New Applications of a Traditional Psychographic Segmentation Concept

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Though the general approach of psychographic segmentation was developed and significantly elaborated a few decades ago, there are numerous further research possibilities in this area. Typically, current researchers concentrate on more specific audiences and more a specific product-oriented lifestyles. However, use of traditional lifestyle segmentation models also can help exploring new relationships and behaviours.

Authors analyzed lifestyles of current business and economics students, who will soon become an important group of business managers and consumers. It was observed very consistent distribution of respondents into just three VALS types. Statistically significant relationship between lifestyles and leisure spending preferences was disclosed. The relationship between VALS types and preferences in mobile telecommunications products and services was weaker, but some evidence suggests directions for further research.

The analysis proved applicability of VALS methodology in exploratory studies that involve two-step survey procedure outside the US society.

Keywords: psychographic segmentation, lifestyle, leisure preferences.

Introduction

Market segmentation is one of the major concepts in marketing. However, it experiences changes in terms of both conceptual developments and concrete practical applications. More specifically, the question whether well known segmentation models are still relevant and can be used in particular circumstances arise again and again.

Psychographic segmentation is one of important ways to segment markets. Most frequently, it is based on integrative sets of variables that define various lifestyles. Though overall idea of lifestyle-based segmentation was developed decades ago, it remains very important, since life realities are constantly changing and lifestyles themselves also experience modifications.

There are several current trends in scientific analysis of psychographic segmentation issues.

First of all, well known models are being constantly renewed to address new trends in society. This is especially noticeable in evolution of VALS model.

Second, current psychographic studies are no longer performed just in a small number of developed countries.

Wider geographic coverage of research allows to research specifics of various societies (El-Tigi, Wafai, 1996, Ma, 2004) and also notice lifestyle specifics there. In many cases, these studies also contribute to lifestyle research methodologies and include aspects usually overlooked in applied research: preferences in leisure, self-images, moral choices, family and religion, cultural patterns, prestige, and expectations about self-development (Somma, 2003).

At the same time, researchers turn their attention to linkage of lifestyles with behaviour of customers in consumption of certain types of products or services. In this case, specific lifestyles are defined on the basis of a certain product (Bruwer, Li, Reid, 2002) This might be further used for better understanding of customer motivations (Jih, Lee 2004) as well as for developing new marketing tools and selling techniques (Davis, Schibrowsky, Pelletier, Schultz, 2002).

One more trend in psychographic research is concentrating on certain parts of the society instead of examining society as a whole. In many occasions researchers analyze younger generations, since they represent the newest trends in the society and reflect the very start of new purchasing and consumption patterns (McDougall, Chantrey, 2004). Many researchers use samples of students, since this group outlines trends in society for the nearest future (Wolburg, Pokrywczynski, 2001).

In addition to this major reason, many others also support usage of students’ samples in similar research. Researchers most often agree about relative convenience of reach of students audiences, their relative consistency across countries, adequate knowledge of languages (James, Sonner, 2001).

Theoretical background

The concept of market segmentation lies at the very core of marketing for many decades. Segmentation is a tool that groups people by their distinct needs to determine what types of consumers will be most receptive to a particular product or marketing message. These groups form a consumer model. To develop models, marketers classify consumers according to a certain sets of criteria, that typically start from demographics and geographic variables. More sophisticated consumer models also include psychographic and behavioural variables like attitudes, lifestyle, values, ideology, risk aversion, and decision-making patterns.

General approach of psychographic segmentation was developed and significantly elaborated a few decades ago. The concept of life style patterns and its relationship to marketing was introduced in 1963 by William Lazer (Lazer, 1963). He defined life style patterns as: a “systems concept”, which refers to a distinctive mode of liv-
ing in its aggregate and broadest sense.

