

White Paper

Unlocking Networks

Want to truly understand people
and make accurate predictions?
Look at their networks.

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It's been said that good marketers see consumers as complete human beings with all the dimensions real people have. But do we marketers really understand people?

For decades we used demographics to identify and segment groups of people in an effort to create better products, serve relevant messages, and forecast more accurate predictions. This is the holy grail of marketing.

But demographics don't describe "real people." While gender, race, age, household income, and other demography-based inputs are "truths," they are static facts and do not accurately describe who people truly are. This, of course, is why savvy marketers focus their segmentation efforts (to whom they target their messages) on psychographics — people's interests, preferences, and attitudes — because they paint a more vivid picture of "real people."

Now we're getting somewhere, but not close enough because psychographics are merely byproducts of our networks. And networks are much better indicators of who people are, and what they are likely to do.

Let's unpack this further.

By "networks," I mean the groups of people with whom we exchange information, experiences, and behaviors: friends, family, classmates, co-workers, teammates, congregates... our people.

And our people give insight to who we are and how we see the world. Within each of our networks are shared beliefs, unwritten rules, rituals, and social norms that guide the behaviors of the people in the network. As Aristotle said, "Man is by nature a social animal," and these dynamics are the glue that keep our people connected.

Much of our daily life is governed by norms — unwritten rules we follow to remain community members in good standing. As such, our interests, proclivities, and actions tend to follow the way of our networks and spread in a predictable and contagious fashion.

Our networks inform our psychographics. Therefore, not only are our networks more powerful descriptors of who we truly are than typical demographics, but they are also more holistic representations of ourselves than psychographics alone.

Unfortunately, traditional marketing segmentation misses the mark. Common practice identifies groups of people based on demographics (with a bit of psychographic seasoning) and buckets them into target audiences — a group of passive people waiting for marketing messages to wash over them.

But people aren't passive, and audiences aren't real, so this approach often leads to broad generalizations and trite overtures. Peek into most creative briefs, and chances are you'll see brands targeting "millennials," as if everyone between the ages of 18-34 are the same because they were born within the same generation. It just isn't so. As a result, marketers make blanket generalizations about a cohort of dynamic people, and the subsequent work often falls flat.

What a waste.

Networks, on the other hand, are dynamic, human, and innately social. And people use their networks to describe themselves. Take me, for example. I'm a Collins, I'm a Michigan Wolverine, and I'm a non-denomination Christian. I subscribe to these networks and take on their respective characteristics to stay in good standing with my people — as we all do with our own unique networks.

Understanding the dynamics of these networks is the gateway to consumer intimacy and relationship development because these groups of people are, in short, real. Marketers would benefit greatly by shifting their focus from talking at passive “target audiences” to engaging with active “target networks.”

Even more interesting, networks are also more accurate indicators of what we're likely to do. This is heavily supported by behavioral science research. Humans are naturally inclined to take on the actions of the people around us, so much so that our behavior can be predicted from exposure to the example behavior of others. And we are most influenced when we observe the behavior of people most like ourselves — our networks.

That means if brands can understand the dynamics of my network, then not only will they better understand me, they'll also be able to predict my behavior with a high degree of probability.

Now that's powerful.

These predictions are driven by the natural propensity that people have to rely on one another. We've built trust within our networks and rely on their expertise and experiences to help inform our decisions. In fact, research shows that we trust the recommendations of our people more than any form of advertisement or media.

The collective intelligence of our networks help us decide where we go, what products we consume, who we vote for, and which brands we choose. As a result, our consumption patterns naturally follow that of our networks.

Want to predict what people will do next? Watch the behavior of their networks.

Contrary to conventional wisdom, we are not independent agents in this world, where our decisions are driven by our preferences and IQ. Rather, we live in complex systems — networks of people — where members therein help shape each other's affects, cognitions, perceptions, and beliefs. We rely on our ability to learn from the behaviors of our people, and they set the example for how members of the network should also behave. These networks move forward on the basis of a simple, subconscious, question: “Do people like me do something like this?”

If the answer is "yes," then we follow suit; if "no," then we don't take action.

We don't inquire.

We don't share.

We don't buy.

It's that simple. And it all starts with people — real people — and the influence of their networks. This sets the stage for a more actionable approach where brands can deliver ideas, products, and communications in an effort to influence consumer behavior.

Considering the ubiquity of social media in today's connected world, marketers can now apply network thinking to the use of these tools in a way that promotes social pass-along and enables more accurate predictions.

About the Author:



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