

## MARKET SEGMENTATION: A NEW LOOK AT AN OLD TOPIC

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### Abstract

This paper reexamines the concept of market segmentation from the viewpoint of individuation-deindividuation theory and research, and discusses how this theoretical base may be applied to direct market segmentation strategies.

### Introduction

Stanton (1978) defines market segmentation as "The process of taking the total, heterogeneous market for a product and dividing it into several submarkets or segments, each of which tends to be homogeneous in all significant aspects". Market segmentation can aid the marketing strategy of a firm by, as Yankelovich (1964, pg. 83) has noted:

1. Channeling money and effort to the potentially most profitable markets
2. Designing products that really match market demands
3. Determining what promotional appeals will be more effective for the company
4. Choosing advertising media more intelligently and determining how to better allocate the budget among the various media
5. Setting the timing of the promotional efforts so that they are heaviest during those times when response is likely to be at its peak

Market segmentation is, of course, a much utilized and a much researched notion (e.g. Twedt, 1964; Wilson, 1964; Day, Shock, and Srivastava, 1979; Roberts and Wortzel, 1979; Sewall, 1979), in the marketing discipline. Academics have, for example, debated the benefits of segmentation versus positioning (e.g. Smith, 1956), discussed analytical segmentation techniques (e.g. Frank and Green, 1968) and have researched the "best" ways of segmenting a market (e.g. Haley, 1968; Frank, 1967), and marketing managers have done their best to put the benefit derived from these investigations to work in the marketplace, with, of course, the segmenting of the cigarette market as one of the best examples (e.g. Stanton, 1978).

Yet, while it is generally agreed that the notion of market segmentation is a backbone of marketing thought, and quite effective in marketing practice, it may be useful to focus on what may be a critical aspect of segmentation that has received little attention in the literature, and which may, in fact, represent both a new way of thinking about the segmentation issue as well as a "new" segment useful for marketing efforts. This aspect concerns the idea of individuation-deindividuation as it relates to marketing theory and practice. We will, then, first selectively review the literature relating to this important concept, and will then turn to a discussion of how this topic may relate to the segmentation issue.

### Individuation-Deindividuation

Individuation was defined by Jung (1946, pg. 561) as "the development of the psychological individual as a differentiated being from the general, collective

psychology". Individuation, therefore, is a process of differentiation, having for its goal the development of the individual personality. Deindividuation, by contrast, is the process of losing one's individuality or distinctiveness, to become one with the collective psychology. In our culture, individuation in a psychological sense tends to be equated with maturity and self-actualization (Dipboye, 1977) whereas deindividuation has been described as dysfunctional for both the individual and society. Violence in urban areas (Zimbardo, 1969), the lack of creativity in large organizations (Whyte, 1956), the conventionalization of consumer tastes (Van Den Haag, 1957), the dehumanization of women (Friedan, 1963), and the alienation of large segments of society (Keniston, 1970; Kanter, 1980) are some of the problems cited as symptoms of a deindividuating culture.

As Dipboye (1977, pg. 1057) points out, however, despite the relevance of deindividuation to current social problems, the psychological and sociological literature has been guided by two different theoretical approaches.

One approach has been to view deindividuation as a loss of restraints, afforded by anonymity and other forms of depersonalization (e.g. Le Bon, 1896). Theorists adopting this perspective, which has its origins in crowd theory, view the experience of deindividuation as a positively affective event. Theorists adopting the other view predict that deindividuation arouses negative affect and serves as a stimulus for behavior that establishes the uniqueness and continuity of a person's self-conceptions (Ellison, 1947). A vast amount of research in the psychological literature has been devoted to one or another of these theoretical perspectives, and will now be briefly reviewed.

