Geodemographic Futures

Andy Bell, EuroDirect

Stewart Dickson, Acxiom

Blair Freebairn, Pitney Bowes MapInfo
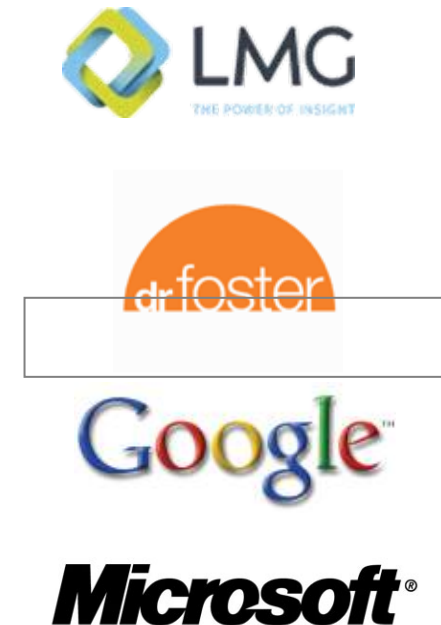
Rob Haslingden, Experian

The geodemographics market in 2018

Broader, under-lying attitudinal and socio-economic trends amongst consumers continue…

Socio-demographic

- **More dimensions of affluence**
- **The 'Single Society'**
- **Polarisation of the 'Grey Market'**
- **Multicultural Britain**
- **Changing social structure of the countryside**
- **Increased mobility**

Attitudinal

- **The rise of individualism**
- **More demanding consumers**
- **Drowning in choice**
- **The networked society**
- **Unpredictability of our lives**

Unpredictability and complexity means…

…consumer classifications have to become more dynamic

Challenge for suppliers… to predict change and source flexible, dynamic data

Is the issue of neighbourhood targeting still relevant in 21st century?

High spending elders, retiring to the country

Affluent Asian suburbs

DINKY's in new build housing close to transport hubs

Key drivers for continued market growth

- **Continued growth in 'data driven' business**

- **Technology – speed, connectivity, data capture and interactivity**

- **New data sources – 'real-time', and more sensitive data measures**

- **Emerging markets**

  - ◆ **Geography**

  - ◆ **Industry sector**

- **Renaissance in the public sector**

Is the issue of neighbourhood targeting still relevant in 21st century?

- Insurance – households and flood plains

- Housing – house prices and school league performance tables

- Education – extending educational opportunities and the growth in student enclaves

Is there a future for neighbourhood based classifications?

YES

- 'Data poor' organisations
  - Automotive
  - Pub operators
  - Retailers
  - Insurance
- Data volatility – inherent instability in relying on product consumption or purchase data
- Continued importance of 'environment' in influencing patterns of consumer behaviour
- Consumers have multivarient relations with orgs, multivarient classifications better at discriminating behaviour
- Neighbourhood typologies still afford a level of anonymity to consumers

