Teaching consumer market segmentation through brainstorming demographic and psychographic variables

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Abstract:

In many kinds of research projects—entrepreneurship, marketing, public policy, and other social sciences—students need to segment a population and then measure those segments. This common research need provides a wonderful opportunity for a librarian to facilitate learning through brainstorming and discussion. If time permits, the librarian can also guide students in exploring demographic and psychographic data sources.

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Chapter:

***Note: Full text of article below
Teaching Consumer Market Segmentation through Brainstorming
Demographic and Psychographic Variables

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Introduction
In many kinds of research projects—entrepreneurship, marketing, public policy, and other social sciences—students need to segment a population and then measure those segments. This common research need provides a wonderful opportunity for a librarian to facilitate learning through brainstorming and discussion. If time permits, the librarian can also guide students in exploring demographic and psychographic data sources.
Planning

Number of participants
I have run this exercise with up to 25 students standing in a half-circle in front of a long wall-mounted whiteboard. In larger classes, or those without space in front of the whiteboard, the librarian, professor, or student-volunteer could write all the suggestions on the board themselves.

Online classes (and also physical classes) can use a Google Doc, Padlet, or a Zoom whiteboard to enable everyone to contribute their ideas. With these tools, there is no limit to the number of participants.

Audience
Undergraduates and master’s students in professional programs. I have run this exercise with business and social science students from many departments, although entrepreneurship and marketing are the most common.

Preparation and Resources
I bring a large box of whiteboard markers. Students like being able to pick their own colors.

After the whiteboard work, I guide the students in exploring American Community Survey data using the Census Bureau homepage. (I would recommend starting with QuickFacts.) Sometimes I bring to class paper examples of the ACS form and consumer research surveys. Online versions could be displayed for the students instead.

If there’s time, the librarian can also have students compare demographic data to psychographic (behaviors, lifestyles, consumer expenditures) data using subscription databases. SimplyAnalytics and DemographicsNow are examples.

Description of Lesson/Activity
In a physical classroom, I invite the students to gather around the whiteboard. We pass around a box of whiteboard markers. (If possible, you could also offer students a marker before class begins—this can create a bit of mystery and anticipation.) After asking the students to define “market segmentation,” I encourage the students to begin writing types of segments on the board. “Age” and “income” usually appear quickly, and eventually housing variables, consumer spending, and psychographic variables get added. Sometimes the board fills up with segments. Students often pull out their phones and take a picture of the now messy board. If students are hesitant to participate, try asking some leading questions, such as

- What else do you think the Census asks about us?
- What about living arrangements? And the nature of your families?
- What else unites us and separates us as humans?
- What other kinds of questions have you seen in surveys and questionnaires?

Once the students have finished their brainstorming, but while we are still standing together, I start asking discussion questions based on what they wrote on the board:

- What do you think this word means as defined by the Census? What about that phrase?
• What does household mean when compared to family? (Follow-ups: If you live alone, are you a family? A household? In any city, are there more families or households? Why? And why does that matter?)
• Which of these segments are not measured by the Census Bureau? (Or I ask the students to circle those likely segments.)

Finally, if the students have a consumer product or service to research or a social science project to research, I will ask, “Now which of these segments are most important to your project?” If there’s time, I will next lead the students in the use of the Census website and/or a psychographic database to begin measuring their own core segments within their target geography.

This activity builds rapport with students, empowers them through leveraging what they already know and can teach each other, and establishes a baseline of existing knowledge. The activity is also fun. A month after I coached a class through this lesson plan, one student asked me, “Can we do another discussion around the whiteboard like we did last month on marketing?”

This lesson plan does require that the librarian be familiar with core concepts of consumer segmentation as well as demographic and psychographic data. It is also useful to be able to explain how both types of data are collected. The brainstorming can lead to discussions of social issues that many students are passionate about or still may be learning about: race and biracial categories, gender identities, sexual orientation, Hispanic/Latinx definitions, etc. The librarian might be challenged to defend definitions used by the Census (for example, the use of only binary choices for gender). Of course, the librarian doesn't have to agree with the Census! Privacy issues can also come up, particularly if the librarian has time to lead a discussion about the sources of psychographic data and how consumers often give away or trade their data.

There can be physical constraints. Due to mobility concerns, some students may not be able to gather around a whiteboard, assuming the classroom or computer lab has a big whiteboard in the first place. A shared Google Doc, PadLet, or other cloud-based collaboration tool could be used in place of a physical whiteboard. However, the collective use of a physical whiteboard has value in getting students out of their seats (movement facilitates memory), surprising them with an unusual activity, and enabling and emphasizing the student-centered nature of the lesson with the librarian as facilitator.

**Goals/learning outcomes**

Students will be able to
• describe and define types of consumer market segmentation;
• distinguish between demographic and psychographic data; and
• apply market segmentation to their own specific research needs.

**Time required**

Timing can vary depending on how interested and capable the students are in discussing these segmentation topics. Also, as noted above, the teaching librarian can decide how detailed and hands-on to get with ACS data as well as psychographic data sources. However, here are typical times required for each stage:
• Whiteboard list-making and discussion (20 minutes)
• Introduction to ACS data using QuickFacts (10 minutes)
• Introduction to psychographics using a subscription database (15 minutes)

Teaching Outline

1. Invite the students to gather around the whiteboard.
2. Pass out whiteboard markers.
3. Briefly explain the goals of the exercise.
4. Ask the students to begin writing variables.
5. Ask questions to prompt the students to add any major missing types of segments (for example, housing variables).
6. Ask the students if they have questions about any of the segments; invite short discussions of those terms.
7. Ask the students to circle the variables not in the Census.
8. Ask the students to define “demographics” compared to “psychographics.”

Possible next step(s), not necessarily in this order:

- If the students or student teams have an experiential learning project, ask them to consider what the most important variables are for their project (the nature of their “best customers”). The librarian could help confirm their choices by using a market research tool like Mintel, Euromonitor Passport, Statista, or MarketResearch.com.
- You could lead a discussion on the origin of the decennial census. (For example, display Article 1 Section 2 of the US Constitution. For a short history and social equity discussion, ask the students how the original version of Article 1 Section 2 was different. Then show the original version.)
- Compare the very limited data from the decennial census to the detailed data from the American Community Survey (ACS), with a short discussion of the methodology of a census compared to a survey.
- Have the students start exploring Census.gov to measure their selected variables in a place—for example, income breakdowns in their county. This hands-on work can also illustrate or confirm some discussions. For example, “Note that Hispanic is indeed listed separately from the list of races in the ACS data here.”
- Lead a discussion of where psychographic data comes from. (For example, “Does anyone have a frequent customer card like this one? Why do we use these cards? What does the retailer get out of it? How can we learn that?”)
- Have the students start exploring relevant psychographic data from a subscription database.

Transferability

I have run this workshop in marketing, entrepreneurship, masters of public affairs, geography, retailing, and library science classes. It could be used in any class in which segmentation of people, citizens, and consumers are relevant. This workshop also provides an opportunity to teach data literacy skills.
Notes: help with segmentation concepts

The US Census Bureau provides many guides, videos, and technical papers on demographic data. Alas, the URLs for those resources change often. Try https://www.census.gov/library.html.


A recommended introduction to market research (including psychographics) is A. Wenzel’s, *Entrepreneur’s Guide to Market Research.*

Endnotes


Bibliography
