Editorial

Journal of Targeting, Measurement and Analysis for Marketing (2010) **18**, 1–2. doi:10.1057/jt.2010.1

There is some debate about whether 2010 is the first year of the second decade of the twenty-first century, or the last year of the first decade. Whatever the answer, it has proved to be a more than usually fruitful period for documentaries looking back at the last 10 years. In one of these shown in the United Kingdom over the New Year break, *History of Now: The Story of the Noughties*, it was heartening to see targeting making an appearance as having made a distinctive contribution to the decade. ‘Our houses’, suggested the narrator, ‘have been broadcasting our tastes and interests to the world’. It was even more heartening to see Richard Webber, erstwhile founder of geodemographics, member of our Editorial Board and, during that period, developer of MOSAIC, featuring as a distinctive contributor to the programme. Of course, we know full well that geodemographics, ‘the analysis of people by where they live’¹ pre-date the noughties. Webber’s contribution can be traced back to the 1970s where the ground was laid for ACORN’s subsequent commercial development at the Centre for Environmental Studies.²

But the noughties were when, arguably, geodemographics came of age. Partly, this was through its wholesale recognition by retailers, government agencies and political parties that there could be a rigorous spatial dimension to targeting. Retailers linked geodemographics to frequent shopper and store inventory databases to reveal the spatial distribution of different types of demand.^{3,4} Government agencies used the techniques to create geographical insights into issues ranging from social deprivation to health inequality, better to target public policies.^{5,6} Political parties used them for the better spatial targeting of fund-raising activity and the analysis of voting patterns.^{7,8} But partly,

the noughties were also when the advent of more affordable computing began to make large databases easier and cheaper to create and manipulate, while the Internet made mapping and visualisation technologies easier and cheaper to access, and open source systems began to become more reliable and more widely available.

So where do the next the years take geodemographics? There are three specific areas of weakness for conventional geodemographic mechanisms: the lack of integration of current data; the absence of behavioural cues; and the two-dimensional and often static nature of much visualisation. Firstly, while using current data does not necessarily mean in real time, many traditional geodemographics systems suffer from significant data lags. Links to third party databases, such as those of retailers, have demonstrated that real-time data analysis and segmentation is possible but not always practically useful given the sheer scale of the database generated. Tesco, for example, uses a much simpler set of lifestyle dimensions around six shopper groups. Nevertheless, dynamic segmentation (for example, linking commercial or public sector registration or event databases – such as criminal activity or house sales – ‘live’ to spatial analysis engines) still provides significant potential. Second, the weaknesses of geodemographics as a targeting mechanism have always lain in the absence of behavioural cues: insights into a buyer’s (or indeed a voter’s) motives and attitudes to price, quality or risk. Some of the work being done in relation to online semantic search, keyword analysis and revealed behaviour may provide some advances in this area in providing a grasp of more personalised insights which can be more effectively spatially represented, perhaps also

in real time. Finally, in terms of mapping and visualisation, a previous editorial⁹ has already highlighted the growth of mobile social mapping services. This is a great example of a broader trend: the effective ‘democratisation’ of the data input, analysis and visualisation process, where users input their own data for their own purposes and marketers are incidental customers, and perhaps beneficiaries, of the results.

And where do these ideas for the next decade come from? The work of the team at University College London’s Centre for Advance Spatial Analysis (www.casa.ucl.ac.uk/), among others, is already bearing significant fruit in many of these areas. But I recall the first time I had the preliminary design for MOSAIC described to me. It was over breakfast with Richard Webber in the Gleneagles Hotel, courtesy of a leaky hotel ballpoint pen on the back of the proverbial paper napkin. It was at that point I knew that targeting (and not just the world of paper napkins) would never look back.

REFERENCES

- 1 Sleight, P. (1993) *Targeting Customers*. Henley-on-Thames: NTC Publications.
- 2 Direct Response. (2004) Secrets of my success: Richard Webber, founder of geodemographics, 31 October.
- 3 Duchessi, P., Schaninger, C.M. and Novak, T. (2004) Creating cluster-specific purchase profiles from point-of-sale scanner data and geodemographic clusters: Improving category management at a major US grocery chain. *Journal of Consumer Behaviour* 4(2): 97–117.
- 4 González-Benito, Ó. and González-Benito, J. (2005) The role of geodemographic segmentation in retail location strategy. *International Journal of Market Research* 47(3): 295–316.
- 5 Longley, P.A. and Singleton, A.D. (2009) Linking social deprivation and digital exclusion in England. *Urban Studies* 46(7): 1275–1298.
- 6 Farr, M., Wardlaw, J. and Jones, C. (2008) Tackling health inequalities using geodemographics: A social marketing approach. *International Journal of Market Research* 50(4): 449–467.
- 7 Opitz, D. (1999) Political fund raising with geodemographic tools. *Directions Magazine*, 16 November, http://www.directionsmag.com/article.php?article_id=46.
- 8 Newton, K. and Brynin, M. (2001) The national press and party voting in the UK. *Political Studies* 49: 265–285.
- 9 Reynolds, J. (2009) Editorial. *Journal of Targeting, Measurement & Analysis for Marketing* 17(4): 243–244.

Jonathan Reynolds
University of Oxford, Oxford, UK
E-mail: Jonathan.Reynolds@sbs.ox.ac.uk