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## THE DEATH OF DEMOGRAPHICS

**How to Define and Reach the Audience**

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# Defining audiences in the fast casual food category

Although it is increasingly accepted that consumers respond more to emotional than to rational drivers, advertisers are failing to use emotions to define the ideal audience for their campaign objectives. A new survey for the Fast Casual Food category has identified four category emotional engagement drivers that help identify audiences and boost advertising effectiveness

By Robert Passikoff, *Brand Keys*

**A**udiences have become more emotional. At least their decision processes regarding which brand advertising they'll pay attention to, believe, and then follow through and buy, are more emotional. They have been for a while now.

In a 2001 study conducted by Brand Keys and 'the father of positioning', Jack Trout, the brand consultancies examined 1,192 brands – B2C and B2B – in North and South America and Western Europe. The objective of the study was to determine what drove decision-making, so marketers could better understand and define target audiences to better meet campaign objectives.

And while it was presumed that different categories were going to be driven by different values, all the categories and brands examined had one thing in common. They were all driven by a preponderance of emotional factors. Far more than the rational category aspects. On an overall basis, the ratio of emotional to rational influences was estimated to be 60:40.

In 2015, the study was replicated with the critical finding that decision-driving values had shifted – in favour of emotional aspects of the category. The overall ratio had changed. At that time, we estimated the ratio to be 75:25, emotional to rational. You can quibble about the precise ratio in your category, but unless you're selling commodities, rational factors aren't going to move audiences or products.

## EMOTIONAL VS. RATIONAL DECISION-MAKING

The findings were validated, but not surprising. The marketplace was more socially connected. Consumers were more visually literate than any previous generation. They talked to themselves before they talked to a brand. Or paid attention to advertising for the brand. Consumers relied on emotions rather than rational information to make brand decisions. In test after test, emotional responses to advertising were found to be more influential on a consumer's intent to buy – and more predictive of their actual behaviour in the marketplace – than rational ad content.

What's more, rational differentiation was just difficult to attain. The Customer Satisfaction, Total Quality Movements, and ISO 9000 programmes of the late twentieth century pretty much guaranteed that companies that survived to compete in the twenty-first century marketplace were going to be turning out products and services mostly 'right' and pretty much the same. The age of brand ubiquity had arrived and ultimately 'emotional' was bound to trump 'rational' every time.

Increasingly, differentiation was measured in numbers of pixels a smartphone camera could deliver or the number of scent versions available for a particular laundry detergent, and often, just price. But consumers were on to those tactics. They listened, sometimes

acknowledged, but then turned to their emotions to guide their buying decisions. Differentiation via emotions seemed the path to success, and advertisers followed it, albeit some better than others. Grand, worldwide events – Super Bowl, the Olympics, the FIFA World Cup – abound with such emotional advertising. Call it 'storytelling' or 'brand love'; it's all about striking the consumers' right emotional chord.

What was surprising was that advertisers were missing an opportunity to use emotions to define the ideal audience for their campaign objectives. While it is true that technology has advanced to the point where advertisers can reach out and locate any consumer audience they want, they can't always reach out and touch them. Most of the time, the audience they define is still based on traditional demographic classifications, which have become relatively meaningless in most marketing categories.

With very few exceptions, it turns out that, for most categories, important emotional aspects are shared across all demographic segments. That said, not all consumers 'see' the category in the same way. That makes identifying the ideal audience for a particular campaign possible on a totally emotional footing. That allows advertisers to boost advertising effectiveness while amortising efforts across traditional segments. Here is some output from a recent in-market survey conducted in July–September 2017.



## GETTING EMOTIONAL ABOUT FAST CASUAL FOOD

The category studied was Fast Casual Food. The assessments are based on a validated, psychological questionnaire with a test-retest reliability of 0.93. The output identifies four category emotional engagement drivers that identify how consumers view, compare, and buy in a category, with results generalisable at the 95% confidence level.

Drivers that resonate more emotionally with consumers show up as a measure of consumer expectations, which are indexed to allow driver-to-driver comparisons. They are benchmarked against a category norm of 100. Thus, 'emotional engagement' is identified according to the driver for which consumers hold the highest expectation.

