

TAKING THE “CONSUMER-CENTRIC” APPROACH TO A NEW LEVEL

by Cindy Trish

Making consumer insights actionable and accessible
is the next challenge facing companies that seek to unite
behind a new focus on their best customers

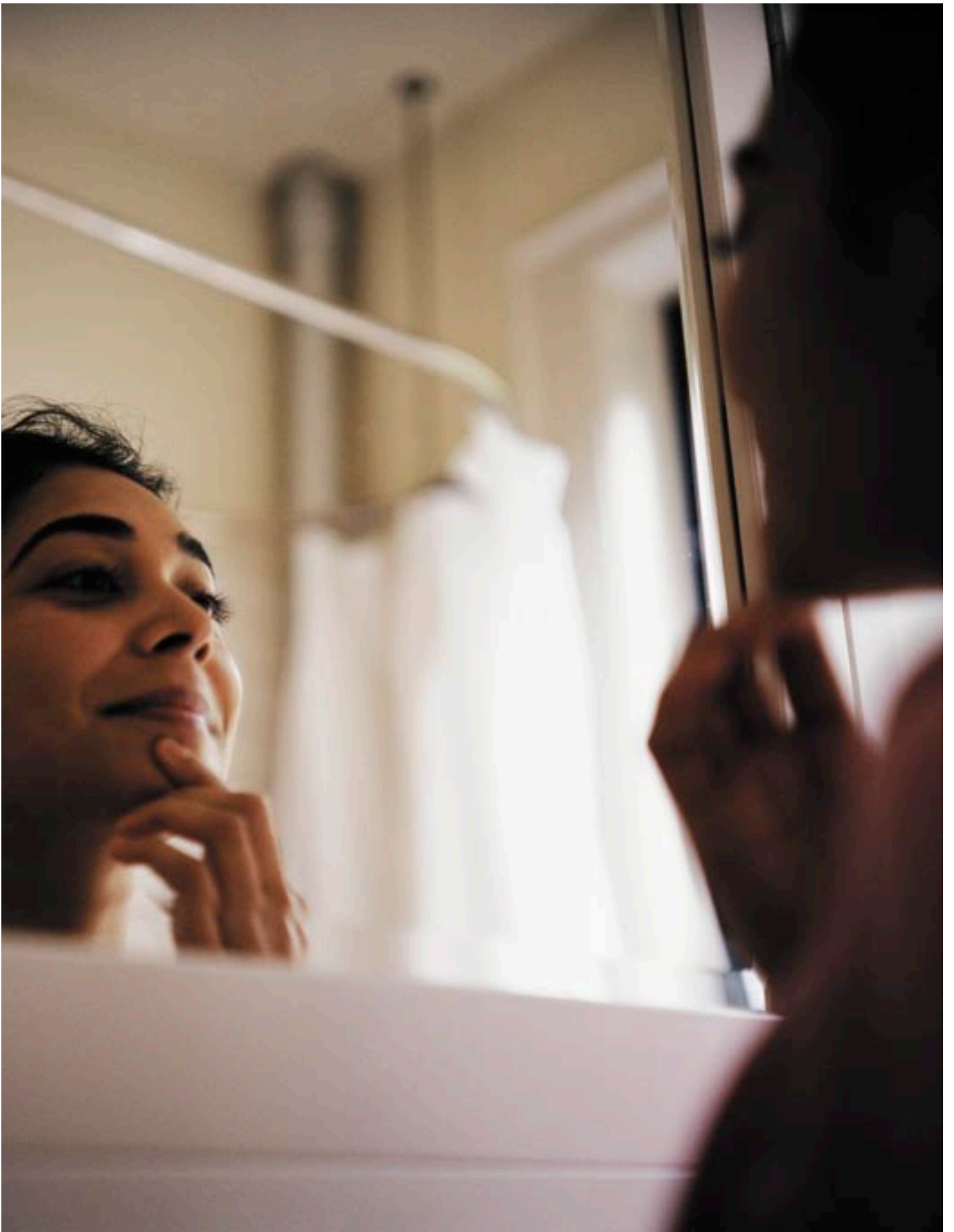
Bertrand Russell once said, “Change is one thing, progress another.” For many U.S. enterprises, change indeed is in the air, as they seek to reinvent themselves as *consumer centric*—a mantra among marketers today. But what does it really mean to be “consumer centric,” and how does this orientation manifest itself in creating true progress in strengthening business fundamentals?

