



# Post-Demographic Consumerism

# Beyond demographic segmentation— The changing face of consumerism

Consumers, of late, haven't been acting as they should. It used to be that we could segment people into a specific age group, gender or socioeconomic status and be able to tell with some amount of certainty how they would act, what they would like and what they would buy. Due to a variety of factors, those days are behind us. Instead, consumers are "misbehaving," buying products and sharing experiences that would traditionally have been out of their norm. The meaning behind words like demographics, generations and stereotypes is now blurred because the lines that once defined them are also blurred.

Trendwatching.com calls the movement post-demographic consumerism. In a comprehensive report it issued in the fall of 2014, they pointed to data that drives home the new face of consumerism:<sup>1</sup>

- The United Kingdom has more gamers over 44 than under 18, and most gamers are women.
- The number of Twitter® users between the ages of 55 and 64 grew 79 percent, making it the fastest growing segment between 2012 and 2013.
- The top 1,000 favorite music artists for 60-year-olds have a 40 percent overlap with the top 1,000 favorite music artists for 13-year-olds.

This Blue Paper® will help define how consumer demographics aren't as reliable a segment as they once were, why the trend came to be, and what marketers and entrepreneurs need to do to reach the right customers in the age of post-demographic consumerism.

## What is happening to consumers?

If you were to visualize a segment of all people between the ages of 55 and 64 of a certain ethnicity in a given mid-sized American city, the pool of people would be rather large. They would look at each other and agree on commonalities—they were raised during a period of similar world events and pop culture phenomena. Drill slightly deeper, and you would likely find the pool includes both parents and grandparents of pre-teens. As you get to the core, you may find a woman who is employed full time, climbs mountains on vacation and has just learned computer coding as a hobby. She enjoys chatting with a recent retiree who volunteers regularly and watches his grandchildren once a week.



<sup>1</sup> "Post-Demographic Consumerism." Trendwatching.com. N.p., Nov. 2014. Web. 06 Sept. 2015. <<http://trendwatching.com/trends/post-demographic-consumerism/>>.

The fact that these two people share three demographic traits (age, race and geography), yet act so differently, puts marketers who rely heavily on traditional segmenting at a disadvantage. Startup investor Renee DiResta calls it the “spray-and-pray approach,” whereby marketers douse a large group of seemingly similar people with the same marketing messages, hoping a certain percentage of them answer the call.<sup>2</sup> Years ago, the approach was risky at best. Today, it simply doesn’t work.

Today’s consumers, whether they are keenly aware of it or not, fight traditional molds. In a blog about demographic-focused marketing demise, Tracey and Paul Gordon, of the marketing cloud platform Bubblebox®, say consumers refuse to be a part of a “herd<sup>3</sup> Consumers no longer fit into pre-determined segments because they want to act, feel and buy based on their own likes and dislikes rather than on those of their generational or demographic counterparts.

In short, consumers are no longer looking to each other to determine how to act and are instead looking inward, buying products and having experiences that speak to themselves as individuals. In that way, consumers are acting uniquely and expecting to be treated as such with personalized marketing and services.

## Why is it happening?

Trendwatching.com cites four primary reasons why consumers are breaking out of the mold: access, permission, ability and desire.<sup>4</sup>

Let’s look further into these factors:

1. **Access.** Technology has opened up our world. As consumers, we have greater knowledge of brands and ability to purchase online from the comfort of our home. The Web has given us equal opportunity to know the latest trends in technology, food and fashion. And consumers of varying demographics buy from famous brands like Apple® and Amazon®, creating a shared familiarity.<sup>5</sup> In this way, experiences are becoming more universal—literally in all parts of the globe—rather than segmented.
2. **Permission.** We still see political divisions of conservatism and liberalism, but overall, our society has shed many past beliefs and societal norms. We



<sup>2</sup> DiResta, Renee. “Demographics are dead: the new, technical face of marketing.” O’Reilly Radar. N.p., 3 Sept. 2013. Web. 16 Sept. 2015. <<http://radar.oreilly.com/2013/09/demographics-are-dead-the-new-technical-face-of-marketing.html>>.