Overall, the drivers of engagement for the Fast Casual Food category ideal can be expressed as follows, where phrases in parentheses represent the strongest emotional aspects of the individual drivers to provide some consumer context. First, we have Fresh, Healthy Choice (You are what you eat and I am healthy!). Second, Price Value (Price is everything. Why pay more than you have to?). Third, Customised Options (I want what I want). And fourth, Brand CSR (corporate social responsibility) (They're clean, green, and they're part of my community).

Some 2,200 consumers aged 16 to 55, with a 50:50 male/female split, participated in the survey. All consumers were screened for participation in the Fast Casual Food category and were not 'rejecters' of the brand being tested. Respondents rated their ideal Fast Casual Food brand using the psychological questionnaire and results were segmented by emotional engagement, i.e. what was the driver for which they held the highest expectations?

Respondents were, of course, unaware of the purpose of this exercise and, with the possible exception of price-shoppers, probably could not have articulated their emotional triggers for the category had they been interviewed via direct questioning.

Segments can also be identified by consumer sectors that hold high emotional expectation levels for combinations of one or more of the drivers, and that represented about a quarter (25%) of the total sample in this survey. But for the purposes of simplicity, this article only examines segments where

consumers expressed high expectations for a single driver. That examination revealed the following emotional segmentation. First, 28% of the total audience (616) represented the emotional segment engaged with the concept of Customised Options, which we called 'My Ways' (Figure 1). Second, 21% of the total audience (462) represented the emotional segment engaged with the concept of Fresh, Healthy Choice. We called them 'What You Eaters' (Figure 2). Third, 18% of the total audience (396) represented the emotional segment engaged with the concept of Price Value. They are known as 'Meal Dealers' (Figure 3). Only 8% of the respondents (176) were emotionally engaged with the values related to Brand CSR. We called this

segment 'Selfless Snackers' (Figure 4).

Respondents were presented with four advertising positioning concepts representing each of the emotional aspects of the category engagement drivers for the Fast Casual Food category (rotated to avoid order bias). Respondents were asked to rate each for brand superiority, brand trust, and likelihood to select for their next visit to a fast casual restaurant.

At the end of the survey, respondents were presented with all four ad-positioning concepts and were asked to identify their 'favourite'. Differences of +5% are significant at the 95% confidence level.

For each of the individual Fast Casual emotionally derived consumer segments,

**FIGURE 1: MY WAYS**

	Customised Option	Fresh, Healthy Choice	Price Value	Brand CSR
Top 2 Box Brand Superiority	53%	40%	30%	23%
Top 2 Box Brand Trust	38%	23%	10%	18%
Top 2 Box Likelihood to Select	61%	56%	27%	29%
Favourite	62%	20%	8%	10%

**FIGURE 2: WHAT YOU EATERS**

	Customised Option	Fresh, Healthy Choice	Price Value	Brand CSR
Top 2 Box Brand Superiority	50%	62%	38%	40%
Top 2 Box Brand Trust	40%	45%	22%	30%
Top 2 Box Likelihood to Select	36%	63%	19%	56%
Favourite	18%	65%	2%	15%

**FIGURE 3: MEAL DEALERS**

	Customised Option	Fresh, Healthy Choice	Price Value	Brand CSR
Top 2 Box Brand Superiority	46%	35%	52%	18%
Top 2 Box Brand Trust	35%	30%	42%	22%
Top 2 Box Likelihood to Select	50%	47%	60%	16%
Favourite	6%	8%	82%	4%



assessments were significantly higher for perceived brand superiority and trust in the brand for the ad concepts that mirrored each segment's emotional trigger. That was also true for their most favoured ad.

In every instance, the ad concept that had been specifically developed to act as an emotional trigger for each emotionally derived segment correlated perfectly with their Top 2 Box likelihood to visit the brand on their next trip to a fast casual restaurant.

For marketers and brand and advertising researchers, once the emotional engagement segmentation is conducted, the classification can be configured as one or two scalar questions. Those can be used as a validated-to-behaviour technique for defining the ideal audience for campaign objectives.

