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A COMPARISON AND CLASSIFICATION OF SHOPPER STRATEGY AND
ACTIVITY PATTERN MARKET SEGMENT SOLUTIONS

The University of Oklahoma

PH.D. 1982

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THE UNIVERSITY OF OKLAHOMA

GRADUATE COLLEGE

A COMPARISON AND CLASSIFICATION OF SHOPPER STRATEGY
AND ACTIVITY PATTERN MARKET SEGMENT SOLUTIONS

A DISSERTATION

SUBMITTED TO THE GRADUATE FACULTY

in partial fulfillment of the requirements for the

degree of

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BY

JACK ALAN LESSER

Norman, Oklahoma

1982

A COMPARISON AND CLASSIFICATION OF SHOPPER STRATEGY
AND ACTIVITY PATTERN MARKET SEGMENT SOLUTIONS

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Chapter One

PURPOSE AND SCOPE

The types of shoppers which exist in each of seventeen different geographical markets are identified in terms of their responses to a common inventory of "shopping strategy and activity pattern" statements. The purpose of the dissertation is to: (1) determine the extent of similarity of the types of shoppers across the seventeen markets; and, (2) classify the markets with respect to the similarity of types of shoppers.

Importance of the Research

During the previous two decades, an impressive level of corporate resources has been committed to the implementation of strategies suggested from proprietary market segmentation studies. General Foods Corporation has based long range corporate strategy on a market segmentation study identifying six types of shoppers: Traditionalists, Complainers, Authoritarians, Self-Actualizers, Losers, and Loners (Mitchell, 1973). Ford Motor Company reversed the original image of the Ford Pinto from being, "new and exciting," to "practical and reliable," after reviewing segmentation research (Bernstein, 1978). J.C. Penney Company has relied on a four segment solution of retail

store shoppers, ranging from a category characterized as Taste Leaders to a group named The Lethargics (Mitchell, 1973.)

Today, segmentation research is used extensively as a basis for developing corporate strategy. However, Wind concludes, "despite the thousands of academic and commercial (market segmentation) studies by marketing and consumer researchers, one can draw very few generalizations... (p. 320, 1978)" from these studies. Limited attention has been given to the evaluation of the generalizability of any facet of market segmentation research. No research has been conducted which directly addresses the underlying motive for segmentation studies: the determination of the types of shoppers which consistently can be found in the market.

The first purpose of this research is to determine the extent of similarity of types of shoppers across markets. If types of shoppers are similar across markets, then firms might develop programmed, carefully targeted marketing strategies that appeal to "basic" consumer segments which exist in every market. A "success formula" that a firm develops in one market might be applied with confidence in other regions which have similar competitive structures. Alternatively, if the types of shoppers are found to differ markedly across markets, then the research might suggest that national and semi-national market analyses should be abandoned in favor of highly regionalized studies and the consideration of "situational influences."

The second purpose is to classify the markets with respect to the similarity of types of shoppers. A particular market segmentation solution may exist in some types of markets, while in other types of

markets another segmentation configuration may be found. The classification of different types of markets and determination of the factors in which markets differ would be helpful in the formulation of merchandising strategies when new market opportunities are being explored.

Outline of the Dissertation

Previous market segmentation research has provided corporate executives with a limited number of generalizations for basing marketing strategy. The limited number of generalizations provided by the research is largely due to the unique manner in which the research has evolved. Accordingly, Chapter Two will review the evolution of market segmentation research and theory. The third chapter will describe the conceptual domain of the research and the data collection procedures used to measure the conceptual domain. The fourth chapter will outline and justify the procedures used to compare and classify market segment solutions. Chapter Five will report findings related to comparison and classification of market segments. Chapter Six will describe the types of shoppers found in different markets and offer marketing strategy implications for attracting these shoppers. Finally, Chapter Seven will summarize conclusions, explain their significance, discuss limitations, and suggest future research which should be conducted.

Chapter Two

CENTRAL DEVELOPMENTS AND LIMITATIONS OF MARKET SEGMENTATION RESEARCH

The American consumer has undergone a series of changes which have intensified the role of market segmentation in corporate planning.

Brandt (1966) characterizes the stages of consumer change as:

1. Stage One: The Open Market. Until the 1930's American consumer markets were "markets of necessity." The limited size of producers forced firms to operate within tight economic and geographic market constraints. A typical market definition for firms would be, "individuals who can afford to pay cash and who are close enough to the plant to be reached and serviced economically."
2. Stage Two: The Mass Market. The 1930's to 1960's were characterized by the emergence of a large middle class. Firms sought to broaden the demand of their products by attempting to develop strategies aimed at the "mass market."
3. Stage Three: The Fragmented Market. Since the mid-1960's Americans have appeared to develop increasingly diverse interests and life styles. In response, marketing executives developed more focused marketing strategies aimed at well-defined pockets of consumers.

The market share leaders of the 1950's were firms which kept pace with the pulse of the mass market. To be economically viable in the 1970's, segmentation of the fragmented market became increasingly necessary. Today, corporate strategic plans commonly rely on market segmentation studies for the management of fragmented markets.

The initial section of this chapter will provide a chronological examination of the primary market segmentation frames of reference which have had an impact on corporate planning. The second section will review corporate applications of market segmentation research. Finally, the third section will analyze the limitations of market segmentation research and explain how the dissertation responds to these limitation.

Alternative Frames of Reference For Segmenting Markets

Figure 2-1 lists the primary frames of reference which have been used to segment markets. Contemporary market segmentation research is directly shaped by the evolution of demographics, demographic composites, sales volume, personality research, motivational research, and life style frames of reference. This section examines the central developments and issues which have characterized the use of each frame or reference. These developments provide a basis for demonstrating the contribution of the dissertation to current market segmentation practice.

