

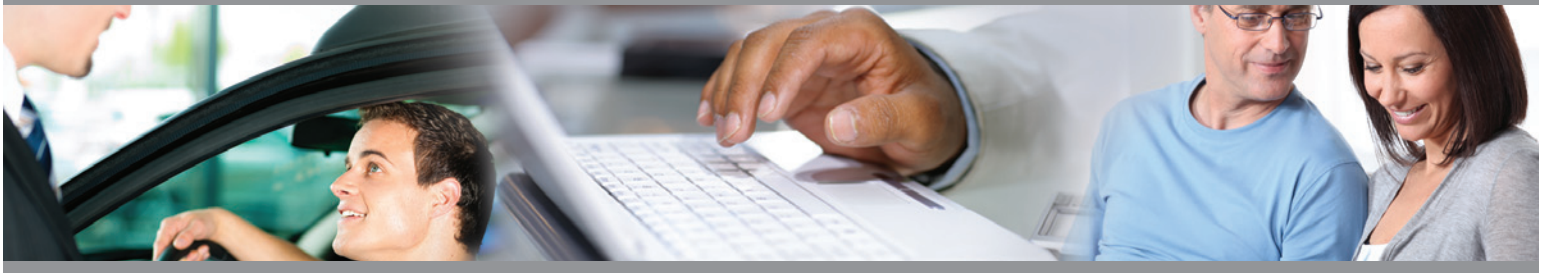
The Death of Demographics: Why Targeting by Purchase Behavior is Most Effective in Automotive Marketing



A J.D. Power and Associates White Paper

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Media/Marketing Practice



Overview

Historically, advertising and marketing professionals have relied heavily on demographic data when conducting consumer research, targeting a particular group of buyers, and crafting their marketing strategies and ad campaigns to that audience simply because they didn't have any better or more sophisticated resources at their disposal. After all, why would they want to change anything when for many years, traditional media—print, TV and radio—didn't change all that much? For marketers across many industries, analyzing demographics has been, and continues to be, a means of creating an effective ad campaign. However, with advancements in technology that have spawned the Internet, smartphones and social media, marketers have been forced to change the way they conduct campaigns. The proliferation of digital media, in particular, has completely changed the media landscape in a relatively short amount of time.

Demographics, more so than many other tools, has proven to be a much less effective tool in the automotive space, particularly with regard to new-vehicle buyers. J.D. Power and Associates' research suggests that there is very little variance from one demographic group of buyers to the next in terms of which new models appeal to them—the most popular models overall are typically the most popular regardless of the particular demographic.

What does work for targeting new-vehicle buyers is to analyze previous buyer behavior and recent shopping activity, since the best proxy for future consumer behavior is to study what they have done in the recent past. This is especially true for media consumption, whether traditional or digital.

One approach that has proven effective in the online space—to a much higher degree than demographics—is behavioral targeting, i.e., tracking what websites consumers are visiting, then targeting advertising assets based on that behavior. However, in the automotive space, where customers must purchase offline—and a large portion of online traffic is from window shoppers or used-vehicle buyers—even behavioral targeting cannot identify purchase behavior or purchase intent with certainty.

The objectives of this white paper are to:

- Discuss the need for accurate targeting
- Identify the approaches marketers have taken to identify their targets
- Provide specific examples of how demographics are not an effective means of predicting buyer behavior and explain why
- Discuss how competitive vehicle segments provide effective targeting
- Examine the significant differences in consumer media selection by choice of targeting method
- Provide a primer for what future targeting might entail