Starting from overall understanding that consumers can be classified on the basis of more general and integrative characteristics, researchers tried to use very different and sometimes rather extreme models that include sun-sign astrology (Mitchell, Haggett, 1997) or use of enneagrams that are known for more that 2000 years (Kamineni, 2005). However, majority of currently used psychographic segmentation models are based on modern and empirically tested criteria that typically are defined as lifestyles. However, the term ‘lifestyle’ can have at least three different meanings:

1. The values that a person expresses with reference to a limited number of basic dimensions (freedom, justice, equality etc.).
2. A group or cluster of attitudes, opinions, interests and activities. In this case the investigator usually includes a theoretical mixture of very different concepts which are supposed to serve as a basis for classifying or segmenting a population. The segmentation should in its turn be possible to use in marketing products or influencing habits.
3. Actual "patterns of behaviour", e.g. lifestyles characterized by substance abuse or an active leisure time involving sports, work in political organizations, etc. (Sjöberg, Engelberg, 2005).

In this paper we will use the term lifestyle in the second and the third mentioned meaning, unless otherwise stated. Based on this, the best known approaches and models include AIO, VALS and LOV.

The AIO model integrates activities, interests and opinions. In this case, life style segmentation research measures people's activities in terms of (1) how they spend their time; (2) their interests, what they place importance on in their immediate surroundings; (3) their opinions in terms of their view of themselves and the world around them; and (4) some basic characteristics such as their stage in life cycle, income, education, and where they live (Plummer, 1974).

Values and Life Style (VALS) methodology was developed at SRI International by Mitchell (Mitchell, 1983). It started from the theoretical base of Maslow's (Maslow, 1954) need hierarchy and the concept of social character (Riesman, Glazer, Denney 1950).

List of Values (LOV) methodology was developed by researchers at the University of Michigan Survey Research Center (Kahle, 1983, 1986). LOV was developed from a theoretical base of Feather's (Feather, 1975), Maslow's (Maslow, 1954), and Rokeach's (Rokeach, 1973) work on values in order to assess adaptation to various roles through value fulfilment. Subjects see a list of nine values, including self-respect, security, warm relationships with others, sense of accomplishment, self-fulfilment, sense of belonging, being well respected, fun and enjoyment in life, and excitement. (Kahle, Beatty, Homer, 1986).

Since the three mentioned models have some similarities, they are often used in parallel or even compared in terms of suitability in various analysis (Novak, MacEvoy 1990). Since they are to some extent inter-changeable, only one of them (VALS) will be used as the basis in this paper.

**VALS model**

VALS is an acronym for "values and lifestyles." It was portrayed as the first theoretically based psychographic system to incorporate people's social values—the principal driving forces of their lives. VALS categories gave marketers a true a priori lifestyle segmentation system—the original nine VALS groups came first, and a questionnaire (66 items) was developed that best differentiated the nine groups. In 1989, VALS was redefined to maximize its ability to predict consumer behaviour. A team of experts from SRI International, Stanford University, and the University of California, Berkeley, determined that consumers should be segmented on the basis of enduring personality traits rather than social values that change over time. The VALS 2 program, though still theoretically based, was a step closer to post hoc segmentation systems. The typology (eight types) was formed by the intersection of two dimensions, (1) self-orientation and (2) psychological and material resources (e.g., income, education, energy level, self confidence, etc.). The self-orientation dimension in VALS 2 had three levels: Principle, Status, and Action. Consumers with a Principle orientation look inside themselves to make choices. Those with a Status orientation make choices in relation to others' reactions, desires, etc. Those with an Action orientation make choices that they think will result in an impact on the world or on the feelings of themselves or others. The resource dimension ranges from a level labelled "minimal" to a level labelled "abundant." (Winters, 1989). In 2003 the VALS 2 was developed further and returned back to its original name VALS. Authors changed titles of names of some segments; however, in terms of methodology or overall concept no major changes were made.

The basic assumption of VALS is that people express their personalities through their behaviours. VALS specifically defines consumer segments on the basis of those personality traits that affect behaviour in the marketplace. Rather than looking at what people do and segregating people with like activities, VALS uses psychology to segment people according to their distinct personality traits. VALS not only distinguishes differences in motivation, it also captures the psychological and material constraints on consumer behaviour. The personality traits are the motivation – the cause. Buying behavior becomes the effect – the observable, external behaviour prompted by an internal driver. VALS asserts that people express their personalities through their behaviours. People with different personalities engage in different behaviours or exhibit similar behaviours for different reasons. By using psychology to analyze and predict consumer preferences and choices, the current VALS system creates an explicit link between personality traits and purchase behaviour.

