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Introduction to Psychographics

Unless you are a marketing professional, hearing the term "psychographics" used in reference to your customers might feel a bit intimidating. However, beneath this three-penny word is a simple concept that can help you to drive the profitability of your business.



Most people understand that a demographic refers to a group of people identified by a specific trait or characteristic. Common demographic characteristics are things such as age, gender, income, education, and even geographic location. In general, you can think of demographic information as information that is difficult (if not impossible) for a person to change about themselves.

Psychographics, on the other hand, are individual traits relating to values, personality, interests, attitudes and lifestyles. While being a 40-year old, female college graduate could be a customer's demographic, this same customer's psychographic profile might include details about her hobbies, interests, and family values.

Why it Matters

Psychographics allow business owners to move beyond simply seeing "who" each customer is, and delve more deeply into "why" and "how" each customer is selecting one business, product or service over other choices.

Knowing the psychological tendencies of your best customers enables you to provide more of what they want. Demographic and statistical data alone will not allow you to make this connection.

For example, if you are selling baseballs it is much better to market to men who play team sports than to all men, and even better to market to men who play baseball. Knowing the psychographic information of your targeted audience allows you to refine and pinpoint the offers and the messaging...in this case, reducing the cost and effort of marketing to all men and only market to those who play baseball.

Understanding more about how your best customers think could show you new places to advertise or suggest new services or new products to offer. Psychographic information can also be used to help you maintain realistic inventory levels and to improve your ability to speculate on future trends.

Collecting and Using the Data

Psychographic information can often be collected during your sales process. If using online sales, a sales form can be used to populate a database full of customer information. When sales occur in-store, you can develop a brief questionnaire to capture information as each sale is made. Ask what they purchased, and why. Keep it simple to inspire cooperation. Surveys and polls can also help you gather the data that matters to you.

Over time, as you collect more data regarding your best customers, you will want to look for trends and consistencies in buying patterns. You will want to connect the different customers to

the things that inspired them to act. Was it product placement? Timing? Advertising or branding? Services or selection? Pricing? Something happening outside the business?

Generally speaking, if you collect more data you will have the opportunity to develop psychographic profiles offering a much greater value to your business. Knowing more about what is inspiring your best customers to patronize the business will enable you to refine these efforts and increase the likelihood of additional sales.

If the term "psychographics" feels like a bit of a mouthful, simply think of it like this: By collecting and analyzing specific details about the best customers of your business, you increase the chances of being able to offer them more of what they want. When you are providing more of what your best customers want, you are paving the road to a much stronger and more profitable business.