
THE NEW TARGETING: DITCH DEMOGRAPHICS —GO TRIBAL

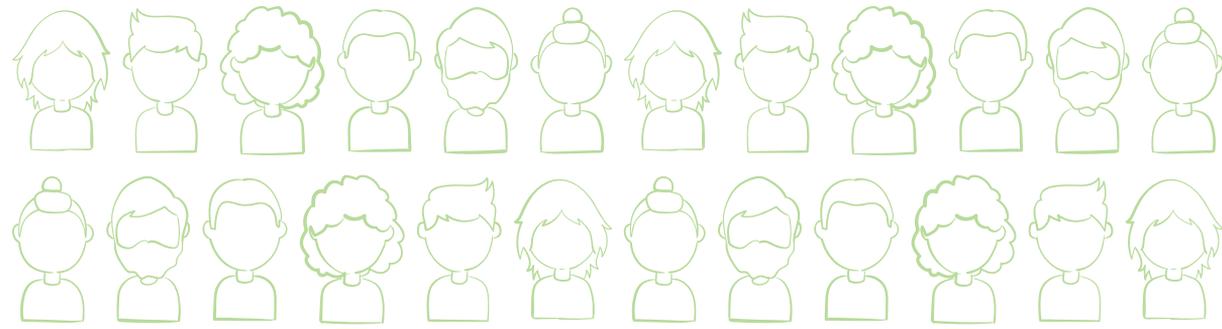
Why Re-Defining Culture Through Tribal Values and Not Just Ethnicity is a More Effective Means to Target Consumers

OZZIE GODINEZ & KATIE ENG

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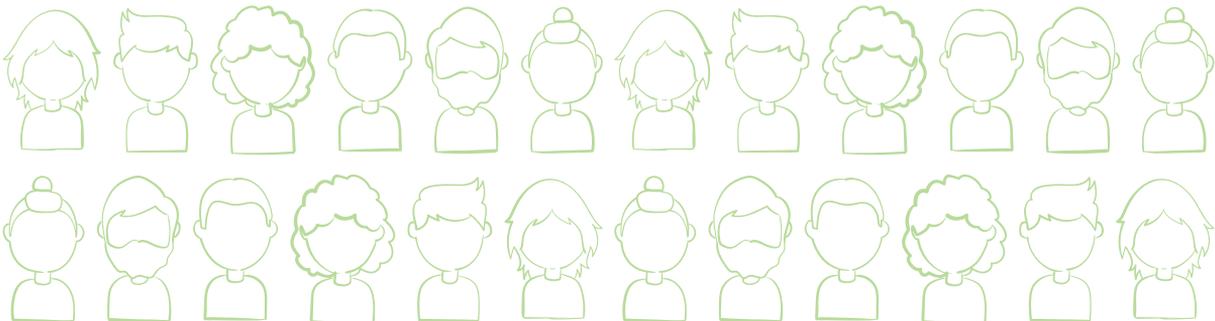
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ABSTRACT

With an increasingly diverse minority population on the verge of becoming the majority, targeting people from a traditional pan-ethnic, multicultural marketing approach will no longer be the most efficient and effective way to reach people. As a result, we are beginning to see marketers targeting groups based on only passions and interests relevant to their brands, or, said another way, cultures based on values and beliefs rather than culture based on country of origin or language preference.

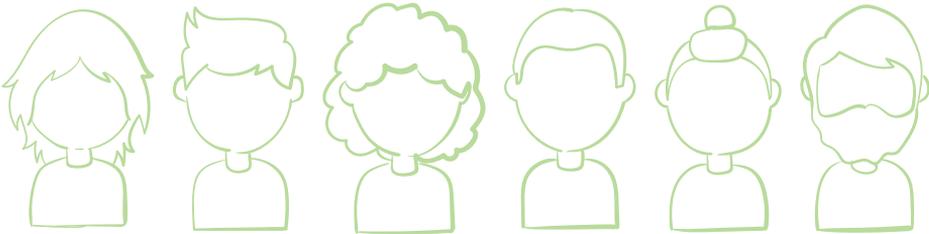
The purpose of this study is to investigate how cultures based on values and beliefs vs. cultures based on race or ethnicity play a role in brand and purchase decisions. Also, determining if different groups define certain values differently, to understand if nuanced messaging is required in order to truly address different cultural groups. Knowing this would help brands optimize their consumer targeting, ultimately making their media targeting and messaging strategy more efficient and effective.