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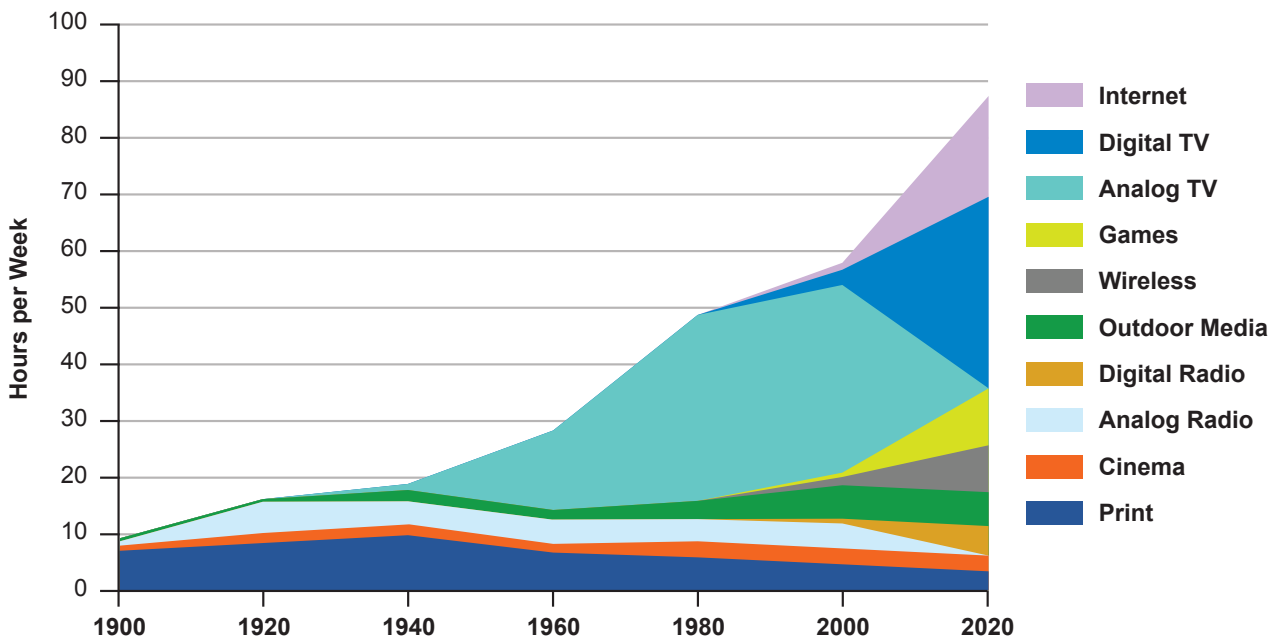
The Need for Accurate Targeting

There is an old adage that one must always know their audience. This is true whether one is a politician, stand-up comedian, or an automotive marketer. After all, the better you know your audience—or, in the business world, your customers—the more effective your message. The more effective your message, the more people you reach, and therefore the better the potential for profits. In the past, marketers have relied on demographic and psychographic data to define their audience, but this method of targeting has become increasingly ineffective, particularly in the automotive space.

Media Has Become Fragmented

With advancements in technology, media—print, broadcast and electronic—have become increasingly fragmented. Magazines have gone vertical, sprouting multiple titles that specialize in the same or similar subjects. As a result, many existing titles don't have the readership they once had. Likewise, television viewers have more choices than ever (long gone are the days of the three-network lineup), resulting in ratings in the single digits. Today, the Internet offers literally millions of sites, all fighting for users' attention, and allows users to control what they see, to an even higher degree than magazines and television.

Increased Media Consumption



Source: www.smartcompany.com.au

Figure 1

Not only is media more fragmented, but also consumers expect information when they want it—they are now in control. For example, consumers using DVRs can fast-forward through commercials or skip to a particular segment of a news broadcast to view only what interests them.

Attitudinal and Lifestyle Diversity

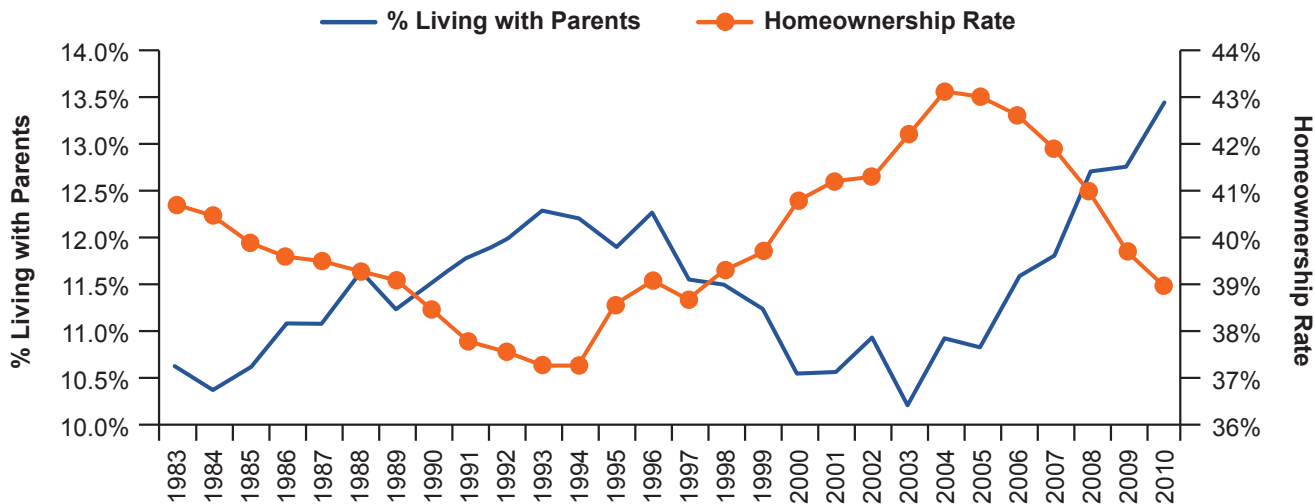
In addition to media fragmentation, consumer attitudes and lifestyles have become more diverse in recent years, creating an even bigger challenge for marketers. Families that once chose station wagons almost exclusively now might shop for a minivan, crossover, traditional SUV, or even a crew-cab pickup. To be sure, any of the aforementioned vehicle types would likely meet the needs of this particular demographic group, but due to diverse attitudes and lifestyles, not all families will opt for the same type of vehicle as the group's demographics might suggest. For example, some fathers (and even mothers) might not want to be seen driving a minivan because of a particular image they perceive it projects and thus might opt for an SUV or crossover instead. Some families like to go camping or boating on the weekends and, in addition to a weekday family hauler, need a full-size SUV or pickup that can tow a heavy camper or boat—a task that most minivans and crossovers aren't engineered to do.