VALS places adult consumers into one of eight segments based on their responses to the VALS questionnaire. The main dimensions of the segmentation framework are primary motivation and resources (Figure 1).
An individual’s primary motivation determines what in particular about the self or the world is the meaningful core that governs his or her activities. Consumers are inspired by one of three primary motivations: ideals, achievement, and self-expression. Consumers who are primarily motivated by ideals are guided by knowledge and principles. Consumers who are primarily motivated by achievement look for products and services that demonstrate success to their peers. Consumers who are primarily motivated by self-expression desire social or physical activity, variety, and risk. Resources include not only age, income, and education. Energy, self-confidence, intellectualism, novelty seeking, innovativeness, impulsiveness, leadership, and vanity play a critical role. These personality traits in conjunction with key demographics determine an individual's resources in the current version of VALS model. Different levels of resources enhance or constrain a person's expression of his or her primary motivation.

Research Methodology

Current research is exploratory by its content and is seeking to show opportunities of VALS model use in a narrowly focused analysis. Authors of this paper tested three major hypotheses:

H1: Students of the same major have more similarities than just the same academic interests, and this is observable by similarity of their VALS types;

H2: VALS type influence the way how students spend their leisure time;

H3: VALS type can be related with selection and use of mobile telecommunications.

Since the research was exploratory, convenience sampling procedure was used. The sample consisted of 143 respondents: 42 male and 101 female. All of them were third year bachelor students of Economics department of Vilnius University. Average age of respondents was 20.9 years, with very small variance (standard deviation 0.49 year). Such a consistent group of respondents was satisfactory for testing H1.

Respondents were surveyed by using two steps procedure. First, all of them had to individually answer VALS questionnaire (http://www.sric-bi.com/VALS/types.shtml). This allowed to avoid any possible inaccuracy in defining psychographic type, since original SRI questionnaire was used. Later, a respondent’s primary type was recorded, and related with his demographic characteristics (gender, age), leisure activities and use of mobile telecommunication services.

Findings

VALS types

By answering VALS questionnaire respondents were distributed into only three VALS segments (types): 47% strivers, 43% Experiencers, and 10% innovators. This allows summarizing that H1 is confirmed: all students of the same department are grouped into only three VALS types, and 90% of them belong to only two VALS segments. In other words, absolute majority of Vilnius university Economics department students belong either to Strivers or Experiencers.

1 adopted from SRI-BI web page http://www.sric-bi.com/VALS/types.shtml
Since the group of respondents was very consistent by age, the only differentiating demographic factor was gender. Based on this, some grouping differences were observed (Figure 2).

Figure 2. Distribution of respondents into VALS segments by gender

The chi-square test was performed to determine whether or not to reject the possibility that VALS type and gender are statistically independent. The null and alternative hypotheses were:

- $H_0$: There is no relationship between VALS type and gender,
- $H_1$: There is a relationship between VALS type and gender.

To test this null hypothesis of independence against the alternative using a level of significance $\alpha = 0.10$, our computed test statistic $\chi^2 = 5.13$, and exceeds 4.605 which is the upper-tailed critical value from chi-square distribution with $(3-1)(2-1) = 2$ degrees of freedom. Therefore the null hypothesis of independence is rejected. $P$-value is 0.0767 (less than 0.10), so that the null hypothesis of no relationship between VALS type and gender is rejected. On this basis we conclude that there is evidence of a significant relationship between VALS type and gender. However, relationship between these two variables is weak (Cramer’s V correlation coefficient is 0.19).