NO

- 'Data rich' organisations
  - Financial services
  - Supermarkets
  - Utils/telcos
- New technology allows for 'real-time' acquisition of data and 'interactive targeting'
- Interactive communications allow for more personalised targeting
- Ever-present focus on results orientated marketing drives more granular segmentation solutions
- Propensity scoring techniques extend the use of orthodox market research to create more person and household classifications
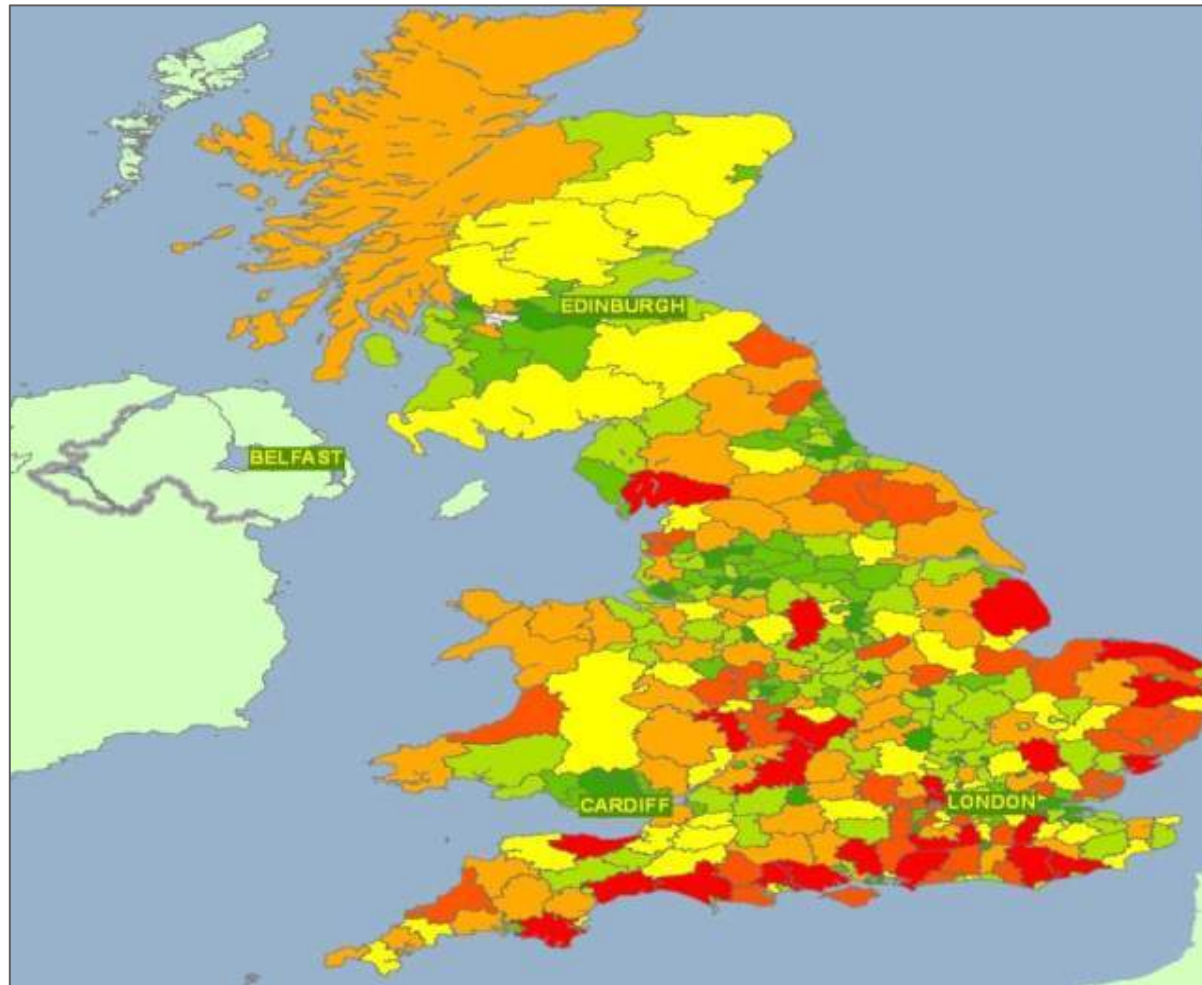
New data sources…more sensitive measures

