



## Relevance Drives Results

Effective marketing is about relevance. The better we can respond to and fulfill the needs of a particular consumer, the more effective we will be in driving them to act. **Today, with consumers bombarded by thousands of marketing messages every day, the need for relevance is even more important.**

Today's marketing environment is complicated by the effect this avalanche of marketing contact has had on consumers. The explosion of email marketing, and the corresponding increase in "spam", has increased the sense of personal invasion that today's buyers experience when they receive messages not appropriate to them. In the old days, consumers would just turn the magazine page or dump the catalogs in the trash. Today they're forced to wade through hundreds of emails to find the information they truly want and need. Today's buyers expect their messages to be relevant, and become frustrated when they're not -- and more often than not, it's the brand sending the messages that bears the brunt of this frustration.

A recent study by ExactTarget and CoTweet called "The Social Breakup" discovered that, when no longer interested in a company's emails, 25% of consumers just delete, ignore or filter them -- an action undetectable by marketers. When no longer interested in a company's Facebook updates, 57% of consumers just ignore or remove the posts from their News Feed -- also undetectable by marketers.

We don't have as many fans as we think, and our lack of relevance is what drives them away. Consumers -- especially ones with whom we've already transacted business -- expect us to know more about them than just our email address. They expect us to know who they are and what they want. When our message hits their inbox or their feed, if it's not relevant, it's us they'll blame -- and we'll lose access to them for those messages that do provide information they'd care about.

## Why Attitudinal Audience Segmentation?

People make decisions based on what's important to them. They buy things that fulfill a need. Often, despite their apparent similarities "on paper" and their purchase of the same product, individuals will have made that purchase for strikingly different reasons. Quantitative attitudinal audience segmentation research identifies those reasons and establishes audiences based on the difference in purchase motivation.

One of our clients manufactures and sells luxury home fragrance products -- potpourri, scented candles, reed diffusers and other scented items. Their segmentation research identified audiences buying the same items, but with very different motivations -- one segment buys for the effect that complex fragrances have on their mood ("Fragrance Lovers"), another segment purchases the products primarily to decorate their homes ("Decorators", with color and design of primary importance, and fragrance a distant consideration) and still another to give as gifts ("Gifters", with fancy packaging their main criteria). They all buy the same products, but look for them to fulfill very different needs, and as a result seek different characteristics.

**The insights resulting from an attitudinal segmentation initiative provide a uniquely actionable approach to brand messaging, marketing, operational changes and new product development.** Understanding the difference between "Decorators" and "Fragrance Lovers" explains why the one group is perfectly happy to purchase home fragrance items through a catalog, and why the other won't buy anything they can't smell first - making "scratch & sniff" a winning approach.

## Driven By What Matters

**Unlike geo-demographic segmentation tools, attitudinal audience segmentation bases its identification of audiences on how they FEEL, and what they WANT,** not their age, address, income or educational level. In an attitudinal study, demographic characteristics will be captured and used to deepen the understanding of segments rather than to drive the definition of those segments.

Unlike transactional analyses that focus on when a consumer first purchased, and how frequently they've returned, attitudinal audience segmentation sheds light on WHY they've purchased, and what other offerings (current or new) might interest them.

## All About You

Unlike mass-market tools like PRIZM, a custom attitudinal segmentation study won't place the your customers into existing, pre-identified consumer audience segments. Instead it will establish custom segments derived from insight into your own current and potential audiences.

Because the research is built from scratch, you won't have to select from a list of existing questions and hope they provide you the information you need. **Your study will be developed from the ground up, and will address any areas you want to explore.**

## Relevant Drivers of Difference

Quantitative attitudinal segmentation establishes the difference between audience segments based on the **relevant attitudes that bind consumers together and differentiate them from other segments.** Understanding these drivers of difference is critical - without that insight, marketing efforts may be directed at addressing differences between groups that don't actually drive consumer decision-making about buying your product or service.

## Statistically Reliable

Unlike qualitative research such as focus groups, **the results of quantitative attitudinal audience segmentation are statistically reliable and mathematically-driven**. This ensures that strategic planners can have confidence that their decision-making is based on relevant data that truly describes your audience universe in a reliable, repeatable way.

## Actionable Results

### Personas

Many research methodologies recommend that their results be used to develop “Personas”, in an attempt to bring the audience segments to life. Unfortunately, because most segmentation efforts are based on demographics or transactional data, they still require the step of making assumptions about the motivations driving each persona. Young mothers are assumed to make choices based on the well-being of their children, or because they’re stressed. Empty nesters are assumed to make choices based on their availability of free time or income. Because demographic segmentation doesn’t provide insight into the motivations of consumers, it’s left to your marketing team to, in essence, **guess** what those motivations might be so that you can develop marketing messages designed to respond to them.

