

# LIFESTYLE DIMENSIONS OF CONSUMERS BY THEIR DEMOGRAPHIC FACTORS

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## Abstract:

The marketing scene in India is changing at a rapid pace. It is gradually, becoming active, competitive, dynamic and challenging. To meet the challenges thrown by the market forces, a business firm has to focus on the consumer lifestyles influenced by demographic factors. The potentially large market offered by India has long tantalized both domestic and foreign investors. The profile of an Indian Consumer is changed drastically which has led to changes in the consumption pattern. The rising per capita income and the changing demographics have all led to these changes. The review of literature presented above reveals that there are no study on “Lifestyles dimensions changes by their demographic factors”. This paper deals group the consumers into three different clusters using lifestyle characteristics of consumers through K-Mean technique and also study the impact of selected demographic factor on the different consumer lifestyle clusters.

**Key words:** Lifestyle, influence, Demographic, Factors, South India

## Introduction

Consumers are people who buy the products and services for their personal use or for the use of the household. Their purchase decisions are influenced by various environmental, economical, social and cultural factors. These factors define the lifestyles of the individuals. In analyzing the influence of lifestyle on consumer purchase decisions, it is necessary to segment the consumers into various groups based on certain lifestyle variables.

## Variables selected

The selection of variables is highly complex there is enormous number of possible variables listed in the literature of consumer behaviour. The following ten variables were selected for the present study.

1. Spending of Leisure time
2. Social Orientation
3. Purchase Behaviour
4. Innovation Adoption
5. Family Orientation
6. Information Seeking
7. Brand Opinion
8. Buying Decisions
9. Quality Opinion
10. Perception on Life

In addition to the above general lifestyle characteristics, information on certain personal Characteristics like age, education, gender, occupation and annual family income was also collected.

## Review of Literature

In the early 60's although demographic segmentation had consistently provided actionable consumer insights, market researchers felt that the utilization of demographic variables had reached a point where it was time to explore variables that provided information about different facets of consumer behaviour. In particular, there was general agreement that attention should be given to understanding the life styles and attitudes of consumers. William Lazer introduced the concept of lifestyle patterns and its relationship to marketing, in 1963. He defined life style pattern as a “systems concept”.<sup>1</sup> Life style refers to a pattern of consumption reflecting a person's choices of how he or she spends time and money. In an economic sense, one's lifestyle represents the way one has elected to allocate income, both in terms of relative allocations to different products and services and to specific alternatives within these categories.<sup>3</sup> Reynolds and Darden (1972)<sup>2</sup> defined life style as a personal construct system, which is the way each individual organizes and structures his world in order to anticipate the events happening there. Plumer (1974)<sup>3</sup> defined lifestyle by emphasizing its behavioural aspects. He compared the life style construct with demographic, social class and psychological variables. “The new construct, life style patterns, combines the virtues of demographics with the richness and dimensionality of psychological

characteristics and depth research. Life style deals with everyday behaviorally oriented facets of people as well as their feelings, attitudes and opinions". Lifestyle according to Wells (1975)<sup>4</sup> refers to the disparate modes of living in an whole society or any of its segments, including activity, interest opinions needs values, attitudes and personality traits. Wind, Yoram and Green (1974)<sup>6</sup> developed a conceptual framework of lifestyle in relation to consumer behaviour. They considered life style as "made up of values and personality as reflected in activities, interests and attitudes towards leisure time, work and consumption of person alone and person with others."

### Objectives of the Study

- To Identify the different lifestyle segments among the sample population in south India
- To Segment them on the basis of their lifestyle patterns.
- To Analyzing the impact of demographic factors on lifestyle dimensions of people in south India

### Research Methodology

The present study is descriptive in nature and adopts survey method. A well structured questionnaire was used to collect information. Efforts were also taken to collect all the published information through available reference materials. Both primary and secondary data were used for the study.