INTRODUCTION

For more than half a century marketers have sliced and diced society by demographic factors, particularly ethnicity. The idea was that if you can determine their ethnic makeup, among other demographic certitudes, you can easily assume they will choose this breakfast cereal over that one, and so on. Missing from that cross-sectional make-up is what these same consumers value and believe and how those factors motivate them to make a wide range of decisions, including actual purchasing.

Marketers may draw conclusions that might point them in a particular direction about why and how these motivations exist, but these conclusions typically follow demographic profiles instead of leading them. Understanding consumers means trusting a kind of algorithm that marketers could use to show they understood mass trends.



Not today. We live in an increasingly fragmented society where neatly arranged buckets of demographic data are not enough to assess consumer behavior. People are no longer most efficiently and effectively understood by who they are rather than their values and beliefs. Technology has broadened the microscope. Social media, search habits, and other digital-forward methods have allowed forecasters to realize that consumers within traditional

demographic categories are not necessarily the same, and perhaps a more refined way to understand how behavior is evolving is to categorize people, not just by what they look like, but also by their values and beliefs.

Values and beliefs, therefore, present a more intimate assessment because they tend to be the very things that motivate people to get out of bed in the morning and they happen to contribute heavily to purchasing decisions. What unifies groups are indeed how they congregate, how they self-identify, and what behaviors they hold as sacred. Digital media is grooming this development by allowing people with common interests and beliefs to find one another, creating loyal communities that are growing at a rate that is faster than what would have been possible in the past.

“TRIBES”

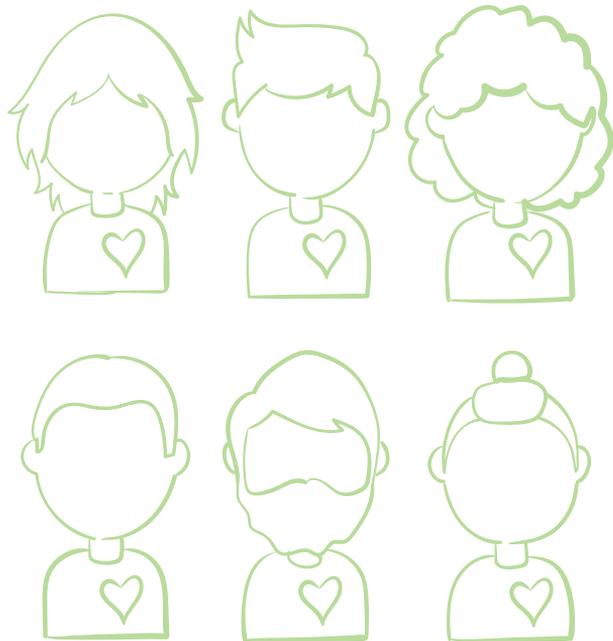
**INDIVIDUALS DO NOT NECESSARILY
DEFINE THEMSELVES JUST BY THEIR
ETHNICITY. BUT INSTEAD THEY
EXIST IN “TRIBES,” WHICH ARE
INDEPENDENT SILOS DEFINED BY
VALUES AND BELIEFS.**

So now we have young people who no longer need to identify with those closest to them geographically, and as a result often demographically, but rather they have established their own cultures that suit them and other like-minded individuals. They do not necessarily define themselves just by their ethnicity, but instead they exist in “tribes,” which are independent silos defined by values and beliefs. Through its Tribal AnalyticsSM tool, Zogby Analytics has presented marketers a new way to segment consumers. Instead of segmenting consumers by demographics, tribes present them according to their shared values and beliefs that transcend brand identification.

This new reality disrupts the top-down marketing approach of the past, where brands assessed consumers within the context of the brand itself, opposed to studying how consumers may group themselves outside the product.

This new approach forces trend watchers to reassess consumers in a way that is more organic, and ultimately more tangible for brands. Getting to the heart of the person will pay longer dividends to many brands that, up to now, only saw their consumers as raw data.

The structure of this paper is as follows. We begin by presenting some current data regarding the fluidity of culture based on demographics. We then present our hypotheses, methodology, and findings of our study. Finally, we discuss the results and implications.