<sup>3</sup> Gordon, Tracey, and Paul Gordon. “Is Demographic-Marketing Dead?” Only Influencers. N.p., n.d. Web. 16 Sept. 2015. <<https://www.onlyinfluencers.com/email-strategy/entry/is-demographic-marketing-dead>>.

<sup>4</sup> “Post-Demographic Consumerism.” Trendwatching.com. N.p., Nov. 2014. Web. 06 Sept. 2015. <<http://trendwatching.com/trends/post-demographic-consumerism/>>.

<sup>5</sup> Leopold, Gary. “The Post-Demographic Traveler.” MediaPost. MediaPost Communications, 4 May 2015. Web. 06 Sept. 2015. <<http://www.mediapost.com/publications/article/248913/the-post-demographic-traveler.html>>.

have given Dad permission to stay home with the kids and let Mom earn a paycheck. We have redefined what it means to be a family from the traditional father, mother and biological children to families as varied as one can now imagine. This shifting belief system now makes it difficult to define generations. We once agreed that generations gave birth to their successors, or a new generation. Today, Generation Z (who follows Millennials) could be the children of a Millennial or a Gen Xer.<sup>6</sup> Because of this, generations are sharing ideals rather than battling to understand differing ideals, and most of society provides the freedom to live as one would like.

3. **Ability.** Technology, especially through social media, not only gives access, but ability—ability to identify with brands and research products.<sup>7</sup> Even if we do not or cannot buy, our personality and tastes show through in the brands, products and services we connect with socially. And, as consumers age, they hold on to their interests, rather than “aging out” like generations before them.<sup>8</sup>
4. **Desire.** Status was once measured in money and material goods. Today, it is measured in ways that are available to all—experience, health, sustainability, ethics.<sup>9</sup> Because of this, older generations no longer have something—namely wealth and possessions—younger generations want. This leaves a more equal playing field for all consumers.

## Marketing becomes tribal

If you are not yet convinced that marketing to a demographic alone may be a waste of resources, consider this demographic example: two men from the United Kingdom born in 1948 who are both wealthy, have been married twice, have two children and own dogs.<sup>10</sup> Marketers may instantly think of products these men would buy and exactly how to speak to them—until they learn that not only do the men’s similarities stop there, the men’s differences outshine their similarities. The men are Prince Charles and Ozzy Osbourne.



Demographics often are misleading, and, as consumers, we’ve morphed from being part of a herd to being the member of a “tribe.”<sup>11</sup> These relatively smaller

6 Mason, Jenn. “In a Digital World, Are Generations Dead?” *Advertising Age*. N.p., 14 Aug. 2015. Web. 06 Sept. 2015. <<http://adage.com/article/digitalnext/a-digital-world-generations-dead/299957/>>.

7 “Post-Demographic Consumerism.” *Trendwatching.com*. N.p., Nov. 2014. Web. 06 Sept. 2015. <<http://trendwatching.com/trends/post-demographic-consumerism/>>.

8 Plutsky, Gordon. “2015 Is The Tipping Point On Age-based Marketing.” *MediaPost*. MediaPost Communications, 13 July 2015. Web. 16 Sept. 2015. <<http://www.mediapost.com/publications/article/253828/2015-is-the-tipping-point-on-age-based-marketing.html>>.

9 *Ibid*

10 “Welcome New Customer! 7 Facts about Post-Demographic Consumerism.” *Marketing Automations*. N.p., 09 Apr. 2015. Web. 06 Sept. 2015. <<http://www.marketingautomations.com/2015/04/09/welcome-new-customer-7-facts-about-post-demographic-consumerism/>>.

11 Mason, Jenn. “In a Digital World, Are Generations Dead?” *Advertising Age*. N.p., 14 Aug. 2015. Web. 06 Sept. 2015. <<http://adage.com/article/digitalnext/a-digital-world-generations-dead/299957/>>.

groups are blind to age, race or income level. They gather—metaphorically—around similar experiences, favorite brands and people who share their passions.