### Sampling

Hyderabad, Chennai and Bangalore are known as Business Friendly cities in India as described by CII. Chennai is the Automobile and manufacturing hub, Hyderabad and Bangalore are the IT hub of India. The sprouting growth of Information Technology (IT) and Information Technology Enabled Services (ITES) has led to a change in the lifestyle of the people residing in the study area. Moreover people of different cultural backgrounds live in these cities. In view of this Hyderabad, Chennai and Bangalore are selected for the study.

### Sampling Technique

Convenience sampling procedure was used for selecting the samples from the huge population of the users of household appliances in the Three cities.

### Sample Size

After testing its reliability, the revised questionnaire was administered to a total of 900 respondents in twin cities, 300 in the Chennai, 300 in the Bangalore and 300 in Hyderabad. A total of 780 responses have been received. The scrutiny of these led to the rejection of 29 responses on account of incomplete responses. Thus 751 complete responses 251 from Hyderabad, 250 form Bangalore and 250 from Chennai are used for the present study.

### Statistical Tools Used For Data Analysis

The primary data collected from the consumer were processed by tools using SPSS 16.0 package and excel... the statistical tools used for data analysis are as follows:

#### Factor analysis

In order to identify the lifestyle dimensions, the responses were factor analyzed. Principal component analysis with varimax rotation was applied on the responses of the lifestyle construct.

#### Cluster analysis

Cluster analysis was applied to segment the sample respondents on the basis of their life style characteristics. K-mean clustering technique was applied to the lifestyle dimensions.

#### Multivariate analysis

The impact of the demographic variables on the lifestyle characteristics was studied using the multivariate analysis.

### Data Analysis

#### Factor analysis

In order to identify the lifestyle dimensions, the responses were factor analyzed. Principal component analysis with varimax rotation was applied on the responses of the lifestyle construct. The 45 AIO (Activities, Interest, Opinion) statements got reduced to 10 factors or variables. The variables selected for the study are Spending of Leisure time, Social orientation, Purchase Behaviour, Innovation Adoption, Family orientation, Information seeking, Brand opinion and perception of life. Table.1 in Annexure.

#### Cluster analysis

In the present study K-Mean clustering has been used to segment the sample population into various heterogeneous groups, as the size of the sample is too large (751 respondents). These heterogeneous groups identified, have homogeneous variables within them. By trial and error method a three-cluster solution was arrived at. The results are given in Table 2 in Annexure

### Defining cluster characteristics

Defining cluster characteristic involves examining the variables that were used to develop the cluster in order to identify the dominant variables in each cluster, which helps to describe each cluster. The characteristics of these clusters identified with respect to the ten variables obtained through factor analysis are explained by the group mean of each variable. The group score of each variable helps to arrange the cluster according to their characteristics as shown in Table 3

### Impact of Demographic factors on lifestyle dimension

In order to define the lifestyle clusters in terms of their demographics the researcher has attempted to analyze the impact, the demographic factors have on the lifestyle dimensions that define the clusters. The analysis is made using the general linear model – a multivariate analysis. It is a sophisticated statistical tool used in the situation of multiple dependent variables. In this study the factors of the lifestyle are considered as dependent variables and the demographic characteristics are considered as independent variables. General Linear Model is highly significant in identifying the effects of independent variables on the dependent variables. The effect is checked cluster wise and analysis is made for everyone to one effect of the dependent and the independent variables. The results of the analysis are discussed below.

### Impact of Age on the Lifestyle Dimensions of the Clusters

From the Table 4 it is seen that age does not have any impact on the lifestyle dimensions of purchase interested Lifestyle segment and Innovative Lifestyle segment. This implies that the lifestyle dimensions used for segmenting the consumers are independent of age in these two segments.

However age has an impact on the Family Oriented Lifestyle segment. There is a significant difference in the degree of family orientedness exhibited by different age groups. When age is compared with the lifestyle factors it can be seen that age influences the Perception on Life ( $F = 7.186$ ), Purchase Behaviour ( $F = 6.105$ ) and Family Orientation ( $F=9.818$ ). The perception on life, Purchase Behaviour and Family orientation change with the age.

