

## 7.8: Using Demographics to Guide Global Marketing Strategy

### Learning Objectives

After reading this section, students should be able to ...

1. list the demographic variables to consider for global marketing
2. identify the problems in demographic profiling in global markets

Whether marketing to domestic or international markets, demographic information can provide important insights about a target market and how to address consumer needs. As discussed during this our discussion of consumer behavior, demographics refer to statistical information about the characteristics of a population.

Marketers typically combine several variables to create a demographic profile of a target market. A demographic profile (often shortened to a “demographic”) is a term used in marketing and broadcasting to describe a demographic grouping or a market segment. Common demographic variables to consider for global and domestic marketing purposes include the following:

- **Age:** Age bands, such as 18–24, 25–34, etc., are great predictors of interest in some types of products. For example, few teenagers wish to purchase denture cream.
- **Social class:** Social-class bands such as wealthy, middle, and lower classes. The rich, for instance, may want different products than middle and lower classes, and may be willing to pay more.
- **Gender:** Males and females have different physical attributes that require different hygiene and clothing products. They also tend to have distinctive male/female mindsets and roles in the family and household decision making.
- **Religious affiliations:** Religion is linked to individual values as well as holiday celebrations, often tied to consumer preferences and spending patterns.
- **Income brackets:** Indicating level of wealth, disposable income, and quality of life.
- **Education:** Level of education is often tied to consumer preferences, as well as income.
- **Geography:** Area of residence, urban vs. rural, and population density can all be important inputs into marketing strategy and decisions about where and how to target advertising and other elements of the promotion mix.

Demographic research may include a variety of other characteristics used to separate a country’s population into groups that fit a company’s target customer profile. A demographic profile also provides enough information about the typical member of this group to create a mental picture of this hypothetical aggregate. For example, a marketer might speak of the single, female, middle-class, aged 18–24, college-educated demographic.

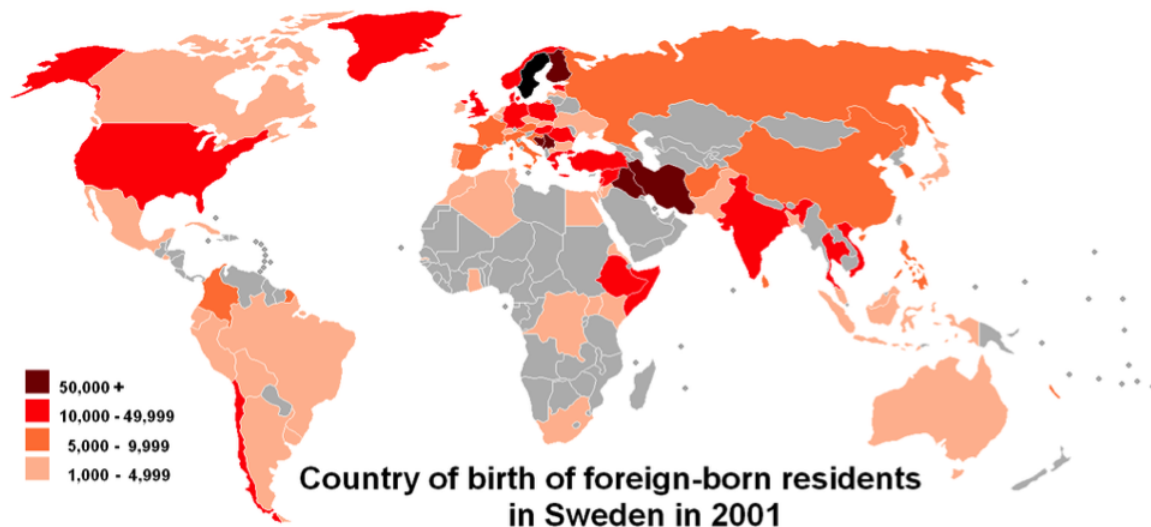


Figure 7.8.1: Country of birth of Swedes in 2001: Demographics can be measured in a variety of ways. The map shows an estimation of foreign-born residents in Sweden.

Researchers examining demographics typically have two objectives in mind: first, to segment the market by determining which subgroups exist in the overall population; and second, to create a clear and complete picture of the characteristics displayed by

typical members of each segment. Once these profiles are constructed, marketers can use them to develop the targeting strategy and accompanying marketing strategy and marketing plan.

With demographic profiles about target segments in hand, marketers evaluate the marketing mix. They make recommendations about whether to change, decrease, or increase the goods or services offered. Based on demographic data, marketers may adjust product features, distribution strategy, or other factors in order to reach a market segment that has the most potential.

A demographic profile can be very useful in determining the promotional mix and how to achieve maximum results. Advertising is usually part of the promotional mix, especially when businesses are still in the early stages of entering a global market and launching products that are new to that market. Advertisers want to get the most results for their money, and so in global markets as in domestic markets, careful media research is conducted to match the demographic profile of the target market to the demographic profile of the advertising medium.

## Cautions About Demographic Profiling in Global Markets

Demographic profiling is essentially an exercise in making generalizations about groups of people. As with all such generalizations, many individuals within these groups will not conform to the profile. Demographic information is aggregate and offers probabilistic data about groups—not specific individuals. Critics of demographic profiling argue that such broad-brush generalizations can only offer limited insight.

Marketers must also be careful to avoid interpreting demographic information using the the mindset of their own “home” cultures. For example, the generalizations that apply to “tweens” (9–12-year-olds) in the U.S. may not apply at all to children in this same age range in other geographies. Similarly, assumptions about how social class affects consumer preferences may be very different in a socially mobile society versus one with very rigid separation between groups from different social classes. Marketing research should seek to understand a complete picture of how demographic characteristics tend to influence consumer behavior in a given market, rather than simply applying stereotypes from elsewhere.

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