Mistaking demographic segments for people: another source of customer abuse

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Abstract
Purpose – The article's purpose is to note the misuse of the planning tool of segmentation for a priori improper judgments of individual customers when sales staff in stores treat men and women who walk in the door based on their demographic group membership instead of as people.
Design/methodology/approach – The article notes that segments are merely statements of what is "more likely" from certain types of group members, and that dealing with individuals requires a different mind set.
Findings – The pragmatic business need is to understand how to attract and retain customers of all types, not just those that might fit a profile. What might be attractive to many young people could at the same time discourage older customers, or even "different" young people. Certain types of potential customers might appear out of place in a particular store, but that does not translate into them being undesirable parts of store traffic.
Originality/value – This article notes an important observation that many store clerks, restaurant servers, or store specialists in atmospherics might ignore, forget or maybe were never told: all people of any type could be high-spending customers, regardless of the demographic group that is the business' primary target market. At best, people who quickly walk out the door are lost sales. At worst, they could make complaints of racial discrimination.

Keywords Retailing, Market segmentation, Personal selling, Prejudice

Paper type Viewpoint

There is a national electronics retail chain in the USA which many of my friends avoid. Though providing low prices, decent quality products and a wide selection of brands, any effort to check out a sale is planned as a swift stop. If I want to see if something is in stock, I make a very fast trip while my wife insists on waiting in the car. The reason is quite simple, yet apparently impossible for us to convince the store managers: the place is obnoxiously overbearingly loud, akin to a popular rock music bar on a Friday night. Only it is not music playing, it is noise. Multiple stereo and television floor displays are cranked up and playing a variety of different CDs, DVDs or programs, such that the overwhelming sound fills every area of the store, even areas for the customers shopping for a computer, telephone or carrying case.

Strangely enough, the store-wide cacophony is intentional. The trade press reported the management stating a desire to be the electronics store chain for young customers, with this high-volume singled out as a positive part of sales atmospherics for the demographic target. Apparently, the marketing managers decided that the volume conveys the image of high quality sound equipment to young customers. And many members of my undergraduate classes indicate that they enjoy the volume as a positive statement about the store's products. However, many other young students find the volume obnoxious and people over thirty-years old note it as a reason for quickly walking out.

The amount of pleasure reported by customers within the first few minutes of entering a store has been found to impact both the amount of time spent in a store and how much money is spent (Donovan *et al.*, 1994). And sound atmospherics do contribute to the shopping environment. It is intuitively logical that some sound-driven shoppers for expensive high definition televisions sets or music equipment would use volume or bass vibrations as a surrogate indicator of quality. And this perception of a quality/volume relationship is not a new phenomenon with the current generation. A well-known rock guitar player of my distant youth reportedly claimed he knew he was far from the best musician, so he would aim to be the loudest – he is now hearing-impaired, but apparently his sound volume goal did help his career. Yet in this example store, not all of the potential customers are young, the sound equipment is less than a third of the floor space and this possible draw for some people turns off others. For this reason, electronics stores used to have closed special rooms for the customers to revel in the sound blast, a practice that now seems to have been abandoned by most stores.

This is a single example of a wider problem when management misunderstands the limits of market segmentation planning. At best, a target segment is a group that is more likely to favorably respond to certain aspects of the marketing mix. People outside the target segment might be desired customers; people within the target might not be interested in the appeal. When people in a store or restaurant

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think of groups of customers only as market segments, and do not realize that they are dealing with people. Despite claims by some car salespeople of being able to predict which people walking into the showroom are really customers, no one has actually been able to demonstrate such an ability (Gladwell, 2005). No one dealing with individuals who walk into the place of business can sagaciously perform customer triage based on appearances of who looks like a customer and who looks out of place. Logically, store employees would be interested in the products stocked, they might even be experts to a degree. They might even come from the same demographic group as the most common customers. Yet no successful store owner or manager would direct the employees to talk to customers as if they all think alike (Rotfeld, 2002).

As the store or corporate managers seek to serve the "needs" of demographic consumer segments, they lose track of the needs of these same consumers as people. Or worse, they treat some customers badly based on the color of their skin, the quality of their clothes or the nature of their grey, color-treated or receding hair if they seem out of place as atypical patrons. At the extremes, all black or other racial minority customers are improperly treated as potential shoplifters.

The adman of the mid-last century, Howard Luck Gossage (1986), observed five decades ago that:

> When advertisers speak of consumers they think they mean People, but they don't. A consumer is a functional being designed to use whatever it is you have to sell....; all mouth or belly, but with just one foot in these hydromatic days. His structure will, of course, vary considerably depending on whether one is selling toothpaste, brassieres, or toilet paper Gossage *et al.* (1986, p. 146).

While the marketing planning literature discusses issues of market segments, the strategic problem of finding segments "most likely" to be customers of the company, the consumers' retail context provides a problem with clerks who respond in terms of their own perceptions of customer segments who they see as fitting into certain groups. With such a great variation among members of different demographic groups, the tendency to not treat customers as individuals blinds these front-line marketing personnel to the individual customers' personal interests.

Even if, by some strange event, a market segment is uniformly unidimensionally positively predisposed to the selected strategy and tactics –, e.g. all young financially-able electronics customers perceive high volume stores as a signal of high quality products – marketing is a shotgun, not a rifle. The target segment cannot be a definition of all present and potential customers, so an effort to appeal to one group should not offend or turn away others. As noted at the outset with the electronics stores, sound volume cannot be an appeal to a computer customer, or an established professional person shopping for an HDTV based on picture quality. When shopping for a phone, customers should not be in a position of shouting to hold a conversation.

Market segmentation has great value as a marketing tool. Thinking in terms of target audiences provides a basis to better plan effective mass communications efforts. But in the store, consumers are not segments. They are people. The distinction is simple, yet too many marketing professional forget this, or maybe they do not realize it in the first place.

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