Given a description of a segment, accuracy is defined as that percentage of people who fit that description and who are members. For instance, a description of a particular segment would be perfectly accurate to the extent that 100% of the people who met that description did indeed happen to be WVPR members. Regardless of whether the defined group is large or small, the higher the percentage of membership, the more accurate the description will be considered.

For each market segment described by each manager, two numbers were recorded: 1) The total number of people in the sample (out of a possible 261) who fit that general description, and 2) the number of these who are WVPR members. To develop a rough summary measure of effectiveness for each manager, the results from these three segments were added together to form a cumulative measure of effectiveness. (It is assumed the three segments are mutually exclusive and are independent and identically distributed.) The results were then rank-ordered on the basis of their accuracy, and they are noted in Table 3.

INSERT TABLE 3 ABOUT HERE

The managers in the Segmentation Analysis group tended to describe target markets that were much larger than those who used the Customer Profiling technique. Their “hit rate”

(number of members/total segment membership), however, was much lower. This attests to the accuracy that is afforded a more focused approach such as Customer Profiling. The six most accurate managers in the study were those who used some version of Customer Profiling. The other four managers using this technique were not as accurate in their profiling, but they were no less accurate than those who had used general segmentation analyses. Using a manager's hit rate as a dependent variable, those using the Customer Profiling technique were significantly more accurate in identifying and describing current member segments than those using a general form of segmentation analysis ($t = 5.5$; $p > .01$).

HOW USEFUL ARE CUSTOMER PROFILING INSIGHTS?

This paper has suggested that a quick, inexpensive first step in any attempt at qualitative research is to use the data that we have been collecting all of our life -- data about human nature -- to begin drawing a Customer Profile of specific target markets. Such an approach has been empirically shown to deliver deep and accurate insights about current customers, thus enabling a researcher to conduct more focused research or to use these insights to think of more insightful marketing implications.

But how useful are these Customer Profiling insights?

These profiles help make customer segments vivid. Returning to an earlier example, knowing the age and switching patterns of a customer segment is not the same thing as being able to visualize that segment. A drawback of qualitative research is that it frequently provides neither an effective departure point for more research nor an effective starting point for marketing communication implications. These are the two most immediate uses of the Customer Profiling technique.

Example₁: An Effective Departure Point for Additional Research

If one is working with a large consumer package good company, Customer Profiling can be used to generate working hypotheses about various customer segments within the target market. Depending on how confident a researcher or manager is about these hypotheses, and depending on what is at stake, he or she can use this technique to brainstorm prior to focus group research, or he or she can use it as a first step toward survey research.

A recent meeting with a consumer package-goods company was focused on increasing usage among the medium- and light-user segments of a particular baking product. Their marketing plan was focusing on a heavy drop of FSIs and on one of five different advertising campaigns. The product group manager, the brand manager, and the assistant brand manager all knew the customer well from a demographic standpoint. However, when asked to describe someone they personally knew who is a member of one of these medium or low-user segments, only one of these three individuals could name a specific person she knew who actually uses their product.

By walking through this Customer Profiling process, it became clear that perhaps couponing and price-sensitivity did not drive the usage-patterns of medium- and light-users, but that such usage was instead driven by situation-related needs, such as special occasions. Because of the infrequent use of the product, and because of the special nature of its use, price and couponing were now hypothesized to play less of a role in usage than other issues such as situation-related needs, brand familiarity, and the extent to which “easy ideas” were included on or in the packaging. In this instance, the insights generated from the Customer Profiling technique were viewed as hypotheses to be tested. They were then examined in focus groups and a questionnaire was used to further examine the validity of these insights.

Example₂: An Effective Starting Point for Marketing Implications

If little or no time and research money is available, insights from Target Profiling can be used as a starting point for developing specific marketing communication implications. One

such example involves a company that manufactures Christmas lights for trees and houses. Although there was no research budget for this product, it was critical that the marketing communication budget be highly leveraged. The company was currently thinking about allocating most of this budget to in-store signage, cooperative advertising, and POP displays.

The Customer Profile technique was used to profile ideal customers. Initially too much time was spent trying to profile the heavy user of Christmas lights . . . the homeowner whose household lighting pageantry is the neighborhood's bane and the power company's delight. Although interesting psychographic profiles were developed for this segment, it was determined that the larger markets would consist of homeowners in the midwestern snow belt who have a couple strings of lights but who are witnessing a gradual escalation of lighting in their neighborhoods. To the extent that this escalation is spreading, there is implicit pressure on him or her to either "stay ahead" or to simply "keep up" and not be seen as a Scrooge.

Although these profiles consisted merely of a set of hypotheses, it lead to a marketing communication plan that was focused on encouraging newspapers to sponsor "neighborhood lighting contests." The plan included story ideas, logistical recommendations, and judging suggestions that the newspaper could use to encourage these contests. This press packet was included in a small box of lights of Christmas lights and mailed to the Features Editor at targeted newspapers throughout the snow belt.