Becoming consumer centric has typically meant enhancing marketing practices to improve effectiveness in reaching consumers. But a more-evolved definition is emerging that extends well beyond a single functional area to the heart and soul of the business. Organizations embracing this approach are willing to make financial investments, execute organizational change, and create cultural shifts so that they have the capability

in all aspects of their business to strengthen their connection to the consumer and to view their product offerings within the context of the consumer’s world.

Broadening and deepening an understanding of targets throughout organizations requires access to the hearts and minds of those consumers and a commitment to disseminating and embracing consumer insights throughout the organization. Traditional primary marketing research, often a source of consumer insights, has made this effort highly cost prohibitive and presented a hurdle in the past.

Today, however, marketing research companies who establish consumer panels have the ability to ask and maintain lifestyle, attitudinal, and behavioral (LAB) information, offering a somewhat syndicated



source of contextual consumer insight that can enhance any custom research program and lays the foundation for becoming a truly consumer-centric organization.

Perhaps the most powerful use of this capability is integration with traditional segmentation. The practice of segmentation has traditionally been perceived as a highly consumer-focused marketing approach, especially when companies choose a subset of the segments for which they target and develop marketing plans with these target groups in mind. Traditional methods for understanding these consumer segments typically stop at attitudes and behaviors specific to the category the company is playing in. But imagine if, for a given segmentation scheme—or an individual segment—the company could know

- what magazines a given segment reads, or the television shows they watch
- what outdoor activities they participate in
- what sports they watch and play on a regular basis
- the specifics of their house: how many rugs they have, the year the house was built
- how often they surf the Internet

Suddenly the company understands not only what products and messages are most effective for the most-profitable consumer segments, but *where to place* these messages—from broadcast TV to little league sponsorships. Consumer-centric companies can develop messages and products that will effectively speak to and meet the needs of the segment and employ targeted advertising to reach and involve consumers.

TYSON CREATES A CULTURE OF CONSUMER INSIGHT

Tyson Foods, the largest producer of protein products on the planet, with sales exceeding \$25 billion in 2004, is an example of such an organization that is committed to a consumer-centric business model and is willing to “put their money where their mouth is.” Tyson faced dual challenges—integrating different internal cultures and appealing to a broader need in consumers’ lives, according to Bob Corscadden, Chief Marketing Officer. Intense and exhaustive research of consumer’s lives, and understanding the differing contexts in which consumers relate and value all aspects of food acquisition, preparation, and consumption, resulted in an understanding of consumers that has become the cornerstone of running their business. “Determining the most effective way to communicate our message so it would resonate within our consumer segments was a major challenge, as well,” says Corscadden, and has resulted in a tripling of their advertising spending for fiscal 2005.

Tyson does not stop at just external messaging in applying their knowledge of consumers. The company’s holistic understanding of consumers is shared throughout the organization and affects all parts; it is Tyson’s expectation that every team member will understand the different consumer segments and their needs, enabling everyone to work from the same set of insights. These consumer insights are shared with vendors, partners, and customers and create a common vocabulary—a context of shared ideas. Thought leadership in



consumer-centric thinking has become a core part of Tyson as a company.

GETTING GRANULAR: FEMALE DIET SOFT DRINK CONSUMERS

Knowledge Networks has deployed one approach to achieving this extra insight power via PVR (Profile Variable Repository), which combines information KN collects from its panelists regarding all aspects of their lives, as well as custom software for exploring the database. This information can enhance consumer segmentations and other custom research projects, or can be accessed on its own for exploratory purposes.

As an example, KN recently accessed PVR to take a deeper look at drinkers of a major soft drink manufacturer’s products, who were

identified via the KN profile information. A core group of diet soft drink consumers is 25- to 34-year-old women; they make up 22 percent of all U.S. diet soft drink users, equaling approximately 6.3 million women.