BACKGROUND

Marketing driven solely by demographics in this top-down approach is problematic especially in multicultural advertising. The reason is because Latinos in the U.S. cannot be considered a homogenous group. Brands can no longer simply assume that all Latinos can be targeted uniformly; instead, changing demographic patterns are forcing them to look at Latinos with more complexity.

Even though their immigration numbers are on the decline, Latinos still represent a minority population that is increasing and now skewing younger, which means the levels of acculturation reflect more variety. Moreover, the U.S. is experiencing more Latinos who are bicultural and bilingual. For example, a Puerto Rican in New York City lives a reality that has some similarities, but also many differences, compared to a Miami Colombian or a Chicago Mexican. This overall trend suggests that Latinos can be understood both as a cohort that overlaps with the general U.S. population, and as a variety of sub-segments within a Latino segment if evaluated by demographic data alone.

For example: According to a recent Pew Research study, 42% of Latinos ages 18 to 29 actively speak Spanish and English, a number that drops to a third for those aged 30 to 49 and even lower for those aged 50 to 64.

The reason for both is that young Latinos are becoming part of the mainstream and to a large extent are influencing the broader conversation, which for them requires speaking English. Therefore, reaching younger Latinos exclusively through Spanish-language media no longer works because they no longer define themselves just by their race or country of origin. They not only want to see themselves as Latinos, but also as Americans who are chasing the dream as much as their Black, White, and Asian peers.

The changes we are seeing within the Latino population have established a blueprint for what we will soon be seeing among Asians. According to U.S. Census data Asian immigration numbers are rising, and within 10 to 15 years we will soon see Asian population numbers following patterns similar to those of Latinos during their population boom.

However, due to multiple countries of origin, and the different cultures they represent, the Asian population fragmentation will take place on a grander scale. The Pew Research Center forecasts that by 2060 the Latino and Asian populations will more than double, growing 115% and 128% respectively, resulting in an inevitable minority-majority make-up of the general U.S. population.



**THE LATINO & ASIAN POPULATIONS
WILL MORE THAN DOUBLE**

115% AND 128% RESPECTIVELY

With an increasingly diverse minority population on the verge of becoming the majority, targeting people from a traditional pan-ethnic, multicultural marketing approach will no longer be the most efficient and effective way to reach people. In fact, using only demographics will present an infinite number of possible combinations.

OBJECTIVE

The purpose of this study is to investigate how cultures based on values and beliefs versus cultures based on race or ethnicity play a role in purchase decisions in order to understand if targeting people based on their values and beliefs is a more efficient and effective way to target people. The study will go one step further in examining the kind of scenarios that may determine how one cultural approach may dominate the other in importance when making purchase decisions, and also how different cultural groups may define certain values.

Understanding this dynamic will help brands optimize their consumer targeting by ultimately making their media decisions more efficient and messaging strategies more effective. By way of a quantitative primary study using cluster analysis, we will identify tribes based on interests and beliefs and analyze how tribal culture versus racial/ethnic culture plays in purchase and brand decisions and defining values.

CULTURES BASED ON



VALUES AND BELIEFS

VERSUS



RACE OR ETHNICITY

METHODOLOGY

To conduct the two-phase opinion research methodology, this study enlisted Zogby Analytics and its trailblazing Tribal AnalyticsSM tool that segments consumers, not by their demographic profile but by their shared values, interests, preferences, and behaviors that transcend brands. Zogby's efforts to organize consumers by tribes is viewed as an innovative way to look at consumers beyond the limits of demographics like race/ethnicity, gender, age, marital status, etc., and to explore what they share opposed to what keeps them apart.