“ Consumer attitudes and lifestyles have become more diverse in recent years, creating an even bigger challenge for marketers. ”

Another shift that has occurred is the number and percentage of pickup trucks being purchased for personal rather than for commercial use. Not too long ago, many would-be pickup buyers were forced out of the market when they started having children, as that particular type of vehicle wasn't geared toward families. Now, most pickup lines offer at least one model with family-friendly features, such as four hinged doors (for easy rear-seat access), built-in entertainment systems, and even cup holders and heat/air vents for rear-seat passengers.

Another lifestyle shift is adult children moving back in with their parents. The recent global economic recession has stressed the job market, making it difficult for college graduates and young professionals to find jobs and live on their own. With unemployment at its highest levels in decades, many young people have been forced to continue to live with their parents longer than they might otherwise have anticipated. This, too, may impact the vehicle choices of parents—which demographics or even psychographics could not have identified.

% of 25-34-Year-Olds Living with Parents vs. Home Ownership Rate for Those 35 Years Old or Less



Source: www.huffingtonpost.com

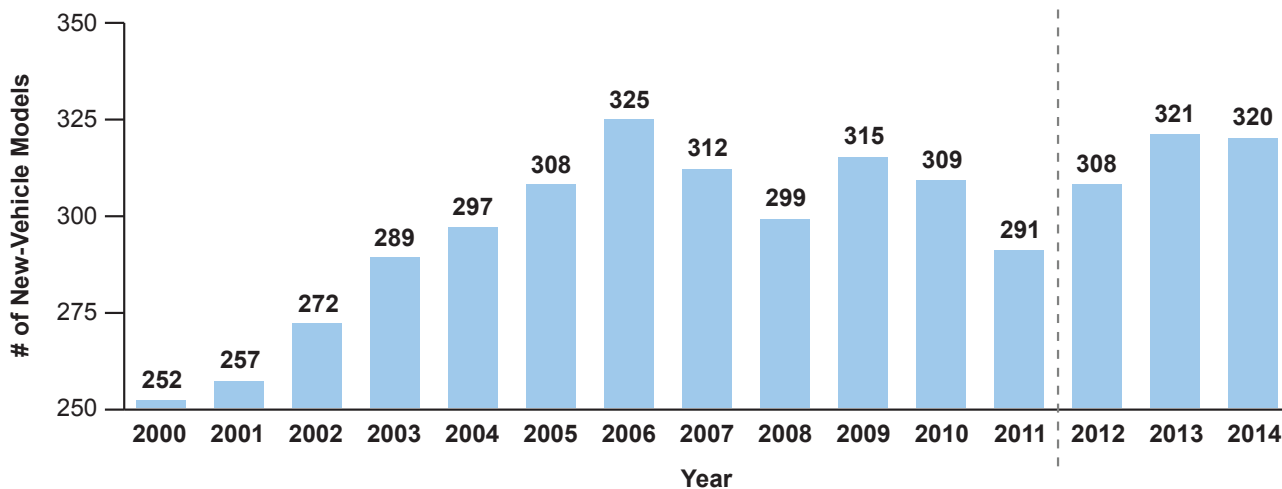
Figure 2

Product Purchase Diversity

Regardless of the product or industry, the more choices that are available to consumers, the more difficult it is to successfully market to them. As share of voice is diluted, so also is the effectiveness of the campaign. The proliferation of new-vehicle makes and models demonstrates the challenges today's auto marketers face. In 2000, there were approximately 252 models available in the United States. By 2010, that number had increased to 309, and many of them were niche products aimed at specific audiences. Not only has the overall number of new models grown, but also the range of function, style and price has increased. The large number of models competing for buyers' attention presents an even greater need for accurate targeting beyond what demographics alone may provide.