In this instance, the insights generated by Customer Profiling were not tested because the company did not wish to go through the time and expense of conducting formalized research. Nevertheless, the technique provided insights for a marketing plan that might have otherwise consisted of cooperative advertising and signs that would have been lost in a retail sea of red and green.

FINAL SUGGESTIONS AND IMPLEMENTATION ISSUES

It would appear that any effort at Customer Profiling is valuable, insofar as it makes one think beyond the superficial demographic information that is typically used. The best marketing implications, however, tend to be associated with the most detailed Customer Profiles. These profiling efforts have two characteristics in common: (1) They take “psychological license” in describing what motivates the person, and (2) they always ask and try to answer the question “why?” For instance,

Keith listens to WVPR because of the great news.

WHY?

Because he likes to be well informed.

WHY?

Because he likes to be seen as a valuable person to talk to, or because he likes to feel in control of his environment, or because he believes it is what “smart” people do, etc.

Is it valid to be this speculative? We must remember that the value of Customer Profiling lies in trying to uncover some basic needs that might motivate a customer and that is not likely to be found in demographic data or in scanner data. Obtaining these insights are critical regardless of whether we are analyzing consumers of baking ingredients or consumers of Christmas lights. Furthermore, these profiles can be sliced in any one of a number of infinite ways: heavy users, non-users, ex-users, high potential users, Word-of-Mouth prone users, etc.

A last advantage of Customer Profiling is that no one needs to know you do it. In its most public use, Customer Profiling can be a stimulus for brainstorming among an entire creative team. In its most private use, it is part of one’s creative black box. The insights that are generated can either serve as a departure point for further research and hypothesis testing, or they can be used to generate implications for marketing communication. Generating these insights is a form of research. Implementing them is marketing.

REFERENCES

- ARF (1987), *Marketing Insights through Qualitative Research: Proceedings of the ARF Qualitative Research Workshop*, New York: Advertising Research Foundation.
- Carnegie, Dale (1937), *How to Win Friends and Influence People*, New York: Simon and Schuster.
- Fortini-Cambell, Lisa (1990), *The Customer Insight Book*, Chicago: The Copy Workshop.
- Haley, Russell I. (1968) "Benefit Segmentation: A Decision-Oriented Research Tool" *Journal of Marketing*, (July), 30-35.
- Haley, Russell I. "Benefit Segments: Backwards and Forwards," *Journal of Advertising Research*, (February/March), 19-25.
- Haley, Russell I. (1985), *Developing Effective Communications Strategy: A Benefit Segmentation Approach*, New York: Wiley.
- Haskins, Jack and Alice Kendrick (1989), *Successful Advertising Research Methods*, Lincolnwood, IL: NTC Business Books.
- MacKay, Harvey (1988), *Swim with the Sharks Without Being Eaten Alive*, New York: Morrow.
- Orrin, Benn (1984), "A Segmentation Approach to the Market," *Marketing and Media Decisions*, (May), 134.
- Plummer, Joseph T. (1984) "How Personality Makes a Difference," *Journal of Advertising Research*, (December/January) 27-31.
- Schultz, Donald (1991), *Integrated Marketing Communications*, Homewood, IL: Irwin One.
- Smith, Wendell R. (1956) "Product Differentiation and Market Segmentation as Alternative Marketing Strategies," *Journal of Marketing*, (July) 3-8.
- Wells, William D. and Douglas J. Tigert (1971) "Activities, Interests, and Opinions," *Journal of Advertising Research* (Volume 11, 27-35.
- Wells, William D. (1974), *Lifestyle and Psychographics*, editor, Chicago: American Marketing Association.
- Weinstein, Art (1987), *Market Segmentation*, Chicago: Probus Publishing Company.

Weinstein, Art and Marvin Nesbit (1986), "How to Size Up Your Customers," *American Demographics*, (July), 34-37.

Wind, Yoram (1978), "Issues and Advances in Segmentation Research," *Journal of Marketing Research*, (August), 317-337.

Winter, Frederick W. "Market Segmentation: A Tactical Approach," *Business Horizons*, January/February 1984, 57-63.

Yankelovich, Daniel (1964), "New Criteria for Marketing Segmentation," *Harvard Business Review*, (March/April) 83-90.

Zeithaml, Valarie A. (1985), "The New Demographics and Marketing Fragmentation," *Journal of Marketing*, (Summer), 64-75.