Through a series of qualitative online surveys starting in 2009, Zogby discovered through cluster analysis that consumers categorized themselves by certain values and beliefs. Indeed, their seven-year project showed the psychological power these values and beliefs held for consumers in their judgments, cooperation with others, and sense of community, among other attributes. Zogby has defined these categories as "Neo-Tribes." They are:

Tribe	Life Mission/Meaning
God Squad	To live for and serve God, my faith
Go With the Flow	Strive for balance, moderation, Zen
Happy Hedonists	Seek and have fun, live adventurously
Persistents	To persevere over life's struggles and adversity
Self-Perfectionists	To be authentic, genuine
Adventurists	Across the highways and byways, seeking kicks at every turn
Land of the Free	Duty and responsibility, simplicity and no frills
One True Path	Authenticity, duty, family
Outsiders	To be an individualist
Dutifuls	To live a life that is authentic, one of duty to a higher authority; family-oriented
Creators	To be rebellious, adventurous, authentic

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For the purposes of this study we approached it in two phases. In the first phase, Zogby first surveyed 100 adult consumers nationwide who were pre-sorted by race and were then tested to define specific attributes/values. The sample included 25 respondents for the following racial/ethnic groups, white/non-Hispanics, Hispanics/Latinos, African Americans, and Asian/Pacific Americans. The survey asked respondents to rate each of the attributes/values on a scale of 1 to 5, with 1 being of little or no importance and 5 being of greatest importance, and then define them in an open-ended question. In this first phase we had two main objectives:

**INDEPENDENCE SPONTANEITY PERSONAL RESPONSIBILITY CONTROL
PEACE OF MIND TRUST AUTHENTICITY
FREEDOM TO MAKE CHOICES PERSERVERANCE ADVENTURE
REBELLION OPTIMISM FACING OBSTACLES FAITH IN GOD**

- 1** Determine if there are differences/nuances among the racial groups in how they define or respond to each attribute/value tested.
- 2** Understand how best to represent these definitions of each attribute/value as forced-choice questions in the larger survey of 2,000 total consumers to follow. Thus, in the first round we asked respondents to define what each attribute/value means relative to their own lives.

The attributes/values were chosen to reflect a wide range of human desires that can play a role in decision-making. They included:



- Personal independence
- Ability for you to be spontaneous
- Taking personal responsibility
- Taking control of my life
- Peace of mind
- Trust in other people
- Authenticity in people
- Freedom to make personal choices
- Importance of perseverance in my life
- A spirit of adventure
- A spirit of rebellion
- Optimism
- Hopelessness in the face of obstacles
- Faith in God

Zogby and PACO Collective analyzed the results and then proceeded to craft the questions for the larger survey. The closed ended questions that were crafted for the second phase of the study are based on the combination of 4-5 scores granted per each attribute and an analysis of the language used in the open-ended answers.

The second phase of the study included a larger survey that included both the questions that define Zogby's Neo-Tribes, the forced-choice questions determined in the first phase of this study, and a ranking of those values in influencing brand and purchase decisions.

The goal of the second phase of the study was to test the same values and attributes and see if the primary reaction to each comes mainly from race/ethnicity or from a tribal connection, and if the different cultural groups defined the values and attributes differently.

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The second phase included a quantitative survey of 2,078 adults nationwide and, based on Zogby’s Tribal AnalyticsSM methodology based on a cluster analysis, revealed the following tribes:

Tribes	Sample Size*	% of Total Sample
Go With the Flow	553	26.6
Dutiful	549	26.4
Land of the Free	545	26.2
God Squad	469	22.6
Persistents	445	21.4
One True Path	359	17.3
Creators	297	14.3
Self-Perfectionists	264	12.7
Happy Hedonists	224	10.8
Outsiders	113	5.4

* Numbers do not add up to 2,000 as respondents were allowed to identify with two tribes.

The same quantitative survey of 2,078 adults nationwide included the following racial and ethnic sub-segments. Zogby analyzed the results by both race and the 11 Neo-Tribes. Zogby also analyzed Neo-Tribes by race, among the tribes with a large enough sample size.

Tribes	Sample Size	% of Total Sample
White/Non-Hispanic	1,400	67.3
Hispanic/Latino	268	12.9
African-American	247	11.9
Asian-Pacific	79	3.8

RESULTS

Race is not a universal dominant force in the entirety of our lives. There are other ways individuals can unite, divide, bond, and think that can neutralize racial identification. In this study race was not a consistent or key determinant factor in choosing brands or products when compared to tribes.

However, the research shows that within some tribes there are some significant cultural differences in how the attributes or values were interpreted by different racial and ethnic groups. This suggests that groups may share the same level of importance regarding an attribute or value, but for very different reasons.