Demographic Analysis

Central Developments in the Use of Demographic Analysis

As the United States moved into the "Mass Market" stage of market development and firms became more national in scope, demographic analysis of mass market characteristics became popular (Haley, 1968). Demographics became popular, and are still widely used, for the following reasons: (1) ease of measurement; (2) accessibility of demographic

Figure 2-1

Market Segmentation Frames of Reference

<u>Frame of Reference</u>	<u>Examples</u>	<u>Period of Greatest Popularity</u>
Demographics	-Income -Age -Education -Occupation	1950's
Demographic Composites	-Social Class -Family Life Cycle	mid-1950's to the 1960's
Sales Volume Analysis	-Heavy Half -Store and Brand Loyalty	mid-1950's to the 1960's
Personality Research	-General Personality Inventory -Vocational Interests -Self-Concept	mid-1950's to the mid- 1960's
Motivation Research	-In-depth Interviews -Concept Testing -Pilot Studies	mid-1950's to the mid- 1960's
Life Styles and Psychographics	-Activities -Interests -Opinions -Values	mid-1960's to the mid- 1970's
Shopping Strategies and Activity Patterns	-Benefits Desired -Shopping Orientations -Consumption Systems	early-1970's to the present

segments by communications and distribution media; and, (3) the relatively large size of demographic segments (Frank, Massy, and Wind, 1972).

Demographics have two primary applications in corporate planning. First, they are useful for monitoring the impact of general environmental changes on the long-range plans of the firm. For example, demographic trends can be used as planning premises for evaluating the long-range efficacy of current strategic options. The following demographic trends suggest the types of planning premises which hardlines retailers may incorporate into their corporate strategies during the following decade (from McCammon, et al., 1979, p. 4):

1. The Continued Drive Toward Affluence. If current trends prevail, households with a "real" income of over \$20,000 a year will control 69.2 percent of all spending power by 1985. This continued drive toward affluence will probably expand the do-it-yourself market, although it is important to emphasize that upscale consumers are less likely to undertake do-it-yourself repairs than their lower income counterparts.
2. Explosive Growth of Heavy Spending Households. The number of adults between 25 and 44 years of age will increase by 32.2 percent over the next ten years. This rate of growth is three times greater than that projected for the population as a whole. Obviously, this represents a major opportunity for the hardlines industry, since 25 to 44 year olds tend to be heavy durable goods buyers and active do-it-yourselfers.
3. Increased Number of Working Women. The percentage of women who are employed on a full- or part-time basis will continue to increase, rising from 45.8 percent in 1976 to 55.0 percent by 1985. This projected expansion of the female labor force will provide a growing number of households with discretionary spending power, a part of which will be invested in home repair and modernization projects.

4. Rising Educational Levels. There is a close correlation between formal education and consumer taste levels and expectations. By 1985, approximately 31.3 percent of all adults will have completed two or more years of college, which suggests that consumers will become increasingly sophisticated in their tastes and more discriminating in the choices they make in the market place.
5. The Accelerated Expansion of the Southern Rim. The population of the Southern Rim will expand 48.4 percent more rapidly than the nation as a whole between 1976 and 1985. Consequently, the Sunbelt States will continue to offer excellent growth opportunities for the hardlines industry.
6. The Resurgence of Secondary Markets. "Rural" or nonmetropolitan markets will expand 21.0 percent more rapidly than metropolitan areas over the decade ahead. For many hardlines retailers, these secondary markets have been, and will continue to be, unusually profitable.

Demographics have also been extensively used to profile the customers of firms. Table 2-1 outlines the findings of the studies published in academic journals which have attempted to demographically profile customers who are loyal to various products and types of stores. The table summarizes the statistical relationships which have been found between demographics and store and brand loyalty. Contrary to much current thought about demographics, the studies show that loyal shoppers have a relatively distinct, homogeneous demographic profile, regardless of product or store. "Generically loyal" customers appear to be from smaller communities, have lower incomes and educational attainment, and are older than the public in general. Unfortunately, from a strategic point of view, individuals having these demographic qualities appear to be in low growth/declining disposable income

Table 2-1

The Relationship Found Between Store and
Brand Loyalty and Demographics

Researcher	Loca- tion	In- come	Educa- tion	Social Class	Family Life Cycle	Occupa- tion	Age	Dependent Variable
Tate (1961)	++	--	--	--		--	++	grocery stores
Rich & Jain (1968)				+	0			fashion
Enis & Paul (1970)		0	--	0	0	--		grocery stores
Rothberg (1971-1972)		0	0	0	0	0	+	health and beauty aids
Darden & Ashton (1974-1975)		0	0				+	grocery stores
Reynolds, Dar- den, & Martin (1974-1975)		-	-			0	+	discount/de- partment stores
Samli (1975)		--	--			0	+	discount/de- partment stores
Miller (1976)		0	-		+	0	++	grocery stores
Winn & Chil- ders (1976)	++	--	--			-	++	coffee
Bellenger, Stanberg & Stanton (1976)		0	0			0	0	department stores
Bellenger, Robertson & Hirschman (1976-1977)			--	0	0	0	++	general
Bellenger, Robertson & Greenberg (1977)		-	--			-		shopping centers
Williams & Discenza (1977)	++	-	--		+		+	grocery stores
Overall	++	-	-/--	0	0	0	+ / ++	

++ Strong positive relationship

+ Positive relationship

-- Strong negative relationship

- Negative relationship

(blank) not tested

0 No relationship

sectors of the American population. Therefore, the use of demographics as the only frame of reference for analyzing a firm's loyal customers has been on the decline recently.

Primary Issues in the Use of Demographics

Limited Directionality for the Development of Marketing Strategies. Demographics seem to offer a clear profile of who is generically loyal to products and stores. However, since generically loyal shoppers do not appear to be good segmentation prospects (because of their low growth rates and disposable incomes), a more relevant question seems to be, "How can franchise be developed with tougher, less loyal customers?" Demographic profiles fail to provide the interpretative color necessary to understand how to attract customers. Ziff (1974), addressing this issue, labels four strategy interpretation limitations of demographics:

1. The "Fictitious Average" of demographics refers to the non-existent composite of a segment's profile developed from demographical statistical averages. For example, consider a market segment composed of individuals from large families with an average of 2.5 children, a 33.2 year old wife, who live in the suburbs in a house with 5.4 rooms, 2.25 baths, 1.67 television sets, and have .75 of a dog and 1.7 automobiles. This profile provides little guidance, even if the figures are rounded off!
2. The "Minority Skew" indicates that demographical segments are often too heterogeneous to distinctly categorize individuals who have different buying behaviors. Ziff explains that users of only about one out of eight consumer brands advertised by Benton & Bowles had significantly different incomes than nonusers, and users of only one out of three brands were different in age.