### Deindividuation and Unrestrained Behavior\*

According to Dipboye (1977, pg. 1058), "the largest portion of the social-psychological research on the topic of deindividuation consists of tests of the hypothesis that a loss of identity is the stimulus for unrestrained, impulsive, and uncontrolled behavior (Festinger, Pepitone, and Newcomb, 1952; Singer, Brush and Lublin, 1965; Zimbardo, 1969)." That is, experimental social psychologists have taken the approach of the crowd theorists (Le Bon, 1896; Tarde, 1890; McDougal, 1920), who postulated that a dissolution of individual identity occurs for individuals in a crowd and that this loss of identity acts as a stimulus for uncontrolled group behavior. Jung (1946, pg. 261) maintained, for example, that loss of identity in a crowd released the violent, primitive side of human nature as evidenced in a "frenzy of unmeasured instinct. It represents horror at the annihilation of the principle of individuation, and at the same time 'rapturous delight' at its destruction."

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\*See Dipboye (1977) for a more comprehensive review of the literature in this and the following section.

To test this notion social psychologists have, given the experimental tradition, designed deindividuating inputs to test the impact of these on such normally restrained behaviors as aggression (Watson, 1973; Baron, 1970; Zimbardo, 1969) risk taking (Pincus, 1969; Nicholson and Argyle, 1969), nonnormative reactions to social influence attempts (Duval, 1976) and other forms of antinormative behavior, such as cheating (Diener and Wallbom, 1976) or using sexually explicit language (Singer, Brush, and Lublin, 1965). The results of these experiments have generally shown that "deindividuated" individuals perform more nonconforming or antinormal behavior (for example, increased frequency of noncompliance to social influence attempts) than "individuated" individuals. Additionally, theorists in this group have shown some, though weak, support for the notion that deindividuation is pleasurable and tends to be associated with liking for the group (Dipboye, 1977).

#### Deindividuation and Identity Seeking

In contrast to the previous theoretical approach discussed, a second sees deindividuation as an unpleasant experience that motivates the individual to seek individuation (Dipboye, 1977). The origins of this approach lie in the humanistic orientation (Horney, 1950; Maslow, 1968; Fromm, 1956). Fromm (1956) stated that humans struggle between the need to escape separateness and the need for a separate identity. Fromm (1956) felt that people in our society delude themselves where necessary, into believing they are individuals, where such a need "is satisfied with regard to minor differences: the initials on the handbag or sweater, the name plate of the bank teller, the belonging to the Democratic as against the Republican party, to the Elks instead of to the Shriners, become the expression of individual differences. The advertising slogan 'it is different' shows up this pathetic need for difference, when in reality there is hardly any left."

Theorists adopting this orientation take a different view of the nonnormative, anticonforming, or seemingly uncontrollable behavior often exhibited by deindividuated individuals. In their view, such behaviors may represent an attempt on the part of the deindividuated individual to "reindividuate" himself or herself, or to gain the attention of those who refuse to recognize that individual's separate existence. In the case of aggressive behavior, for example, Milgram and Toch (1969) showed that group aggression, i.e. a riot, may be intended to dispel and not reduce anonymity. Klapp (1969, pg. 84) has noted, with respect to self-presentation, that "people are seeking audiences, trying to draw attention, rather like entertainers and celebrities. They choose styles-cosmetics, hairdoes, beards, sandals, wigs, eye patches, flamboyant costumes, much as an actor choosing a costume in a dressing room--with an eye to its impact on audiences, to catching attention with startling effect." Thus, according to those holding this view, not only do individuals seek to present themselves in a manner that establishes their uniqueness, but they also may reject feedback or other attempts to lump them into homogeneous categories (Snyder and Larson, 1972).

#### Importance of the Concept for Market Segmentation

While further integration of the conflicting theoretical orientations inherent in the deindividuation issue must be forthcoming (Dipboye, 1977), it is nonetheless possible to recognize the importance of the individuation-deindividuation issue for marketing theory and practice, particularly as relates to the concept of market segmentation. Individuation-

deindividuation may represent a new way of thinking about the segmentation issue, may point to "new" segments available for increased marketing attention, and may suggest additional refinements of previously existing segmentation strategies. Each of these will now be reviewed in turn.