NUANCES EXIST WITHIN SOME TRIBES ON HOW THE VALUES ARE DEFINED, THAT CAN TELL US EVEN MORE ABOUT WHAT CONSUMERS VALUE, HOW THEY INTERPRET THE WORLD AROUND THEM, AND ULTIMATELY WHAT LEADS THEM DOWN THE PATH TO PURCHASE.

So, while Tribal AnalyticsSM remains the surest way to analyze consumers as a whole, nuances exist within some tribes on how the values are defined that can tell us even more about what consumers value, how they interpret the world around them, and ultimately what leads them down the path to purchase. Marketers should see this as evidence that the cultural nuances that traditionally exist among races and ethnicities do not vanish even when they exist within the tribal silo.



As Tribal AnalyticsSM shows, consumers may indeed self-identify by their loyalties or passions, but in some cases they also interpret certain things differently. And it is inside those sweet spots where marketers can focus their efforts. The research shows the following findings:

ONE

The importance of these values in brand decisions can also vary by race or ethnicity and tribe.

Because there were some differences in attributes/values between the tribes and racial/ethnic groups, there is evidence that they can be factors in determining brand preference. Of the 14 attributes/values, at least half — personal independence, taking control of my life, trust in other people, optimism, a spirit of rebellion, authenticity in people, and faith in God — were considered more important by either certain tribes or certain racial/ethnic groups.

For example, at least half of respondents in tribal groups including Happy Hedonists, Adventurists and Self-Perfectionists all showed strong interest in “personal independence” opposed to other tribal groups. Similarly, this attribute/value was also highest among African-Americans and Hispanics/Latinos.

Another value, “a spirit of rebellion,” was strongly preferred by Happy Hedonists, Adventurists and Outsiders. Yet again, this attribute/value was highest among African-Americans, Hispanics/Latinos, and Asians as well.

Implication: The cross-pollination of values by tribes and race/ethnicity suggests opportunities that were not recognized in the past. Now marketers have good reason to approach consumers from the bottom up, an approach that allows them to locate the target audience and then

ISSUES OF INDIVIDUALISM

- 1 FAITH IN GOD
 - 2 PEACE OF MIND
 - 3 PERSONAL INDEPENDENCE
 - 4 TAKING CONTROL OF MY LIFE
 - 5 A SPIRIT OF ADVENTUROUSNESS
 - 6 FREEDOM TO MAKE PERSONAL CHOICES
-

determine if they are or are not an opportune market for a brand. This is directly converse to the traditional top down approach where marketers decide which market they want to reach and then go about finding which sub-segments might be best to target.

The bottom-up approach can be seen as more effective because it is more natural: Consumers show their organic tendencies toward a brand because it suits their needs and interests. Whereas the top-down approach depends on suppositions marketers may pursue, involving how consumers might value a brand, the bottom-up approach finds consumers who are already there. Through this process they know which consumers already may be inclined to what the brand has to offer, and therefore, follow the path to purchase.

For marketers, this presents the practical value of doing less work. If they choose to use messaging that involves themes of rebellion to sell a motorcycle brand, for example, they know which tribes will be the most responsive. Just as this one directional approach is more efficient, it is also more intimate. Marketers can get directly to those consumers who are more likely predisposed to purchase a product or brand, independent of category.

TWO

At least half the time, results show that not all racial/ethnic groups interpret attributes/values similarly within the tribes.

Of the 14 attributes/values tested, six reflected differences between tribal groups and/or racial/ethnic groups. This was especially the case involving the values that connected to issues of individualism: personal independence, taking control of my life, peace of mind, freedom to make personal choices, a spirit of adventurousness, and faith in God.

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One example is how different races within certain tribes had conflicting interpretations of “personal independence.” Whites, Hispanics/Latinos, and African-Americans within the Go With the Flow tribe strongly aligned personal independence with the ability to “live my life,” which suggests they would be drawn to messages that show how going with the flow leads to enhanced opportunities to express oneself. For them, striving for independence may be more of a spiritual journey.

However, Asians told a different story. Those Asian respondents within the Go With the Flow tribe strongly aligned personal independence to “financial security.” For them, going with the flow is a pathway to attaining the attributes of wealth: A strong retirement portfolio or home mortgage, for example. Within this context, striving for independence is a more practical journey.



