

The Art of Marketing

# Micro-Targeted Marketing

by Al Kenney

This month our topic is the utilization of psychographic profiling techniques for delivering micro-targeted marketing. Traditional marketing has been actively targeted and marketed to the different generations. With the current rise of the social Web, these groups of people are getting smaller. They're so small and fragmented, in fact, that "top-down" targeting approaches can't be successful in driving new volume.

Fragmentation is now the norm because the pace of change is accelerating. Generations have been getting smaller because there are fewer unifying characteristics of young people today than ever before. Take a look at the accepted age "generations" and you'll see that the groupings in years have become shorter and shorter:

Baby Boomers (1946-1964) = 18 years in duration

Generation X (1965-1980) = 15 years

Generation Y (1981-1994) = 13 years

Generation Z (1995-2005) = 10 years

## Taking Targeting to the Next Level

With the recent rise of social media, these generations have become irrelevant. The new groups are very small and fragmented. It makes it very difficult for a top-down approach to be effective.

There is now more demographic information available, but it's still very difficult to utilize traditional methods to isolate the groups you want. For example, if you wanted to identify and target consumers who are age 46-55, have a household income over \$120,000, and read an antiques publication regularly, you wind up with something like six million consumers.

If you were targeting six million consumers to sell your entire inventory of 600 items, this would result in one sale for every 10,000 people with whom you connected through your marketing. What if, instead, you could get 600 sales from every 1200 people you marketed to?

This is becoming more possible through what's called "psychographic profiling." Amazon.com is long a leader in this technique, through things such as "users like me also bought." Amazon's analytical algorithms have evolved to predict its users' interests. And now, there are tools popping up that any business can use to leverage psychographics.

Here's how a psychographic profile might look different from a traditional marketing profile target for a potential high-income antiques buyer. Psychographics provide more useful information about users. Social profiling data, behavioral data, and customer life cycle data can now be leveraged to contact people who are ready to buy.

## Social Profile Data

Profile data from social networks consists of all the fields that users grant permission for brands to use on their behalf. Most things that users track on social networks can be leveraged to create a closer relationship with a customer. Fields such as relationship status, favorite activities, collection interests, and occupation can all be managed through social profile data management tools.

Social profile data is the critical cor-

nerstone of psychographic insights. The level of finesse and insight provided by this social data, when compared to standard demographic information, is like the difference between performing surgery with a plastic knife versus a scalpel. Previously unimaginable questions are now somewhat routine:

- Are customers who travel more likely to buy artwork than those who don't?

- Who are more likely to buy an item for more than \$1000, Boston Red Sox fans or New England Patriots fans?

- Are your customers more likely to purchase when they move across town or across the country?

## Behavioral Data

"Retargeting" advertising messages is gaining popularity among marketers, but its very success has jeopardized its effectiveness. Web sites quickly incorporated the ability to place cookies in users' browsers, which can follow them through their Web sites and display specific ads any time they visit their Web site.

The next generation of target ads will focus their efforts on telling the customer a story over time, based on specific behavior triggers (we talked about this "relationship marketing" in an earlier issue). This means networks and data aggregators will work together to anticipate when a customer moves forward toward a purchase.

## Customer Life Cycle Data

Demographic data has long been used to predict customer life cycle as the patterns are easily predictable. For example, you might predict the future enrollment of high school seniors by looking at the current enrollment of high school sophomores. By using demographics alone, all high school graduates would be marketed to identically. Using psychographics, we know who is likely to be interested in specific product or content recommendations at a specific time—such as when they actually start their first day of college.

Demographic data can tell you if a customer has children. Social profile data can tell you the ages of those children. Depending on your particular business, this information might be really important to you to further tighten your target audience. In addition, key indicator purchases, such as buying a pregnancy test, can indicate that a customer is entering a new life cycle. Other key indicators, such as shipping address changes, first purchases of furniture, or first purchases of substantially higher-value goods, can indicate the start of a new customer behavior pattern and lifestyle.

Although this vision is starting to gain traction among larger companies, I don't think it's ready for the lower-volume antiques industry just yet. In the 1960's,

marketers who utilized and embraced television created world-class brands. At that time, if you didn't advertise on TV, you lost. In the future the new Web tools will offer a similar choice—build a deep understanding of your customer whom you can reach out to, or you lose.

## Question of the Month

I was recently sent the following question from an antiques dealer in North Carolina: "In my area a lot of the dealers seem to carry the same type of inventory. I'm struggling with how I can differentiate myself from my competition so I stand out more."

This was a very interesting situation, which I think I'd break down into three distinct parts: before, during, and after the sale.

Before the sale, inventories may look the same, but each is actually quite special, so you need to build that uniqueness through advertising and the way you display your items. I've been talking for the last year about strategies to become more recognized and get greater exposure with more potential customers.

During the selling process customers are more likely to buy from a smiling friendly dealer than a grumpy one. Even though the show you may be doing is over in an hour and you have not sold much so far, remember that one customer can change your entire outcome, so keep smiling and keep engaging potential customers. Guarantees also go a long way as

do fair trade back policies.

I immediately thought of what happens after a sale when I read this question. There are small things you can do to separate yourself in the minds of your customers. For example, about two years ago I bought a miniature portrait on ivory from Peggy McClard, a Texas dealer whose ads I had seen but someone I had never met or

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bought from before. I saw a photo of the item in *M.A.D.* and then called, spoke with Peggy, and purchased the item over the phone. When I received the pack-

age, to my surprise there was included with the item a set of five envelopes and writing cards with the picture of my miniature and an inscription on the back that said "from the collection of Al Kenney." It was a totally unexpected personal touch, and for whatever it cost her she now has a customer for life.

It was one of the best low-cost marketing ideas I had ever been on the receiving end of. Needless to say, I now hold her in the upper echelons of antiques dealers and I visit her Web site often, looking for new treasures. Now, I'm not saying copy her idea, but what I am saying is think about something special that you can do to implement a personal touch in your business.

Feel free to e-mail me if you have potential topics you want me to cover or if you have comments. I can be reached at <al@alpha1c.com>. I'd love to hear from you.

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