3. The "Insightless Numbers" problem emphasizes that even though significant demographic differences may exist the demographics may not explain why the groups behave differently.
4. The "Homogeneity Myth" refers to the use of demographic segments, such as working women, teenagers, the affluent, the urbanite, ..., as if members in each group have a single profile and a single set of buying priorities.

Declining Validity in the Fragmented Market Stage of
Market Development.

As explained earlier, demographics became popular during the "Mass Market" stage of market development as a tool to profile mass market trends. However, by the mid-1960's a number of now-classic articles were published which described changes that were taking place in the market place accentuating the need for more refined segmentation variables than demographics (such as Yankelovich, 1964; Brandt, 1966; and Haley, 1968). America appeared to be transforming from a mass market to a fragmented market society. After World War II growing disposable income levels resulted in a bombardment of consumer products competing for the customer. There was a need to attract specific segments to attain volume necessary to benefit from economies of scale in an increasingly competitive market.

Furthermore, customers were becoming more diverse than demonstrable with demographics alone. College educations were becoming commonplace and no longer identified a unique class of individuals. The bulging middle class, in terms of income, and the wide range of products and services that were affordable by the average American made

income less of a constraint as a purchasing criteria. With larger numbers of individuals entering the middle class, differences in traditional social economic status measures (income, education, occupation, ...) became blurred (Sheth, 1974). Such blurring caused much dissatisfaction with demographics for marketing and advertising uses (Yankelovich, 1964).

This increasing affluence and educational attainment appeared to restructure Americans into more diverse pockets of life styles and buying behaviors. The "outer-directed" mass society that Reisman (1960) wrote of in describing the 1950's seemed to be growing increasingly "inner-directed." Reisman described how Americans in the 1950's felt pressures to "keep up with the Joneses" and form a homogeneous melting pot of families all having homes in the suburbs, two cars, and a garage. However, by the mid-to-late 1960's the increasing education and income levels, more travel and moving, expanding earnings, media viewership, and societal effects of the Vietnam War all appeared to play roles in stretching the interests and desires of Americans. The Stanford Research Institute has published a number of reports outlining marketing opportunities resulting from the increasing diversity in life styles (see Mitchell, 1973; Mitchell, 1974, for example). The reports strongly endorsed the importance of attracting precisely-defined types of shoppers with marketing strategies tailored to reflect their life styles.

In summary, demographics were felt to be increasingly inadequate bases during the "Fragmented Market Stage" for developing

marketing strategies. The stage was set for new, more strategically directional, segmentation frames of reference.

The Construction of Demographic Composites

Central Developments in the Use of Demographic Composites

During the mid-1950's to late-1960's a great deal of effort was devoted to improving the interpretative depth of demographics by constructing "composite indices" composed of multiple demographic characteristics. Social class, consisting of such demographics as occupation, income, and educational attainment, and family life cycle, based on the age and number of family members living at home, are the two most common demographic composites. The users of these composites felt that the measures interpretatively went beyond demographics by suggesting the values, interests, life styles, and behavior patterns of relatively stable, sizable sub-groups of American society (Frank, Massy, and Wind, 1972).

Social Class and Consumer Behavior. Social class was used to explain consumer behavior even before the fields of psychology and marketing evolved. One consequence of the early development of social class is that by the time it was adopted in marketing a rich umbrella of theory had already developed about social class's role in consumer behavior. Veblen and Weber, for example, used the well understood social class concept to theoretically support the role of a newer concept, life style, on consumer behavior. They insisted that social

class was the underlying cause of consumer behavior and other life style activities:

A given status group develops a specific life style and demands its members to adhere to it. All stylization of life either originates in status groups or is at least conserved by them (Weber, in Ansbacher, 1964).

Warner, a pioneering social class researcher, concluded that the same values which reflect an individual's propensity to be social class mobile simultaneously determine his consumer behavior (see Warner and Lunt, 1950; Warner, Meeker, and Eells, 1949).

Then, Martineau (1958), in an early but the most comprehensive social class study conducted in marketing, confirmed the expectations that Warner and other early social class investigators had about the role of social class in consumer behavior. Martineau's findings dramatize the importance of social class market segmentation:

1. In several dozen (stores analyzed) there is scarcely an instance where a store has appeal to the Lower-Middle and Upper-Lower classes with anything like the same strength (p. 128). The two largest grocery store chains in the Chicago area are A. & P. and Jewel; yet they draw from very different customer bodies. A. & P. is strong with the mass market, whereas Jewel has its strength among the Middle Class (p. 127).
2. To assume that all persons would wish to shop at the glamorous High-Status stores is utterly wrong. People are very realistic in the way they match their values and expectations with the status of the store. The woman shopper has a considerable range of ideas about department stores; but these generally become organized on a scale ranking from very High Social Status to the Lowest-Status and prestige.... The shopper is not going to take a chance feeling out of place by going to a store where she might not fit (pp. 126-127).

3. Here are some psychological contrasts between the two different social groups:

Middle Class Consumers

- pointed to the future
- viewpoint embraces a long expanse of time
- more urban identification
- stresses rationality
- has a well-structured sense of the universe
- horizons vastly extended
- greater sense of choice-making
- self-confident, willing to take risks
- immaterial and abstract to his thinking
- sees himself tied to national happenings

Lower Status Consumers

- pointed to the present and past
- lives and thinks in a short expanse of time
- more rural in identification
- non-rational essentially
- vague and unclear structuring of the world
- horizons sharply defined and limited
- limited sense of choice-making
- very much concerned with security and insecurity
- world revolves around his family and body (p. 129).

Since Martineau's research, social class has rarely been the central focus of marketing studies. However, social class has often been used in research as one of several variables for the purpose of analyzing some other marketing phenomenon. Table 2-1 lists examples of this type of research and demonstrates the low predictive ability of social class in most marketing studies.