#### EMOTIONAL RESEARCH FOR TODAY'S MARKETPLACE

The data presented in this article was configured to test a hypothesis and provide validated evidence that emotional segmentation can provide more useful insights in a more complex marketplace than traditional demographic approaches. We believe that point has been successfully made. That said, while the output can be presented in easily readable bar charts, both the methodology and output is far more complex.

From an overall category perspective, the emotional engagement drivers allow marketers to align their own views with those of the consumers. The engagement drivers present an accurate description of how consumers really 'think' about category. We point that out because initial responses to traditional direct inquiry more often than not relate to 'pricing', 'costs', and 'spend', which is clearly not an accurate view. If it were, the cheapest dollar-menu positionings would always be what led the marketplace and delivered double-digit same-store sales. They are not, and have not, for nearly two decades.

Yes, price is part of the buying equations for the consumer, but conceding that, expectations consumers hold for the engagement drivers in the Fast Casual Food category are found in Fresh, Healthy Choice and Customised Options. A cursory review of the category and the brands that have been reporting healthy same-store sales and profits would bear that out.

More importantly, a more granular

**FIGURE 4: SELFLESS SNACKERS**

	Customised Option	Fresh, Healthy Choice	Price Value	Brand CSR
Top 2 Box Brand Superiority	42%	55%	27%	60%
Top 2 Box Brand Trust	23%	38%	16%	46%
Top 2 Box Likelihood to Select	35%	31%	28%	40%
Favourite	8%	20%	5%	67%

drilldown of the insights available from emotional engagement segmentation would reveal the percentage contribution each engagement driver makes to engagement, loyalty and, ultimately, brand profitability. Those insights remove the guesswork and 'what we've always done' planning approach and allow marketers to focus on areas where they will receive the best return on their investments. Why, given a limited budget, would you focus on Brand CSR if you knew it made only a 15% contribution to engagement vs. Customised Options that makes a 26% contribution – nearly twice the return? Demography would never reveal that.

The emotionally derived expectation level of each driver provides an unconstrained-by-language understanding of 'how high is up' for consumers. Of what they really expect, whether they can articulate it or not. For marketers, it identifies what consumers really think, as opposed to what they say they think.

The category emotional engagement drivers establish a benchmark against which strategies, brand positionings, and advertising can also be emotionally evaluated.

Finally, assessing audiences from an engagement point of view allows marketers to rely on an emotionally derived set of certainties called 'The Rule of Six'. Operationally, that rule states that engaged and loyal consumers are six times more likely to buy your product, buy other products your brand offers, and recommend you to friends and family. Consumers will be six times more likely to pay attention to your advertising, think better of the brand, and invest in publicly traded brands. Perhaps more importantly, consumers are six times more likely to rebuff competitive offers – particularly those that are price-based. Finally, because brands are wont to run

into trouble somewhere down the line, consumers are six times more likely to give the brand the benefit of the doubt in uncertain circumstances. (Note: that well of forgiveness is not bottomless, but it provides enough emotional protection to deliver time for a brand to address its issues. Chipotle managed to hold the line for nearly a year because its consumer engagement levels were so high, but engagement is earned and not a given.) But to guarantee that any of those benefits accrue to your brand, you have to first possess something more than direct inquiry-collected Q&A. Scalar ratings – even for imagery items – won't provide any of that by way of audience or category insights.

The same benefits accrue to the brand when conducting competitive reviews and when seeking truly differentiating ad positions. Consumer expectations only increase. In the Fast Casual Food category, those expectations increased 27% year-on-year. Brands have only kept up with those expectations by about 8%. That leaves a very large gap between what consumers really want and how they see brands delivering against those expectations.

It was David Ogilvy who wisely noted, "The consumer does not behave as he says, he does not say what he thinks and he does not think what he feels." We could not agree more. Emotions correlate extraordinarily highly with consumer behaviour brand outcomes.

Consumers may not remember what you said in an ad, but they will always remember how you made them feel. More importantly, they act on those feelings.

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