…data use optimised by geography

New data sources…more sensitive measures

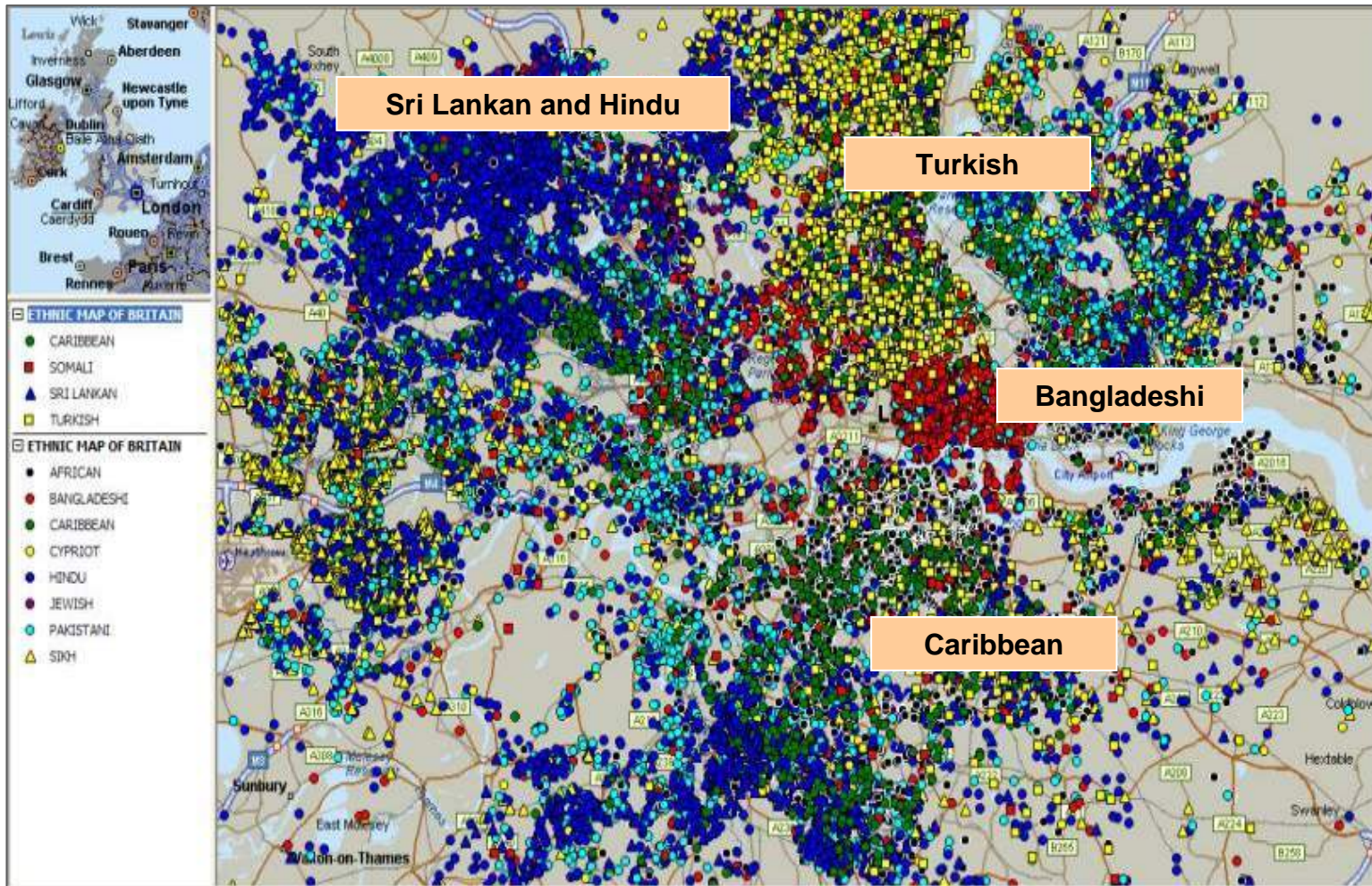## Negative impact of interest rate rise on disposable incomes across the UK

11

New data sources…more sensitive measures

Using name and address data to identify ethnicity and culture

New emerging neighbourhoods

Virtual villages **– fuelled by rural Britain extending its broadband connectivity, allied to flexible working practices, home-working and people splitting their time between the countryside and a 'mobile' commuter lifestyle**

Delaying retirement **– older people, who are forced or are keen to benefit from the changes in employment law and are delaying retirement either to support their pension deficit or fund their children through university**

Data sources

- Government Data
  - Census, Administrative, Ordnance Survey
- Commercial Data
  - Challenges faced
- Demand for New Types of Systems
  - Bespoke systems
  - Situational systems
  - Longitudinal systems
  - Localized systems
  - Contextual systems
  - Dynamic systems
  - Predictive systems

Technology

- Data Capture

  - Internet / Mobile Devices / RFID / GPS etc

- Drowning in Data?

