Dogs and cats rule: A new insight into segmentation

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Abstract A new segmentation approach is presented using pet ownership. Through the use of a commercially available data set and software, Simmons Choices II, attitude, interest and opinion categories are examined for differences among pet owners and non-owners. Results suggest significant differences among those who own only dogs, only cats, dogs and cats, and non-owners. These differences are applied to decision making for marketing strategy, creative executions and media planning.

The essence of the marketing concept revolves around segmentation, the 'magic' that allows marketers to identify potential target markets. As an aid to advertising and marketing practitioners, textbooks list many segmentation approaches. For example, researchers list benefit attitude, brand loyalty, geographic, lifestyle, product differentiation and product-user segmentation approaches.¹ Other segmentation schemes utilise variables such as perceptions, preferences, situations/occasions and media exposure. Yet, this research proposes another. Thus one must ask, with such a plethora of segmentation schemes already being used, why would marketing practitioners be interested in another approach? The

answer lies in the highly competitive nature of many US markets, changing consumer attitudes and the inordinate amount of advertising clutter in various media. The proposed segmentation scheme may allow some marketers to reach their target markets in a more meaningful manner.

Segmentation is an important tool for advertisers in part due to an environment undergoing considerable change. Younger audiences are more cynical than ever, advertising clutter continues to increase, computers and web surfing occupy increasingly more attention and media fragmentation continues. These factors suggest that consumers do not pay as much attention to advertising as they have in prior years and that advertisers,

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more than ever, need to be on the prowl (pun intended) for new methods that will effectively attract consumers' attention. These new approaches are likely to have implications for marketing strategy, creative decisions and media placement.

Segmentation is the categorising of a market into relatively homogeneous consumer groups that might be motivated to behave in a similar manner towards a product or service. The key for advertisers is to identify the similarities within groups, particularly since research has shown that similar groups respond more favourably to advertising messages when they identify with the content of the advertising.^{2,3}

Thus, the purpose of this research is to explore the feasibility of using a new and different approach to target market segmentation: pet ownership. This paper suggests that segmentation based on pet ownership has been largely overlooked to date — with the exception of the pet industry — but that it can be viewed as a new competitive tool that may effectively identify similarities in behaviours and attitudes in consumer segments that previously had gone undetected. This approach is also important given the growing trend in integrated marketing communications (IMC) to use behaviours and attitudes.

BACKGROUND

Americans are passionate about their pooches and feline friends. In the USA, 63 per cent of households own a pet and pet ownership and indulging pets is at an all-time high.^{4,5} Specifically, 36.1 per cent own at least one dog and 31.6 per cent own at least one cat, with many owning both dogs and cats.⁶ In addition, it is estimated that Americans in 2002 spent nearly \$30bn on pet-related products and

services.⁷ This passion for pets has also transferred to marketing research where interest in the relationship between pets and humans has been active for over 30 years. Early research focused on the benefits of pet ownership such as life expectancy, illness recovery and life satisfaction.⁸ This stream of research continues today with many benefits of pet ownership identified. More recent research has focused on the differences between pet owners and non-owners with conflicting results. There is some evidence that indicates that pet owners may differ from non-owners.⁹ For example, pet owners score higher in achievement and dependency than non-owners.¹⁰ Conversely, others have found little difference between pet owners and non-owners using specific personality trait measures.¹¹ Researchers have also examined differences between specific pet ownership, especially dogs and cats. For example, dog owners have been found to be more extroverted than non-dog owners¹² and females tend to identify themselves as 'cat people' more than do males.¹³ In addition, there has been some research into dog ownership by neighbourhood suggesting that culture influences type of dog ownership so that Hispanics are more likely to own dogs than are non-Hispanics or young adults are more likely than retirees to own pets.¹⁴

The present research differs from this type of research in that it is not examining personality traits or culture, it is examining specific consumer attitudes and behaviours. Supporting this research are researchers who have viewed pet ownership as another possession of the extended self^{15,16} or have viewed pet ownership as more central to consumer's behaviour.¹⁷ Increasingly, there is evidence that suggests that pets are viewed as members of the family.¹⁸ This research implies that pets can be more

than just a simple possession. In many cases, pets become a critical part of the self. This research suggests that pets, as a part of the self, are associated with the attitudes and behaviours of their owners.