This model proliferation dipped slightly in 2011 due to the difficult economy during the past couple of years, which forced several manufacturers to phase out some of their weaker-performing models and even brands. As the economy improves, however, many manufacturers are planning to launch new models, and J.D. Power expects that by 2014 the overall number of models available in the United States will reach 320.

Number of New-Vehicle Models Offered in the US: 2000-2014



Source: J.D. Power Automotive Forecasting

Figure 3

Targeting is Critical for Efficiency and Effectiveness

With all of this media fragmentation and product and lifestyle diversity, targeting by purchase behavior has emerged as a more effective means of marketing to a specific audience. This is much more effective than the use of demographics, and even more precise than psychographics. One of the major benefits of appropriate targeting is increased accuracy. By understanding the media consumption of recent new-vehicle purchasers, it is possible to target future new-vehicle buyers using that same medium. Another benefit is improved effectiveness. When marketers understand what types of purchasers consume different types of media, the messaging in the advertising communicated through those media can be targeted to specific types of buyers and identified by segment, such as conquest vs. loyalty or purchase vs. lease.

Targeting Approaches

For decades, auto marketers have used demographics as a means of targeting new customers. Statistics gathered about buyer age, gender, race, ethnicity, education, income level, and housing, among others, may provide a wealth of information that can be used to create a buyer profile and, subsequently, marketing strategies for future customers. Similar to demographics, psychographics are used to identify a population based on traits such as personality, values, opinions, attitudes, interests, or lifestyles. The goal of both methods is to aggregate large numbers of consumers into fewer, more highly targeted categories.

Another approach auto marketers use when targeting customers is purchase data, which assumes the media that delivers today's buyers is also the media that will deliver tomorrow's buyers. Because media options are changing rapidly, especially in online, it is important to constantly monitor how buyer behavior changes over time to effectively maintain a focus on target customers.

Auto marketers need to consider two customer groups with their marketing messages: those in the consumption target and those in the aspirational target. The consumption target (those who have already bought a vehicle) are easily identified using purchase behavior of recent buyers as discussed in this paper. This group is of critical importance because they are the most likely future customers of similar vehicles. Marketers of new vehicles, especially luxury vehicles, will also want to focus on customers in the aspirational target group (those whom marketers want to influence to buy new vehicles in a more upscale segment). This, too, can be done by effectively analyzing the media consumption of buyers of models who traded for an aspirational vehicle.

“ Media options are changing rapidly, especially in online, so it is important to constantly monitor how buyer behavior changes over time to effectively maintain a focus on target customers. ”

Why Demographics Don't Work

While demographics can provide auto marketers with a certain measure of insight when targeting a particular type of buyer, this approach only provides part of what is necessary. According to J.D. Power research, behavioral factors can also play a major role in the purchase decision. However, demographics alone don't offer any insight into these important factors that often contribute to a buyer's decision.

For example, demographics have proven ineffective in pinpointing a buyer's functional need. Consider a married, college-educated, 59-year-old white male with total household income in excess of \$150,000 per year. This consumer might fit the demographic profile of the typical sports car buyer. But what if he takes his two grandchildren to preschool every day? Rather than a two-seat sports car, he would need a different type of vehicle that suits his particular need: one with more than two seats and possibly four doors, and perhaps a midsize sedan or crossover would be his target model. Clearly, this consumer would not fit neatly into an aggregated profile.

