Lifestyle Profiling: Using Retail Brand as a Priori

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ABSTRACT

Market identification calls for the right segmentation base. Hence, research works should be undertaken to test the usefulness of other variables in painting a picture of the consumer. Because merchandise uniqueness has become one of the most defining criteria of a successful retail store and since retail brands are the main source of creating this uniqueness, consumer retail brand lifestyle orientation is taken as the variable to be 'experimented'. As the first step to grouping customers, factor analysis was applied to the 14 retail brand statements (posed to the respondents) to determine the possible retail brand dimensions. At the end, the researcher's attempt to draw out a number of factors underlying the input variables was unsuccessful. A startling insight of the meaning of retail brands from the consumer's perspective was uncovered and could be the cause to this unsuccessful attempt.

Introduction

Fundamental to any retail strategy decision is customer identification (Mehrota and Wells, 1977; Wind 1978; Green and Krieger, 1991; Lewison, 1994). The reason being, retailers cannot be all things to all consumers. Thus, an entrepreneur has to find (consumer) clusters that match his capabilities or build capabilities to match these segments (Porter, 1985). In theory, market identification calls for a three-step process. First is segmenting the market into several clusters to be followed by evaluating these clusters and choosing the feasible cluster/s. This paper illustrates the application of the first step of market identification for the Malaysian market and highlights the results

from this exercise. The findings from this research is considered noteworthy since to the knowledge of the author, no previous work has identified a market using brand orientation as the segmentation base.

Popular Consumer Identification Variables

Contemporary works on consumer identification suggest that demographics and lifestyles are the two extensively used variables in identifying customers (Kamakura and Wedel, 1995; Kopp *et al.*, 1989; King and Ring 1980; Gutman and Mills, 1982). Demographics are objective and quantifiable data that are easily identifiable and measurable (Berman and Evans, 1995; Mitchell and Tate, 1998). This variable (demographic dimension) has been and will still be one of the most popular parameters for classifying customer groups.

Although popular, demographic characteristics fail to give further insight of how modern and sophisticated consumers live and spend time and money. Mitchell and Tate (1998) commented, '*whilst demographics are reliable and easily measured, they are fairly "blunt" targeting tools in highly competitive markets dominated by well-branded and image-conscious goods'*. Thus today, demographic data are just used as a beginning point in the measurement of market segments and trends in the marketplace.

In contrast, lifestyle characteristics are able to provide the much-needed answers (of how consumers live and spend time). This is because lifestyle reflects a person's pattern of living in the world as expressed in her activities, interests, and opinions (Plummer, 1974; Richards and Sturman, 1977; Lesser and Hughes, 1986). Hence, they give a rich view of the market and a more life-like portrait of the consumer. As such they meet the demands of management practice for increasingly sophisticated and actionable retailing information (Lesser and Hughes, 1980; Wells, 1975). To monitor and measure lifestyle changes, variables such as activities, interest, and opinions (AIOs) are used (Reynolds and Darden, 1974). Table 1.1 and Table 1.2 exhibit several lifestyle statements used to identify shoppers (Bearden et al., 1978) and its results respectively.

Table 1.1 Lifestyle Statements*

I have some old fashioned tastes and habits
I would rather fix something myself than take it to an expert
I will go out of my way to find a bank with good service
If my clothes are not in fashion, it really bothers me
I usually ask for help from other people in making decisions

Source: Bearden et al., 1978

*Measured on five scales ranging from strongly agree to strongly disagree

Table 1.2 Profile of Shoppers Using General Lifestyles

	Convenience Stores	Department s Store	Discount Stores
Lifestyle Dimensions			
Traditionalist	36.18	38.18	38.85
Outgoing	17.10	14.53	15.85
Quality/Service	17.46	18.18	17.58
Socially Conscious	17.06	16.78	16.57
Other-directed	9.43	9.52	9.23
Demographics			
Age (years)	33.7	36.65	36.55
Income	8730	8100	7750
Education (years)	12.48	12.46	12.20
Race: White*	36.50	55.60	59.30
Black	26.20	59.00	59.30
Sex: Male	42.30	51.50	54.60
Female	26.70	60.90	63.80

Source: Bearden et al., 1978

For almost a decade prior to early 1980s, western academicians and practitioners were using general lifestyle statements such as those in Table 1.1 to identify target markets. However, in recent years, the complexity of modern consumers has increased the need to develop a more focused AIO inventories. Naturally, the high degree of market fragmentation, as evidenced in today's market, has resulted in this approach. Table 1.3 and 1.4 illustrates the typical fashion lifestyle inventories used today and its results when applied to the Malaysian market respectively.

