

Kilger

DA6823

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

IPHONE 7986

2. My single driver variables are: (minimum of 4 or more):

ATTITUDES (HI-TECH) - AGREE A LOT	PAY ANYTHING FOR ELCTRNC PROD I WANT	69 46
ATTITUDES (HI-TECH) - AGREE A LITTLE	PAY ANYTHING FOR ELCTRNC PROD I WANT	69 63
ATTITUDES (HI-TECH) - NEITHER AGR/DISAGR	PAY ANYTHING FOR ELCTRNC PROD I WANT	69 97
ATTITUDES (HI-TECH) - DISAGREE A LITTLE	PAY ANYTHING FOR ELCTRNC PROD I WANT	70 14
ATTITUDES (HI-TECH) - DISAGREE A LOT	PAY ANYTHING FOR ELCTRNC PROD I WANT	70 31
ATTITUDES (HI-TECH) - AGREE A LOT	I TRY KEEP UP/DEVELOPMENTS IN TECHNOLOGY	69 53
ATTITUDES (HI-TECH) - AGREE A LITTLE	I TRY KEEP UP/DEVELOPMENTS IN TECHNOLOGY	69 70
ATTITUDES (HI-TECH) - NEITHER AGR/DISAGR	I TRY KEEP UP/DEVELOPMENTS IN TECHNOLOGY	70 04
ATTITUDES (HI-TECH) - DISAGREE A LITTLE	I TRY KEEP UP/DEVELOPMENTS IN TECHNOLOGY	70 21
ATTITUDES (HI-TECH) - DISAGREE A LOT	I TRY KEEP UP/DEVELOPMENTS IN TECHNOLOGY	70 38
ATTITUDES (HI-TECH) - AGREE A LOT	I LIKE TO HAVE A LOT OF GADGETS	69 59
ATTITUDES (HI-TECH) - AGREE A LITTLE	I LIKE TO HAVE A LOT OF GADGETS	69 76
ATTITUDES (HI-TECH) - NEITHER AGR/DISAGR	I LIKE TO HAVE A LOT OF GADGETS	70 10
ATTITUDES (HI-TECH) - DISAGREE A LITTLE	I LIKE TO HAVE A LOT OF GADGETS	70 27
ATTITUDES (HI-TECH) - DISAGREE A LOT	I LIKE TO HAVE A LOT OF GADGETS	70 44

ATTITUDES (HI-TECH) - AGREE A LOT	LOVE TO BUY NEW GADGETS AND APPLIANCES	69 54
ATTITUDES (HI-TECH) - AGREE A LITTLE	LOVE TO BUY NEW GADGETS AND APPLIANCES	69 71
ATTITUDES (HI-TECH) - NEITHER AGR/DISAGR	LOVE TO BUY NEW GADGETS AND APPLIANCES	70 05
ATTITUDES (HI-TECH) - DISAGREE A LITTLE	LOVE TO BUY NEW GADGETS AND APPLIANCES	70 22
ATTITUDES (HI-TECH) - DISAGREE A LOT	LOVE TO BUY NEW GADGETS AND APPLIANCES	70 39

3. My first abstract construct is

How has the Internet Changed your life?

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

ATTITUDES (LIFESTY/INTRNET)-AGREE A LOT	INTERNET CHANGED WAY I SPEND FREE TIME	5490
ATTITUDES (LIFESTY/INTR)-AGREE A LITTLE	INTERNET CHANGED WAY I SPEND FREE TIME	5528
ATTITUDES (LIFESTY/INTR)-NEITHER AGR/DIS	INTERNET CHANGED WAY I SPEND FREE TIME	5604
ATTITUDES (LIFESTY/INTR)-DISAGREE LITTLE	INTERNET CHANGED WAY I SPEND FREE TIME	5642
ATTITUDES (LIFESTY/INTR)-DISAGREE A LOT	INTERNET CHANGED WAY I SPEND FREE TIME	5680
ATTITUDES (LIFESTY/INTRNET)-AGREE A LOT	INTERNET HELPS ME PLAN AND BOOK TRAVEL	5506
ATTITUDES (LIFESTY/INTR)-AGREE A LITTLE	INTERNET HELPS ME PLAN AND BOOK TRAVEL	5544
ATTITUDES (LIFESTY/INTR)-NEITHER AGR/DIS	INTERNET HELPS ME PLAN AND BOOK TRAVEL	5620
ATTITUDES (LIFESTY/INTR)-DISAGREE LITTLE	INTERNET HELPS ME PLAN AND BOOK TRAVEL	5658
ATTITUDES (LIFESTY/INTR)-DISAGREE A LOT	INTERNET HELPS ME PLAN AND BOOK TRAVEL	5696
ATTITUDES (LIFESTY/INTRNET)-AGREE A LOT	INTERNET CHANGED WAY I WORK	5499
ATTITUDES (LIFESTY/INTR)-AGREE A LITTLE	INTERNET CHANGED WAY I WORK	5537
ATTITUDES (LIFESTY/INTR)-NEITHER AGR/DIS	INTERNET CHANGED WAY I WORK	5613