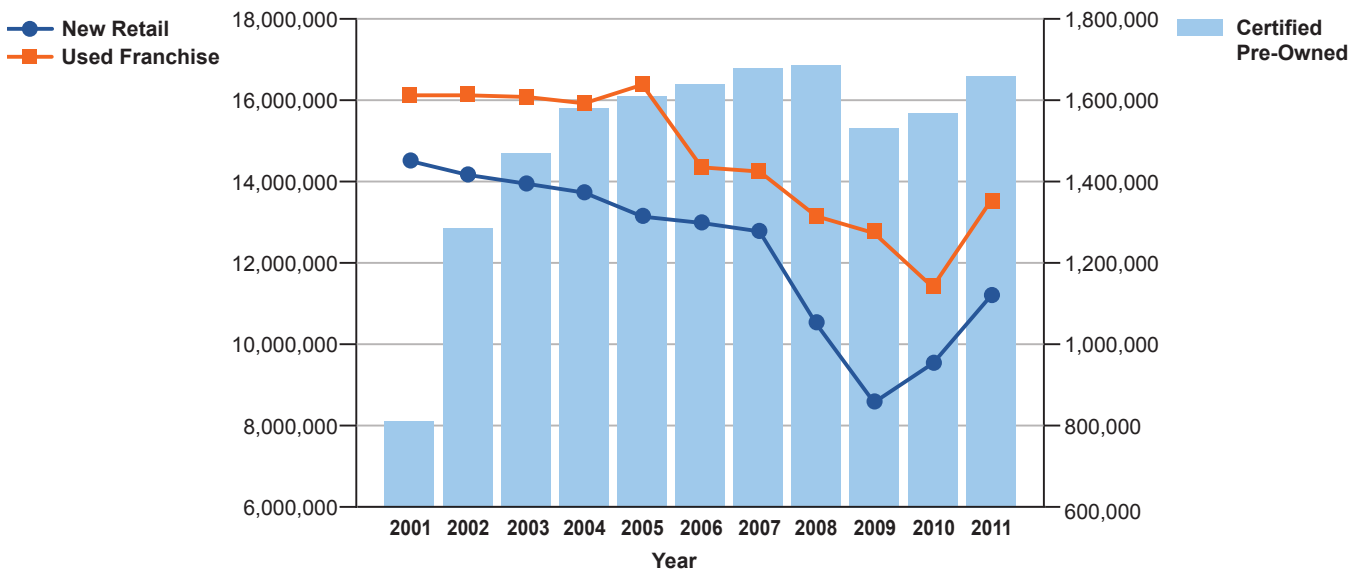


Also, affordability can play a major role in the purchase decision. Some buyers, although highly educated and having total household income of at least \$90,000 per year, may be saving money to put three kids through college and, rather than shopping for an Acura or a BMW for themselves as their demographic profile might suggest, are looking for something more affordable—either for themselves or one of the kids—to help offset other expenses.

Another variable that demographics don't effectively predict is consumer attitudes about autos and driving. Many buyers, even though they may neatly fit into a particular demographic profile, simply want reliable, dependable transportation. They might opt for a mainstream compact sedan rather than a luxury SUV as their demographic profile might suggest, while others may want to make a statement about their status or individual success. In this latter example, a consumer who fits the demographic profile of the typical economy car buyer may want to move up-market in an attempt to project an affluent image, and attractive lease pricing often makes this a reality.

In other cases, buyers may see more value in a used vehicle. Used vehicles have become a more attractive option for many, given that the average transaction price of a new vehicle now exceeds \$30,000¹; long-term vehicle quality and dependability are continuing to improve; and there is a proliferation of manufacturer-sponsored certified pre-owned programs.

New- and Used-Vehicle Sales Forecast: 2001-2011



Source: J.D. Power Automotive Forecasting

Figure 4

¹ Power Information Network® (PIN), a business unit of J.D. Power and Associates

How Demographics Don't Work

To demonstrate the ineffectiveness of using demographics as a targeting tool—using the typical buyer profile for a particular vehicle segment that includes gender, age, and income characteristics of recent new-vehicle buyers—marketers are able to identify the models that are the most popular among that buyer group by analyzing market share data and cross-referencing such a list with the models that comprise the particular vehicle segment.

The first example is in the Midsize Premium Conventional segment, in which the typical buyer fits the following demographic profile: male, ages 35-64, with total household income of \$125,000 per year or more (2009 pre-tax dollars), according to the *J.D. Power 2011 Auto Offline Media ReportSM—Winter*. Considering the age and income characteristics, it might be expected that this profile would include a number of luxury models among those most popular with this particular buyer demographic. However, the data show that the five most popular models for this buyer profile in terms of market share are the Ford F-Series (purchased by 3.18% of buyers), BMW 3 Series (2.53%); Chevrolet Silverado 1500 (2.43%); Honda Accord Sedan (2.32%); and the Honda Civic (2.21%)—none of which fall into the Midsize Premium Conventional segment. In fact, the first model in this segment to make the list is the BMW 5 Series—at No. 17. Additionally, only one model among the top 10 is a luxury nameplate.

Market Share—Male New-Vehicle Buyers Ages 35-64 with Household Income of \$125K+

Model	Reach %	Rank
Ford F-Series LD	3.18	1
BMW 3 Series	2.53	2
Chevrolet Silverado LD (Non-Hybrid)	2.43	3
Honda Accord Sedan	2.32	4
Honda Civic (Non-Hybrid)	2.21	5
Nissan Altima (Non-Hybrid)	1.70	6
Toyota Camry (Non-Hybrid)	1.67	7
Ford F-Series HD	1.52	8
Volkswagen Jetta	1.43	9
Toyota Tundra	1.42	10
Honda Pilot	1.39	11
Infiniti G-Series	1.39	12
Chevrolet Camaro	1.33	13
Toyota Tacoma	1.32	14
Acura MDX	1.27	15
Jeep Wrangler	1.24	16
BMW 5 Series	1.21	17
Mercedes-Benz E-Class (Sedan/Wagon)	1.18	18
Toyota Prius	1.18	19
Lexus RX Series (Non-Hybrid)	1.18	20

