Insight and Segmentation℠

ChaMPs training course

23 May 2011
Session outline

- Learning objectives & introduction (10 mins)
- What is insight and how is it used? (30 mins)
- Where do you find insight? (20 mins)
- Developing actionable insight (10 mins)
- Break (15 mins)
- Why segment? (25 mins)
- Ways to segment (30 mins)
- Using segmentation (25 mins)
- Prioritising segments (10 mins)
Learning objectives

• Understand of the role of insight and segmentation in the behaviour change planning process
• Recognise importance of starting with customer in mind, and understanding peoples lives in the round
• Know how to start identifying and teasing out what moves and motivates people
• Be aware of what to consider when considering why and how to segment a population
• Be familiar with some practical approaches to segmentation and targeting
Scoping stage of the planning process

The stage of the planning process where customer insight is critical and appropriate segmentation of your target audience(s) is carried out.
Understand your audience – why we need insight
“You never really know a man until you stand in his shoes and walk around in them.”

Harper Lee: To Kill a Mockingbird
Start with the customer

Understand your audience

behaviour and behavioural goals

‗insight‘

CONSUMER

‗exchange‘

‗competition‘

intervention and marketing mix

audience segmentation
Some key questions to ask?

• Who is it that you are interested in?
• What is it like to be in their shoes?
• What behaviours are you focusing on?
• What drives people’s behaviour?
• Do they all behave in a similar way?
• Are people influenced by different things?
Identify influences on behaviour

M essenger
I ncentives
N orms
D efaults
S alience
P riming
A ffect
C ommitments
E go
Developing a 360 degree view

A practical tool:
Identifying your audience?

Whose behaviour do you need to influence?

- Primary school children
- Enablers or preventers?
- Influencers?
- Facilitators
Identifying your audience?

- **Enablers or preventers?**
  - School management, LEA, retailers, other policy people

- **Influencers?**
  - Parents, family, friends, teachers, retailers, the media, peers

- **Facilitators?**
  - People running weight management programme, leisure centres, schools

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Primary school children

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Primary audience
Analyse competition

Competition can be **direct** and **indirect**

Source: NSMC
Analyse costs & benefits (exchange)

Disincentives/costs

Increase

Incentives/benefits

Reduce
A rounded analysis – problem and desired behaviour

The ‘**problem**’ behaviour

- How is it formed in the first place?
- How is it maintained or reinforced?
- How might it be reduced?

The ‘**desired**’ behaviour

- How is it formed in the first place?
- How is it maintained or reinforced?
- How might it be increased/supported?
Insight points to possible ‘actions’

- **Desired behaviour**
  - Promote/increase incentives & rewards
  - Remove/reduce Costs and barriers

- **Problem behaviour**
  - Remove/reduce incentives & rewards
  - Promote/increase Costs and barriers

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[Logo: thesocialmarketinggateway]
Task

1. Pick a behavioural challenge
2. Identify two barriers you could put in place to prevent the problem behaviour
3. Identify two incentives you can put in place to promote the desired behaviour
What kind of ‘insight’?

- **Reality**: Does it reflect something significant in people’s lives?
- **Relevant**: Is it applicable to encouraging the behaviour shifts we are looking for?
- **Rings bells**: Does it ring true?
- **Reaction**: Will people act or think differently if we apply it?
Where do we get insight?
How do we use it?
Where do we get insight?

‘Quant’
- Surveys
- Questionnaire based consultation
- Management info/databases
- Media analysis

‘Qual’
- Focus groups & interviews
- Customer journey mapping
- Ethnography/Immersion (time with people)
- Open response based consultation
Task

Where can you find insight for your behavioural challenges?
Developing Actionable Insights
Insight: Layers of understanding

Data

WHAT?
Facts: what’s going on

Understanding

WHY?
Why it is happening

Insight

SO WHAT?
What strikes a chord with people
Example: Rear seat belts

**DATA**

- 86% believe won’t have an accident on short journey / locally
- Believe can control their movements in the back seats
- 86% believe not at risk on short journeys

- Believe they are in control in the back but they can’t be in reality
- Most fatalities not to unbelted back seat passenger
- Only 6% of fatalities are on long journeys or motorway - most routine travel

- Youths feel safe in the back
- Youths shocked when confronted by statistics

**UNDERSTANDING**

- Won’t happen to me – I’m in control
- Biggest risk is to front seat passengers on short local drives
- Risk to self not important, risk to others shocking

**INSIGHT**

- ‘I don’t want to live with the guilt of killing someone else’

Adapted from: OxfordSM
Application of ‘Actionable Insight’

- my child is always safest in my arms.
- God decides when to take my baby.
Action – Insight Driven Safer Travel

CREATE A SERVICE

• have a priest bless the car seats
• social, fun environment for families
Break
Segmentation
Quiz time

Male
Born 1948
British
2nd marriage
Affluent
Well known family

HRH Prince Charles

Organic farmer & sceptic of modern architecture

Rock Star & bat decapitator

Ozzy Osbourne
Insight allows us to segment on the basis of how different groups of people behave.
Why segment?