**Attitudinal segmentation eliminates the need for “guessing”, because it directly provides statistically reliable information on what consumer motivations are** -- in fact, the segments are based on them. Without guessing, your marketing team is now armed with specific motivational data for each audience -- leaving them free to develop messaging specifically targeted to be relevant to each one.

### Messaging

**Because your segmentation study is custom-built for you, it can evaluate the impact of potential messages regarding your brand** -- messages you’re currently using, ones you are considering and ones that you might not have expected. The unique analysis offers insight into which messages are relevant and compelling for all of your audiences (and can thus be used in your umbrella brand messaging and mass-media efforts) and those that are highly relevant, but only to a specific audience (and thus are ideal for audience-specific messaging such as email).

A Mexican-food restaurant chain client identified a variety of messages that are relevant to all of their audiences, and one that varies dramatically by segment -- the question of “spiciness”. One audience believes authentic Mexican food should be very spicy, another avoids even a hint of heat -- so mass-market messages about the level of spiciness are bound to miss the mark for one group or the other. As a result, discussions of spice are now restricted to email marketing, which can be focused on one particular segment.

The research will also identify any messages that are actually negative for a particular group, ensuring that your umbrella messaging isn't working to drive potential visitors away.

Spring Arbor University, a Michigan faith-based higher-education client, found in their segmentation research that while some audiences embrace and welcome the faith-based nature of the school, others considered it a negative. These audiences responded to the accreditation, programs, size and location of the school and were willing to accept the faith-based structure but didn't want to be hammered with messages about it.

## Prospecting

The most efficient way to gain new customers is by finding prospects who share the same motivations and needs as your current fans. **Attitudinal segmentation research ensures that you are delivering marketing messages that speak to these needs, and will interest and engage prospects** who are highly likely to feel the same way about you as your current audiences do.

This research also assists in identifying the kind of operational and program changes are necessary to better serve the needs of each audience. Some audiences will require fairly minor improvements (or simply better messaging about services and products you already offer) while some will need major adjustments to fulfill their needs and expectations. Understanding the difference will allow you to prioritize target segments for acquisition or retention strategies based on the level of investment required to better engage them.

A client that manufactures aftermarket airbags for personal aircraft found that in order to appeal to some of their target audiences, they would need to allow private mechanics to install their system -- instead of the company-approved large installation facilities used today. To accomplish this the company would need to completely retool their product delivery system, training and distribution methods. As a result, these audiences were prioritized behind others that didn't require the same investment.

## Media Strategy

**Insight into the media preferences of audience segments can help structure the appropriate delivery vehicle for the various umbrella and segment-specific messages.** Social media, email, direct mail and mobile marketing all offer opportunities, but it's important to understand which audiences are best targeted with each. In some cases, attitudinal segmentation drives multiple online personas using the same medium.

ThinkGeek (not an Audience Audit client) is an online retailer catering to a niche population. They maintain two Twitter streams that allow followers to choose the kind of information they receive: @thinkgeek shares humorous references to geek culture and other entertaining information; @thinkgeekspam delivers daily specials, discounts, coupons and new product news. Users can follow either (or both) depending on the type of information they want from the company.

## Building Your Database

Once each survey respondent's segment has been identified, this information can be incorporated into your existing database to develop further insights about your target audience segments. Segment data can be cross-referenced with transactional data, geo-demographic information from PRIZM, and other research results that collected email or name data to develop an even more robust picture of your population.

In addition, **because the attitudinal research is statistically reliable, you can with confidence use the identified segment information to segment new visitors to your locations, website or email list** by incorporating a short list of questions for every new registrant. This will allow you to reliably identify likely areas of interest based on segment membership, improving your interaction with a new visitor or prospect from the very first contact.

## Insight Panel Development

**You can identify, through the survey, respondents interested in participating in a Consumer Insight Panel.** This panel can be established to gather customer insights, test program and marketing concepts, and further deepen the engagement between you and your audiences. Because the research will identify each respondent's segment, the panel can be used to evaluate the response to various initiatives and how it might differ by segment, or to test a particular concept with a targeted audience.

Vitabath, a client that manufactures luxury bath and body products, identified an Insight Panel of 1,500 segmented consumers and regularly uses it to test catalog creative, new products, promotions and marketing messages at very minimal cost.