Family Life Cycle and Consumer Behavior. The family life cycle concept is also an intuitively appealing perspective for understanding consumer behavior. It is based on the premise that families go through a sequence of stages which affect their buying interests. Wells and Gubar (1966) review buying behavior findings for each stage of the family life cycle in Figure 2-2.

Figure 2-2

An Overview of Family Life Cycle Findings

<u>Stage in Life Cycle</u>	<u>Buying Behavior Findings</u>
1. Bachelor stage: Young, single people not living at home	Few financial burdens. Fashion opinion leaders. Recreation-oriented. Buy basic kitchen equipment, basic furniture, cars, equipment for the mating game, vacation.
2. Newly married couples: Young, no children	Better off financially than they will be in near future. Highest purchase rate and highest average purchase of durables. Buy cars, refrigerators, stoves, sensible and durable furniture, vacations.
3. Full nest I: Youngest child under six	Home purchasing at peak. Liquid assets low. Dissatisfied with financial position and amount of money saved. Interested in new products. Buy washers, dryers, TV, baby food, chest rubs and cough medicines, vitamins, dolls, wagons, sleds, skates.
4. Full nest II: child six or over six	Financial position better. Some wives work. Less influenced by advertising. Buy larger-sized packages, multiple-unit deals. Buy many foods, cleaning materials, bicycles, music lessons, pianos.
5. Full nest III: Older couples with dependent children	Financial position still better. More wives work. Some children get jobs. Hard to influence with advertising. High average purchase of durables. Buy new, more tasteful furniture, auto travel, nonnecessary appliances, boats, dental services, magazines.
6. Empty nest I: Older couples, no children living with them, head in labor force	Home ownership at peak. Most satisfied with financial position and money saved. Interested in travel, recreation, self-education. Make gifts and contributions. Not interested in new products. Buy vacations, luxuries, home improvements.

(continued on next page)

Figure 2-2 (continued)

- | | |
|---|--|
| 7. Empty nest II: Older married couples, no children living at home, head retired | Drastic cut in income. Keep home. Buy medicinal appliances, medical-care products that aid health, sleep, and digestion. |
| 8. Solitary survivor, in labor force | Income still good, but likely to sell home. |
| 9. Solitary survivor | Same medical and product needs as other retired group. Drastic cut in income. Special need for attention, affection, and security. |

SOURCE: W. D. Wells and G. Gubar, "Life Cycle Concept in Marketing Research," Journal of Marketing Research, III (November, 1966), pp. 355-363.

Although the family life cycle has enjoyed somewhat more success in predicting marketing phenomenon than social class, its explanatory power often has been also disappointing. The National Industrial Conference Board (1965), for example, found that age alone was a better explanatory variable than family life cycle for medical care items, luxuries, and certain household products. Rich and Jain (1968) were unable to find any relationship at all between age, family life cycle, and buying behavior.

Primary Issues in the Use of Demographic Composites

Combination Procedures Vary. The procedures used to calculate social class and family life cycle vary from investigator to investigator. Social class, in particular, has been subject to a proliferation

of different procedures. Table 2-2 shows the degree of differences found by different investigators when using their particular formulations of social class.

Table 2-2

Social Class Distribution Percentages

Level	Carman	McCann	Warner	Mathews & Slocum	Rich & Jain	Hollingshead*
I Upper	.4%	3.0%	.9%	10.5%	4.2%	3.0%
II U-Middle	10.8%	12.0%	7.3%	20.6%	23.6%	8.0%
III Middle	30.8%	29.5%	28.7%	27.5%	37.2%	22.0%
IV L-Middle	50.0%	34.1%	43.4%	35.3%	13.6%	46.0%
V Lower	8.0%	21.4%	19.7%	6.1%	21.4%	18.0%

*Hollingshead's distribution allows for 3% unknown.

SOURCE: John H. Myers and Jonathan Gutman, "Life Style: The Essence of Social Class," in Life Style and Psychographics, edited by William D. Wells (Chicago: American Marketing Association, 1974), pp. 243-266.

Weak Predictive Power. Demographic composites have usually been weak predictors of consumer behavior. Frank, Massy, and Wind (1972) advanced two possible explanations for their disappointing predictive ability. First, there very well may be considerable diversity in the types of individuals representing each social class and family life cycle stage. In other words, the individuals represented by a particular demographic composite stage may be too heterogeneous to be meaningfully grouped together. Second, the traditional unidimensional view of social class and family life cycle may inadequately capture the

complexities of the determinants of human behavior. A single hierarchy, such as the family life cycle or social class, may be appropriate for describing basic mass market qualities but have little value in predicting the purchasing behavior of the individual consumer. The social class and family life cycle demographic composites are currently used much less often than during the previous decade.

Sales Volume Analysis

Central Developments in the Use of Sales Volume Analysis

Sales volume analysis appeared to be another intuitively compelling alternative to demographic segmentation. The underlying premise of sales volume analysis concepts (the heavy half, brand loyalty, store loyalty, ...) is that it is most profitable to concentrate marketing efforts on those customers who buy most of the products. Twedt, a leading proponent of sales volume analysis, strongly urged its use for the following reasons (1967, p. 265):

1. In general, demographic characteristics (age, education, income, race, etc.) are poor predictors of heavy usage that it is usually much more efficient to measure consumption directly, and then cross-tabulate by measures of consumer preference or by advertising vehicle exposure.
2. Among heavy users, there seems to be less, rather than more, brand loyalty. Not only do they buy more--they buy more often, and they buy more different brands.
3. The heavy users are not price buyers. They pay as much, or even a bit more, for a unit of purchase, than do the light users.
4. Although there are changes in consumption patterns as the family's position in the life cycle advances, these changes are usually not so abrupt or so pro-

nounced as to impair the utility of direct consumption measures.

As Table 2-3 demonstrates, the number of heavy users of different product categories vary widely. The highest relationship Twedt could find in the usage levels of twenty-six different product categories was a correlation of only .37, for bacon and wieners (1967).

Some investigators have attempted to apply sales volume analysis to store patronage. Cunningham (1961), for example, found that 86 percent of grocery store customers studied were essentially loyal to a single store. He also found the degree of store loyalty to be independent of the amount spent for food purchases by the family.

