

(18 percent), India (11 percent), Vietnam (10 percent), Korea (10 percent), and Japan (9 percent). The diversity of these national identities limits the effectiveness of pan-Asian marketing appeals.

The Asian American market has been called the “invisible market” because, compared to Hispanic Americans and African Americans, it has traditionally received a disproportionately small fraction of U.S. companies’ total multicultural marketing expenditure.<sup>43</sup> Yet it is getting easier and easier to reach this market. The number of media outlets targeting Asian Americans has grown from 200 in the 1980s to between 700 and 800 by 2007.

Philadelphia-based Sovereign Bank has been successful targeting Boston’s Chinese American community with a 100 percent Chinese American–staffed branch. Not only do employees speak Cantonese, they know that in financial planning for Chinese Americans it is appropriate to acknowledge the need to care for elderly parents.<sup>44</sup> Traditional packaged-good firms have also been getting in the act. Here is how Kraft got its start.



**Kraft** Kraft’s initial Asian American marketing efforts began in 2005 with an integrated marketing campaign featuring in-language ads, in-store product demos/tastings, and a Web site with recipes and tips for healthy living. Kraft’s research revealed that Asian American shoppers did not want more Asian-style products from Kraft. Rather, they wanted to learn how to prepare Western-style meals using Kraft products. Kraft’s marketing communications used

Mandarin and Cantonese, two of the more commonly spoken dialects of Asian immigrants, and targeted immigrant moms as the cultural gatekeepers of their families at home, striking a balance between Western and Eastern cultures. One print ad used the Chinese proverb “Life has a hundred flavors” to show an array of Kraft products brightly arranged on a platter. To further connect with shoppers, Kraft deployed Chinese-speaking representatives to supermarkets. The reps conducted cooking demos of Western recipes using Kraft products, handed out product samples, and offered suggestions for convenient kid-friendly school lunches. Kraft also launched a Web site ([www.krafthealthyliving.com](http://www.krafthealthyliving.com)) to promote tips for healthy eating, such as “sip your tea” for better health benefits.<sup>45</sup>

Asian Americans tend to be more brand-conscious than other minority groups yet are the least loyal to particular brands. They also tend to care more about what others think (for instance, whether their neighbors will approve of them) and share core values of safety and education. Comparatively affluent and well-educated, they are an attractive target for luxury brands. The most computer-literate group, Asian Americans are more likely to use the Internet on a daily basis.<sup>46</sup>

**Lesbian, Gay, Bisexual, and Transgender (LGBT)** The lesbian, gay, bisexual, and transgender (LGBT) market is estimated to make up 5 percent to 10 percent of the population and have approximately \$700 billion in buying power.<sup>47</sup> Many firms have recently created initiatives to target this market. American Airlines created a Rainbow Team with a dedicated LGBT staff and Web site that has emphasized community-relevant services such as an event calendar of gay-themed national events. According to one survey of the gay and lesbian community, Absolut, Apple, Levi’s, and Bravo and Showtime television networks are seen as among the most gay-friendly businesses.<sup>48</sup>

Logo, MTV’s television channel for a gay and lesbian audience, has 150 advertisers in a wide variety of product categories and is available in 40 million homes. Increasingly, advertisers are using digital efforts to reach the market. Hyatt’s online appeals to the LGBT community targets social sites and blogs where customers share their travel experiences.

Some firms, however, worry about backlash from organizations that will criticize or even boycott firms supporting gay and lesbian causes. Although Pepsi, Campbell’s, and Wells Fargo have all experienced such boycotts, they continue to advertise to the gay community.



Kraft has actively targeted Asian Americans with its brands and products.

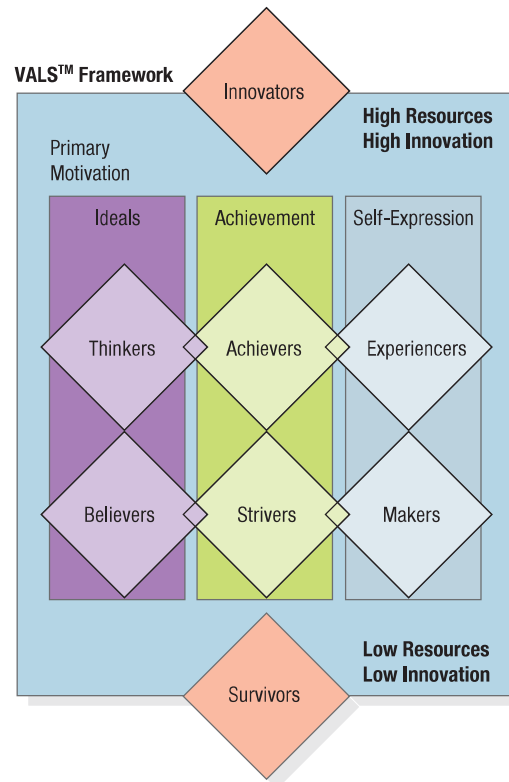
## Psychographic Segmentation

**Psychographics** is the science of using psychology and demographics to better understand consumers. In *psychographic segmentation*, buyers are divided into different groups on the basis of

[Fig. 8.1] ▲

## The VALS Segmentation System: An Eight-Part Typology

Source: VALS™ © Strategic Business Insights (SBI), [www.strategicbusinessinsights.com/VALS](http://www.strategicbusinessinsights.com/VALS). Used with permission.



psychological/personality traits, lifestyle, or values. People within the same demographic group can exhibit very different psychographic profiles.