These research streams suggest that there may be a basis for devising a segmentation scheme based on pet ownership. Dog and cat owners were selected for this study because these animals are the most commonly owned pets in the USA. Furthermore, data on ownership of dogs and cats are readily available through the widely-used Simmons Market Research Bureau database, Choices II, which is used in this study. The research question to answer is: if pets are truly central to many consumers' lives and these pet-owning consumers are significantly different than non-owners, then can pet ownership be used as a viable segmentation scheme for multiple products and services, even though they may be unrelated to pet products? In order to explore this question, the authors first used Simmons Choices II data for households with cats and/or dogs and households with neither cats nor dogs. Then, if initial results are compelling, subsequent analyses will focus on pet ownership in four distinct categories: only cats, only dogs, both cats and dogs, and again for comparison, neither cats nor dogs. The rationale behind this four-part analysis is to see if these groups differ enough to warrant applying a more finely tuned approach in the proposed pet segmentation scheme. If the approach proves successful, a number of other non-traditional segmentation schemes might also be developed.

A second question to be answered is whether this segmentation approach can identify demographic characteristics of dog and cat owners. This is an important point because marketers need this type of

information to implement their marketing plans effectively.

METHOD

The eventual goal of this research is to examine the potential for a commercially available database to empirically link consumer attitudes, lifestyles and demographics to actual purchase behaviour as the received segmentation model suggests. This research explores the first step in this process, which is to identify a new homogenous group of consumers suitable for segmentation and targeting.

The Simmons Choices II software is an analysis and planning tool that utilises the Target Group Index (TGI), a commercially available single source consumer survey. TGI uses a single-stage stratified probability database of about 19,500 adults in the USA who are 18 years of age, or older. The database used in the study was collected in the spring of 1998.

Four attitude, interest and opinion (AIO) categories consisting of a total of 103 statements were available and examined: self-concept, shopping behaviour, attitudes/personal views and opinions. The initial analyses looked solely at pet owners (dogs and/or cats) versus non-owners. Subsequently, four potential segments of consumers were defined and examined: only dog owners, only cat owners, both dog and cat owners and those who owned no pets. On each of the 103 AIO questions those who 'strongly agree' with the statement (ie the strongest agreement response category) were compared to all other respondents. The reasoning was that those indicating the highest level of agreement were most likely to be responsive to marketing efforts focused on that AIO question. Thus, for the initial series of analyses (ie pet owners

versus non-owners), a series of 2×2 tables were created for each AIO statement: (1) pet owners who agreed a lot with the AIO statement; (2) non-owners who agreed a lot with the AIO statement; (3) pet owners who gave some response other than agree a lot; and (4) non-owners who gave some response other than agree a lot. These 2×2 cross-tabulation tables were analysed using a chi-square with one degree of freedom and the Yates correction. More than two-thirds (70/103) of the AIO statements showed a significant difference (49 at 0.001, 10 at 0.01, and 11 at 0.05). This was very encouraging and led to follow-up analyses being conducted using the previously-stated four pet ownership segments. The next step was a more detailed analysis in a series of 4×2 cross-tabulations with three degrees of freedom. The eight cells in these analyses consisted of:

- (1) non-owners who agree a lot with the AIO statement;
- (2) non-owners who gave some other response than agree a lot;
- (3) only cat owners who agreed a lot with the AIO statement;
- (4) only cat owners who gave some response other than agree a lot;
- (5) only dog owners who agreed a lot with the AIO statement;
- (6) only dog owners who gave some response other than agree a lot;
- (7) those owners of both cats and dogs who agreed a lot with the AIO statement;
- (8) those owners of both cats and dogs who gave some response other than agree a lot.

Once again about two-thirds (67/103) of the AIO statements showed a significant difference (67 at 0.001, 13 at 0.01, and 4 at 0.05).