May (1971) demonstrated how sales volume analysis identifies the products which retailers can most effectively use to trade customers up and down. Table 2-4 reports the percentage of customers who prefer each of various stores, arrayed in this exhibit by expensiveness of merchandise, for different types of purchases. No respondents named the highest-price store as the preferred retailer for buying children's play clothes or for buying a house dress. On the other hand, higher-price stores received strong levels of preference among women for buying "dressy dresses" and among men for buying a gift for a woman. In this market, higher-price stores appear to command increased "trading-up leverage" as merchandise becomes less "everyday and basic" and more "special and social."

Table 2-3

Annual Purchase Concentration in Eighteen Product Categories

	Non-users		Users	
			"Light Half"	"Heavy Half"
	Households = 42%		29%	29%
Lemon-lime	0	Volume	9%	91%
	22	39	39	
Colas	0	10	90	
Concentrated	28	36	36	
Frozen Orange	0	11	89	
Juice				
	59	20	21	
Bourbon	0	11	89	
	54	23	23	
Hair Fixatives	0	12	88	
	67	16	17	
Beer	0	12	88	
	67	16	17	
Dog Food	0	13	87	
	52	24	24	
Hair Tonic	0	13	87	
Ready-to-eat	4	48	48	
Cereals	0	13	87	
	68	16	16	
Canned Hash	0	14	86	
	27	36	37	
Cake Mixes	0	15	85	
	3	48	49	
Sausage	0	16	84	
	11	44	45	
Margarine	0	17	83	
	34	33	33	
Paper Towels	0	17	83	
	6	47	47	
Bacon	0	18	82	
	18	41	41	
Shampoo	0	19	81	
Soaps and	2	49	49	
Detergents	0	19	81	
	2	49	49	
Toilet Tissue	0	26	74	

SOURCE: Chicago Tribune Consumer Panel, special analyses of 1962 data, in Dick Warren Twedt, "Some Practical Applications of 'Heavy-Half Theory,'" Word of Mouth Advertising, edited by Johan Arndt (Advertising Research Foundation, 1967).

Table 2-4

Store Preferences for Leading Retailers in a Market

<u>Store Preferred--Women</u>	<u>National Chain</u>	<u>Conventional Full-Line Department Store (slightly below average)</u>	<u>Conventional Full-Line Department Store (slightly above average)</u>	<u>High-Price Department (few hard lines)</u>
Buying childrens play clothes	27.1%	10.1%	9.5%	0.0%
Outfitting children for school	23.1	11.1	13.0	1.3
Redecorating home	17.9	8.4	16.0	0.0
Buying a gift for a man	9.0	12.2	19.5	2.1
Buying a dress to wear around the house	14.4	21.1	23.1	0.0
Christmas shopping	11.2	19.6	28.0	1.8
Buying a dress for work	4.5	18.6	29.7	2.4
Buying a dressy dress	3.2	10.2	23.9	8.4
Buying a wedding gift	4.7	17.7	37.6	4.7
Taking out-of-town visitors shopping	4.6	19.3	37.1	11.7
<u>Store Preferred--Men</u>				
Redecorating home	26.6%	4.7%	3.1%	0.0%
Buying a sport coat	4.9	8.7	4.9	2.5
Buying a business suit	3.8	7.5	6.2	3.8
Buying a gift for a woman	4.3	17.1	18.6	12.8
Christmas shopping	11.0	17.8	31.4	1.5
Buying a wedding gift	4.1	19.2	26.1	6.8
Taking out-of-town visitor shopping	5.7	24.3	34.3	11.4

SOURCE: Eleanor G. May, "Simulated Shopping Trips in Retail Image Research" (Marketing Science Institute, Working Paper Series, 1971).

Finally, there appears to be some evidence that consumers have been becoming less loyal to stores and brands in general. For example, Progressive Grocer found that in 1954, forty-one percent of all housewives shopped only at one grocery store. In 1975, the percentage of housewives shopping only at one grocery store had dropped to ten percent (Dietrich, 1975).

Primary Issues in the Use of Sales Volume Analysis

Limited Value in the Formulation of Marketing Strategies.

Sales volume studies have had limited value in the formulation of marketing strategies because the studies have inadequately considered whether strategies can be developed which attract store or brand loyal customers (Frank, Massy, and Wind, 1972). As described earlier, a relatively consistent demographic profile has been found for the heavy user or shopper of products and stores. However, sales volume research has seldom been concerned with "why" these consumers are loyal, or with the development of marketing strategies which can make consumers more loyal.

Other fundamental marketing strategy issues have been neglected which relate to the impact of location and in-store merchandising strategies on usage rates. Intuitively, the nearness of the product or store should play a role in usage rates and loyalty. To what extent is loyalty more than "the nearness of the store or brand to the customer?" When can "location only" be an adequate basis for developing patronage?

To the extent that patronage depends on more than a good location, what are the trade-off elasticities of different merchandising and sales promotion options in building market share? Sales volume research currently answers few of the questions which should be addressed for developing strategies to increase usage rates and store loyalties.

Oversimplified Conceptualization. Sales volume is merely an "end result" of other complex yet poorly understood consumption factors. The apparent complexity of the factors relating to consumption was demonstrated by Lawrence (1969). While examining purchase sequences after consumers switch out of their regular brands, he found four different types of purchasing patterns:

1. reversion -- switching back to the original brand.
2. conversion -- remaining loyal to the new brand.
3. vacillation -- random switching between brands.
4. experimentation -- further systematic trial of other brands.

These purchasing patterns seem to be caused by entirely different factors. For example, reversion and conversion may relate to some form of "consumer conditioning" due to satisfaction with the previous brand. However, vacillation and experimentation, which account for over half of Lawrence's consumer experiences, seem to be due to factors other than conditioning. The variety of factors which may be involved in Lawrence's purchasing patterns suggests that sales volume analysis does not have the dimensionality to meaningfully segment markets at times.

The Introduction of Psychologically-Based Dimensions (Personality and Motivation Research)

By the late 1950's considerable attention had turned to the field of psychology for uncovering new frames of reference for providing greater interpretative depth than demographics and sales volume analysis (Bartels, 1976). Two primary early contributions were personality and motivation research.