TABLE 1:

TARGET PROFILING AND SEGMENTATION ANALYSIS:
COMPARING THE PROCESS OF INSIGHT GENERATION

A GENERAL APPROACH TO
TARGET PROFILING
(N=10)

A GENERAL
SEGMENTATION

1. Imagine a specific person in the target segment
2. Define him or her in vivid detail
 - Why does the person use the product/service he or she uses?
 - How does this person "see" himself or herself?
 - How would this person's neighbors describe him or her?
 - What is important to this person?
 - What are his or her goals and ambitions?
 - Describe this person's "perfect" day off?
 - Who does this person want to most impress?
3. Recall another person in this segment (and describe)
4. Repeat the process until the profiles start to overlap
6. Use the relevant insights to inform marketing activities

1. Isolate important demographic factors
 - Education
 - Profession
 - Age
 - Income
 - Gender
 - Family size
 - Geography, etc.
2. Infer related interests or needs
3. Imagine reasons they might buy
4. Split into the highest potential segments

TABLE 2:

TARGET PROFILING AND SEGMENTATION ANALYSIS:
COMPARING THEIR INSIGHTS ABOUT TWO PUBLIC RADIO SEGMENTS

SAMPLE INSIGHTS FROM SEGMENTATION ANALYSIS

“Yuppie” Segment	“Establishment” Segment
◦ 30-50 years of age	◦ 50-60 years of age
◦ Highly Educated	◦ Highly Educated
◦ White-collar Professional	◦ White-collar Professional
◦ High Income	◦ High Income
◦ Appreciates the “fine things”	◦ Appreciates the “fine things”
◦ Reads a lot	◦ Reads a lot
◦ Cultured	◦ Cultured and sophisticated
◦ Quality of life is important	◦ Movers and shakers
	◦ Family away; lots of free time

SAMPLE INSIGHTS FROM TARGET PROFILING

“Yuppie” Segment	“Establishment” Segment
◦ Likes to impress others	◦ Community-oriented
◦ Can tend to “snobbiness”	◦ Wants to be mentor-like
◦ Not too loyal to institutions	◦ More benevolent than in past
◦ More “spender” than “saver”	◦ Getting socially overcommitted
◦ Sees knowledge as a tool	◦ Developing strong tastes (art, music)
◦ Read to learn; learn to do/say	--less concerned about the crowd
◦ Sees kids as either investments or as showpieces	--sees no need to justify pro
◦ Sometimes self-righteous	◦ Comfortable with life and with friends
	◦ A definite pattern to the days and months
	◦ Sometimes wishes life would be a bit more exciting
	◦ Wishes they would have spent more time with kids when they were young

TABLE 3:
 TARGET PROFILING AND SEGMENTATION ANALYSIS:
 COMPARING THEIR ACCURACY IN PREDICTING WVPR MEMBERS

		(Number in Segment who are WVPR Members)/(Total Number in the Segment)			
Segmentation Method Used	Manager _x	Cumulative Performance (%)	Segment ₁ Performance	Segment ₂ Performance	Segment ₃ Performance
Target Profiling	Manager ₁	13/17 (76%)	4/5	6/9	
Target Profiling	Manager ₂	11/15 (73%)	4/5	5/8	
Target Profiling	Manager ₃	8/11 (73%)	5/6	1/2	
Target Profiling	Manager ₄	12/18 (67%)	7/10	5/7	
Target Profiling	Manager ₅	6/9 (67%)	1/2	4/5	
Target Profiling	Manager ₆	12/19 (63%)	3/3	3/5	
Segment Analysis	Manager ₇	20/32 (62%)	4/9	11/17	
Segment Analysis	Manager ₈	18/29 (62%)	6/11	5/9	
Target Profiling	Manager ₉	10/17 (59%)	5/9	3/3	
Segment Analysis	Manager ₁₀	40/68 (59%)	19/33	4/11	
Segment Analysis	Manager ₁₁	32/56 (57%)	29/44	0/3	
Segment Analysis	Manager ₁₂	23/43 (53%)	0/1	15/29	
Target Profiling	Manager ₁₃	3/6 (50%)	2/3	1/1	
Segment Analysis	Manager ₁₄	26/56 (46%)	13/22	10/26	
Segment Analysis	Manager ₁₅	41/90 (46%)	29/53	12/33	
Segment Analysis	Manager ₁₆	7/17 (41%)	6/11	0/2	1/4
Target Profiling	Manager ₁₇	2/5 (40%)	0/0	0/0	
Segment Analysis	Manager ₁₈	28/90 (31%)	14/59	2/10	
Segment Analysis	Manager ₁₉	27/90 (30%)	4/15	23/65	
Target Profiling	Manager ₂₀	5/23 (22%)	1/5	1/9	
Segment Analysis	Manager ₂₁	28/143 (20%)	14/79	0/12	
Segment Analysis	Manager ₂₂	31/163 (19%)	15/88	16/72	
Segment Analysis	Manager ₂₃	23/122 (19%)	6/50	14/41	

* Read: Of the 5 respondents who fit the manager's description, 4 were WVPR members.