

# A Sense of Belonging

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How Group Dynamics Inform Purchase Decisions

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With the retirement of third-party cookies as the focus of many recent conversations in the marketing industry, the importance of group dynamics in marketing is being overlooked. This is a mistake. Group dynamics have always held a greater impact on individual purchasing decisions than any other factor. Understanding how peer pressure impacts individual marketing decisions can unlock the potential for success for marketers.



Individuals make purchases to satisfy needs but to also demonstrate where they fit in society, their place in a larger group. Understanding this need for belonging and the need to find a place in a group is paramount to marketers understanding how buyers define themselves. In fact, the influence of group behavior and the resulting desire of the individual to make purchases that demonstrate where they fit in the group is every bit as powerful, accurate, and informative as a 1:1 data set. In fact, marketing to groups that demonstrate similar behaviors may prove more effective than 1:1 marketing ever was.



This post will examine how group dynamics influence purchasing decisions and how those dynamics can help marketers move faster and more efficiently when targeting and executing their campaigns.

# Group Dynamics in the Modern Age

Group dynamics are a powerful force that can be harnessed by marketers to improve their campaigns. By understanding how groups think and act, marketers can create campaigns that are more efficient and effective. After all, humans are in fact social animals. Hence, we gravitate towards groups as they provide a sense of belonging, and when that sense is tapped into, it can be used to influence purchasing decisions.

There are five key things to keep in mind when thinking about group dynamics:



## How the group is formed

A group that forms organically (i.e. through friends, family, neighborhood or similar interests & hobbies) is likely to be more cohesive than a group that is formed artificially (i.e. through a marketing campaign).



## The size of the group

A small group is likely to be more intimate and have more influence over its members than a large group.



## The composition of the group

A group that is made up of people from different backgrounds is likely to be more open-minded and tolerant than less diverse groups.



## The goals of the group

A group that is formed for the sole purpose of achieving a specific goal is likely to be more focused and driven than a group that is formed for the purpose of socializing.