#### A New Way of Thinking About Segmentation

Individuation-deindividuation theory perhaps suggests a new way of thinking about market segmentation. Market segmentation is utilized, among other reasons, because of the inherent impracticability of marketing to individual consumers. Thus, through segmentation marketers attempt to identify relatively homogeneous groups of individuals or "submarkets" which serve as the target for marketing efforts. The key here is the notion of "relatively homogeneous," and relates to the bases upon which the segmentation strategy is formed. The research base underlying individuation-deindividuation theory suggests that while consumer "groups" may be relatively homogeneous with respect to more traditionally utilized segmentation bases they may differ substantially and concurrently with respect to the rationale underlying group and product identification. While this is, in itself, not a new idea, being related to reference group theory (cf. Merton and Kitt, 1950; Stouffer, Suchman, Devinney, Star and Williams, 1940), for example, it is possible that individuation-deindividuation may help provide a rationale and a framework for more effectively considering these differences as they relate to segmentation.

#### Identification of "New" Market Segments

Individuation-deindividuation theory may point to previously undifferentiated market segments, and provide a rationale for more effectively dealing with these individuals. Recent research by Kanter (1980), for example, has identified a large segment of deindividuated, and somewhat alienated European consumers. The results of Kanter's survey, which covered 2200 respondents in England, Belgium, France, Holland, Italy, and West Germany, showed that, by often lopsided percentages, respondents in five of the six nations displayed a remarkable cynicism and alienation from positions and institutions of note. These individuals, and their counterparts in our own country and others, may represent a new opportunity or a new challenge to marketing efforts. Indeed these individuals may represent important new market segments previously untapped or largely ignored under more traditional segmentation analysis.

#### Planning More Effective Marketing Strategies

Individuation-deindividuation theory may be extremely useful in planning more effective marketing strategies. That is, efficient utilization of the findings of previous individuation-deindividuation research may prove useful in "finetuning" promotional campaigns, identification of target markets, and the like. For example, for years advertising promotions and sales appeals have utilized or capitalized on the so-called "bandwagon effect." Yet individuation-deindividuation theory may be particularly effective in helping to identify those product classes, and appeals which can most effectively feature "Bandwagon" promotions.

It is clear, for example, that (1) advertisers already utilize individuating versus more deindividuating (or group oriented, "bandwagon") appeals in their messages and (2) that some product classifications and traditional market segments are seemingly more appropriate targets for an individuated versus deindividuating

appeal. The following examples drawn from past and present advertising appeals, demonstrate both of these ideas:

TABLE 1  
SEGMENTATION OF ADVERTISING APPEALS

Product Classification	Advertising Appeal	
	Individuating	Deindividuating
Motorcycles	(Yamaha) "Don't follow anyone"	(Honda) "Follow the Leader"
Soft Drinks	(Dr. Pepper) "Be a Pepper"	(Pepsi) "The Pepsi Generation"
Automobiles	(Volkswagon) "Everybody's Playing Follow the Leader"	(Chevrolet) "Baseball, Apple Pie, and Chevrolet"
Wearing Apparel	(Jordache) "The Jordache Look"	(J.C. Penneys) "Plain-pocket Jeans"

However, it is equally apparent that advertisers in particular, and marketers, generally, have utilized these appeals in an unsystematic fashion, without the benefit of theory or adequate conceptual frameworks. Individuation-deindividuation theory may be useful in guiding the research which could further delineate these important issues.

#### Directions for Future Research

The application of individuation-deindividuation theory to market segmentation strategies suggests a number of directions for future research. Future studies might seek to determine the size and composition of various deindividuated segments of the population, as these may represent untapped market segments. Such research should also seek to identify behavioral and other dimensions of these segments. Research might be done, for example, on the differential response, if any, to deindividuating versus individuating advertising appeals for segments of variously deindividuated and individuated individuals. Future research might also probe the interaction between level of group identification, rationale and type of deindividuating inputs, and behavioral response to marketing stimuli. In this way more understanding and a gradually developing profile of what may be "new" market segments will be accomplished.

#### Conclusion

This paper has discussed the relationship of individuation-deindividuation theory to market segmentation. In particular the paper first reviewed the individuation-deindividuation literature, and then discussed how these concepts might be applied to thinking about segmentation in a new light, to identify previously untapped market segments, and to direct market segmentation strategies.

Examples of individuating and deindividuating appeals were also given and future research directions were also suggested.

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