According to the segment description, Strivers are trendy and fun loving. Because they are motivated by achievement, Strivers are concerned about the opinions and approval of others. Money defines success for Strivers, who don’t have enough of it to meet their desires. They favour stylish products that emulate the purchases of people with greater material wealth. As consumers, they are as impulsive as their financial circumstance will allow. Large number of students belongs to this category mainly because their young age, which is considered a source of experience resources. Other factors being equal, the same group would soon move to Achievers type.

It is defined that Experiencers are motivated by self-expression. As young, enthusiastic, and impulsive consumers, Experiencers quickly become enthusiastic about new possibilities but are equally quick to cool.

Characteristics of both discovered segments allow predicting that respondents would express strong attitudes towards their leisure activities, especially – as they are related with socialization and self-expression. Also, these psychographic segments have good potential to use modern communication technologies for their achievements as well as already mentioned leisure activities.

**Leisure activities**

There are statistically significant differences in terms what type of leisure activities prefer respondents that belong to the three analyzed segments (Figure 3).

As a chi-square test of independence, the null and alternative hypotheses are:

- $H_0$: There is no relationship between VALS type and leisure preferences,
- $H_1$: There is a relationship between VALS type and leisure preferences.

We test the null hypothesis using a level of significance $\alpha = 0.01$ with 2 degrees of freedom. Computed test statistic $\chi^2 = 12.95$. Since the $p$-value is less than 0.01, we can reject the hypothesis that VALS type and leisure preferences are independent at the 99% confidence level. Therefore, the observed value of VALS type is related to its value for leisure preferences. However, relationship between VALS type and leisure preferences is weak (Cramer’s V coefficient is 0.31).

By definition of the segment, Innovators are successful, sophisticated, take-charge people with high self-esteem. Because they have such abundant resources, they exhibit all three primary motivations in varying degrees. Their lives are characterized by variety. Therefore it is not surprising that Innovators do not share a uniform opinion to any subject.

Experiencers have enough resources for developing out-door activities, they seek variety and excitement, savouring the new, the offbeat, and the risky. Their energy finds an outlet in exercise, sports, outdoor recreation, and social activities. Experiencers are avid consumers and spend a comparatively high proportion of their income on fashion, entertainment, and socializing. All this explains why nobody from this segment was excited about leisure activities at home.

Strivers are defined as trendy and fun loving, but at the same time – rather limited by resources (including financial). This makes them to avoid out-door activities that are expensive. At the same time, modern communications allow seeking achievements and excitement even when one stays at home.
Mobile telecommunications

Analysis of attitudes towards mobile telecommunications included questions about mobile telecommunications operator, brand of currently used mobile phone and overall experience of mobile telecommunications use.

In terms of used mobile connection provider, Innovators differed from the two other segments by larger share of the newest operator Tele 2 (analyzing just the group of three major providers). This operator was used by the two-thirds of Innovators, whereas by only 35% of Strivers and 35% of Experiencers. In general, preferences of Strivers and Experiencers towards mobile connection provider are rather similar.

Experiencers differ from the two other segments by its core feature – experience in use of mobile communications. More that 38% of this segment members have a personal mobile phone for more than 5 years. This clearly is not a function of financial resources, since such experience have just 20% of Innovators (which have abundant financial resources) and 22% of Strivers, whose financial resources are scarce. Therefore we can state that lifestyle forces Experiencers to discover new technologies earlier than this is done by other psychographic segments.

It is much more difficult to comment mobile phone brand preferences (Figure 4).

![Figure 4. Mobile phone brand preferences](image)

It is obvious that leading brand Nokia is preferred by all segments, but it is most liked by Strivers. Siemens brand best applies to Innovators, though the difference with other segments is not significant.

Further analysis showed interesting cross-relationship between leisure preferences and preferences in mobile communications. It was observed that statistically significant relationships exist between leisure preferences and choice of mobile operator as well as the brand of mobile phone.

First of all, respondents who prefer leisure activities at home, rather evenly use services of the three major operators, and the fourth operator (Eurocom) has as large share as 7%. Many more respondents who are interested in outdoor leisure activities use services of Tele 2 (46%), followed by Omnitel (39%), while Bite having only 13% (in the earlier discussed at-home leisure group it had 33%).