ATTITUDES (LIFESTY/INTR)-DISAGREE A LITTLE	INTERNET CHANGED WAY I WORK	5651
ATTITUDES (LIFESTY/INTR)-DISAGREE A LOT	INTERNET CHANGED WAY I WORK	5689
ATTITUDES (HI-TECH) - AGREE A LOT	MY COMPUTER IS A PRIMARY SOURCE OF FUN	6955
ATTITUDES (HI-TECH) - AGREE A LITTLE	MY COMPUTER IS A PRIMARY SOURCE OF FUN	6972
ATTITUDES (HI-TECH) - NEITHER AGR/DISAGR	MY COMPUTER IS A PRIMARY SOURCE OF FUN	7006
ATTITUDES (HI-TECH) - DISAGREE A LITTLE	MY COMPUTER IS A PRIMARY SOURCE OF FUN	7023
ATTITUDES (HI-TECH) - DISAGREE A LOT	MY COMPUTER IS A PRIMARY SOURCE OF FUN	7040

4. My second abstract construct is

How do you feel about companies using your personal information?

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

ATTITUDES(CONSUMER PRIVACY)-AGREE A LOT	WNT MORE PERSL CTRL/INFO COS HAVE ABT ME	7127
ATTITUDES(CONSUMER PRVCY)-AGREE A LITTLE	WNT MORE PERSL CTRL/INFO COS HAVE ABT ME	7146
ATTITUDES(CONSUMER PRIVACY)-NTHR AGR/DIS	WNT MORE PERSL CTRL/INFO COS HAVE ABT ME	7184
ATTITUDES(CONSUMER PRVCY)-DISGR A LITTLE	WNT MORE PERSL CTRL/INFO COS HAVE ABT ME	7203
ATTITUDES(CONSUMER PRVCY)-DISAGREE A LOT	WNT MORE PERSL CTRL/INFO COS HAVE ABT ME	7222
ATTITUDES(CONSUMER PRIVACY)-AGREE A LOT	WILL PROVIDE PERS INFO FOR SMTHNG I WANT	7120
ATTITUDES(CONSUMER PRVCY)-AGREE A LITTLE	WILL PROVIDE PERS INFO FOR SMTHNG I WANT	7139
ATTITUDES(CONSUMER PRIVACY)-NTHR AGR/DIS	WILL PROVIDE PERS INFO FOR SMTHNG I WANT	7177
ATTITUDES(CONSUMER PRVCY)-DISAGREE A LOT	WILL PROVIDE PERS INFO FOR SMTHNG I WANT	7215
ATTITUDES(CONSUMER PRIVACY)-ANY DISAGREE	WILL PROVIDE PERS INFO FOR SMTHNG I WANT	7234