RESULTS

The research goal of this first exploratory step was to determine if there were meaningful differences between pet owners and non-owners as an indication of possible segmentation advantages. Results, as shown in Table 1, suggest many differences among the AIO activities of pet owners and non-owners.

Only the top 20 calculated chi-squares are shown in Table 1, however, 70 of the 103 AIOs were significantly different between pet owners and non-owners. The characteristics for which pet owners tended to 'strongly agree' more often than non-owners are shown in bold font. Pet owners scored higher than non-owners did in seven out of the top 20 distinguishing characteristics. Examination of these items suggests that pet owners are of a more adventurous character (eg 'enjoy eating foreign foods' and 'entertain more often on spur of moment'). In addition, pet owners appear to have some traits suggesting independence (eg 'I am good at fixing things' and 'stubborn, hardheaded, headstrong'). In general, pet owners more than non-owners appear to be prone to enjoy life, as indicated by their tendency to 'entertain more often on spur of moment', their willingness to 'buy take-out meals to eat home' and their expectation that 'advertising be entertaining'.

Non-owners scored higher on 13 of the 20 items. Examination of these items suggests a more conservative and fatalistic outlook on life for non-owners than pet owners (eg 'important to attend religious services', 'women are more suited to running homes', and 'little I can do to change my life'). In addition, they tend to be health and environmentally conscious (eg 'make sure I exercise regular' and a group of questions suggesting an 'ecologist/environmentalist' characteristic). The results demonstrated

Table 1: Top 20 distinguishing characteristics of pet ownership (% of each segment that 'strongly agree')

AIO characteristic	Pet owners %	Non-pet owners %	Chi Sq.	Sig.
Very good at managing money	0.23	0.31	135.64	0.001
Little I can do to change my life	0.22	0.29	122.65	0.001
Important to attend religious services	0.32	0.38	91.03	0.001
Enjoy eating foreign foods	0.59	0.53	86.64	0.001
I am good at fixing things	0.47	0.41	86.05	0.001
Stubborn, hardheaded, headstrong	0.21	0.16	81.63	0.001
Important to me look well dressed	0.25	0.30	80.55	0.001
Recycle because it is required by law	0.20	0.26	78.41	0.001
Expect advertising to be entertaining	0.69	0.63	74.48	0.001
Ecologist: ban products that pollute	0.21	0.26	67.56	0.001
Brand loyal: always look for mfr name	0.18	0.23	64.25	0.001
How I spend my time is more important	0.77	0.72	53.28	0.001
Make sure I exercise regular	0.16	0.19	43.02	0.001
Women are more suited to running homes	0.24	0.28	42.94	0.001
Job, security is more important	0.18	0.22	42.26	0.001
Often buy take-out meals to eat home	0.57	0.52	41.49	0.001
Happy with standard of living	0.30	0.34	39.00	0.001
Ecologist/environmentalist	0.36	0.40	38.29	0.001
Sacrifice time with family to advance	0.30	0.34	37.53	0.001
Entertain more often on spur of moment	0.46	0.42	35.36	0.001

that there were enough significant differences between pet owners and non-owners to suggest the potential for segmenting them into even smaller groups. The next step was to examine pet owners for differences. Using the same 103 AIOs, the differences between those who own only dogs, those who own only cats, those who own both dogs and cats were examined and, for comparison, non-owners were added.

Table 2 only shows the top chi-squares. Interestingly, five new AIOs (in bold) appeared in the top 20. In addition, a number of items switched in order of significance. Table 2 shows all 25 items. This output suggests that dog owners are more conservative or traditional in nature (eg 'brand loyal: always look for manufacturer name', 'important to attend religious services' and 'women are more suited to running homes'). Contrary to dog owners, cat owners appear more adventurous (eg 'enjoy eating foreign foods' and 'men's fashion are far more exciting now'). In addition, they are more health and environmentally conscious (eg 'ecologist:

ban products that pollute' and 'make sure I exercise regular'). Those consumers that own both dogs and cats are harder to categorise. They appear to be more conservative and independent (eg 'Bible world created in six days' and 'stubborn, hardheaded, headstrong').