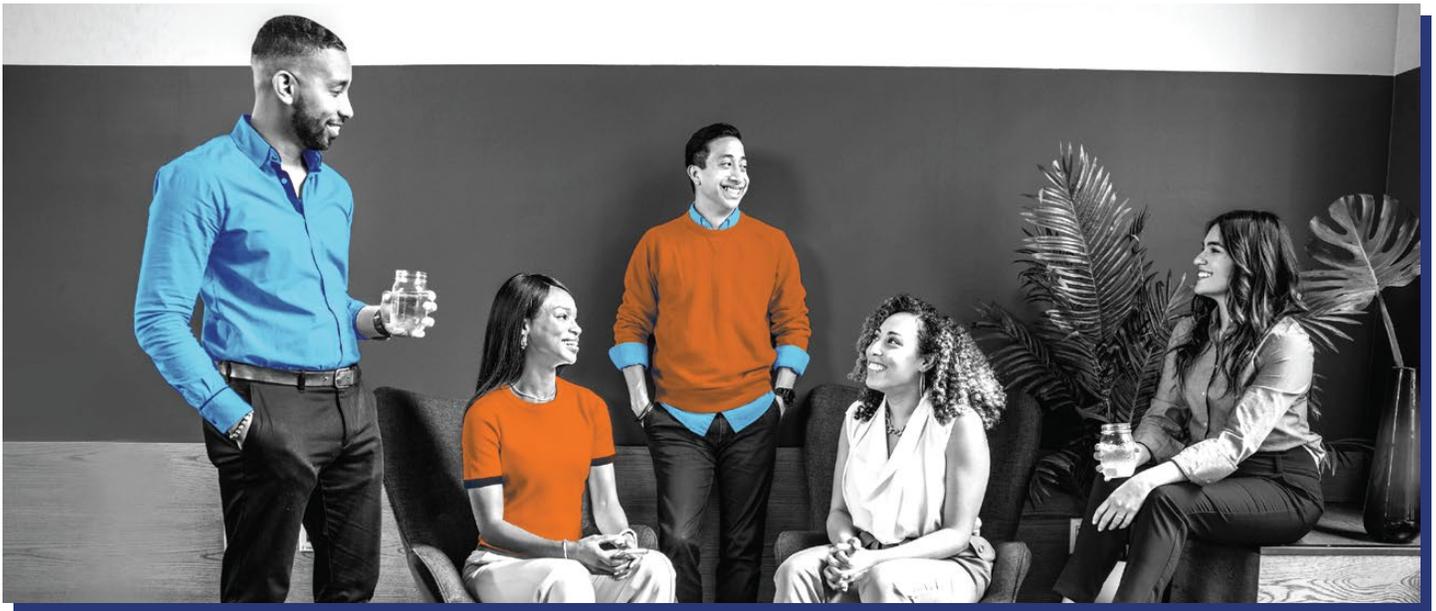


## The leader of the group

A group that is led by a strong and charismatic leader is likely to be more cohesive and motivated than a group without clear leadership. Group leaders have a profound influence on the behavior of the group and nowhere is this more apparent than with social media influencer campaigns.

# The Power of Groups

Groups provide a sense of belonging, and when that sense is tapped into, it can be used to influence purchasing decisions. Just as the dynamics of the group are important, so too are the individual members. Understanding the needs and motivations that draw a person to the group is of critical importance. There are a few key things to keep in mind when thinking about how groups can influence purchasing decisions:



## The need for social approval

People are more likely to buy a product if they think their friends will approve of it.

## The need for social conformity

People are more likely to buy a product if they think it will help them conform to the norms of their social group.

## The need for social status

People are more likely to buy a product if they think it will make them look "cool" or popular in the eyes of their social group.

## Sense of safety

People feel more comfortable about making risky or expensive purchases when they feel like they have backup and support.

## Sense of belonging / community

People feel like they belong to something larger than themselves - they are more loyal to the group - and are more likely to make purchases that support the group.

## Sense of history and legacy

Finally, ongoing group dynamics provide a sense of history and legacy. When people are part of a group for longer periods of time they feel like they are part of something that has lasting significance. This can influence purchase decisions by making people feel more inclined to make purchases that will help preserve the group's history and legacy.

# Group Dynamics in Marketing

So how do we combine group dynamics with the dynamics of the individuals in the group to make smarter marketing decisions? The key is to understand the virtuous circle between the group and the individuals. What is good for the individual strengthens the group. And when the group is stronger, the individual is further influenced by it.

Consider the example of Apple - no not the tired story of how Apple started - the far more important story of the BLUE TEXT BUBBLE.

Yes. It is true that Apple took off when it positioned itself behind all of those who "Think Different". It began the legacy of Apple being for the creators and the creative minded. But today, that can't be true. Apple is now the largest company in the world. A niche positioning about "The Crazy Ones" has certainly been voided by their success.



No. Today Apple relies on a different sort of group dynamics to secure lifetime loyalty from consumers. None more important than the blue text bubble. Everyone knows that, on an iPhone, texts from any other phone come through as green. Those green texts aren't afforded the same notification benefits, when they are part of group threads the group can't name the thread, and when they receive tapbacks, it sends a separate notification (basically a nightmare ;).

Apple's cult following, then and now, is a result of its understanding of group dynamics. The company understands that people want to belong to a group that is united by a shared love of the brand and the conveniences it creates. Apple has used this knowledge to create product features and marketing campaigns that appeal to its customers' sense of belonging and alienate those who choose to change.

Marketers can use similar group dynamics to their advantage by understanding how they influence purchase decisions. Here are a few key things to keep in mind:

## **Conformity**

When people feel pressure to conform to the norms of their group, they are more likely to make purchases that support those norms. This is because they want to fit in and be accepted by the group.

## **Status**

When people are trying to improve their social status, they are more likely to make purchases that they think will impress others. This is because they want to look cool or popular in the eyes of their social group.

## **Social proof**

When people see others like them making a purchase, they are more likely to make a purchase themselves. This is because it provides social proof that the product is good and that other people approve of it.

## **Influencers**

People who are influential within a group can have a big impact on the purchasing decisions of other members. This is because their opinion carries weight and people trust them to make recommendations.

## A Shift in Marketing Mindset

By understanding these factors, marketers can create campaigns that are more likely to succeed. When designing marketing campaigns, consider how you can tap into the power of groups. Use group dynamics to create a sense of community and belonging around your brand. Appeal to your customers' need for social approval, conformity, and status. Most importantly, remember that what is good for the individual strengthens the group.



While some marketers are lamenting the removal of third-party cookies from their toolbox, more and more marketers are realizing that marketing to groups as they are resolved into COHORTS can be even more powerful and efficient than 1-1 or deterministic targeting. Thinking about the group as they are assembled into cohorts unlocks efficiency and scalability. However, as with everything in data, it isn't about having data, it is about how you use that data. Extrapolating conclusions from small or random samples is ineffective and can lead you in the wrong direction.

