

HOUSEHOLD GEOGRAPHIC MOBILITY AS A SEGMENTATION BASE BETWEEN PRODUCT MARKETS

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ABSTRACT

Introduction

After more than a quarter of a century (1947-1975) in which one-fifth of the population consistently changed addresses each year, the annual mobility rate declined to 17.3% only to rise again in 1984-85 to 20%. In the present study, three emergent societal groups - long distance mobiles, short distance mobiles, and renovators - are studied in the contemporary societal context. The relevance of household geographic mobility as a contemporary segmentation base is evaluated by rigorously defining, and testing the purchase behavior of resulting segments. The applications of these findings for mobility theories are also addressed.

Research Objectives

The three objectives of this research are:

1. To reevaluate the existence of household geographic mobility segments in a framework provided by theoretical contributions of earlier geographic mobility researchers.
2. To use these evaluations to test hypotheses stemming from these theories.
3. To examine the relevance of household geographic mobility as a segmentation base for demand in the contemporary society.

Models of Demand

The value of segmentation to marketers lies in its implications for marketplace behavior, or demand. Household geographic mobility, like social class, might be termed macro, in contrast to, micro segmentation variables. On the other hand, individual variables such as income and occupation are micro segmentation variables. The distinction between macro and micro segmentation with respect to product demand concerns between product class and within product class decisions respectively. For example, a long distance move may result in a decision to buy a new washer and dryer rather than a television set. This is a macro segmentation issue. Conversely, different occupations or life-styles may result in different purchase decisions with regard to style, size and color of garment. This then is a micro segmentation issue.

Sample Design

Respondent homeowners households were randomly selected from the publication Daily Reporter,

published in Columbus, Ohio on weekdays. This publication prints the names and addresses of those who have recently engaged in Franklin County, Ohio house transactions as well as those who have recently been issued building permits.

TABLE 1  
SURVEY RETURN RATES

	Mailout (#)	Returns (#)	Completion Rate (%)
Renovators	307	55	17.9
Mobiles	803		
Within County		67	30.5
Cross County		178	
TOTAL	1110	300	27.2

Demand Characteristics of Mobility Segments

Two measures are used as a means of determining whether three studied homeowners groups--"short distance" mobiles, cross-county or "long distance" mobiles, and renovators--can be said to be homogeneous segments. The two measures of absence or presence of homogeneity of marketplace response are: (1) post-move or post-renovation (within one year) aggregate purchase activity computed by combining planned and actual purchases for eight (8) product categories; and (2) shifts in retail patronage patterns aggregated across fifteen (15) retail categories. These responses were chosen as were representative of the product and retail categories studied by Andreasen and Bell, two pioneering geographic mobility researchers from the field of marketing.

The combined actual and purchase intentions was greatest for short distance mobiles, next greatest for long distance mobiles, and least for renovators. The number of retail patronage changes were greater for long-distance mobiles than for short distance mobiles, and least for renovators.

While descriptors or the demographics and lifestyles of consumer groups (or potential segments), may differ, this may not produce significantly divergent marketplace behavior. While Andreasen and Bell assumed such a linkage between descriptors and response, their work represented an early segmentation investigation. The body of knowledge has grown considerably since then. Segmentation studies which test the linkage between descriptors and marketplace responses are more likely to be welcomed by practitioners.