Table 1.3 Fashion Lifestyle Expressions

- I consider myself to be fashion/style conscious
- An important part of my life and activities is dressing smartly
- I am not very cost conscious when it comes to clothes
- The quality of the clothes that I buy is more important to me than price
- I wait until new fashion looks have become well accepted before I buy them myself
- My apparel selections are strongly influenced by clothing worn by people I admire
- I love to shop for clothes
- I enjoy looking through fashion magazines
- I buy more clothing on sales than I do at regular prices

Source: Kopp *et al*. (1989)
Note: * measured on 'Strongly Agree' to 'Strongly Disagree' scale

Table 1.4: The Profile of Malaysian Shoppers

Segments	Fashion L/styles	Demographics	Shopping Orientations
Sophisticated shoppers (49)	Fashion conscious Quality conscious Practical buying	Rather young, age 20-35 years old Highest education Self-driven women	Shopped once in a month. Spend RM51-200. Visit dept. store once in 2 months
Value Shoppers (57)	Practical buying Quality conscious	Older women Slightly less educated than sophisticated shoppers. Many worked with the government. Many Chinese	Spend RM51-400. Shopped once in 2 or 2/3 months. Visit dept. stores once in 2-4 months
Dreamers (10)	Fashion conscious Fashion follower Quality conscious	Many married women but still young. Least educated. Many did not work. Lowest income earner. Mostly Malays	Low spenders. Half of them seldom shopped Most hardly visit dept. stores
Fashion Enthusiasts (114)	Fashion conscious Fashion follower	Young shoppers. Mostly in private sectors. Quite many still not working Various education level, but many with diplomas. Rather low income	A big percentage of those 'shopped most often'. Spend RM51-300. Visit dept. stores once in 2 months
Career Women (206)	Fashion conscious Practical buying	Slightly older than fashion enthusiasts. Various education levels. The highest of those working in private sectors. Av. income; Many Malays	Quite many shopped once a month. Spend RM51-300. Visit dept. stores once in 2-4 months
Ruthless Shoppers (12)	All the five fashion lifestyles	Many married women but rather youngLow level jobs / work her own. Many Chinese. Various level of education	Many shopped twice/once a month. Spend RM51-200. Half visit dept. stores once in 2 months
Status Shoppers (31)	Fashion conscious Fashion follower Price conscious	Many were married with 1 to 2 kids or more. A big percentage of highest income level. Average education	Many shopped twice/once a month Spend RM101-200 Visit dept. stores once in 2 months

Source: Sofiah (1999)

Retail Brand Orientations as the Identification Variable

The preceding write-up has clearly underlined the importance of choosing the right variable/variables in consumer identification. Likewise, the earlier discussion serves to establish that, the more focussed the AIO inventories are - the better they are at providing a rich view of the market and a more life-like portrait of the consumer. Hence, research works should be undertaken to test the usefulness of other variables in painting a picture of the consumer. Building on this argument, this research was undertaken. Furthermore, because merchandise uniqueness has become one of the most defining criteria of a successful retail store (Laermans, 1993; Swinyard, 1997; Lewison, 1994; Chong, 1994) and because retail brands are the main source of creating this uniqueness (Schary and Christopher, 1979; Steiner, 1993; Sofiah 1999), consumer retail brand lifestyle orientation is taken as the variable to be 'experimented'.

Treatment of Data and Findings

Fourteen brands lifestyle statements and 11 demographic descriptions were posed to 400 shoppers drawn from several main shopping complexes in Klang Valley. The gathered feedbacks were to be processed using the steps shown in Figure 1.1.
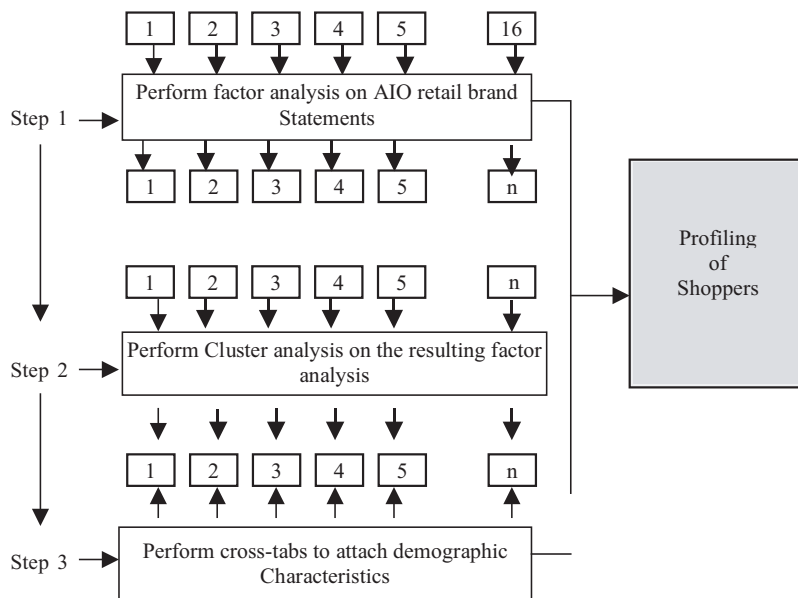