The Contribution of Personality Research. Following the classical studies of Evans (1959) and Kaponen (1960), interest developed in using standardized personality inventories from psychology to segment markets. Evans used the Edwards Personality Preference Schedule (EPPS) to discriminate between Ford and Chevrolet owners. (See Figure 2-3 for a description of the dimensions measured by the EPPS.) He was able to predict ownership correctly with the personality inventory only for sixty-three percent of the sample. Kaponen (1960) also used the EPPS, with somewhat more encouraging findings. He found personality differences between smokers and nonsmokers, and between those who favored filter versus nonfilter cigarettes. However, a regression analysis

Figure 2-3

Dimensions Measured by the Edwards Personality Preference Schedule

Achievement:	To rival and surpass others; to do one's best; to desire prestige, accomplishment, ambition, success
Compliance:	To accept leadership; to follow willingly; to let others make decisions; submission, deference, conformity

(continued on next page)

Figure 2-3 (continued)

Order:	To have things arranged; to be organized; to be clean; tidiness, neatness, organization
Exhibition:	To be the center of attention; to have others notice you; to make an impression on others; vanity and self-dramatization
Autonomy:	To seek freedom; to resist influence; to defy authority and coercion; independence and freedom
Affiliation:	To form friendships and associations; to participate in groups; to do things with others; affiliation and companionship
Analysis:	To understand others; to examine motives; to analyze your own behavior; understanding and introspection
Dependence:	To seek aid; to be helped by others; to be guided and advised; helplessness
Self-Depreciation:	To feel inferior to others; to accept blame; to accept punishment; masochism and shame
Assistance:	To help others; to be sympathetic; to protect others; helpfulness and support
Change:	To do new things; to do different things; to change daily routine; variety and novelty
Endurance:	To stick at a task; to work hard at a job; to complete anything undertaken; persistence and toil
Heterosexuality:	Willingness to talk about sex, to be attracted to the opposite sex, to go out with the opposite sex; love and desire
Aggression:	To attack, assault, or injure; to belittle, harm, blame, punish; sadism and violence

SOURCE: Adapted from Allen L. Edwards, Edwards Personal Preference Schedule Manual (New York: Psychological Corp., 1957), in Henry Assael, Consumer Behavior and Marketing Action (Boston: Kent Publishing Company, 1981).

revealed that only two percent of the variation in the amount of cigarettes purchased was accounted for by personality variables and four percent by demographics.

A market segmentation study of beer drinkers which was conducted from personality variables has been used to develop corporate strategy. Anheuser-Busch developed a typology of drinkers, based on personality profiles, shown in Figure 2-4. A sample of 250 beer drinkers were classified into the four personality groups, based on questionnaire responses. The sample was later shown four TV commercials, each representing a different fictitious brand of beer. Then each of the fictitious brands were tried. Consumers tended to prefer the brand corresponding to their personality type, even though the four brands were actually the same. In fact, "all the subjects believed that the brands were different and that they could tell difference between them. Most felt that at least one of the four brands was not meant for human consumption" (p. 12). From this and subsequent studies, Anheuser-Busch was able to specify different target markets, based on the personality types, for Michelob, Budweiser, and Busch.

Another segmentation typology was developed by Young (1972). The taxonomy, shown in Figure 2-5, describes factors used for segmenting the cosmetics market.

On balance, however, results from personality studies have been disappointing. "The correlations have almost invariably been low, and the relationships uncovered have often been so abstract that they could not be used with confidence in making real-world marketing decisions"

Figure 2-4

Personality Market Segments of Beer Drinkers

Type of Drinker	Demographics	Personality Type	Drinking Patterns
Reparative Drinker	Middle-Aged	Sensitive and responsive to needs of others; adapts to these needs by sacrificing own aspirations; well adjusted to this situation.	Drinks at end of day, usually with a few close friends; controlled drinker, seldom drunk; drinking is self-reward for sacrifices made to others.
Social Drinker	Younger Adult	Driven by own ambitions; attempts to manipulate others to get what he/she wants; not yet attained level of aspirations, but expects to.	Drinks heaviest on weekends; in larger groups in social settings; drinks as means of acceptance of and by others; controlled drinker.
Indulgent Drinker		Considers self a failure; blames environment and others	Heavy drinker; drinks in isolation as a form of escape.
Oceanic Drinker		Considers self a failure but blames own shortcomings.	Also heavy drinker and drinks to escape recognition of shortcomings; does not drink alone.

SOURCE: Russell L. Ackoff and James R. Emshoff, "Advertising Research at Anheuser-Busch (1968-1974)," Sloan Management Review 16 (Spring 1975): 1-15.

Figure 2-5

Personality Taxonomy of Cosmetics Shoppers

Narcissism:	Tendency to be preoccupied with the details of one's personal appearance
Appearance Conscious:	Emphasis on the social importance of looking properly groomed
Exhibitionism:	Tendency toward self-display and attention seeking
Impulsive:	Tendency to act in a carefree, impetuous and unreflective manner
Order:	Tendency to be compulsively neat and live by rules and schedules
Fantasied Achievement:	Measure of narcissistic aspiration for distinction and personal recognition
Capacity for Status:	Measure of the personal qualities and attributes that underline and lead to status
Dominant:	Need to be superior to others by being in control and in the forefront
Sociable:	Need for informal, friendly, agreeable relationship with others
Active:	Need to be on the go, doing things, achieving goals set out for oneself
Cheerful:	Tendency to feel bright, cheerful and optimistic about life
Deference:	Tendency to submit to opinions and preferences of others perceived as superior
Subjective:	Tendency toward naive, superstitious and generally immature thinking

SOURCE: Shirley Young, "The Dynamics of Measuring Unchange," in Russell I. Haley, ed., Attitude Research in Transition (Chicago: American Marketing Association, 1972), p. 62.

(Wells, 1975, p. 196). Therefore, in the 1970's personality research was reported to be in the decline stage (Bettman, Lutz, and Kassarian, 1978) and is practically extinct today.

Despite its rapid decline in popularity, personality research made a significant contribution to consumer behavior and market segmentation research. Personality tests had a long history of computer statistical analysis from psychology. The statistical techniques became a permanent fixture of marketing research even after interest in personality research had diminished. With the decline in interest in personality research, there was a need for another quantifiable segmentation descriptor to take advantage of the computer and statistical analysis advances which were occurring.