#### Inference

It may be inferred from the above analysis that

- ❖ Age does not have a significant impact on the lifestyle variables in the Purchase interested lifestyle segment and the Innovative lifestyle segment.
- ❖ Age has an impact on some lifestyle variables of the family oriented lifestyle segment. It can be seen that the Perception of life, purchase behavior and Family orientation differ according to age.

### Impact of Education on the lifestyle dimensions of the clusters

From the Table .5 it is seen that education does not have any impact on the lifestyle dimensions of Family oriented Lifestyle segment and Innovative Lifestyle segment. This implies that the lifestyle dimensions used for segmenting the consumers are independent of education in these two segments.

However education has an impact on the Purchase interested Lifestyle segment. When education is compared with the lifestyle factors it can be seen that education influences the Social orientation ( $F = 4.886$ ), Perception on Life ( $F = 10.655$ ) and Brand Opinion ( $F=5.298$ ). That is consumers of different educational levels had different opinions regarding the Social orientation, Perception on life and Brand opinion.

#### Inference

It may be inferred from the above analysis that

- ❖ Education does not have a significant impact on the lifestyle variables in the Family oriented Lifestyle segment and Innovative Lifestyle segment.
- ❖ Education has an impact on some lifestyle variables of the Purchase interested Lifestyle segment. It can be seen that the Social orientation, Perception of life and Brand opinion changes with according to education levels.

### Impact of Gender on the lifestyle dimensions of the clusters

From the Table .6 it is seen that gender does not have any impact on the lifestyle dimensions of Innovative Lifestyle segment.

However gender has an impact on the Purchase interested Lifestyle segment and Family orientated lifestyle segment. When gender is compared with the lifestyle factors it can be seen that gender has a great impact on the Innovation adoption ( $F = 159.012$ ), Brand opinion ( $F= 59.282$ ) and gender also has impact on Social orientation ( $F=10.638$ ), Purchase behavior ( $F=9.031$ ) and Buying Decision ( $F=12.229$ ) in Purchase interested Lifestyle segment. Family oriented cluster gender has impact on Purchase Behaviour ( $F=9.246$ ).

#### Inference

It may be inferred from the above analysis that

- ❖ Gender does not have a significant impact on the lifestyle variables in the Innovative Lifestyle segment.
- ❖ Gender has a greater impact on Innovation adoption, Brand opinion lifestyle variables of the Purchase interested Lifestyle segment. It can also has impact on Social orientation, Purchase behavior and Buying Decision.

- ❖ Gender has a impact on Purchase Behaviour lifestyle variable of the Family oriented lifestyle segment.

### **Impact of Income on the lifestyle dimensions of the clusters**

From table 7 it is seen that income does not have any impact on the members of the family oriented segment and innovative segment that is all income group members prevail in this segments. Income does have a great impact on the purchase interested segment. It can be seen that income has an impact only on the perception factor of lifestyle ( $F=5.664$ ) that is the perception on life changes with change in the income level.

#### **Inference**

From the above analysis it can be seen that

- ❖ Income does not have an impact on the lifestyle dimensions of the family interested and innovative lifestyle clusters. It implies that irrespective of the income of the consumers of these clusters they exhibit a similar lifestyle.
- ❖ Income does not have a great impact on the purchase interested cluster. Only the perception factor of life changes with the change of the income level.

### **Impact of Occupation on the lifestyle dimensions of the clusters**

From the table 8 it is seen that occupation has no impact on the consumers of all the three lifestyle segments. This implies that to whatever occupational group they belong to the consumers exhibit the same opinion.

#### **Inference**

From the above analysis it is seen that

- ❖ Occupation does not have any impact on the all three lifestyle segments.

### **Suggestions to the marketers**

Therefore it can be suggested that the firms producing and selling consumer durable goods have to give priority to the age group of family oriented lifestyle members than the purchase oriented lifestyle and innovative lifestyle member, while producing and selling consumer durables goods.

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Therefore it can be suggested that the firms producing and selling consumer durable goods have to give priority to the gender group of purchase oriented lifestyle and family oriented lifestyle members than the innovative lifestyle member, while producing and selling consumer durables goods.