Figure 1.1 Steps in Profiling Shoppers

Findings

As the first step to grouping customers, the Principle Components Factor Analysis with Varimax Rotation was applied to the 14 retail brand statements to determine the possible retail brand dimensions. The aim of this exercise is to draw out a number of factors underlying the input variables (Blamires, 1990; Punj and Stewart, 1983; Green and Carmone, 1970). Later, these inputs will be subjected to cluster analysis, an essential procedure for profiling shoppers. Table 1.5 demonstrates the raw data from this technique and Table 1.6 groups the 14 statements into five factors. Attention is now turns to Table 1.6.

Table 1.5 The Resulting Factor Analysis

Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
retail brands enhance personality	-.101	.842	8.142E-02	-.141	-5.30E-02
retail brands provide self satisfaction	-4.96E-02	.785	6.157E-02	-.162	5.412E-02
buy retail brands for trendy	.736	8.879E-02	-.281	6.782E-02	.188
quality of retail brands cannot be trusted	-.112	.458	.527	.165	-.274
buy retail brands to look different	.809	.102	-3.94E-02	7.971E-03	7.728E-02
retail brands low quality	.111	-8.85E-02	.141	.768	-.226
indifferent to brand names	.721	-.299	-5.11E-02	-1.68E-02	-5.96E-02
price of retail brands are low	.645	-.368	.320	.110	6.318E-03
retail brands are low image	-.134	4.758E-02	.778	-6.91E-02	-2.69E-04
buy retail brands for special function	.381	.272	.239	-.556	-6.81E-02
retail brands suitable at home	.117	.226	.545	-1.40E-02	.487
don't see any reason sell own brand	4.934E-02	.504	.369	.345	-3.81E-02
malaysians are conscious of brand they wear	.290	7.713E-03	-.155	.535	.486
malaysian prefer fancy irrespective brands	1.789E-02	-9.54E-02	-3.23E-03	-.114	.781

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
   a. Rotation converged in 10 iterations.

Table 1.6 Retail Brands' Orientation

Dimension One
- whenever I want my clothes to be different from my friends, I buy **retail brands**
- whenever I want trendy clothes, I buy **retail brands**
- I am not bothered with brand names
- the prices of **retail brands** are usually very low

Dimension Two
- **retail brands** enhance my personality
- **retail brands** give me as much self-satisfaction as that of national/ international brands
- I don't see any reason for any store to sell its own brand.

Dimension Three
- the main problem with **retail brands** is low image
- **retail brands** clothes are very suitable for wearing at home.
- the quality of **retail brands** cannot be trusted

Dimension Four
- **retail brands** mean low quality clothes
- I will buy **retail brands** clothes whenever I go for a very special function.
- generally speaking Malaysians are very conscious of the brand that they wear.

Dimension Five
- generally speaking Malaysians will buy clothes that caught their fancy irrespective of brands.

Upon scrutinizing Table 1.6, it was discovered that at least two brand orientations laid down in that table were 'uninterpretable'. These 'bad' results can be spotted in Dimension Two and Dimension Four. To illustrate, Dimension Two holds a collection of expressions that were lacking in consistency. That is, on one hand, retail brands were perceived in a very positive manner (personality and satisfaction providers) while on the other hand, the statement of '*I don't see any reason for any store to sell its own brand*' seemed to override the positive sides of the other statements in this dimension. Likewise, in Dimension Four, the statements of: '***retail brands** mean low quality clothes*' and '*I will buy **retail brands** clothes whenever I go for a very special function*' just did not add up.

To this end, because expressions from these statements cannot be logically summarized, therefore, the researcher's attempt to profile shoppers using brand orientation has to be aborted. Hence, it is safe to conclude that this research points out to the unsuitability of retail brand lifestyle as a profiling descriptor.

Conclusion- What Went Wrong?

Why are there inconsistencies in the shoppers' responses? Looking back at the responses laid down in Dimension Two and Three (Table 1.6), the researcher offers these insights:

i.   Malaysian consumers perceived there was a difference between retail brands and own brands
ii.   Malaysian consumers did not see any difference between retail brands and international brands.
iii. Malaysian consumers were confounded with the word retail brands.

Given that Malaysians attitudes towards retail brands in particular and brands as a whole are as such, therefore, the interpretation of brand orientation into several categories deemed fruitless. Nevertheless, this exercise had led to a startling insight of the meaning of retail brands from the Malaysian consumer perspectives. To the future researchers, this outcome points out that there are a host of research works in this area that need to be worked on. Arguably an exploratory study to seek consumers brands AIOs is one of those studies.

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