One of the most popular commercially available classification systems based on psychographic measurements is Strategic Business Insight's (SBI) VALS™ framework. VALS, signifying values and lifestyles, classifies U.S. adults into eight primary groups based on responses to a questionnaire featuring 4 demographic and 35 attitudinal questions. The VALS system is continually updated with new data from more than 80,000 surveys per year (see ▲ Figure 8.1). You can find out which VALS type you are by going to the SBI Web site.<sup>49</sup>

The main dimensions of the VALS segmentation framework are consumer motivation (the horizontal dimension) and consumer resources (the vertical dimension). Consumers are inspired by one of three primary motivations: ideals, achievement, and self-expression. Those primarily motivated by ideals are guided by knowledge and principles. Those motivated by achievement look for products and services that demonstrate success to their peers. Consumers whose motivation is self-expression desire social or physical activity, variety, and risk. Personality traits such as energy, self-confidence, intellectualism, novelty seeking, innovativeness, impulsiveness, leadership, and vanity—in conjunction with key demographics—determine an individual's resources. Different levels of resources enhance or constrain a person's expression of his or her primary motivation.

The four groups with higher resources are:

1. **Innovators**—Successful, sophisticated, active, “take-charge” people with high self-esteem. Purchases often reflect cultivated tastes for relatively upscale, niche-oriented products and services.
2. **Thinkers**—Mature, satisfied, and reflective people motivated by ideals and who value order, knowledge, and responsibility. They seek durability, functionality, and value in products.
3. **Achievers**—Successful, goal-oriented people who focus on career and family. They favor premium products that demonstrate success to their peers.
4. **Experiencers**—Young, enthusiastic, impulsive people who seek variety and excitement. They spend a comparatively high proportion of income on fashion, entertainment, and socializing.

The four groups with lower resources are:

1. **Believers**—Conservative, conventional, and traditional people with concrete beliefs. They prefer familiar, U.S.-made products and are loyal to established brands.
2. **Strivers**—Trendy and fun-loving people who are resource-constrained. They favor stylish products that emulate the purchases of those with greater material wealth.
3. **Makers**—Practical, down-to-earth, self-sufficient people who like to work with their hands. They seek U.S.-made products with a practical or functional purpose.
4. **Survivors**—Elderly, passive people concerned about change and loyal to their favorite brands.

Marketers can apply their understanding of VALS segments to marketing planning. For example, Transport Canada, the agency that operates major Canadian airports, found that Actualizers, who desire to express independence and taste, made up a disproportionate percentage of air travelers. Given that segment's profile, stores such as Sharper Image and Nature Company were expected to do well in the firm's airports.

Psychographic segmentation schemes are often customized by culture. The Japanese version of VALS, Japan VALS™, divides society into 10 consumer segments on the basis of two key concepts: life orientation (traditional ways, occupations, innovation, and self-expression) and attitudes to social change (sustaining, pragmatic, adapting, and innovating).

## Behavioral Segmentation

In behavioral segmentation, marketers divide buyers into groups on the basis of their knowledge of, attitude toward, use of, or response to a product.

**NEEDS AND BENEFITS** Not everyone who buys a product has the same needs or wants the same benefits from it. Needs-based or benefit-based segmentation is a widely used approach because it identifies distinct market segments with clear marketing implications. Constellation Brands identified six different benefit segments in the U.S. premium wine market (\$5.50 a bottle and up).<sup>50</sup>

- **Enthusiast** (12 percent of the market). Skewing female, their average income is about \$76,000 a year. About 3 percent are “luxury enthusiasts” who skew more male with a higher income.
- **Image Seekers** (20 percent). The only segment that skews male, with an average age of 35. They use wine basically as a badge to say who they are, and they're willing to pay more to make sure they're getting the right bottle.
- **Savvy Shoppers** (15 percent). They love to shop and believe they don't have to spend a lot to get a good bottle of wine. Happy to use the bargain bin.
- **Traditionalist** (16 percent). With very traditional values, they like to buy brands they've heard of and from wineries that have been around a long time. Their average age is 50 and they are 68 percent female.
- **Satisfied Sippers** (14 percent). Not knowing much about wine, they tend to buy the same brands. About half of what they drink is white zinfandel.
- **Overwhelmed** (23 percent). A potentially attractive target market, they find purchasing wine confusing.

Constellation Brands has adopted a needs-based market segmentation plan to sell its premium wines.

**DECISION ROLES** It's easy to identify the buyer for many products. In the United States, men normally choose their shaving equipment and women choose their pantyhose; but even here marketers must be careful in making targeting decisions, because buying roles change. When ICI, the giant British chemical company, discovered that women made 60 percent of decisions on the brand of household paint, it decided to advertise its Dulux brand to women.

People play five roles in a buying decision: *Initiator*, *Influencer*, *Decider*, *Buyer*, and *User*. For example, assume a wife initiates a purchase by requesting a new treadmill for her birthday. The husband may then seek information from many sources, including his best friend who has a treadmill and is a key influencer in what models to consider. After presenting the alternative choices to his wife, he purchases her preferred model, which ends up being used