## Better User Experience - Online and Onsite

Attitudinal insights can be used to improve the path -- literally or virtually -- that a visitor takes to reach the content they're interested in, and as a result improve each user's experience with your brand.

Websites often structure their navigation around what they've got to offer -- product categories, events, information -- rather than what a visitor may be looking for -- a great gift, a learning experience for their children, a new artistic discovery, a day out of the house. **Understanding what makes each audience motivated to explore and choose a product or service can help you structure their online experience** to more directly and immediately offer what a particular visitor is looking for, in fewer clicks.

A vacation destination client learned that while some of their visitors favor inside activities such as spas, museums or galleries, others come for the wide range of year-round recreational opportunities such as biking, hiking and horseback riding. For this second group, attitudinal research showed that weather was a primary determinant in choosing a vacation destination -- so the website area targeted at outdoor enthusiasts features a large "current weather" widget not seen on other parts of the site targeting other groups.

The same benefit can be seen in brick-and-mortar situations, when incorporated with training for onsite employees about the various audience types they will encounter, and what their interests are likely to be.

Best Buy (not an Audience Audit client) restructured 110 stores in 2005 to more directly target specific audience segments ("Swinging Single Professionals", "Gadgeteers", "Cherry Pickers", etc.). They added signage, added play areas and educational toys, and provided personal shopping assistance. They expanded computer sections, added "Best Buy for Business" signage and strengthened their "Geek Squad" presence. They also trained store associates in the details of their audience segmentation findings. Sales increases at stores converted to the new model were more than double the increases at other stores in the first quarter after the initiative.

**In short, quantitative attitudinal audience segmentation offers many insights that can be practically put to use to improve your marketing, operations and product offering and drive customer growth, engagement and loyalty.**

## Why Audience Audit?

### We're Different

Audience Audit is a strategy firm that does research. And we're also a research firm built to drive marketing strategy.

**Our audience segmentation work is driven by our belief that marketing needs to be focused on the customer.** We conduct and use attitudinal audience segmentation research to help organizations make their marketing more relevant, more effective and more economical -- by better connecting with the audiences they seek.

**With over 25 years of marketing strategy and research experience, our depth of marketing strategy expertise differentiates us from most research organizations.** We have many clients frustrated with their previous research initiatives, who felt as if the data was delivered with little guidance into how it could be effectively used to drive marketing initiatives and performance. Because we are marketing strategists at heart, every research initiative we undertake is developed, executed and analyzed with its eventual marketing value in mind.

**All of our work is developed on a custom basis for each client.** We do not utilize predetermined audience "buckets" and then tell clients which buckets their customers fall into -- our work defines the statistically accurate buckets for each individual organization.

**We are small.** We work with big clients (as you can see below) but we prefer to personally conduct each and every client project -- so no minions for us. Your research will be strategized and developed by the company President. We have low overhead and embrace the goal of utilizing low-cost options for our clients, ensuring that our fees are reasonable and often well below market price for the type of work we do.

We are dedicated to ensuring that **our clients get top-quality research, understand what it says, and gain from it clear, actionable recommendations.**

**We love our jobs.**

## Susan A. Baier - President

Susan is the President and founder of Audience Audit Inc. and will be your primary contact person.

Susan's expertise is built on more than 25 years in product and brand management, marketing, market research and strategic planning with Fortune 100 firms and small companies. Her clients include B-to-B and B-to-C firms as well as marketing and advertising agencies.

Susan holds an MBA in Entrepreneurship and Marketing from the University of Arizona. Prior to launching Audience Audit, Susan served as Director of Strategy, Marketing and Media at Off Madison Ave -- one of the Phoenix area's most highly-respected advertising and interactive agencies. She led the agency's strategic marketing initiatives, market research, media and account service functions.

She has held senior positions in Brand and Category Management at Circle K Stores Inc and ConocoPhillips, where she oversaw numerous marketing initiatives and maintained responsibility for multiple categories generating over \$45 million in income annually.

Susan also served as Brand Manager at The Dial Corp, managing all aspects of the \$25 million Dial for Kids bar and liquid soap franchise. While at Dial she led an award-winning cross-functional team that developed and executed a complete product restage and increased gross margin of her product line by 57%.

Susan has conducted research for Gap's Athleta brand, the Greater Phoenix Chamber of Commerce, Spring Arbor University, Rich Brands, Southwest Human Development, AmSafe and others. She has served as a guest speaker about audience segmentation and research at events by MarketingSherpa, ExactTarget, Agencyside and others.

Susan lives in Chandler, Arizona.

## Notable Clients



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SEARS HOLDINGS CORPORATION

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