To learn more about how Affinity Answers provides cohort data that makes marketing decisions more effective, contact us [here](#). We would enjoy the chance to show you the power of accurate, updated group data and insights.

## Data Modeling was and is the future

Following individuals around the internet to create better marketing campaigns wasn't that great in the past (scale), or when we optimized with remarketing (diminishing returns) and is rapidly becoming a thing of the past (GDPR and CDPR). But those who stayed awake at the Byron Sharpe school of marketing recognized long ago that group dynamics and buying behavior inform more effective marketing campaigns anyway. Why? Because group dynamics have more of an influence on buying behavior than personal decisions. It's true. Google it.

Affinity Answers President Mahesh Narayanan said recently at a conference, "The role of data is to change marketing for the better. But it's not just about the data. More data is not necessarily better. It's about quality and compliance of the data and what you do with the data." He went on to say, "In the last 20 years, tracking everyone everywhere with cookies has led to more data, but not necessarily marketing effectiveness. With the imminent fall of the 3P cookie, collecting data is going to be limited, as it should be, and understanding and inferring more from what we have is more important than just getting more and more."

Modeling data based on group or cohort interests and the influence members have over each other presents more effective and scalable ways to build a brand and convert customers. This post will look at how data modeling led-marketing to cohorts is replacing the inefficiencies of one-to-one targeting.

## How We Got Here: The Decline of The Third-Party Cookie

Third-party cookies are those that are placed on a user's computer by a company other than the one they are visiting. These cookies allow companies to track users across the web and target them with ads for products they may be interested in. However, the prevalence of ad-blockers has made campaigns reliant on third-party cookies less and less effective over time. Now, with key changes by Apple and Google to phase out third-party cookies outright, they will soon be [entirely useless for marketers](#).



One response by marketers is to market to groups instead of individuals. Marketing to groups is more scalable and, in many instances, more effective. When targeting individuals, third-party cookies were used to track browsing behavior and create targeted ads. However, as more companies focus on marketing to groups or cohorts, it becomes less necessary to track individuals. Group interests can be inferred from data gathered from pseudonymized or anonymized publicly available data. This allows for a more privacy-conscious approach to marketing.

In the past, marketers would target individuals with their campaigns in the hopes of reaching as many people as possible. However, this approach is no longer effective, as smart marketers have realized that group dynamics and buying behavior can provide much more insight into how to create better campaigns.

## Group Marketing as the New Standard

Modeling data to market to groups instead of individuals allows for a more targeted approach that can be scaled more easily. And not only is marketing to groups more effective, but it also allows for more personalization, as counterintuitive as that may seem. This is because when you are targeting a specific group of similar behaviors, personalities, or interests, you can focus specifically on the shared interests of that group, rather than seek out individual relevance. This means that your campaigns can be more tailored to the needs of your target audience, which will result in higher conversion rates.

## Group Marketing Use Cases

If you are curious about what group marketing looks like in the real world, here are a few use cases to help connect the dots.

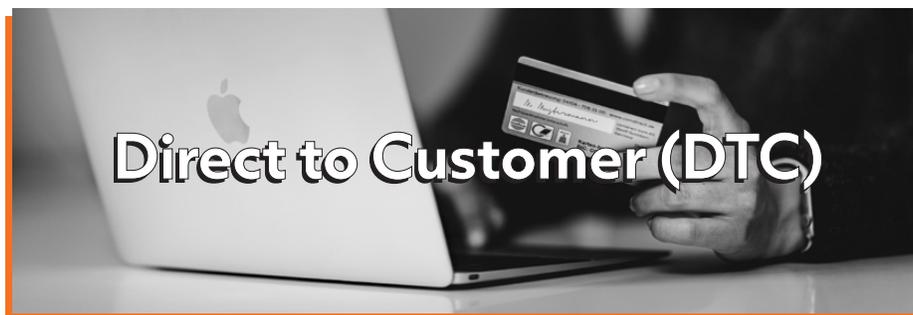


Group marketing is a great way to attract new customers to your restaurant. When you target a group, you can tailor your marketing campaigns to the interests and needs of that group. This will [result in more effective campaigns that will convert more customers.](#)

There are a number of different ways that you can use group marketing to attract new customers to your restaurant. One way is to target groups that are interested in healthy eating. You can create campaigns that focus on the health benefits of your food. This will appeal to group members who are looking for healthy options.