A second question to be answered is whether the Choices II software can identify demographic characteristics to differentiate the four groups: non-pet, cat only, dog only and dog and cat owners. This is important because marketers need this type of information for implementation of their marketing plans. A few demographic characteristics were selected to demonstrate the usefulness of the software. As shown in Table 3, there are a number of differences that can aid in segmenting this market. For example, cat owners tend to be older and more educated than dog owners while more dog owners tend to be married and live in non-metro areas than cat owners. In addition, indexing is also available in the Choices II software that should help target these segments.

Table 2: Top 20 distinguishing characteristics among pet owners and non-owners (% of each segment that 'strongly agree')

Original AIO characteristic	No pets %	Cats only %	Dogs only %	Cats and dogs %	Chi Sq.	Sig.
Very good at managing money	0.31	0.24	0.25	0.19	164.41	0.001
Little I can do to change my life	0.29	0.21	0.23	0.21	129.27	0.001
Important to attend religious services	0.38	0.29	0.34	0.31	112.95	0.001
Stubborn, hardheaded, headstrong	0.16	0.19	0.21	0.24	104.81	0.001
Enjoy eating foreign foods	0.53	0.62	0.58	0.59	102.55	0.001
I am good at fixing things	0.41	0.48	0.46	0.50	96.15	0.001
Brand loyal: always look for mfr name	0.23	0.17	0.20	0.15	92.71	0.001
Important to me look well dressed	0.30	0.24	0.26	0.23	90.37	0.001
Women are more suited to running homes	0.28	0.20	0.27	0.25	88.55	0.001
Recycle because it is required by law	0.26	0.22	0.20	0.18	88.43	0.001
Ecologist: ban products that pollute	0.26	0.22	0.21	0.18	84.73	0.001
Expect advertising to be entertaining	0.63	0.68	0.69	0.69	75.23	0.001
Try to eat healthier foods these days	0.38	0.36	0.36	0.29	69.09	0.001
How I spend my time is more important	0.72	0.79	0.76	0.76	67.62	0.001
Would rather travel in the USA than outside	0.69	0.67	0.74	0.74	64.73	0.001
Often buy take-out meals to eat home	0.52	0.54	0.58	0.57	59.69	0.001
Ecologist/environmentalist	0.40	0.39	0.36	0.33	59.45	0.001
Men's fashion are far more exciting now	0.49	0.56	0.53	0.48	54.57	0.001
Bible world created in six days	0.55	0.48	0.54	0.54	53.56	0.001
Dominating, authoritarian, demanding	0.10	0.11	0.13	0.15	53.45	0.001
Table 1 AIO characteristic not in Table 2's top 20						
Happy with standard of living	0.34	0.31	0.30	0.27	50.55	0.001
Make sure I exercise regular	0.19	0.17	0.16	0.15	48.33	0.001
Job, security is more important	0.22	0.17	0.18	0.19	45.26	0.001
Sacrifice time with family to advance	0.34	0.30	0.30	0.28	42.56	0.001
Entertain more often on spur of moment	0.42	0.45	0.47	0.46	40.41	0.001

IMPLICATIONS

The purpose of this research was to explore the viability of a new and different approach to target market segmentation: pet ownership. The method used to examine pet owner and non-owner attitudes, interests and opinions was Simmons Choices II, a commercially available database. The results show that there are many AIO differences (ie approximately two-thirds of 103 items) between pet owners and non-owners and among only dog, only cat, and dog and cat owners. It is suggested to marketers that they consider pet ownership as a meaningful method to identify market segments. Implications of the recommended segmentation scheme are, however, more far-reaching than it may seem at first.