  - Help is at hand

- Speed of Processing

  - Real time

- Speed of Transmission

  - Wireless access

- The Time Is Coming

  - Demand, Data and Technology Convergence

Impact

- Impact of the Web
  - Democratising Information
  - Choice Generation
  - Semantic Web
  - GeoWeb
- Impact of Information Access on Society
  - Spatial Informatics
  - What type of a future?

Any idiot can ask difficult questions

It's the answers that are tough

Information wants to be free

But information also wants to be expensive

We don't trust them

But we do trust each other

We make black and white

Infinite shades of grey

Tensions

Transitions

Train wrecks

Bespoke segmentation

- Increasing interest in bespoke segmentation

  - Automotive – purchasing behaviours

  - Economic – understanding local economic factors

  - Business - getting beyond size and SIC

  - People at work \ Daytime population \ Route to work

  - Grey population – greater influence on the economy as their numbers grow

  - The 'Green Economy' – understanding changing attitudes

  - Cultural diversity – multicultural Britain creating more complex attitudes and behaviours

  - Leisure and entertainment

  - Event or mobile based segmentation

Bespoke segmentation – real time opportunities

- Accessing real time purchasing behaviour via the web and mobile devices

- Will web 2.0 user driven content drive new opportunities

- Greater ability to track changing lifestyles

- Exploitation of data from online activity and transactional data

- Identifying significant life events and occasions

  - Leaving home, marriage, children, retirement

  - Weddings, entertainment events, holidays

- Adjust classifications in real time

  - My attitude and behaviours reflect my current circumstances
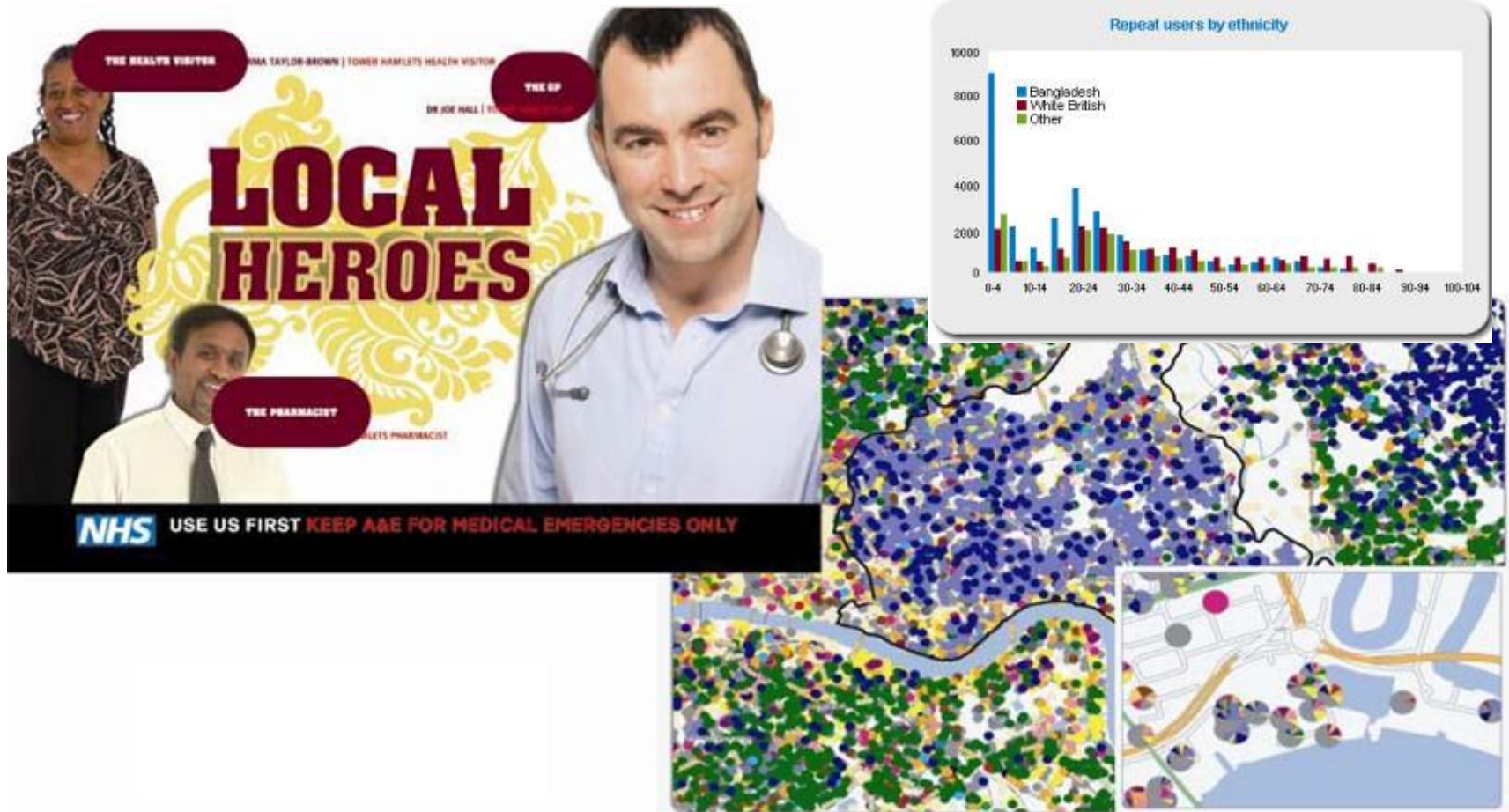
New markets