Tribes are defined by the following:<sup>12</sup>

- Members are engaged in the tribe's activity; they don't just show up.
- Membership is voluntary.
- People aren't converted. They actively seek out tribes to join.
- They're forward facing, not isolated.
- Members are evangelists of their shared experience.
- Members do what they want, not what the leader wants.
- But, some tribes are waiting to be led.
- Members likely belong to many tribes.
- Every tribe and every tribe leader is different.



How do marketers or business owners find and speak to these tribes? Let's take a look at one tribe and extrapolate on what defines them: middle-aged men who not only enjoy bike riding, but are so involved in the sport, they log hundreds of miles on expensive bikes while donned in Lycra®. Without knowing more about individual members, what can we infer about them? They likely have disposable income, are health conscious and care about their physical appearance, have spare time in which to ride, talk about bike technology and gadgets, map out rides and talk on social media about their experiences.<sup>13</sup>

This tribe exists. Are you able to talk with them? If you sell fitness gear, the answer is an easy yes. What if you sell plumbing fixtures? The answer is still yes; you may just have to dig a little deeper for a connection. Do you sell fixtures that could be used to easily wash off a muddy bike or massage sore muscles?

Once you fully define members of the tribe, you will be able to characterize their needs. That's when you can begin to tell them your story and strengthen your relationship." If you do it right and do it well, tribes will begin to talk about you.

## Asking demographics to step aside

Now that you know more about tribes, let's consider other ways to find them and market beyond demographics.

<sup>12</sup> Antcliff, Lyndon. "Is Tribal Marketing the New Niche Marketing?" CognitiveSEO. Cognitive SEO, 27 July 2015. Web. 21 Sept. 2015. <<http://cognitiveseo.com/blog/8969/tribal-marketing-the-new-niche-marketing/>>.

<sup>13</sup> Ibid

<sup>14</sup> Sharkey, Tina. "What's Your Tribe? Tap Into Your Core Consumers' Aspirations Like Nike, Gatorade, BabyCenter and REI Do." Forbes. Forbes Magazine, 25 Jan. 2012. Web. 21 Sept. 2015. <<http://www.forbes.com/sites/tinasharkey/2012/01/25/whats-your-tribe-tap-into-your-core-consumers-aspirations-like-nike-gatorade-babycenter-and-rei-do/>>.

Try one or more of these eight tips:

1. Reduce the scope of your marketing to hone in on specific interests.<sup>15</sup> Instead of marketing to people who like cars, market to the person who wants a rugged vehicle to transport outdoor equipment and a dog.
2. Market to life stages.<sup>16</sup> Milestones will always be a part of life. Consumers will get new jobs, get married, have a baby or care for an aging parent. Market to the milestone, rather than the age at which it takes place.
3. Reconsider your brand heritage.<sup>17</sup> Has your brand success relied almost exclusively on the purchase by a certain demographic? If so, you may need to break out of the mold. Instead, market around values, like freedom, creativity, passion, independence and individualism.<sup>18</sup>
4. Develop buyer personas and market to them.<sup>19</sup> Personas are a representation of your ideal customer, based on market research and data about existing customers. Your personas should be defined by age, gender, financial status, education and interests. Personas also are defined by how your ideal customer interacts with you. What pages do they visit on your website? Do they browse certain products? On which social platforms and devices do they interact with you?
5. Use real-time data to personalize the customer experience.<sup>20</sup> Remember that today's consumers expect to be treated like individuals, not like the rest of the herd. Use website clicks, transactions and forms to create individualized emails, real-time ad banners or push notifications.
6. Create a journey by telling a story across a variety of channels.<sup>21</sup> Individualize the story by developing an email drip campaign based on certain behaviors. Or, engage with customers who are talking about you on social media platforms.
7. Build a community of influencers.<sup>22</sup> Today, people are the media. They rely on each other to review and recommend products and services. Find your advocates and help them become your influencers.
8. If you are going to launch a marketing campaign, measure often, and then



<sup>15</sup> Gilbreath, Bob. "The Death Of Demographics As A Targeting Tool." *Brand Quarterly*. N.p., 19 June 2015. Web. 06 Sept. 2015. <<http://www.brandquarterly.com/the-death-of-demographics-as-a-targeting-tool>>.