ATTITUDES(CONSUMER PRIVACY)-AGREE A LOT	HVE FAIR AMT CTRL OVR INFO ABT ME ONLINE	7114
ATTITUDES(CONSUMER PRVCY)-AGREE A LITTLE	HVE FAIR AMT CTRL OVR INFO ABT ME ONLINE	7133
ATTITUDES(CONSUMER PRIVACY)-NTHR AGR/DIS	HVE FAIR AMT CTRL OVR INFO ABT ME ONLINE	7171
ATTITUDES(CONSUMER PRVCY)-DISAGREE A LOT	HVE FAIR AMT CTRL OVR INFO ABT ME ONLINE	7209
ATTITUDES(CONSUMER PRVCY)-DISGR A LITTLE	HVE FAIR AMT CTRL OVR INFO ABT ME ONLINE	7190
ATTITUDES(CONSUMER PRIVACY)-AGREE A LOT	I OFTEN READ COMPANIES PRIVACY STATEMNTS	7116
ATTITUDES(CONSUMER PRVCY)-AGREE A LITTLE	I OFTEN READ COMPANIES PRIVACY STATEMNTS	7135
ATTITUDES(CONSUMER PRIVACY)-NTHR AGR/DIS	I OFTEN READ COMPANIES PRIVACY STATEMNTS	7173
ATTITUDES(CONSUMER PRVCY)-DISAGREE A LOT	I OFTEN READ COMPANIES PRIVACY STATEMNTS	7211
ATTITUDES(CONSUMER PRVCY)-DISGR A LITTLE	I OFTEN READ COMPANIES PRIVACY STATEMNTS	7192

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

SAMSUNG	7992	
GENDER	MALE	2383
GENDER	FEMALE	2384
PARENT/GUARDIAN OF ANY CHILDREN?	YES	2604
PARENT/GUARDIAN OF ANY CHILDREN?	NO	2605
INDIVIDUAL EMPLOYMENT INCOME	LESS THAN \$5,000	2574
INDIVIDUAL EMPLOYMENT INCOME	\$ 5,000 - \$ 7,499	2575
INDIVIDUAL EMPLOYMENT INCOME	\$ 7,500 - \$ 9,999	2576
INDIVIDUAL EMPLOYMENT INCOME	\$10,000 - \$12,499	2577
INDIVIDUAL EMPLOYMENT INCOME	\$12,500 - \$14,999	2578
INDIVIDUAL EMPLOYMENT INCOME	\$15,000 - \$19,999	2579
INDIVIDUAL EMPLOYMENT INCOME	\$20,000 - \$24,999	2580
INDIVIDUAL EMPLOYMENT INCOME	\$25,000 - \$29,999	2581
INDIVIDUAL EMPLOYMENT INCOME	\$30,000 - \$34,999	2582
INDIVIDUAL EMPLOYMENT INCOME	\$35,000 - \$39,999	2583
INDIVIDUAL EMPLOYMENT INCOME	\$40,000 - \$44,999	2584
INDIVIDUAL EMPLOYMENT INCOME	\$45,000 - \$49,999	2585
INDIVIDUAL EMPLOYMENT INCOME	\$50,000 - \$59,999	2586
INDIVIDUAL EMPLOYMENT INCOME	\$60,000 - \$74,999	2587
INDIVIDUAL EMPLOYMENT INCOME	\$75,000 - \$99,999	2588
INDIVIDUAL EMPLOYMENT INCOME	\$100,000 - \$149,999	2589
INDIVIDUAL EMPLOYMENT INCOME	\$150,000 - \$249,999	2590
INDIVIDUAL EMPLOYMENT INCOME	\$250,000 OR MORE	2591
HEAD OF HOUSE - BORN IN US	YES	43
HEAD OF HOUSE - BORN IN US	NO	44
LANGUAGE PREFERRED TO SPEAK	ONLY ENGLISH	185
LANGUAGE PREFERRED TO SPEAK	MOSTLY ENGLISH, BUT SOME SPANISH	186
LANGUAGE PREFERRED TO SPEAK	MOSTLY SPANISH, BUT SOME ENGLISH	187
LANGUAGE PREFERRED TO SPEAK	ONLY SPANISH	188
LANGUAGE PREFERRED TO SPEAK	IN SOME OTHER LANGUAGE	189
ATTITUDES/OPIN(LNG/MEDIA)-AGREE A LOT	LOYAL TO COMPANIES/ADVERTISE IN SPANISH	386
ATTITUDES(LANGUAGE/MEDIA)-AGREE A LITTLE	LOYAL TO COMPANIES/ADVERTISE IN SPANISH	392

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