

Kilger

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### Exercise #1

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This first exercise is for you to select the variables that will be utilized in your market segmentation. I would strongly suggest that you only use variables from the personal survey book.

1. You will need to download the data dictionary, the ncs personal booklet image, and optionally the household book image from blackboard.
2. Using the data dictionary and likely the personal booklet image here are the four types of variables that you will select for your market segmentation. Each variable you choose should be relevant to your market segmentation. That is, if your target variable is Coca Cola, then attitudes healthy diet would be relevant while attitudes about fashion design are probably not going to be relevant. **You can just take a screen shot of the question or questions in the personal booklet pdf you select, edit it to just highlight the question(s) you wish to use and then paste it into your answer below.** Note that during the course of constructing your market segmentation, you may end up changing some of these variables because sometimes using real data you don't end up with a happy ending.
  - a. Target variable – this is one and only one variable that you will use as the focus of your market segmentation. It should be a product or service and is likely to be a yes/no question. For example, I am going to imagine that my client is the Coca Cola company and their flagship product Original Coke. So I would find the variable in the data dictionary that reflected whether or not the survey respondent drinks Original Coke.
  - b. Single Driver variables – these are variables that help define the market segmentation solution. I often strongly recommend that you choose psychographic (attitudinal) variables for driver variables. These variables typically have a five point scale that ranges from agree a lot to disagree a lot (see the last 20 or so pages of the personal book image for examples). You should identify approximately 4-6 single driver variables. Note that each variable will require you to read in five variables (one for each point on the scale – agree a lot, agree a little, neither agree nor disagree, disagree a little and disagree a lot) and combine them using SAS IF THEN statements into one numerical five point scale for each question (hint: make agree a lot =5 and disagree a lot = 1).

- c. Abstract constructor factor variables – the market segmentation project requires you to build at least two factors using Principal Components Analysis (PCA). Each factor will consist of at least four variables. Again I would strongly suggest you use the psychographic variables to do this. **That means that you will need to build four variables x two factors or a total of eight variables for this.** Check the “big picture” slide deck if you need a better picture of what you are doing here. The idea of PCA is to build a single variable that represents a complex abstract construct out of a group of survey questions. For example, I might want to build one factor that represents how environmentally friendly the respondent is. So I might pick the following four variables for the first four variables in my principal components analysis:

I am more likely to purchase a product from a company that is environmentally friendly.  
Companies should help consumers become more environmentally conscious.  
It is important to me that others see me as environmentally conscious.  
Eco-friendly products are higher quality products.

Then define a second abstract construct like price conscious or something similar and find four additional questions for that construct. **Be sure to tell me the two abstract constructs you are trying to build with your principal components analysis.**

- d. Descriptor variables – these are variables that are used after the market segmentation is done to describe the market segments that have been produced. **These variables DO NOT help form the clusters in your market segmentation. Rather, they help describe the clusters once they have been formed with single driver + principal component factors you are developing.** Typically these variables consist of the target variable itself, a couple of major competitors of that product, a demographic variable or two like gender and Hispanic origin, a useful attitudinal variable or two and finally 2-3 media variables (like watching a specific television show) to help figure out where to advertise to the specific segments produced by your market segmentation.

So now that you have a pretty good idea of how this works, the actual work for this exercise is to consult the data dictionary and the image booklet and answer the following questions:

1. My target variable is

MAGAZINES - READ/LOOK INTO LAST 6 MOS	BASSMASTER	22147
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2. My single driver variables are: (minimum of 4 or more):

