**Executive Summary**

**The Effectiveness of Demographic and Psychographic Variables
for Explaining Brand and Product Category Use**

This article investigates the effectiveness of demographic and psychographic variables in explaining consumer behavior across over 50 non-durable product categories. Using data from the Simmons Study of Media and Markets (SMM), the authors examine five sets of covariates comprising demographic and psychographic variables commonly used to segment consumer markets. The study assessed the ability of these variables to predict product use, brand use, usage frequency, and relative brand preference.

The study found that these covariates predict usage of the product category, but are not predictive of brand preference or usage. These findings support Fennell’s previous work and her claims that individual characteristics – particularly demographics – are not effective variables for market segmentation. Markets do not consist of individuals but of occasions in which consumers make purchase decisions.

**Key Points and Findings**

* Demographic and psychographic variables can predict product category use and, to a lesser extent, usage frequency.
* These variables fail to explain consumers’ relative brand preference within product categories. That is, while they can indicate who uses a type of product, they cannot reliably predict which brand among several a consumer will prefer. This requires knowledge of the particular usage occasion as experienced by the consumer.
* The study shows that general descriptors (like age, lifestyle, opinions) are too broad to capture the specific motivations that drive brand choice.
* The authors argue for using context-specific, motivating conditions as basis variables—factors that reflect consumers’ needs in specific product-use situations.
* They caution against the widespread use of segmentation models that rely solely on general descriptors, advocating instead for models grounded in situational and activity-based determinants of choice.

Fennell, G., Allenby, G., Yang, S., & Edwards, Y. (2003). The Effectiveness of Demographic and Psychographic Variables for Explaining Brand and Product Category Use. Quantitative Marketing & Economics, 1(2), 223–244.