A pet ownership segmentation approach has many managerial

implications including promotional strategy, creative decisions and media placement. The results suggest people who do not own pets are more conservative in nature than pet owners. For marketing strategy, the characteristic that revealed the most difference between groups was 'very good at managing money'. It would appear that non-owners are more likely to agree strongly with this statement, while the segment that owns both cats and dogs are less likely. This finding implies that advertisers and, in particular, creatives must be sensitive to these distinctions in creating advertising for clients in relevant industries. For example, armed with the knowledge that pet owners are not as confident about their money as non-owners, bank service advertisers may appeal to pet owners' insecurities by featuring pets and pet owners in

Table 3: Selected Simmons Choices II demographic characteristics

Characteristic	No pets %	Cats only %	Dogs only %	Cats and dogs %
Marital status				
Single	24.7	23.0	21.1	22.3
Married	52.2	54.9	64.1	65.7
Widowed/Divorced/Separated	23.1	22.1	14.7	12.0
Chi-squared with 6 df = 494.30, $p < 0.001$				
Age				
18–34	29.9	32.6	31.6	35.0
35–54	33.7	42.0	46.6	48.8
55+	36.4	25.5	21.8	16.3
Chi-squared with 6 df = 637.17, $p < 0.001$				
Education				
No college	78.8	75.8	77.4	81.6
College graduate	21.2	24.2	22.6	18.4
Chi-squared with 3 df = 56.34, $p < 0.001$				
Location				
Non-metro area	15.9	17.9	21.4	28.9
Metro area	84.1	82.1	78.6	71.1
Chi-squared with 3 df = 159.20, $p < 0.001$				
Income				
\$0–\$39,999	56.2	46.8	43.4	44.4
\$40–\$74,999	28.2	32.4	34.7	34.5
\$75–\$149,999	13.0	17.6	18.8	17.5
\$150,000+	2.6	3.2	3.1	3.6
Chi-squared with 9 df = 323.91, $p < 0.001$				
Number of children				
One	14.1	16.3	20.9	20.9
Two	13.1	15.5	15.5	20.2
Three	4.8	4.3	7.7	7.7
Four or more	2.5	3.9	2.9	2.6
Chi-squared with 9 df = 22.11, $p < 0.01$				

their advertisements. Similarly, advertising for more sophisticated financial services may consider featuring non-owners (ie no pets, even as symbols) in their advertisements since they are already confident of their money-managing skills and may be more attentive to more sophisticated investment advice. In another example, while pet owners appear to be less brand loyal, dog owners are more loyal among pet owners. Less brand loyal consumers may be harder to hold suggesting a variety of promotional tactics to keep them in the brand.

This segmentation scheme will also have implications for media planning and buying. In particular, there are certain television programmes/channels or print media that will tend to appeal more readily to individuals that possess certain traits and the media planner will need to be sensitive to this in making the media selections. For example, media planners working on a bank account that is targeting a non-pet-owner segment might recommend the highly-rated programme starring Donald Trump and several young, aspiring businesspersons because it is

known they are more confident with their money. The same media plan can also be extended to less conventional television programming. Thus, if non-owners tend to agree more readily that religion is important in their lives, then media planners may consider advertising in television programming that would be of interest to this segment (eg 'Touched by an Angel', a popular US television drama shown on ABC).

Marketers can also consider combinations of segment characteristics. There were very clear segments with regards to the 'very good at managing money' characteristic, in conjunction with the 'important to me to look well dressed' characteristic. Non-owners were more likely to agree strongly with both statements than were owners of both dogs and cats. As a result, marketers in such wide-ranging categories as clothing, automobiles or retailing can use this information in deciding on the environment that they wish to portray in their adverts. For products that appeal to pet owners and non-owners, the fit between the ambience created in the commercial and the target market's characteristics can influence the attitude toward the advert and, ultimately, their attitude towards the brand. In addition, the implications of this segmentation scheme may extend far beyond pet ownership categories. For example, type of automobile or electronic equipment owned might be developed as segments. Marketers of higher-end products can use this information to devise more effective advertising campaigns for their target markets.

This exploratory study has only examined AIOs and their relationship to pet ownership. Future research should include examination of media choice and behavioural patterns for a clearer picture of these segments.

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