While marketers may think of this group as being somewhat homogeneous, there are actually subsegments within it that could be better understood and, thus, marketed to more effectively. By studying the PVR data, three groups emerge that can be reached in distinct ways that fit their distinct lifestyles. (*See Table 1*)

These three groups differentiate on basic demographics, from Family Gals to TINKs (Two Incomes, No Kids) to Younger Singles; but, perhaps what is most important, there are key differences in their lifestyles

TABLE 1: KEY DIFFERENCES AMONG YOUNG WOMEN WHO DRINK DIET SODA

		DIET SOFT DRINK CONSUMERS: FEMALE, AGES 25–34			
		TOTAL	FAMILY GALS	TINKS	YOUNGER SINGLES
		%	%	%	%
Segment Size		100	43	27	30
DEMOGRAPHICS					
Age	25–29	47	47	42	52
	30–34	53	53	58	48
Ethnicity	WHITE	72	72	87+	56-
	HISPANIC	17	15	9-	28+
Married		59	64	82+	30-
Kids in HH		49	58+	47	37-
HH Income	\$75K OR MORE	21	15	47+	6-
Employment	PAID EMPLOYEE	66	60-	73+	68
	HOMEMAKER	19	25+	19	8-
Education	BACHELOR'S DEGREE OR HIGHER	39	25-	63+	39
LAB					
Own home		55	69	92+	0-
Housing type	SINGLE-FAMILY DETACHED HOUSING	56	70+	86+	7-
	APARTMENT	24	0	0	80+
Do all grocery shopping		39	32	35	52+
PT college student		10	6	7	17+
Freq. consume diet soft drink	EVERY DAY	48	43	59+	45
Usually drink caffeinated beverages		54	53	56	55
Usually drink 100% juice		54	54	45-	63+
Magazines—Read past 6 months	PEOPLE	67	64	70	69
	BETTER HOMES & GARDENS	39	50+	41	22-
	COSMOPOLITAN	46	46	33	58+
	GOOD HOUSEKEEPING	35	41	38	26-
	FAMILY CIRCLE	28	36	26	19-
	NEWSWEEK	28	24	28	33
	NATIONAL GEOGRAPHIC	22	27	16-	20
	NATIONAL ENQUIRER	20	20	11-	26
	COOKING LIGHT	18	15	23+	17
Read printed newspaper today/yesterday		43	30-	57+	50
Watch primetime broadcast TV	4–5 WEEKDAYS	40	37	57+	28-
Watch primetime cable TV	4–5 WEEKDAYS	50	53	45	52
Watch Lifetime	ONCE A WEEK OR MORE	43	37	56+	50

+/- Noteworthy differences (higher/lower)

and home lives that could feed into more-effective marketing plans.

The skew toward Hispanic ethnicity in the 25-to-34 women diet soft drink consumers is being driven entirely by the Younger Singles, who are also more likely to do all of the household grocery shopping, live in apartments, and read *Cosmopolitan*. An ad for a smaller pack of diet soft drink placed in *Cosmopolitan* and featuring a Hispanic woman may be an effective means of reaching this attractive group. Primetime broadcast television, on the other hand, would be less effective, with such a small group watching on a regular basis.

On the other hand, the TINKs are a highly upscale group of home-owning, professional women. They are more likely to read a daily newspaper and watch Lifetime television. They are also consuming the diet soft drink more than others. Primetime broadcast television is a great communication vehicle, with more than half watching nearly every weeknight.

This type of information can showcase the reasons for becoming a consumer-centric company and foster better relationships with accounts. For example, the sales force for the soft drink manufacturer could bring this information to food service accounts at colleges and universities with Spanish POS material.

ACCESS IS KEY TO ACTIONABILITY

To make consumer centricity actionable across a company, however, insight must be combined with access. Companies must create a plan for providing access that is at

once consistent and understandable. Tyson, for example, rolls out consumer insights throughout the organization, from plant workers to the sales force; everyone is included in their efforts to be a consumer-centric business.

The point here is simple—being consumer centric has never been easier. Information to feed more-effective marketing is there for the taking and, more importantly, the leveraging. But there’s more—knowing your consumers this well, really painting a picture of what their lives are like, can *unify the organization*. That is the critical success factor—all employees of the organization must feel empowered with the information so they can use it to embrace consumer centrism at the core of the company.

“Understanding consumers increases the respect that our retail and food service customers have for us,” says Tyson’s Bob Corscadden. “It provides a unifying vision for our team members, and allows us to keep focused on delivering relevant and meaningful products.” ▀

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