

MICROMARKETING (OR AFFINITY) MARKETING

Micromarketing is the practice of tailoring products, brands (microbrands), and promotions to meet the needs and wants of microsegments within a market. Micromarketing is all about digital content and innovative ways of distributing it. Designing, creating, and manufacturing products, marketing strategies, and advertising campaigns for the benefit of very specific geographic, demographic, or psychographic segments of the consumer market. Micromarketing is a relatively new marketing trend created by the diversity of the consumer population and the difficulty in creating a single product that appeals to all the diverse groups in the population. Also, improved technological research abilities (such as supermarket scanners) have enabled marketers to pinpoint which specific market segments are buying what products, and retailers have come to prefer localized marketing promotions directed toward the characteristics of the population in the neighborhoods of their retail outlets.

Shifting From Mass Marketing to Micro Marketing

Today's customers perceive themselves as having unique needs and interests, and they demand that businesses understand and meet those individual needs. To satisfy these customers, major marketers must shift from casting a wide marketing net over a vast crowd to selling to millions of individual customers.

This shift from mass to micro marketing presents both opportunities and challenges to market researchers. In their effort to market to customers on a one-to-one basis, market-driven companies must quickly make the move from creative, right-brain strategies to analytical, left-brain strategies.

For this reason, companies will increasingly rely on market research for customer attitudinal analysis. Attitudinal analysis, however, is only one aspect of customer understanding. True customer analysis requires an understanding of not only how and what customers think but also how they act.

Understanding how customers think can help explain and predict customer behavior. Conversely, customer behavior can help explain and predict customer attitudes. Ideally, behaviors and attitudes are analyzed simultaneously for deeper customer understanding.

Unfortunately, in most companies, behavioral and attitudinal analyses are conducted in isolation. Behavioral analysis is typically the domain of business intelligence or customer relationship management (CRM) and is usually tightly managed by IT. Market research and attitudinal analysis are owned by the market research department (which is typically part of a larger marketing department), and they are often outsourced to a market research agency.

This physical separation hinders interaction and cooperation between the research groups. It also suggests that two decision makers, both tasked with customer intelligence, are operating under two different sets of strategies and objectives.

There is also a cultural separation between these two disciplines at both the executive and field levels. At the executive level, there tends to be a decision-making culture that is based more heavily on either internal analytics or market research. This preference for one approach over the other perpetuates the separation of the disciplines.

At the field level, there may be an adversarial relationship between market research and customer behavioral analysis, and marketing and market research, with each discipline believing that the other has little to offer to their respective end goals. This atmosphere of non-cooperation hinders the advancement of research.

Combining attitudinal and behavioral research will require synergy at each stage of the research process. While the customer deserves to be seen as a thinking and acting entity, combining these disciplines provides the unique ability to analyze the gaps that are known to exist between espoused plans and practice.

Thus, data capture must expand to include all information (subjective and objective), intentions and actions. The storage of data must come together so that the analysis stage can leverage both.

In addition, the analysis stage must leverage new processes that take advantage of the best of both disciplines, including empirical behavioral modeling and qualitative research methods. Such a development can be brought about without compromising the ethical and other principles to which the different disciplines conform.

Finally, the deployment of insight, whether to human or machine, should take advantage of the knowledge gained from both behavioral and attitudinal research.

For this to become a reality, companies must remove the organizational and cultural barriers that prevent true customer understanding and enable the worlds of customer behavioral analysis and market research to unite. This concept is no longer visionary or theoretical; it is an imperative for succeeding in today's marketplace. Only when a full perspective of the customer is available can holistic conclusions be drawn, and organizations successfully shift from marketing to the masses to meeting the needs of the individual customer.

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