• Understand market/audience

• Identify groups with shared characteristics

• Helps tailor and prioritise services – e.g. target need

• Communicate appropriately, design customer-focused services
Characteristics of good segmentation

- **Segments need to be meaningful** - can they be identified efficiently?

- **Segments need to be cohesive and different** - similar within segment and different from other segments

- **Needs to be actionable** - for developing plans - also helps if staff can understand, identify customers in key segments and know how to vary delivery accordingly

- **But segmentation will need refreshing** - things change over time
Commercial Sector Segmentation

Task:
1. Who buys these?
2. Why do they buy them?
3. Where might they work?
4. What do they do in their spare time?
Many ways to segment populations

<table>
<thead>
<tr>
<th>Current Behaviour</th>
<th>Socio-demographic</th>
<th>Geo-demographic</th>
<th>Activities &amp; Lifestyle</th>
<th>Attitude Psychographic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependency / addiction issues</td>
<td>Age</td>
<td>Urban / rural</td>
<td>How do they spend their money?</td>
<td>Needs, desires, aspirations, beliefs and values</td>
</tr>
<tr>
<td>Frequency of behaviour</td>
<td>Life stage</td>
<td>Geo-demographic</td>
<td>Where do they socialise and what do they do?</td>
<td>Personality type</td>
</tr>
<tr>
<td>Stage of change: Health status</td>
<td>Gender</td>
<td>Proximity to services</td>
<td>What do they read, watch and listen to?</td>
<td>Self esteem, self efficacy, locus of control</td>
</tr>
<tr>
<td>Circumstances</td>
<td>Family size</td>
<td>Area deprivation</td>
<td>What engages them most?</td>
<td>Key influences in their life</td>
</tr>
<tr>
<td>Use of services Habits</td>
<td>Income</td>
<td>Social Capital</td>
<td></td>
<td>Attitudes</td>
</tr>
<tr>
<td></td>
<td>Social Class</td>
<td></td>
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</tr>
</tbody>
</table>
Smoking cessation

Too old to quit

Only smoke with friends

No-one can know I smoke

Tried & failed

My only pleasure
Smoking cessation

Too old to quit

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Only smoke with friends

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Plan A

Plan B

Plan C

Plan D

Plan E
Group exercise: child obesity

Group cards into 4 groups
Most parents of obese children perceive them to be in good health. Few consider the long term effects of obesity.

A ‘good eater’ is a child who eats a lot and clears the plate.

Most parents of overweight children regard their child’s weight as ‘normal’.

When both parents are overweight, 25% of their children are obese compared with 2% for normal weight parents.

Parents are in denial: “What problem?”
Parents of obese children think healthy food takes much longer to prepare, and rarely cook from scratch. Healthy eating is perceived to be [much] more expensive. For children, healthy eating is seen to be ‘uncool’ and marks them out as different from their peers.

‘Healthy’ = ‘Hard’
Parents have lost control … of the fridge, of the child, of themselves

Parents find it much easier to give children what they want to eat.

Parents avoid food confrontation; 75% of 6-9 year olds choose their own evening meal.

Certain foods are used extensively as rewards or bribes to get children to behave or comply.

Parents’ number one desire for their children is that they are kept happy - then all is OK.
Exercise no longer an integral part of childhood

- Time in front of a screen has increased. More computer & video game time is on top of time spent watching TV.
- Fewer children get exercise on the way to school. 90% of children own a bike but only 5% cycle to school.
- Fears for children’s safety have resulted in reduction in unaccompanied free play to a ninth of 1970 levels.
- Parents/carers are a child’s key role models - yet c.30% are totally inactive—no interest in traditional sport.
Insight comes from understandings

- Parents have lost control
- Healthy = Hard
- Parents are in denial - what problem?
- Exercise not part of childhood any more