Interesting relationships occur in linking leisure preference with the choice of mobile phone brands. Only Sony-Ericsson and Motorola have the same shares in both groups (13% and 7% respectively). Two-thirds of at-home leisure group use Nokia phones, while in the other group this brand has share of only 43%. Instead, the group that prefers out-door activities more frequently uses Siemens phones (27% versus only 7% in the ‘at home’ group).

Conclusion

This survey has a few new aspects that proved their viability.

First of all, the decision to base the survey on a rather old psychographic model worked well enough, and discovered psychographic segments can be supported by logical arguments.

Also, methodological decision to use two-step survey (in the first part relying on well-tested standard VALS questionnaire) was also perhaps successful. Certainly, because of this the survey has one major methodological limitation, which is related with VALS questionnaire itself. This tool was developed for researching adult US population, and can be not 100% suitable for representatives of other countries. Though all respondents are English speaking, some distractions can be generated by use of English language. Also, questions referred to the specific US realities (for example, in classification of educational levels), which could be misunderstood by foreigners. However, the major different factor was categorization of income levels, which reflects the scale of family income in the US. Lithuanian average income level is times lower, and this could influence some extent influence the final categorization. However, all these limitations are relatively smaller than imperfections that would occur from usage of any less tested research tool.

Based on empirical data, some rather interesting observations in lifestyle analysis also may be stated.

The analysis confirmed the hypothesis H1, which assumed that students of the same major have more similarities than just the same academic interests, and this is observable by similarity of their VALS types. Absolute majority of Vilnius University Economics department students belong either to Strivers or Experiencers. However, this finding had just an exploratory significance, since the sample was limited to just one university students and only one major (business and economics). It is also unclear, how typical is observed statistically significant relationship between VALS type and the gender. All this opens good possibilities to expand analysis on the basis of a broader sample.

Analysis confirmed H2 (VALS type influences the way how students spend their leisure time). This relationship is statistically significant and discloses a pattern in leisure activities. However, this is just the initial step towards more detailed categorization of leisure activities and for theoretical model that explains this linkage development.

Hypothesis H3 (VALS type can be related with selection and use of mobile telecommunications) is not confirmed. More precisely, it can be described as just partially correct in provider and mobile services experience analysis, but can not be proven by survey of attitudes towards brands of mobile phones.
As for additional findings, observed relationship between the type of leisure activities and preferences in mobile communications (operators and brands of phones) allow to develop a proposition that link of leisure activities and mobile communication preferences are typical to some lifestyles that are not elaborated yet and might have a service- or industry-specific characteristics. Again, it might be used as a start for developing of specific model of lifestyles that are known in many industries and product groups.

As a result, despite its limitations, this paper perhaps opens a few interesting possibilities of further research.

References

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Naujas tradicinių psichografinio segmentavimo būdų taikymas

Summary

nomikos fakulteto studentus. Suformuluotos trys darbinės hipotezės:
H1: tos pačios studijų krypties studentai pasižymi panašumu ne tik akademinių interesų srityje, ir šie panašumai gali būti atskleidžiami, pasitelkus VALS modelį;
H2: VALS tipas lemta asmens laisvalaikio leidimo prioritetus;
H3: VALS tipas gali būti siejamas su mobilių telekomunikacijų prieky ir paslaugų vartojimu.

Tyrimo imtų sudarė 143 asmenys, kurų amžiaus vidurkis 20,9 metų (su mažėjus, nei 0,5 metų variacija). Tai atitiko užsibrėžtą tiriamo amžiosios grupės išorinio panašumo nuostatą.

Tyrimo metu nustatyta, kad visi respondentai priklauso tik trims VALS tipams (iš 84,0% atitinkančių tipą, teigiančią, kad tos pačios studijų krypties studentai pasižymi panašumu ne tik akademinių interesų srityje, ir šie panašumai gali būti atskleidžiami, pasitelkus VALS modelį);
Net 47% respondentų buvo priskirti „Strivers” tipui, kuriam būdinga pasiekimų pirminė motyvacija ir kuris pasižymi pagyvenimu negausiais išskėliais. Tikėtina, kad išskėlių negausumą labai veikia jaunas respondentų amžius (vyresnis amžius, kaip patirties šaltinis, šiame modelyje laikomas išskėlių didinimo elementu).