<b>Single Driver Variable #1</b>		
ATTITUDES (MEDIA) - AGREE A LOT	MAGAZINES MAIN SOURCE OF ENTERTAINMENT	5759
ATTITUDES (MEDIA) - AGREE A LITTLE	MAGAZINES MAIN SOURCE OF ENTERTAINMENT	5804
ATTITUDES (MEDIA)-NEITHER AGREE/DISAG	MAGAZINES MAIN SOURCE OF ENTERTAINMENT	5894
ATTITUDES (MEDIA) - DISAGREE A LITTLE	MAGAZINES MAIN SOURCE OF ENTERTAINMENT	5939
ATTITUDES (MEDIA) - DISAGREE A LOT	MAGAZINES MAIN SOURCE OF ENTERTAINMENT	5984
<b>Single Driver Variable #2</b>		
ATTITUDES (MEDIA) - AGREE A LOT	I CAN NOT RESIST BUYING MAGAZINES	5792
ATTITUDES (MEDIA) - AGREE A LITTLE	I CAN NOT RESIST BUYING MAGAZINES	5837
ATTITUDES (MEDIA)-NEITHER AGREE/DISAG	I CAN NOT RESIST BUYING MAGAZINES	5927
ATTITUDES (MEDIA) - DISAGREE A LITTLE	I CAN NOT RESIST BUYING MAGAZINES	5972
ATTITUDES (MEDIA) - DISAGREE A LOT	I CAN NOT RESIST BUYING MAGAZINES	6017
<b>Single Driver Variable #3</b>		
ATTITUDES (MEDIA) - AGREE A LOT	RELY ON MAGAZINES TO KEEP ME INFORMED	5787
ATTITUDES (MEDIA) - AGREE A LITTLE	RELY ON MAGAZINES TO KEEP ME INFORMED	5832
ATTITUDES (MEDIA)-NEITHER AGREE/DISAG	RELY ON MAGAZINES TO KEEP ME INFORMED	5922
ATTITUDES (MEDIA) - DISAGREE A LITTLE	RELY ON MAGAZINES TO KEEP ME INFORMED	5967
ATTITUDES (MEDIA) - DISAGREE A LOT	RELY ON MAGAZINES TO KEEP ME INFORMED	6012
<b>Single Driver Variable #4</b>		
ATTITUDES (MEDIA) - AGREE A LOT	MOST MAGAZINES ARE WORTH THE MONEY	5763
ATTITUDES (MEDIA) - AGREE A LITTLE	MOST MAGAZINES ARE WORTH THE MONEY	5808
ATTITUDES (MEDIA)-NEITHER AGREE/DISAG	MOST MAGAZINES ARE WORTH THE MONEY	5898
ATTITUDES (MEDIA) - DISAGREE A LITTLE	MOST MAGAZINES ARE WORTH THE MONEY	5943
ATTITUDES (MEDIA) - DISAGREE A LOT	MOST MAGAZINES ARE WORTH THE MONEY	5988

### 3. My first abstract construct is

Cost Conscious

And the four or more variables that I will use to create this construct are

<b>Abstract Construct #1</b>		
<b>Variable 1</b>		
ATTITUDES (PERS FINAN)-AGREE A LOT	I'M CAREFUL WITH MY MONEY	6102
ATTITUDES (PERS FINAN)-AGREE A LITTLE	I'M CAREFUL WITH MY MONEY	6123
ATTITUDES (PERS FINAN)-NEITHER AGR/DIS	I'M CAREFUL WITH MY MONEY	6165
ATTITUDES (PERS FINAN)-DISAGREE A LITTLE	I'M CAREFUL WITH MY MONEY	6186
ATTITUDES (PERS FINAN)-DISAGREE A LOT	I'M CAREFUL WITH MY MONEY	6207
<b>Variable 2</b>		
ATTITUDES (PERS FINAN)-AGREE A LOT	I AM VERY GOOD AT MANAGING MONEY	6107
ATTITUDES (PERS FINAN)-AGREE A LITTLE	I AM VERY GOOD AT MANAGING MONEY	6128
ATTITUDES (PERS FINAN)-NEITHER AGR/DIS	I AM VERY GOOD AT MANAGING MONEY	6170
ATTITUDES (PERS FINAN)-DISAGREE A LITTLE	I AM VERY GOOD AT MANAGING MONEY	6191
ATTITUDES (PERS FINAN)-DISAGREE A LOT	I AM VERY GOOD AT MANAGING MONEY	6212
<b>Variable 3</b>		
ATTITUDES (ABOUT SHOPPING)- AGREE A LOT	ONLY GO SHPNG TO BUY SMTHNG REALLY NEED	6359
ATTITUDES(ABOUT SHOPPING)-AGREE A LIT	ONLY GO SHPNG TO BUY SMTHNG REALLY NEED	6402
ATTITUDES(SHOPPING)-NTHR AGREE/DISAG	ONLY GO SHPNG TO BUY SMTHNG REALLY NEED	6488
ATTITUDES(SHOPPING)-DISAGREE A LITTLE	ONLY GO SHPNG TO BUY SMTHNG REALLY NEED	6531
ATTITUDES(ABOUT SHOPPING)-DISAGREE A	ONLY GO SHPNG TO BUY SMTHNG REALLY NEED	6574
<b>Variable 4</b>		
ATTITUDES (ABOUT SHOPPING)- AGREE A LOT	FOR EXPNSVE ITMS,SHOP DIF STORE BST PRC	6356
ATTITUDES(ABOUT SHOPPING)-AGREE A LIT	FOR EXPNSVE ITMS,SHOP DIF STORE BST PRC	6399
ATTITUDES(SHOPPING)-NTHR AGREE/DISAG	FOR EXPNSVE ITMS,SHOP DIF STORE BST PRC	6485
ATTITUDES(SHOPPING)-DISAGREE A LITTLE	FOR EXPNSVE ITMS,SHOP DIF STORE BST PRC	6528
ATTITUDES(ABOUT SHOPPING)-DISAGREE A	FOR EXPNSVE ITMS,SHOP DIF STORE BST PRC	6571