The Contribution of Motivation Research. Before motivational research became popular in the 1950's, advertising and marketing research was:

... a vast wasteland of percentages. The marketing manager who wanted to know why people ate the competitor's cornflakes was told, "32 percent of the respondents said taste, 21 percent said flavor, 15 percent said texture, 10 percent said price, and 22 percent said don't know or no answer." The copywriter who wanted to know his audience was told: "32.4 years old, 12.62 years of schooling, 90 percent married with 2.1 children."

To this desert MR brought people. ...For the first time research brought the marketing manager and the copywriter face to face with an audience or group of customers instead of a bunch of decimals (Wells and Tigert, 1971, p. 27).

The contribution of motivation research was that it sought to explain why consumers behaved in a certain way, by examining their un-

derlying desires and emotions, instead of merely identifying who they were (Smith, 1954). Ernest Dichter, called the "father of motivation research," popularized the use of "free-associative" techniques for uncovering consumers' underlying motivational structures.

His first motivational research study was conducted for Procter & Gamble (Bartos and Pearson, 1977). Dichter interviewed 100 respondents to determine their feelings about bathing. In essence, he concluded that "bathing in its old ritualistic, anthropological sense, is getting rid of all your bad feelings, your sins, your immorality, and cleansing yourself, baptism, etc." (Bartos and Pearson, p. 4). Accordingly, he developed the Procter and Gamble slogan, "Be smart, get a fresh start with Ivory Soap."

Other examples of how motivation research helped to uncover previously undetected marketing problems are:

1. Miles Laboratories, Inc., learned that Bactine antiseptic needed more sting (Printer's Ink, 1957). The mother who applied an antiseptic that lacked any sting did not get a chance to comfort her child.
2. A motivation research study found that the headline, "A Double Header Hit with Dad," featuring mothers and daughters with identical hairdos, aroused resentment on the part of mothers because they did not want to compete with their daughters for their husbands' attention (Smith, 1954).
3. An unsuccessful advertisement centered around a hostess graciously offering cigars to men. Research determined that men derive pleasure from smoking cigars because of the belief that it is objectionable to women. If a woman invites a man to smoke a cigar, she prevents him from displaying his independence (Weiss, 1968, p. 104).

As the above examples suggest, motivation research had a strong following in the 1950's because it was so qualitatively probing. However, the focus group interviews employed in motivation research brought considerable subjectivity into the research process. Wells (1974) elaborated that: (1) depth interviews were extremely costly and time consuming to administer; (2) good depth interview respondents were difficult to obtain, making it difficult to acquire representative samples of the population being evaluated; and, (3) depth interviews were time consuming, and therefore, extremely expensive. Despite these limitations, depth interviewing is still used today, but on a very limited scale.

Life Style Research

Central Developments in the Use of Life Style Research

Neither personality research nor motivation research had a large, sustained impact on marketing after the 1950's, but each had strengths which could provide important contributions. First, as discussed previously, there was a need for a segmentation variable which was more descriptive than demographics. Motivation research offered description which was more penetrating than demographics. There also was a need for a quantifiable segmentation frame of reference to take advantage of computer technology. Personality research became a vehicle for the diffusion of computer statistical analysis from psychometrics.

The defined concept, life style, was introduced to marketing in 1963 and although loosely defined, it appeared to have promise in providing the advantages of both motivation and personality research. William Lazer, in an early marketing article on the life style concept (1963, p. 130) defined it as, "...a systems concept. It refers to a distinctive mode of living in its aggregate and broadest sense... It embodies the patterns that develop and emerge from the dynamics of living in a society."

Apparently, life style appeared to be a concept, "who's time had come." Other marketers exulted the virtues of life style research. However, their definitions were similarly broad. Andreasen (1967, p. 55), for example, concluded:

Life style in one important sense can be looked upon, as an allocation problem, given a fixed resource of time, how do different groups apportion available time across various activities.

Moore (1963, p. 153) tied life styles to the family:

The term "life style" rightly suggests a patterned way of life into which the family members fit various products, events, and resources. ...The young bride has an image of what the home, the kitchen, the living room, the house itself should look like. The image that she holds is not a cluster of unrelated ideas, but rather a reflection of a more or less integrated notion about what life in the home ought to be.

King's summary statement (1964, p. 268) represented the high expectations marketers had for life style:

...all writing which describes or analyzes a distinctive model of living suggests that life-style research be considered a major behavioral concept for understanding, explaining and predicting consumer behavior.

Finally, in 1966 two papers were published which empirically demonstrated the significance of the life style concept. Wilson (1966) and Pessemier and Tigert (1966) developed large inventories of consumer activities, interests, and opinions, and statistically compared these items to purchasing behavior and advertising exposure constructs. Although the questions shared a great deal of flavor of standardized personality inventories they specifically related to buying and shopping-related matters.

Wilson, for example, tested the ability of his original inventory of activities, interests, and opinions (AIO), to predict consumption and media exposure factor-analyzing the AIO list and regressing factor scores and demographics on the consumption and media measures. He found that the addition of AIO questions contributed to behavioral explanation beyond that of demographics alone. Moreover, Wilson found a large degree of independence between demographics and AIO's.

Pessemier and Tigert (1966) developed an inventory of 140 activity, interest, and opinion questions and a large number of personality statements. A sample of their AIO's appears in Figure 2-6. The inventories were factor-analyzed, deriving fourteen life style and eight personality factors. Demographic characteristics were added to these factors, and Pessemier and Tigert found the life style factors to explain more variance than either personality or demographic dimensions.

During the decade following Wilson and Pessemier and Tigert, numerous other investigators developed personalized life style inven-

Figure 2-6

AIO Statements Used in Early Life Style Research

Price Conscious

"I shop a lot for 'specials.'"

"I find myself checking the prices in the grocery store even for small items."

"I usually watch the advertisements for announcements of sales."

"A person can save a lot of money by shopping around for bargains."

Fashion Conscious

"I usually have one or more outfits that are of the very latest style."

"When I must choose between the two, I usually dress for fashion, not for comfort."

