Chapter 22
Virtual Geodemographics: Consumer Insight in Online and Offline Spaces

Alex D. Singleton
University of Liverpool, UK

ABSTRACT

Computer mediated communication and the Internet has fundamentally changed how consumers and producers connect and interact across both real space, and has also opened up new opportunities in virtual spaces. This book chapter describes how technologies capable of locating and sorting networked communities of geographically disparate individuals within virtual communities present a sea change in the conception, representation and analysis of socioeconomic distributions through geodemographic analysis. It is argued that through virtual communities, social networks between individuals may subsume the role of neighborhood areas as the most appropriate unit of analysis, and as such, geodemographics needs to be repositioned in order to accommodate social similarities in virtual, as well as geographical, space. The chapter ends by proposing a new model for geodemographics which spans both real and virtual geographies.

THE DENUDATION OF REAL WORLD GEODEMOGRAPHICS

Geodemographic classifications work by categorizing real world geographic areas into a series of Types which purport to represent homogeneous and multidimensional characteristics of individuals living with neighborhoods. Fundamental to this view is that the geographical location in which you live shapes who you are, and in the case of commercial applications; what you are likely to buy in the future. This kind of classification has apparently sustained considerable success in the commercial sector by leveraging greater returns through target marketing (Birkin, Clarke, & Clarke, 2002; Harris, Sleight, & Webber, 2005), and classifications are increasingly used by the public sector for social marketing and customized service delivery (Longley, 2005). The assignment of an individual within a classification Type is

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achieved by address matching against a small area geography equivalent in size to census areas, US Zip Codes, UK/Canadian Postcodes and so forth, an assignment process that is potentially vulnerable to the ecological fallacy (Birkin et al., 2002) and suppression of diversity within areas (Voas & Williamson, 2001). Furthermore, although geodemographic classifications are constructed using data which relate to geographic areas, their mode of construction is avowedly aspatial, in that the clustering procedures that are used to create the classification are optimized by searching for patterns of social similarity, independent of locational proximity. As such, the "geo" prefix to geodemographics perhaps implies greater spatial intelligence than perhaps exists in reality.

Against this backcloth, the growing role of the Internet for mediating relationships between producers and consumers is fundamentally challenging the supremacy of geographic classification as a method of targeting based on homogeneity of behaviors between consumers within a neighborhood area (Longley & Singleton, 2009a, 2009b; Longley, Webber, & Chao, 2008). The core principle underlying current geodemographic classifications is that 'birds of a feather, flock together' (Sleight, 2001), that is, the locations of consumers with similar traits, tastes and preferences exhibit spatial autocorrelation. For traditional marketing activities such as the provision of targeted mail shots or the location of advertising bill boards, response rates can be estimated simply as a function of the typical characteristics of the local population likely to view these offerings. However, more and more consumer interaction takes place on the Internet, where the similarities between consumer behavior are less obviously viewed through the lens of geographic co-location. Instead, consumers or potential customers can be drawn together from across large geographic areas. To date, critiques of geodemographics have been limited to offline behaviors occurring across geographic space, and as such little attention has been directed at the challenges that computer mediated communication poses to areal classification. To what extent do social similarities manifest both between and within online virtual spaces supplement or even replace conventional geodemographic classification?

TOWARDS A GEODEMOGRAPHY OF CYBERSPACE?

Before reconsidering the role of geodemographics as a tool for generalized representation it is important to define how online spaces are constructed, as this influences how they can be understood and measured. There is long established interest in how new forms of interaction and place forming processes are enabled by information and communication technology (Adams, 1998; Batty, 1997; Valentine & Holloway, 2002). A useful typology of online and offline spaces is provided by Batty (1997:340):

1. **Place/space:** the original domain of geography abstracting place into space using traditional methods;
2. **Cspace:** abstractions of space into c(omputer)space, inside computers and their networks;
3. **Cyberspace:** new spaces that emerge from cspace through using computers to communicate;
4. **Cyberplace:** the impact of the infrastructure of cyberspace on the infrastructure of traditional place.

For a full review of early developments in computer mediated communication had their implications for the development of cyberspace see Rheingold (1994) and Batty and Barr (1994). As discussed in the previous section, geodemographics has demonstrated use across a variety of application areas in place/space and more recently cyberplace (Longley et al., 2008). Although early commentary argued that communication enabled