4. My second abstract construct is

Brand Loyalty

And the four or more variables that I will use to create this construct are

<b>Abstract Construct #2</b>		
<b>Variable 1</b>		
ATTITUDS(CELL PHNS/SMRTPHNS)-AGREE A LOT	FIND CELL PROVIDER I LIKE,I STICK W/THEM	3868
ATTITDS(CELL PHNS/SMRTPHNS)-AGREE/LITTLE	FIND CELL PROVIDER I LIKE,I STICK W/THEM	3892
ATTITDS(CLL PHNS/SMRTPHNS)-NTHR AGREE/Disagree	FIND CELL PROVIDER I LIKE,I STICK W/THEM	3940
ATTITUDS(CELL PHNS/SMRTPHNS)-DSAGR/LITTLE	FIND CELL PROVIDER I LIKE,I STICK W/THEM	3964
ATTITUDES(CELL PHNS/SMRTPHNS)-DSGR A LOT	FIND CELL PROVIDER I LIKE,I STICK W/THEM	3988
<b>Variable 2</b>		
ATTITUDES (ABOUT APPAREL) - AGREE A LOT	I ALWAYS LOOK FOR FAVORITE BRANDS FIRST	3426
ATTITUDES (APPAREL) - AGREE A LITTLE	I ALWAYS LOOK FOR FAVORITE BRANDS FIRST	3453
ATTITUDES (APPAREL)-NEITHER AGREE/DISAGREE	I ALWAYS LOOK FOR FAVORITE BRANDS FIRST	3507
ATTITUDES (APPAREL) - DISAGREE A LITTLE	I ALWAYS LOOK FOR FAVORITE BRANDS FIRST	3534
ATTITUDES (APPAREL) - DISAGREE A LOT	I ALWAYS LOOK FOR FAVORITE BRANDS FIRST	3561
<b>Variable 3</b>		
ATTITUDES (ABOUT SHOPPING)- AGREE A LOT	I ONLY SHOP FAV STORES-HAVE BRNDS I LIKE	6351
ATTITUDES(ABOUT SHOPPING)-AGREE A LITTLE	I ONLY SHOP FAV STORES-HAVE BRNDS I LIKE	6394
ATTITUDES(SHOPPING)-NTHR AGREE/DISAGREE	I ONLY SHOP FAV STORES-HAVE BRNDS I LIKE	6480
ATTITUDES(SHOPPING)-DISAGREE A LITTLE	I ONLY SHOP FAV STORES-HAVE BRNDS I LIKE	6523
ATTITUDES(ABOUT SHOPPING)-DISAGREE A LOT	I ONLY SHOP FAV STORES-HAVE BRNDS I LIKE	6566
<b>Variable 4</b>		
ATTITUDES (ABOUT SHOPPING)- AGREE A LOT	DESPITE PRICE IMPT TO HAVE BRAND I LIKE	6391
ATTITUDES(ABOUT SHOPPING)-AGREE A LITTLE	DESPITE PRICE IMPT TO HAVE BRAND I LIKE	6434
ATTITUDES(SHOPPING)-NTHR AGREE/DISAGREE	DESPITE PRICE IMPT TO HAVE BRAND I LIKE	6520
ATTITUDES(SHOPPING)-DISAGREE A LITTLE	DESPITE PRICE IMPT TO HAVE BRAND I LIKE	6563
ATTITUDES(ABOUT SHOPPING)-DISAGREE A LOT	DESPITE PRICE IMPT TO HAVE BRAND I LIKE	6606

5. My descriptor variables that I will use to describe my market segment groups are (minimum six):

Descriptors		
MAGAZINES - READ/LOOK INTO LAST 6 MOS	OUTDOOR LIFE	22225
MAGAZINES - READ/LOOK INTO LAST 6 MOS	FIELD & STREAM	22177
CABLE TV SERVICES VIEWED IN LAST 7 DAYS	FOX NEWS CHANNEL	9631
CABLE TV SERVICES VIEWED IN LAST 7 DAYS	ANIMAL PLANET	9603
GENDER	MALE	2383
GENDER	FEMALE	2384
HOUSEHOLD IS HISPANIC?	YES HOUSEHOLD IS HISPANIC	2373
HOUSEHOLD IS HISPANIC?	NO HOUSEHOLD IS NOT HISPANIC	2374