

Looking beyond age to understand consumers



MANY MARKETING STRATEGIES are aligned to broad generational consumer segments: baby boomers, Generation X, millennials, and now Generation Z. Yet consumers perceive themselves uniquely, and they spend money based on a range of factors beyond when they were born. That means marketers who take a stereotypical view of consumers may risk not only wasted marketing dollars, but potentially poor consumer-brand engagement and missed opportunities. And the risk can be particularly notable at a time when all generations are exposed to the same disruptive forces of globalization, innovation, technology, and the social-media revolution, which are causing a melding of attitudes and behavior.

Our research shows that when it comes to buyers of consumer products, age is indeed just a number. The average consumer makes purchase decisions based on a combination of multiple factors including shopping behavior; channel preferences; technology preferences; and attitudes toward innovation, brand, convenience, and health and wellness. That's why we advise consumer products marketers to recognize consumer behaviors and tendencies and develop plans for different consumer segments accordingly.

But what are the most profitable segments and which consumer tendencies, or commonalities, are most important? We propose four segments as potential categories consumer products companies should be mindful of for inclusive brand growth (see figure). These segments cut across generations, indicating that attitudes are not hardwired by age. They may help marketers gain a deeper understanding of customer preferences to make the most of the available opportunities in a crowded market.

Responsible Go-Getters account for 46 percent of the population, and primarily comprise millennials and Generation X. They are the most valuable segment for consumer product companies, given their balanced and responsible attitude, higher-than-average income, general enthusiasm, purchasing behavior, and positive attitude toward technology. When Responsible Go-Getters see value in a product or brand, they are more likely

Putting it together: Buying potential by consumer segment

Bubbles show segment size as a percentage of the total population



to be brand loyal. Their above-average buying power and interest in seeking value make them an appealing target for marketing organizations.

Discerning Achievers represent 19 percent of the population and predominately comprise baby boomers. They spend the most on consumer products perhaps because they are the most affluent group. They have high expectations regarding quality, nutrition, and environmental friendliness of products. Notably, they are also the group that actually can afford to purchase innovative products. Marketers able to address these attitudes in their strategies could potentially capitalize on this lucrative segment.

The final two segments, **Aspirationalists** (13 percent of population and below-average income) and **Pragmatists** (22 percent of population and average income), are similar in terms of their average-to-low spend on consumer products. Even though Aspirationalists are eager to try innovative products, they aren't in a position to do so. Pragmatists are conservative, price-sensitive, and somewhat complacent with the status quo.

A one-size-fits-all marketing strategy isn't likely to capture all opportunities. While marketers would likely benefit from developing their own proprietary target segments, our proposed categories offer one approach companies can follow to help refine their marketing strategies to achieve brand growth, potentially driving profitability and increased customer engagement. It's in this way that they help make a case for expanding into untapped consumer segments companies ordinarily may not target based solely on generational marketing. ●

For more, read the article by Curt Fedder, Shweta Joshi, and Jagadish Upadhyaya, *Millennials and beyond*, on www.deloitte.com/insights.