Source: J.D. Power and Associates 2011 Power Auto Offline Media ReportSM—Winter

Figure 5

The next example is in the Compact Crossover Utility Vehicle (CUV) segment. The typical buyer in this segment is more likely to be female, ages 25-64, with total household income ranging from less than \$40,000 to \$99,999 per year. According to the *2011 Auto Offline Media Report—Winter*, the five most popular models among all buyers that fit the presumed Compact CUV segment demographic (male and female) are the Toyota Corolla (purchased by 3.90% of buyers); Toyota Camry (3.45%); Ford F-150 (3.30%); Honda Accord Sedan (3.14%); and the Honda Civic (3.12%)—none of which are compact CUVs. The first compact CUV to make the list is the Honda CR-V at No. 7. Further, only four of the 20 most popular models among buyers who fit the compact CUV profile are actually compact CUVs.

Market Share—New-Vehicle Buyers Ages 25-64 with Household Income of Less Than \$100K

Model	Reach %	Rank
Toyota Corolla	3.90	1
Toyota Camry (Non-Hybrid)	3.45	2
Ford F-Series LD	3.30	3
Honda Accord Sedan	3.14	4
Honda Civic (Non-Hybrid)	3.12	5
Chevrolet Silverado LD (Non-Hybrid)	2.79	6
Honda CR-V	2.37	7
Ford Escape (Non-Hybrid)	2.22	8
Toyota RAV4	2.22	9
Nissan Altima (Non-Hybrid)	2.13	10
Ford Focus	1.72	11
Ford Fusion (Non-Hybrid)	1.55	12
Volkswagen Jetta	1.55	13
Chevrolet Malibu (Non-Hybrid)	1.50	14
Chevrolet Equinox	1.50	15
Hyundai Elantra	1.48	16
Nissan Sentra	1.44	17
Toyota Prius	1.42	18
Toyota Tacoma	1.41	19
Mazda MAZDA3	1.32	20

Source: J.D. Power and Associates 2011 Power Auto Offline Media ReportSM—Winter

Figure 6

Even if the focus is narrowed to include only females (same age and income as in the previous example), just five compact CUV models appear among the top 20.

Market Share—Female New-Vehicle Buyers Ages 25-64 with Household Income of Less Than \$100K

Model	Reach %	Rank
Toyota Camry (Non-Hybrid)	4.52	1
Toyota Corolla	4.51	2
Honda CR-V	3.29	3
Honda Civic (Non-Hybrid)	3.19	4
Honda Accord Sedan	3.14	5
Toyota RAV4	2.95	6
Ford Escape (Non-Hybrid)	2.34	7
Nissan Altima (Non-Hybrid)	2.15	8
Chevrolet Malibu (Non-Hybrid)	2.04	9
Chevrolet Equinox	2.03	10
Nissan Rogue	1.88	11
Hyundai Elantra	1.86	12
Nissan Sentra	1.80	13
Toyota Prius	1.78	14
Volkswagen Jetta	1.68	15
Ford Focus	1.58	16
Hyundai Sonata	1.42	17
Ford Fusion (Non-Hybrid)	1.42	18
Hyundai Santa Fe	1.39	19
Ford F-Series LD	1.39	20

Source: J.D. Power and Associates 2011 Power Auto Offline Media ReportSM—Winter

Figure 7

The Market Is Flat Across All Demographic Cohorts

Taking a more general approach, the demographic structure of the auto market is flat across all demographic cohorts. According to the *2011 Power Auto Offline Media Report—Winter*, the highest percentage of new-vehicle buyers is in the 45-64 age demographic (48.25%). The most popular model among this group, regardless of income, is the Ford F-150 pickup. This is not unexpected, considering that the Ford F-150 has been the best-selling model in the United States since 1976. The F-150 is purchased by 3.19% of buyers ages 45-64, and is followed by the Toyota Camry (3.15%); Toyota Corolla (3.10%); Honda Civic (2.82%); and the Chevrolet Silverado 1500 (2.70%).