Therefore it can be suggested that the firms producing and selling consumer durable goods have to give priority to the income group of purchase oriented lifestyle members than the family oriented lifestyle and innovative lifestyle member, while producing and selling consumer durables goods.

Therefore it can be suggested that the firms producing and selling consumer durable goods should not give priority to the occupation of the consumers, while producing and selling consumer durables goods.

### **Conclusion**

This paper deals with segmenting the cluster on the basis of their lifestyle characteristics. The respondents are classified into three segments by using cluster analysis. The clusters identified are the purchase-interested cluster, the family oriented cluster and the innovative cluster. The clusters identified were further defined using the demographic variables like age, education, gender, income and occupation. The analysis revealed that the people of different segments did not differ in their demographic characteristics. It implied that the lifestyle exhibited by the respondents is independent of the demographic characteristics.

As people did not differ in the demographic characteristics among the clusters, an attempt is made to explain the impact of the demographic variables on the lifestyle dimensions of each cluster using multivariate analysis. It is inferred from the analysis that age did not have a significant impact on the lifestyle dimension of the purchase interested and innovative lifestyle segment. But the perception on life, purchase behavior and family orientation of the family oriented lifestyle segment differed with age. The analysis shows that educational level did not have a significant impact on the lifestyle dimension of the Family oriented Lifestyle segment and Innovative Lifestyle segment. But the Social orientation, Perception of life and Brand opinion changes of the purchase interested lifestyle segment differ according to education levels.

Gender has a great impact on the Innovation adoption, Brand opinion and gender also has impact on Social orientation, Purchase behavior and Buying Decision in Purchase interested Lifestyle segment differs among male and female. There is significant difference of Purchase behavior among male and females in the Family oriented lifestyle segment. Gender has not impact on innovative lifestyle segment. Income does not have an impact on the lifestyle dimensions of family oriented lifestyle segment and innovative segment. Among the purchase interested lifestyle segment perception on life is changes according to income levels.

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## Annexure

Table – 1: Table showing the factors along with their factor loadings

Factors		Factor Loadings
<b>Factor 1 : Spending of leisure time</b>		
1	I actively participate in the activities of the voluntary agencies	0.768
2	I like to work on community projects.	0.692
3	I am involved in many social activities outside the house.	0.671
4	I enjoy active participation in voluntary activities	0.590
5	I always prefer those activities that make me stand out	0.491
<b>Factor 2 : Social orientation</b>		
1	I have a few friends	0.563
2	I prefer to be in small a group of known friends in a social gathering	0.492
3	I like parties where there is a lot of music and talk.	0.423
<b>Factor 3 : Purchase Behaviour</b>		
1	I find myself checking the price in the retail stores even for small items.	0.595
2	I generally prefer buying goods on credit.	0.479
3	I don't mind buying goods on the platform after a bargain over the price.	0.421
<b>Factor 4 : Innovation adoption</b>		
1	I always buy new and different brands.	0.622
2	I always prefer being one of the first few to try the latest fashion.	0.620
3	I often try new brands before my friends and neighbours do.	0.614
4	I often buy new brands just to see what it is like.	0.572
5	I do buy branded products that I have never heard of.	0.385
<b>Factor 5 : Family orientation</b>		
1	I enjoy spending most of the free time with my family.	0.676
2	If my family member wants certain goods, I don't hesitate to buy them.	0.582
3	I love shopping with my family members	0.574
4	In evenings, I prefer to stay at home.	0.502
5	I enjoy most of my household tasks.	0.493
6	I consider the feelings of my family before deciding to purchase a product	0.457
<b>Factor 6 : Information seeking</b>		
1	I usually watch advertisement for announcement of a sale.	0.541
2	I often seek the advice of friends concerning which brand to buy	0.390
3	Before buying goods I visit a few shops and compare the prices, models and discounts.	0.350
<b>Factor 7 : Brand Opinion</b>		
1	It is worth paying a higher price for a good brand name.	0.675