We see a similar split among those in the Happy Hedonists tribe. Among respondents in that tribe, Whites and African-Americans, and to a lesser extent Asians, were more in agreement that personal independence is connected to “live my life.” However, Hispanics/Latinos overwhelmingly connected the value to “financial security.” In this example, Hispanics/Latinos are interpreting hitting the road with the top down and breaking free of societal barriers as made possible through being smart about their financial pictures. Their peers, however, view the matter as one of personal expression.

Implication: Not all racial/ethnic groups interpret attributes/values the same way, so marketers need to define how these supposed “universal” values might differ depending on the consumer. This will be true at least half the time when using Tribal AnalyticsSM. For marketers, assuming that all members of a tribe will respond in the same way could lead to missed opportunities.

For example: A bank that wants to target consumers within the Happy Hedonists tribe will need to create two messages — One that appeals to Hispanics, and another that appeals to everyone else. For the former, the message may emphasize the importance of saving options that will help in their retirement, or pay for the looming college tuition of their children. To appeal to the latter, the message may suggest saving options will allow them to buy a second home on the beach, or quit their job and travel the world. This is because “personal independence” represents two radically different worldviews between both groups.

THREE

While there were differences in how racial/ethnic groups interpreted different attributes/values, there was no clear pattern showing the dominance of a single race or ethnicity nor did any specific race or ethnicity show any special “ownership” of any specific attribute or value.

Indeed, the survey showed that race or ethnicity did not play a key role in determining how respondents viewed an attribute or value. Race and ethnicity matter, of course, for a wide range of important issues, such as voting patterns, racial profiling, immigration, and education. However, when taken as a whole, neither emerged as representing an obvious trend. This contradicts traditional top-down assumptions about both demographic groups.

Implication: This finding suggests that for some issues race and ethnicity play a neutral role. This may especially be true for issues such as personal freedom, gun control, or faith in God. Color or an ethnic makeup do not play a direct role in any of these, therefore showing that respondents may be particularly united regarding issues that have the broadest implications. Race does matter; however, it may not matter regarding certain issues.



FOUR

Some values were universally considered important, while others were not.

For some values, tribes and racial/ethnic groups were either in total agreement or they were in total disagreement. For example, the majority of tribes and racial/ethnic groups were unanimous in considering the attribute/value “spontaneity” of low importance. The nature of the spontaneity can, of course, mean two distinct things: Either the desire to explore the unknown or to act without hesitation or planning. Conversely, the majority of all tribes and racial/ethnic groups considered the attribute/value “peace of mind” of high importance.

As with “spontaneity,” the universal agreement among these groups also shows that different interpretations of what constitutes peace of mind. For example, the Go With the Flow tribe and Hispanics and African-Americans considered it of low importance because it suggested to them the value of keeping negativity away. Another interpretation of peace of mind was being relaxed and “chill”, Happy Hedonists the God Squad and Creators were among those who found the attribute/value resonated with them for this reason.

Implication: Some attributes/values are simply universal, no matter the interpretation. There are broad truths that are truly mass and can always be relied upon for messaging. However, it is important to note that, overall, respondents tended more to splinter than they tended to agree. The attributes/values that found universal agreement or disagreement were in the minority, which, once again, reflects a society that is increasingly interested in niche entertainments, lifestyle choices, etc., due to the explosion of technology and the expanding diversity represented by population shifts.

SOME VALUES ARE SIMPLY UNIVERSAL



CONCLUSION

VALUES BELIEFS TRIBES

COMPANIES ARE LEARNING THAT THEY CAN
OPERATE MOST EFFICIENTLY IF THEY EVALUATE
CONSUMERS, NOT BY WHAT THEY LOOK LIKE,
WHERE THEY LIVE, OR THEIR GENDER OR AGE,
BUT BY THEIR VALUES AND BELIEFS OR TRIBES.

The sharpest and clearest portrait of consumers that marketers can access is not one constructed primarily of demographic clusters. Instead, companies are learning that they can operate most efficiently if they evaluate consumers, not by what they look like, where they live, their gender or age, but by their values and beliefs or tribes. The cross-cultural approach is a response to dramatic changes in the population make-up of the U.S., not just where we have been, but where we are heading. Personal technology has made an impact on our lives, blurring the lines between cultures, has created intimate spaces that are niche and intimate, regardless of demographics, and has created variances of mass consumption.