Market Share—Buyers Ages 45-64

Model	% of Buyers
Ford F-Series LD	3.19%
Toyota Camry (Non-Hybrid)	3.15%
Toyota Corolla	3.10%
Honda Civic (Non-Hybrid)	2.82%
Chevrolet Silverado LD (Non-Hybrid)	2.70%
Honda Accord Sedan	2.66%
Honda CR-V	2.58%
Nissan Altima (Non-Hybrid)	2.26%
Ford Escape (Non-Hybrid)	1.97%
Toyota RAV4	1.96%

Source: J.D. Power and Associates 2011 Power Auto Offline Media ReportSM—Winter

Figure 8

If the household income threshold is set at \$100,000+ per year, it might be expected that there would be a totally different subset of models ranking among the most popular. However, that is not the case. The Honda Civic, chosen by 2.81% of buyers, is the most popular model among those with total household income in excess of \$100,000, followed by the Honda Accord Sedan (2.79%); Honda CR-V (2.26%); BMW 3 Series (2.24%); and the Toyota Camry (2.19%). In fact, the BMW 3 Series is the only luxury model among the top 10, even among the most affluent buyer group. Further, only nine of the 50 most popular models in this age/income demographic—less than 20%—are luxury nameplates.

Market Share—Buyers Ages 45-64 with Household Income of \$100K+

Model	% of Buyers
Honda Civic (Non-Hybrid)	2.81%
Honda Accord Sedan	2.79%
Honda CR-V	2.26%
BMW 3 Series	2.24%
Toyota Camry (Non-Hybrid)	2.19%
Ford F-Series LD	2.11%
Nissan Altima (Non-Hybrid)	2.03%
Chevrolet Silverado LD (Non-Hybrid)	1.97%
Toyota Prius	1.89%
Toyota Corolla	1.84%

Source: J.D. Power and Associates 2011 Power Auto Offline Media ReportSM—Winter

Figure 9

The recurring finding is that, regardless of the model selected, the structure of the auto market is flat across demographic groups. While an individual model may have a distinct demographic profile, using that profile to identify individual models to target customers simply doesn't work—the same models appear repeatedly, regardless of the buyer's gender, age, or income.

Purchase Targeting

In addition to asking vehicle owners about the problems they have experienced with their new vehicle—or, in the *J.D. Power and Associates Automotive Performance, Execution and Layout (APEAL) Study*,SM their particular likes and dislikes—J.D. Power automotive survey respondents are asked about how they use or intend to use their new vehicle (function); the price they paid; and the model(s) they considered, but ultimately did not purchase. The responses to these questions help to establish each model's competitive set, and greatly aids in establishing vehicle segmentation.

The number of models actively shopped by new-vehicle buyers is relatively small—2.9 online, and fewer among buyers who only visit the dealership. Because of this, it is critical that auto marketers utilize an effective targeting tool in order to focus their efforts—and ad dollars—on exactly the right audience.

The resulting vehicle segments allow for much more effective targeting than demographics alone. By asking vehicle owners about the models they did not purchase and analyzing this data regarding cross-shopping, function, and price, J.D. Power and Associates has developed an accurate segmentation for competitive vehicle sets. Vehicle segmentation reflects the issues that drive individual model purchase and are not based on gender, age, or income data. Therefore, targeting by purchase behavior is more precise than demographics alone.

“Regardless of the model selected, the structure of the auto market is flat across demographic groups.”

Significant Differences in Media Selection by Choice of Targeting Method

One aspect of consumer behavior that auto marketers consider when targeting new-vehicle shoppers is media consumption. Data about the type and amount of media individuals consume is very valuable to marketers, and has been effective in helping to identify the most effective sources to reach the target audience. However, significant differences in media consumption are evident whether using demographics or purchase behavior as a targeting method. A comparison between the two methods and using magazine consumption in two different vehicle segments—Compact Premium Conventional and Midsize CUV—provides a clear picture of the more effective targeting method.

When examining media consumption, specifically magazines, among buyers in the Compact Premium Conventional segment, demographic targeting and vehicle segment targeting provide very different results, with only four titles appearing on both rankings by composition.

“Data about the type and amount of media individuals consume is very valuable to marketers, and has been effective in helping to identify the most effective sources to reach the target audience.”

Demographic Targeting vs. Vehicle Segment Targeting			
Buyers Ages 25-64 with Household Income of \$125K+		Compact Premium Conventional Segment	
Magazine	Demo Rank	Magazine	Segment Rank
Departures Magazine	1	W	1
Robb Report	2	Los Angeles Magazine	2
Harvard Business Review	3	Departures Magazine	3
Fast Company	4	Details	4
Details	5	Tennis Magazine	5
Los Angeles Magazine	6	New York Magazine	6
Ski Magazine	7	Harper's Bazaar	7
Skiing	8	Elle	8
Men's Journal	9	New York Times Magazine	9
Wired	10	AutoWeek	10
Runner's World	11	Robb Report	11
Fortune	12	Marie Claire	12
Esquire	13	Allure	13
GQ	14	Elle Décor	14
Conde Nast Traveler	15	Vogue	15

Source: J.D. Power and Associates 2011 Power Auto Offline Media ReportSM—Winter

Figure 10

Likewise, when examining magazine consumption among buyers in the Midsize CUV segment, similar differences between targeting methods are apparent, as only two of the top 15 magazines appear on both lists.