Tik šiek tiek mažiau (43%) respondentų priskirti „Experiencers” tipui, kurį nusako dideli išskėliai ir saviraiškos motyvacija. Likusieji 10% priskirti „Innovators” tipui, kurį nusako tiktais išdėstytis išskėliai (pirminė motyvacija tampa pagyvenėms bevesvarbi).

Pažymėtina, kad pastebėti statistiškai reikšmingi vyrų ir moterų gyvenimo stiliaus skirtumai. Moterų grupėje trjų gyvenimo stilų grupės savo dydžiu palyginti panašesnės, tuo tarpu tarpe vyrų dominojo „Experiencers” tipas.

Abu dominojantys tipai („Strivers” ir „Experiencers”) teikia didelę reikšmę laisvalaikio leidimui, todėl tolimesnį tyrimą buvo siekiama atskleisti šio pobūdžio dėmesį. Tai du pagrindiniai laisvalaikio leidimo prioritetai: laisvalaikio leidimas namų virtinėje ir savarankiško laisvalaikio leidimo prioritetai.

Tiriant ryši tarp VALS tipų ir mobilių telekomunikacijų prieky bei paslaugų, buvo analizuojamos mobiliojo ryšio paslaugų tiekėjo ir mobiliojo telefono vardo pasiskirstymas įvairiose psychografinėse grupėse. Papildomai analizuota mobiliojo telefono asmeninio naudojimo patirtis.


Apibendrinant telekomunikacinių priekų ir paslaugų tyrimo dalį tenka pripažinti, kad trečiosios hipotezės nepavyko nei aiškiai patvirtinti, nei kategorizuoti paneigtis. Šie sritis reikalauja tolimesnių tyrimų. Tai atitiko užsibrėžtas hipotezes: VALS modelis gali būti tos pačios grupės išorinio panašumo nuostatą, nes tenka pripažinti, kad trečiosios hipotezės nepavyko nei aiškiai patvirtinti, nei kategorizuoti paneigtis. Šie sritis reikalauja tolimesnių tyrimų, kuriems pritaikytas modelis galėtų atskleisti šio pobūdžio dėmesį. Tai patvirtino pirmą hipotezės sakingumą.

Visų pirma, galima teigti, kad VALS modelis gali būti sėkmės gauti naudojamas už JAV ribų ir gali padėti nustatyti gyvenimo stiliaus tipą bei tam tikrus elgesio stereotipų asmenų grupėse.

Antra, dvių pacių apskaičius metodas pasiūlė tikslaus tokio pobūdžio pažintiniame tyrimo. nors galima spėti, kad kitos šalies realiems pritaikytas modelis galėjo nežymiai išskiriant rezultatus Lietuvos kontekste (pvz., esant žymiai žemesniam pajamų lygiui), štai trūkumą atsirado gali būti gyvenimo stiliaus tipai bei tam tikrus elgesio stereotipų asmenų grupėse.

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Tiesiogiai siejamos su mobiliųjų telefonų asmeninio naudojimo patirtimi, atsivertė ir kitų gyvenimo stiliaus. Tai atitiko užsibrėžtas hipotezes: VALS modelis gali būti tos pačios grupės išorinio panašumo nuostatą, nes tenka pripažinti, kad trečiosios hipotezės nepavyko nei aiškiai patvirtinti, nei kategorizuoti paneigtis. Šie sritis reikalauja tolimesnių tyrimų, kuriems pritaikytas modelis galėtų atskleisti šio pobūdžio dėmesį. Tai patvirtino pirmą hipotezės sakingumą.

Raktas: psychografinis segmentavimas, gyvenimo stilis, laisvalaikio prioritetai.

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