One example of a company heading this way is Netflix. In 2016, the company revealed to *Wired* that it used a single predictive algorithm worldwide based on taste and treats demographic data as pointless. “Geography, age, and gender? We put that in the garbage heap,” a vice president told the magazine.

The Tribal AnalyticsSM conceived and executed by Zogby Analytics—which has been brought to life and nurtured via a rigorous system of qualitative and quantitative methods—indeed breaks consumers down by these value systems, showing the bonds between consumers who may share certain inclinations or belief systems. This has forced marketers to rethink a “multicultural approach” and show them why addressing consumers solely by their demographic silo will not be as impactful as following how culture moves fluidly among those silos. The sweet spots where those cultures intersect have emerged as more promising places to reach consumers.

However, even within those tribes are variances, where different values may mean different things depending on race or ethnicity. Our study shows that, indeed, in some circumstances, members of certain racial/ethnic groups may share the same level of importance regarding an attribute or value, but for very different reasons. In other cases, there are differences between tribes or where tribes, and racial/ethnic groups, are in universal agreement. These findings present a more nuanced look at consumers from a cultural perspective and will create opportunities for marketers to understand consumers on a more intimate level.

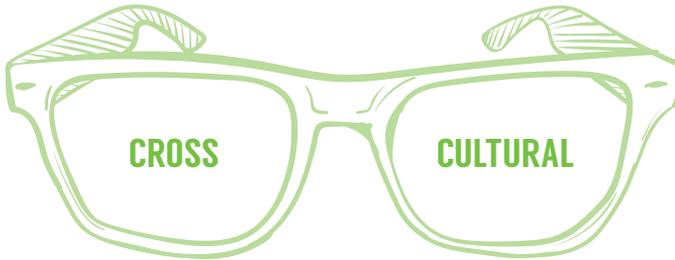
As a result, we are beginning to see marketers targeting groups based on only passions and interests relevant to their brands, or stated another way, cultures based on interests opposed to culture based on country of origin or language preference. For example, instead of targeting by demographics, Best Buy is targeting audiences based on product preferences. This gives Best Buy a broader target and one that will ensure a passion for their products, which otherwise is not guaranteed when targeting those only by country of origin or language preference.

A CROSS-CULTURAL APPROACH BASED ON TRIBAL VALUES ASSUMES THAT CONSUMERS TRAVEL IN AND OUT OF THE CULTURAL NORMS AND EXPECTATIONS OF THEIR INDIVIDUAL DEMOGRAPHIC BUCKET



Looking at culture first is helpful in examining the nuances among various groups, as opposed to the approach that files them into a single silo, which creates over-simplification and distortion. Whereas a cross-cultural approach based on culture defined by tribes is best suited to track these incoming changes to American society. A cross-cultural approach based on tribal values assumes that consumers travel in and out of the cultural norms and expectations of their individual demographic bucket. In coming years, due to reverse assimilation, retro-acculturation, and ethnic fluidity, consumers will become very adept in how they naturally travel within cultures that are not their own, therefore disrupting the traditional expectations of marketers. We are seeing it today in how consumers are making purchase decisions or showing loyalty to a brand

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or entertainment phenomenon that is based upon cultures that are outside their own. For example, mainstream pop radio is ruled by Spanish-language hits by artists like Pitbull or Marc Anthony. Similarly, network television is remaking popular telenovelas such as ABC's "Ugly Betty" (formerly "Yo Soy Betty La Fea"), Lifetime's "Devious Maids" ("Ellas son ... la Alegria del Hogar"), the CW's "Jane the Virgin" ("Juana la Virgen"), ABC's "Chasing Life" ("Terminales"), and USA's "Queen of the South" ("La Reina del Sur").

A cross-cultural perspective recognizes that mounting reality and calls for a more nuanced measurement for brands to understand the shifting relationships against this new landscape.

Ultimately, what we are beginning to see is a disruption of the top-down approach in strategy in favor of one that is approached from the bottom upward. The traditional model that relies on more of a plug-and-play approach, where demographic silos are mined in order to find opportunities for path of purchase, is becoming obsolete. Changing demographics and the speed of technology demands marketers to see consumers by their tribes, and within that space the nuances this report shows can and does exist.

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Marketing
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