

MARKETING

Politics and current events open windows to receptive, identifiable market niches

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Money

By FORREST CARDAMENIS

NEW YORK Current events generate large, affluent and engaged audiences, presenting a prime marketing opportunity, according to a panel at Ipsos' "Affluents, Influence & Media" presentation Aug. 4.

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In research conducted July 8-22 relating to the upcoming Rio Olympic Games, the United Kingdom's recent Brexit referendum and the impending United States election, Ipsos determined that consumers that pay most attention to these issues are wealthier and more influential than other consumers. Live audiences and current events therefore offer brands an opportunity to adjust positioning and reach responsive audiences in volume.

"What we do know about events, events like an election or even a terrorist attack, an event like the World Cup or like the Olympics, is a moment that raises the salience of a segment of the population on a particular thing that is happening," said Cliff Young, president of **Ipsos Public Affair**. "To what extent could you define a topology of events, and how a certain type of event could attract a certain type of person?"

"Coming up with this kind of topology of events for marketing and communication would be super powerful," he said. "I'm a big believer in the aggregation of events, and through the aggregation of many events we could have a dataset of types of events and characteristics of who they attract."

Events and engagement

One-third of respondents said they plan to follow the Rio Olympics very or extremely closely. These consumers are 34 percent more likely to buy luxury brands than the general population, 31 percent say people often ask them for fashion advice, 28 percent say they purchase top-of-the-line vehicles, and a quarter say they are among the first to try new products and services.

Those who follow Brexit closely have even more impressive numbers, with a median net worth 44 percent higher than the general population. Additionally, 22 percent say they ensure fine food and wine are part of every vacation.

U.S. election numbers are similar, owing in part to a great deal of overlap between those who follow each issue closely. Also of note, affluents those with household incomes exceeding \$100,000 overwhelmingly prefer Hillary Clinton to Donald Trump, and such consumers are more likely to travel internationally and pay more for luxuries.



U.S. presidential hopefuls Donald Trump and Hillary Clinton

Trump voters, meanwhile, tend to research before taking vacations and stick to U.S. destinations, are more worried about data/security breaches and are distrustful of media, with comparatively little interest in culture and the arts.

Consumers' responsiveness to advertisements is tied to the perceived credibility of the source. After a consumer decides to give an ad or bit of information her attention, the next internal mechanism is determining credibility.

Testimony of experts, the channel through which information is disseminated and the source of the information itself are all factors in determining credibility. When consumers see an ad on a Web site, TV show or in a newspaper they trust, they are more trusting of the ad's messaging as well.



Affluent couple; image courtesy Michael Kors

Affluents who support Ms. Clinton roughly twice as many as prefer Mr. Trump, or three times as many when raising the HHI threshold to \$250,000 trust more traditional media companies. Accordingly, marketers trying to reach this group of luxury-responsive, affluent consumers should focus on more traditional media and less on non-traditional media outlets such as Huffington Post, Vice, Vox or Drudge.

By contrast, Trump supporters distrust all forms of media more than Clinton supporters except for these non-traditional media supporters. While it is convenient to see politics as being outside of luxury's interests, they can help to clarify effective marketing strategies.

Similarly, because Clinton supporters are more concerned about the environment and are more interested in culture and the arts, wrapping those sensibilities into ad messaging, either through the content of the ad itself or the channel through which it is disseminated will scan as more credible.



Breguet inside cover WSJ. April

Since consumers reading traditional news outlets, such as the Wall Street Journal or New York Times, as well as those who rely heavily on social media for news, support Clinton, ads on those channels should target those concerns.

"What this boils down to is how people consume information and where people get information," said Aliza Freud, founder/CEO of [SheSpeaks](#). "[It's about] how they are consuming it and how that's having an impact on their perceptions; it is very much deciding how people think about things."

Careful segmenting

Because of the availability of precise data, marketers need to segment consumers into more specific categories than the traditional generational, gender and race groupings. Such categorizations are too broad, and breaking such groups into components can often lead to additional insights.

For example, the millennial generation is too diverse and broad for marketers to avoid segmenting, according to a new report by The Shullman Research Center.

Consumers born between 1981 and 2000 are considered millennials, meaning that people as young as 15 and as old as 35 (34 at the time of the survey) comprise the group. Because that 20-year gap is particularly profound in the early stages of life, marketers need to segment millennial consumers into specific groups to take advantage of particular habits and beliefs ([see story](#)).

Similarly, for apparel brands and retailers selling clothes to consumers, age is not everything, a study by A.T. Kearney and NPD Group reinforces.

Slowing retail performance has led brands to target millennials to drive growth, but generational segmentations are often too broad and can inadvertently cause older consumers to feel left out. Instead, marketers need to find more specific ways to segment consumers, including methods that group consumers across different age groups ([see story](#)).

In the long run, tracking what kind of people respond to particular events can create opportunities for marketers to take advantage of in real time.

The way consumers access information is no longer structured or scheduled. With the advent of social media and smartphones, consumers are regularly tuned into events. A major current event, be it incidental or ongoing, might influence a segment of the population to act differently.

For example, if particular political events regularly lead an affluent audience to engage on social media and then, in coming days and weeks, turn more heavily toward online media publications, brands should be prepared to follow them along that journey.

"At the highest level, you want to meet [consumers] where they are," Ipsos' Mr. Young said. "It's not you trying to convince them, it's you approximating ads and your discourse as closely as possible to what they believe in. Talk to their issues, talk to their specific needs."