Demographic Targeting vs. Vehicle Segment Targeting			
Buyers Ages 25-64 with Household Income of \$70K+		Midsize CUV Segment	
Magazine	Demo Rank	Magazine	Segment Rank
Harvard Business Review	1	More	1
Fast Company	2	Midwest Living	2
Wired	3	American Baby	3
Los Angeles Magazine	4	Parenting	4
Details	5	Everyday with Rachael Ray	5
Runner's World	6	Parents	6
Shape	7	Weight Watchers	7
Robb Report	8	FamilyFun	8
Skiing	9	Yachting Magazine	9
Men's Journal	10	Backpacker	10
Departures Magazine	11	Family Circle	11
Marie Claire	12	Good Housekeeping	12
Ski Magazine	13	Cooking Light	13
Outside	14	Motor Boating	14
Parents	15	Runner's World	15

Source: J.D. Power and Associates 2011 Power Auto Offline Media ReportSM—Winter

Figure 11

Similar to findings for magazines, there are also significant differences in online media consumption. For example, using the Midsize Premium Conventional segment as the basis, the list of the top 15 websites for the demographic for males, ages 25-34, with total household income in excess of \$100,000 per year is dominated by sports- and news-themed sites (nine and three, respectively).

Demographic Targeting: Top 15 Websites for Males Ages 25-34 with Household Income of \$100K+

Index Rank	Domain	Unique Visitors (Overall for each site)
1	insider.espn.go.com	3,159,407
2	sportsillustrated.cnn.com	4,212,334
3	scores.espn.go.com	5,764,955
4	sports.espn.go.com	11,087,794
5	bleacherreport.com	5,466,667
6	scout.com	2,575,947
7	nypost.com	3,363,548
8	rivals.com	3,982,938
9	nymag.com	2,557,895
10	mlb.com	4,936,040
11	reddit.com	2,024,192
12	slate.com	2,356,546
13	gawker.com	2,820,926
14	news.cnet.com	3,373,138
15	games.espn.go.com	4,503,342

Source: Compete, Inc.

Figure 12

However, when examining clickstream data for buyers of premium vehicles, there are drastically different results. An analysis of buyer behavior from the *J.D. Power and Associates/Compete Prospects' Current Behavior (PCB)SM—January 2011* finds that none of the top 15 sites are the same as when the demographic targeting method is used. In actuality, these prospective buyers are visiting a variety of websites, from health, coupon, food, and dining to travel, jobs, entertainment, and even online dating.

Purchase Targeting: Top 15 Websites for Premium Vehicle Buyers

Index Rank	Sites	Monthly Unique Visitors
1	meebo.com	3,445,797
2	blogger.com	7,195,949
3	monster.com	10,593,559
4	qualityhealth.com	3,915,640
5	restaurant.com	2,421,461
6	tv squad.com	4,172,201
7	worldwinner.com	2,489,397
8	eprize.com	3,546,122
9	travelzoo.com	2,578,654
10	newsvine.com	2,147,468
11	match.com	11,381,274
12	nba.com	5,555,762
13	healthline.com	3,526,753
14	couponcabin.com	2,870,981
15	couponmountain.com	2,118,327

Source: *J.D. Power and Associates/Compete Inc. Prospects Current Behavior (PCB)SM—January 2011*

Figure 13

“ The more effective means of targeting potential buyers is to focus on the sites that online users are actually visiting. ”

Based on this comparison (demographics vs. buyer behavior data), it is clear that the more effective means of targeting potential buyers is to focus on the sites that verified buyers are actually visiting.

Going Forward

The Information Age has completely changed the way consumers communicate, conduct business, and view the future—bringing with it almost unlimited potential. Accordingly, as technology continues to have a strong influence on media consumption, auto marketers must embrace those new technologies and methods that better and more effectively allow them to target customers—using old methodologies simply won't suffice.

As demonstrated in this paper, analyzing purchase behavior data, much more so than demographics, is the most effective method for auto marketers to target new customers. While traditional targeting methods such as demographics will to some degree remain effective, for many industries—in particular, automotive—the use of purchase data for targeting will clearly emerge as the more effective marketing tool. Data regarding magazine consumption, lifestyle activities, Internet usage and, in the near future, television viewership, may all contribute to more effectively identifying and targeting customers. The information is there—it is now simply a matter of using it.

“Analyzing purchase behavior data, much more so than demographics, is the most effective method for auto marketers to target new customers.”

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