- New market specific segmentation systems

- Financial services have traditionally had market specific classifications

  - ◆ CAMEO Financial

  - ◆ Fresco

  - ◆ Financial Strategy Segments

  - ◆ Personicx Financial

- Starting to spread with developments in

  - ◆ Health: Applied to Hospital Episode Statistics, A&E attendance, health policy marketing

  - ◆ Public Sector: Developed to target resources, benchmarking, implementing policy, understanding community segregation

Public sector – using ethnicity data to target resource

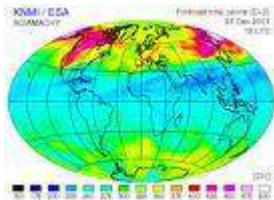**Confidential and proprietary to the contributing organisations.**

New markets – the global view

- Development of international geodemographic classifications

- A consistent view of the customer wherever their location

- Developing global markets

- Cross border analysis

- Significant growth in interest in Eastern Europe, India, China and Russia

- Clients demanding the same sophistication across the world

- Huge challenges
  - Consistency in data
  - Data accuracy

- Geographic detail
- Associating with an address
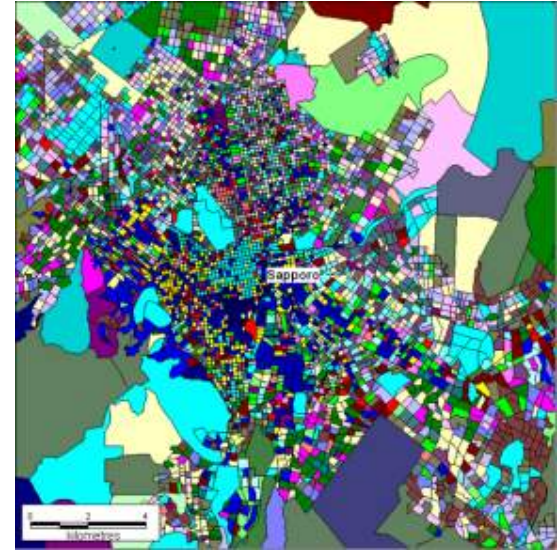
New markets – the global view

- Some countries have registers with regularly released data at a consistent geography such as grid square e.g. Denmark, Sweden and Finland

- Move to regular surveys e.g. France

- Opportunity to monitor and measure change overtime

- Others continue to rely on 5 and 10 year census

- Commercial datasets becoming more sophisticated outside the UK and USA

- International marketers and planners realising the power of using geodemographic classifications

Summary

- IDEALLY…

    - Growing demand for bespoke and market specific segmentation

    - Technology will drive access to new data

    - The Geo aspect will grow in influence

    - Person classifications will complement neighbourhood ones

- BUT…

    - Privacy issues may impact on data access

- IRRESPECTIVE…

    - Geodemographics will increase in global use and importance

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