Another way to use group marketing is to target groups that are interested in new experiences. You can create campaigns that highlight the unique aspects of your restaurant. This will appeal to group members who are looking for something new and exciting. You can also use group marketing to target groups that are interested in saving money. You can create campaigns that highlight the discounts and deals that you offer. This will appeal to group members who are looking for a great deal on their next meal.

No matter what type of group you are targeting, group marketing allows you to reach customers with similar interests and nurture them down the funnel, essentially balancing the short & long term investments. By tailoring your campaigns to the interests and needs of your target audience, you can create more effective campaigns that will convert more customers.



As discussed previously, group marketing is also a great way to market directly to consumers. When you target a group, you can tailor your marketing campaigns to the interests and needs of that group. There are a number of different ways that you can use group marketing to attract new customers to your DTC business.

One way is to target groups that are interested in your product or service. You can create campaigns that focus on the benefits of your product or service. This will appeal to group members who are looking for a solution to their problem.

Another way to use group marketing for DTC products is to target groups that are interested in or have an affinity for your brand. You can create campaigns that focus on the values and mission of your brand. This will appeal to group members who are looking for a brand that they can trust.



Using group marketing for consumer packaged goods, or CPG, is well established with TV advertising where it is essentially group marketing. While this advertising was done based on demographics (which is also a form of grouping), the available signals in new age digital data allow for behavior and interest groups to be formed that are more refined than demographics; similar to DTC group marketing. Think of it this way: people looking for things for their home or family are looking for brands they trust that create high-quality products.

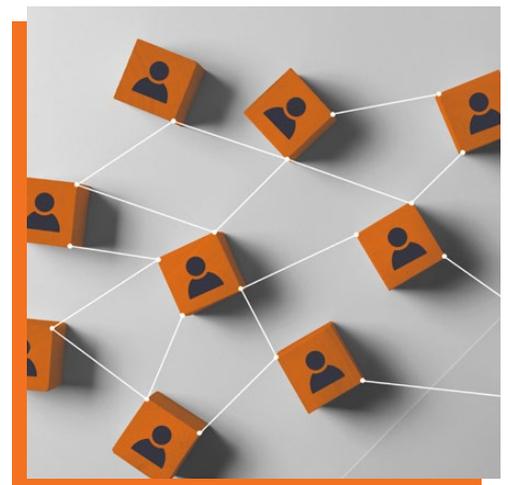
This segment is tailor-made for group-informed marketing. Groups influence the behaviors of individuals and affirm their decisions to make a purchase. The social acceptance of buying a certain CPG brand is just half of the equation. The other half is that the members of the group will be looking to other members for recommendations, referrals, and reviews.

Group marketing can influence both the potential buyer and the members of the group that are influencing them. If that sounds meta or multi-layer that is because it is. That is where the effectiveness of group marketing for CPG companies unlocks its real potential: the ability to [penetrate a group in different ways](#), by going beyond basic demographics, to drive conversions and brand affinity.

## Think About the Whole Group

When you market to an individual, you are targeting that one person. You are trying to attract them with your marketing message and convince them to buy your product or service.

When you are able to model data in order to understand and market to a group, you are targeting a group of people. You are trying to attract them with your marketing message and convince them to buy your product or service.



The key difference here is that when you market to a group, you increase the chance of resonance. You also rid yourself of the specific personalization and customization that was the hallmark of 1:1 marketing. Treating people as unique does not mean you have to market to them with a completely custom plan based on third-party cookies and following them around the internet. Messages that resonate with many are far more effective than messages that only resonate with a single person. Scalability without losing effectiveness is built into group marketing.

## Making the Transition to Group Marketing... for Good

If you're looking to create more effective marketing campaigns, then targeting groups is the way to go. It's a more efficient and personalized approach that can yield better results.

Group marketing is not without its challenges. The right data about the cohort or group is every bit as important as the data used to inform 1:1 marketing campaigns. Affinity Answers already has the group datasets necessary to chart your next group marketing campaign. To learn more about how Affinity Answers can help optimize your group marketing efforts, you can find our contact information provided below.



For more information visit [affinityanswers.com](https://affinityanswers.com) or contact us directly at [audiences@affinityanswers.com](mailto:audiences@affinityanswers.com)