2	Foreign brands are better than Indian brands.	0.636
3	Branded products are more reliable.	0.445
<b>Factor 8 : Quality Opinion</b>		
1	Guaranteed goods are of better quality.	0.486
2	All ISI certified goods are of better quality.	0.381
3	There is certainly a difference in the quality of high-priced and low-priced products.	0.376
<b>Factor 9 : Buying Decision</b>		
1	I buy from stores I can count on the products guarantee.	0.706
2	I pay cash for everything I buy.	0.657
3	I prefer patronizing a few selected shops for my shopping.	0.582
4	I don't keep any durable product for more than 5 years.	0.582
5	I feel comfortable shopping in small departmental stores in my neighborhood than in large shopping mall.	0.453
<b>Factor 10 : Perception</b>		
1	Advertisements present a true picture of the product advertised	0.555
2	I regularly visit beauty parlor to look attractive.	0.550
3	One must simply take events as they come and make best use of them.	0.540
4	In my view wearing trendy clothes helps me to be a part of the social circle.	0.539
5	Good grooming is a sign of self-respect.	0.519
6	In my view, life is short and one must enjoy it as much as one can.	0.509
7	Attractive dress boosts self-confidence.	0.412
8	A party without liquor is not a party.	0.365
9	Unless you have some specific reasons to save, it is better to spend money and enjoy.	0.362

Table 2.1: Number of Cases in each Cluster

Cluster No	No. of Respondents	Percentage (%) to the Total
I	235	31.29
II	416	55.39
III	100	13.32
Total	751	100

Source: Computed data

Table 2.5: Group Mean and Cluster Ranks for Characteristics

S. No.	Variable	Cluster 1		Cluster 2		Cluster 3	
		Mean	Rank	Mean	Rank	Mean	Rank
1	Spending of Leisure Time	3.00	2	1.15	3	4.64	1
2	Social Orientation	4.91	1	1.33	3	3.00	2
3	Purchase Behaviour	4.83	1	1.32	3	3.00	2
4	Innovation Adoption	1.38	3	3.00	2	4.70	1
5	Family Orientation	3.00	2	4.97	1	1.37	3
6	Information	3.00	2	4.69	1	1.36	3
7	Brand Opinion	4.82	1	3.00	2	1.43	3
8	Quality Opinion	3.00	2	4.71	1	1.45	3
9	Buying Decision	4.71	1	3.00	2	1.35	3
10	Perception	3.21	2	4.58	1	1.38	3

Source: Computed data

Table.4 Impact of Age on Lifestyle Characteristics

Lifestyle Characteristics	Purchase Cluster	Interested	Family Oriented Cluster	Innovative Lifestyle Cluster
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	F	Sig	F	Sig	F	Sig
Spending of Leisure Time	0.017	0.895	1.534	0.216	0.049	0.826
Social Orientation	0.231	0.631	1.261	0.262	0.116	0.734
Quality Opinion	1.157	0.283	1.696	0.194	0.002	0.961
Perception on Life	0.762	0.383	7.186	0.008*	0.030	0.862
Information Seeking	0.017	0.895	3.287	0.071	0.074	0.786
Purchase Behaviour	0.895	0.345	6.105	0.014*	1.496	0.224
Innovation Adoption	0.169	0.681	1.701	0.193	0.181	0.671
Family Orientation	0.017	0.895	9.818	0.002*	0.011	0.918
Buying Decision	0.645	0.423	1.701	0.193	0.432	0.512
Brand Opinion	1.846	0.176	1.701	0.193	0.240	0.625

Degree of Freedom=1 \* Significant at 5% significance level  
 Source : Computed data