'"I'm killing my child with kindness"'
3 ready-made segmentations

Change4Life

DfE Children & Young People

DH Healthy Foundations
Healthy Weight, Healthy Lives segmentation

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Description</th>
<th>Family diet</th>
<th>Physical activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster 1</td>
<td>Struggling parents who lack confidence, knowledge, time and money.</td>
<td>Seek convenience, eat for comfort, struggle to cook healthily from scratch.</td>
<td>Seen as costly, time-consuming and not enjoyable. High levels of sedentary behaviour.</td>
</tr>
<tr>
<td>Cluster 2</td>
<td>Young parents who lack the knowledge and parenting skills to implement a healthy lifestyle.</td>
<td>Children fussy eaters, rely on convenience foods.</td>
<td>No interest in increasing activity levels because parents perceive children to be active.</td>
</tr>
<tr>
<td>Cluster 3</td>
<td>Affluent families, who enjoy indulging in food.</td>
<td>Enjoy food, heavy snackers, parents watching weight.</td>
<td>Believe family is active, no barriers to child’s activity except confidence.</td>
</tr>
<tr>
<td>Cluster 4</td>
<td>Already living a healthy lifestyle.</td>
<td>Strong interest in healthy diet.</td>
<td>Family active although believe children not confident doing exercise.</td>
</tr>
<tr>
<td>Cluster 5</td>
<td>Strong family values and parenting skills but need to make changes to their diet and activity levels.</td>
<td>Strong parental control but diet rich in energy-dense foods and portion size an issue.</td>
<td>Know they need to do more: time, money, self-confidence seen as barriers.</td>
</tr>
<tr>
<td>Cluster 6</td>
<td>Plenty of exercise but potentially too many bad foods.</td>
<td>Eating motivated by taste, diet includes both healthy and unhealthy foods.</td>
<td>Activity levels are high, particularly among mothers.</td>
</tr>
</tbody>
</table>
DfE Children & Young People

Segmentation of children and young people

- **C1**: Confident and optimistic
  - Get on well with their parents
  - Feel praised not pressured
  - Enjoy learning

- **C2**: Lack confidence at school
  - Get on well with, and feel supported by, their parents
  - Lower than average aspirations

- **C3**: Least confident and optimistic segment
  - Argue regularly with their parents
  - Not motivated towards education
  - Engaging in risky behaviours

- **C4**: Anxious and unsure
  - Get on fairly well with their parents but do not always respect them
  - Low on confidence and self-belief
  - Lack any strong ambitions

- **C5**: Argue frequently with their parents
  - Prefer to spend time with friends
  - Aspire to leave home and get a job

- **C6**: Like and respect their parents
  - Feel pushed to do well but also enjoy their leisure time
  - Most engaged with education of all segments
  - Tend to obey the rules

- **C7**: Get on fairly well with their parents
  - Lots of ambitions for the future
  - Tend to rebel at times

- **High ambitions**
  - 20%

- **Weakening links**
  - 11%

- **Expanding independence**
  - 17%

- **Growing and learning**
  - 16%

- **Happier at home**
  - 16%
Healthy Foundations

The building blocks:
- Motivation
- Environment
- Life-stage

Nationally, the five core motivational segments break down as follows:

- Health Conscious Realists (HCR) 21%
- Balanced Compensators (BC) 17%
- Hedonistic Immortals (HI) 19%
- Live for Todays (LFT) 25%
- Unconfident Fatalists (UF) 18%

Key:
- Orange: Health Conscious Realists (HCR)
- Azure: Balanced Compensators (BC)
- Magenta: Hedonistic Immortals (HI)
- Brown: Live for Todays (LFT)
- Green: Unconfident Fatalists (UF)
Result – motivational segmentation of the group
3 building blocks

- Motivation
- Environment
- Life stage
Motivation segmentation – cluster map

- ve Environment

High Motivation

Balanced Compensators (17%)

Health Conscious Realists (21%)

Low Motivation

Live for Today (25%)

Hedonistic Immortals (19%)

Unconfident Fatalists (18%)

Surviving

+ ve Environment

Fighting

Thriving

Disengaged

Healthy Foundations 41
Task: Match the approaches to the Healthy Foundations segments

1. An article about moderating alcohol intake in a health magazine
2. Weekly walks after the luncheon club
3. Queue jump with a condom at nightclubs
4. Local champions that have gone smokefree on beer mats
5. Fitness instructors providing CVD checks
Discussion: How to prioritise segments

So, we may have several segments identified within a population. What criteria might be used to help you prioritise across the segments?
Criteria for prioritising segments

- Total number of people in the segment
- Proportion of “at risk” people in the segment
- Accessibility of the target audience
- How persuadable the target audience is
- Their potential to influence others
- Resources required to meet needs of target
- Equity – social justice considerations
Resources

• www.socialmarketing-toolbox.com
• www.socialmarketinggateway.co.uk
• Healthy Foundations Project Team contact details:
  e: socialmarketing@dh.gsi.gov.uk
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