<sup>16</sup> Ibid

<sup>17</sup> Belan, Kate. "Four newest post-demographic trends versus conventional demographic models." *Popsop*. N.p., 4 Nov. 2014. Web. 06 Sept. 2015. <<http://popsop.com/2014/11/four-newest-post-demographic-trends-vs-conventional-demographic-models/>>.

<sup>18</sup> "Welcome New Customer! 7 Facts about Post-Demographic Consumerism." *Marketing Automations*. N.p., 09 Apr. 2015. Web. 06 Sept. 2015. <<http://www.marketingautomations.com/2015/04/09/welcome-new-customer-7-facts-about-post-demographic-consumerism/>>.

<sup>19</sup> Gordon, Tracey, and Paul Gordon. "Is Demographic-Marketing Dead?" *Only Influencers*. N.p., n.d. Web. 16 Sept. 2015. <<https://www.onlyinfluencers.com/email-strategy/entry/is-demographic-marketing-dead>>.

<sup>20</sup> "Welcome New Customer! 7 Facts about Post-Demographic Consumerism." *Marketing Automations*. N.p., 09 Apr. 2015. Web. 06 Sept. 2015. <<http://www.marketingautomations.com/2015/04/09/welcome-new-customer-7-facts-about-post-demographic-consumerism/>>.

<sup>21</sup> Gordon, Tracey, and Paul Gordon. "Is Demographic-Marketing Dead?" *Only Influencers*. N.p., n.d. Web. 16 Sept. 2015. <<https://www.onlyinfluencers.com/email-strategy/entry/is-demographic-marketing-dead>>.

<sup>22</sup> Plutsky, Gordon. "2015 Is The Tipping Point On Age-based Marketing." *MediaPost*. MediaPost Communications, 13 July 2015. Web. 16 Sept. 2015. <<http://www.mediapost.com/publications/article/253828/2015-is-the-tipping-point-on-age-based-marketing.html>>.

ensure you are agile enough to refine the timing of your content and its place across devices and channels.<sup>23</sup>

## Demographics still have a heart beat

Of course, some situations and industries still rely on demographics.

A Data Science Central article offers three situations in which demographics still matter:<sup>24</sup>

1. The biology of our bodies. While age no longer means consumers slow down physically, the fact remains that older consumers will pay more for health insurance, as one example. An increase in health insurance costs means less disposable income to spend on certain brands. Are there other examples of how aging affects consumers that can also affect your brand?
2. The level of formal education and what we learn informally throughout life affect what consumers observe and how they act. This can lead to greater understanding among members of groups formed by an education demographic.
3. Our culture or heritage (i.e. where we were born and raised) informs us and shapes our views, thus affecting the types of products we buy.

Those who have studied the trend of post-demographic consumerism offer some silver linings. First, consumer “tribes” are smaller, and if you find them, the chance is higher that your marketing will accurately reach your target. Second, demographics are not completely dead. Marketing Automations argues you should still collect demographic information on your customers—just take care in when you use it.<sup>25</sup> “Demographic data don’t become irrelevant—the trend is just about how customers want to perceive themselves,” according to its blog on post-demographic consumerism. “You should still collect them, but carefully choose situations when you use them.”



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<sup>23</sup> DiResta, Renee. “Demographics Are Dead: The New, Technical Face of Marketing.” *O’Reilly Radar*. N.p., 3 Sept. 2013. Web. 16 Sept. 2015. <<http://radar.oreilly.com/2013/09/demographics-are-dead-the-new-technical-face-of-marketing.html>>.

<sup>24</sup> Bennett, Susan. “Misbehaving Demographics and their Data Science Implications.” *Data Science Central*. N.p., 23 Nov. 2014. Web. 06 Sept. 2015. <<http://www.datasciencecentral.com/profiles/blogs/misbehaving-demographics-and-their-data-science-implications>>.

<sup>25</sup> “Welcome New Customer! 7 Facts about Post-Demographic Consumerism.” *Marketing Automations*. N.p., 09 Apr. 2015. Web. 06 Sept. 2015. <<http://www.marketingautomations.com/2015/04/09/welcome-new-customer-7-facts-about-post-demographic-consumerism/>>.