**Table .5 Impact of Education on Lifestyle Characteristics**

Lifestyle Characteristics	Purchase Interested Cluster		Family Oriented Cluster		Innovative Lifestyle Cluster	
	F	Sig	F	Sig	F	Sig
Spending of Leisure Time	0.577	0.448	0.416	0.519	0.088	0.767
Social Orientation	4.886*	0.028	0.059	0.808	0.540	0.464
Quality Opinion	0.577	0.448	0.323	0.570	0.024	0.878
Perception on Life	10.655*	0.001	0.003	0.954	0.261	0.611
Information Seeking	0.040	0.842	0.006	0.936	0.001	0.982
Purchase Behaviour	0.022	0.882	1.139	0.286	1.223	0.271
Innovation Adoption	0.010	0.922	1.403	0.237	0.118	0.732
Family Orientation	0.577	0.448	0.488	0.485	0.206	0.651
Buying Decision	1.202	0.274	1.403	0.237	1.176	0.281
Brand Opinion	5.298*	0.022	1.403	0.237	0.911	0.342

Degree of Freedom=1 \* Significant at 5% significance level  
 Source : Computed data

**Table .6 Impact of Gender on Lifestyle Characteristics**

Lifestyle Characteristics	Purchase Interested Cluster		Family Oriented Cluster		Innovative Lifestyle Cluster	
	F	Sig	F	Sig	F	Sig
Spending of Leisure Time	0.850	0.358	1.961	0.162	0.042	0.839
Social Orientation	10.638*	0.001	0.064	0.801	1.573	0.213
Quality Opinion	1.177	0.279	0.268	0.605	0.002	0.968
Perception on Life	2.285	0.132	0.853	0.356	0.041	0.840
Information Seeking	1.177	0.279	0.950	0.330	0.017	0.897
Purchase Behaviour	9.031*	0.003	9.246*	0.003	1.573	0.213
Innovation Adoption	159.012*	0.000	1.010	0.316	0.138	0.711
Family Orientation	0.850	0.358	3.570	0.060	0.033	0.857
Buying Decision	12.229*	0.001	1.010	0.316	0.002	0.965
Brand Opinion	59.282*	0.000	1.010	0.316	0.016	0.899

Degree of Freedom=1 \* Significant at 5% significance level  
 Source : Computed data

**Table .7 Impact of Income on Lifestyle Characteristics**

Lifestyle Characteristics	Purchase Interested Cluster		Family Oriented Cluster		Innovative Lifestyle Cluster	
	F	Sig	F	Sig	F	Sig
Spending of Leisure Time	0.017	0.896	0.751	0.387	0.024	0.876
Social Orientation	0.906	0.342	1.005	0.317	0.126	0.724
Quality Opinion	0.981	0.323	1.645	0.200	0.046	0.830
Perception on Life	5.664*	0.018	0.056	0.813	0.039	0.844
Information Seeking	0.017	0.896	0.456	0.500	0.007	0.935
Purchase Behaviour	0.847	0.358	0.600	0.439	0.173	0.678
Innovation Adoption	0.838	0.361	0.710	0.400	0.010	0.921
Family Orientation	0.017	0.896	0.025	0.875	0.024	0.877

Buying Decision	0.853	0.357	0.710	0.400	0.008	0.929
Brand Opinion	3.429	0.065	0.710	0.400	0.083	0.774

Degree of Freedom=1 \* Significant at 5% significance level

Source : Computed data

**Table .8 Impact of Occupation on Lifestyle Characteristics**

Lifestyle Characteristics	Purchase Interested Cluster		Family Oriented Cluster		Innovative Lifestyle Cluster	
	F	Sig	F	Sig	F	Sig
Spending of Leisure Time	2.674	0.103	0.087	0.768	0.282	0.596
Social Orientation	0.937	0.334	0.298	0.586	3.073	0.083
Quality Opinion	0.814	0.368	0.444	0.506	1.405	0.239
Perception on Life	0.168	0.682	2.391	0.123	0.572	0.451
Information Seeking	0.814	0.368	0.437	0.509	0.733	0.394
Purchase Behaviour	1.320	0.252	0.052	0.821	1.018	0.315
Innovation Adoption	0.605	0.438	1.791	0.182	0.032	0.858
Family Orientation	2.674	0.103	0.070	0.792	0.658	0.419
Buying Decision	0.952	0.330	1.791	0.182	0.010	0.920
Brand Opinion	0.057	0.811	1.791	0.182	0.245	0.622

Degree of Freedom=1 \* Significant at 5% significance level

Source : Computed data