"An important part of my life and activities is dressing smartly."

"I often try the latest hairdo styles when they change."

Child-Oriented

"When my children are ill in bed, I drop most everything else in order to see to their comfort."

"My children are the most important thing in my life."

"I try to arrange my home for my children's convenience."

"I take a lot of time and effort to teach my children good habits."

Compulsive Housekeeper

"I don't like to see children's toys lying about."

"I usually keep my house very neat and clean."

"I am uncomfortable when my house is not completely clean."

"Our days seem to follow a definite routine such as eating meals at a regular time, etc."

Dislikes Housekeeping

"I must admit I really don't like household chores."

"I find cleaning my house an unpleasant task."

"I enjoy most forms of housework." (Reverse scored)

"My idea of housekeeping is 'once over lightly.'"

Sewer

"I like to sew and frequently do."

"I often make my own or my children's clothes."

"You can save a lot of money by making your own clothes."

"I would like to know how to sew like an expert."

Homebody

"I would rather spend a quiet evening at home than go out to a party."

"I like parties where there is lots of music and talk." (Reverse scored)

"I would rather go to a sporting event than a dance."

"I am a homebody."

(continued on next page)

Figure 2-6 (continued)

Community-Minded

- "I am an active member of more than one service organization."
- "I do volunteer work for a hospital or service organization on a fairly regular basis."
- "I like to work on community projects."
- "I have personally worked in a political campaign or for a candidate or an issue."

Credit User

- "I buy many things with a credit card or a charge card."
- "I like to pay cash for everything I buy." (Reverse scored)
- "It is good to have charge accounts."
- "To buy anything, other than a house or a car, on credit is unwise." (Reverse scored)

Sports Spectator

- "I like to watch or listen to baseball or football games."
- "I usually read the sports page in the daily paper."
- "I thoroughly enjoy conversations about sports."
- "I would rather go to a sporting event than a dance."

Cook

- "I love to cook."
- "I am a good cook."
- "I love to bake and frequently do."
- "I am interested in spices and seasoning."

Self-Confident

- "I think I have more self-confidence than most people."
- "I am more independent than most people."
- "I think I have a lot of personal ability."
- "I like to be considered a leader."

Self-Designated Opinion Leader

- "My friends or neighbors often come to me for advice."
- "I sometimes influence what my friends buy."
- "People come to me more often than I go to them for information about brands."

Information Seeker

- "I often seek out the advice of my friends regarding which brand to buy."
- "I spend a lot of time talking with my friends about products and brands."
- "My neighbors or friends usually give me good advice on what brands to buy in the grocery store."

New Brand Trier

- "When I see a new brand on the shelf, I often buy it just to see what it's like."
- "If often try new brands before my friends and neighbors do."
- "I like to try new and different things."

(continued on next page)

Figure 2-6 (continued)

Satisfied with Finances

"Our family income is high enough to satisfy nearly all our important desires."

"No matter how fast our income goes up we never seem to get ahead."
(Reverse scored)

"I wish we had a lot of money." (Reverse scored)

Canned Food User

"I depend on canned food for at least one meal a day."

"I couldn't get along without canned foods."

SOURCE: William D. Wells and Douglas J. Tigert, "Activities, Interests and Opinions," Journal of Advertising Research (August, 1971), pp. 27-35.

tories but lists were roughly comparable because question construction was based on earlier studies. Generally, life style studies adopted lists of questions relating to: (1) how consumers spend their time; (2) their interests and what they place interest 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 the family life cycle, income, education, and where they live (Plummer, 1974). Plummer outlined the basic structure of most life-style studies, shown in Figure 2-7.

Since the late 1960's, life style variables have been used very often by corporations for developing customer market segmentation profiles. The earliest segmentation solutions were developed by advertising agencies for corporate clients. Plummer (1971) identified five types of male consumers for Leo Burnett Advertising Agency: Active Achiever, The Traditional Homebody, The Blue Collar Outdoorsman, The

Business Leader, and The Successful Traditionalist. Ziff (1971) categorized housewives into six groups for the advertising agency of Benton and Bowles: Outgoing Optimists (32%), Conscientious Vigilants (28%), Apathetic Indifferents (14%), Self-Indulgents (13%), Contented Cows (8%), and Worriers (5%).

Brand manufacturers soon developed life style segmentation solutions for basing corporate strategic plans. As discussed earlier, General Foods Corporation found housewives who lived in metropolitan areas to be: Traditionalists (29%), Complainers (26%), Authoritarians (15%), Self-Actualizers (10%), Losers (8%), Loners (6%), and a remain-

Figure 2-7

Structure of Life Style Inventories

<u>Activities</u>	<u>Interests</u>	<u>Opinions</u>
Work	Family	Themselves
Hobbies	Home	Social Issues
Social Events	Job	Politics
Vacation	Community	Business
Entertainment	Recreation	Economics
Club Membership	Fashion	Education
Community	Food	Products
Shopping	Media	Future
Sports	Achievements	Culture

SOURCE: Joseph Plummer, "The Concept and Application of Life Style Segmentation," Journal of Marketing (January, 1974), pp. 33-37.

ing six percent who were unclassifiable (Mitchell, 1973). Pernica (1974) characterized four types of aspirin users for pharmaceutical firms: Severe Sufferers (20%), Active Medicators (39%), Hypochondriacs (16%), and Practicalists (25%). Mack Hanan (1980) adopted colorful labels for beer drinkers: The Swinger, The Unisex Man, and The Easy Rider Multistylist. He segmented wives in their roles as the "family physician" for another pharmaceutical study (1980): The Freshman Wife (age 18-24), The Freshman Mother (20-35), The Senior Mother (30-49), The Mother Emeritus (40-65), and The Consultant Grandmother (40-65).

Since the early 1970's, numerous retailers have committed a sizable level of resources on decisions suggested by corporate life style segmentation studies. In one of the earliest retailer studies (Demby, 1974), Westinghouse Broadcasting Company found that the department store market can be profitably divided into two segments: Creative Consumers and Passive Consumers. The Associated Merchandising Corporation developed the following categorization from over 8,500 female walk-in shoppers at forty-six different store locations: The New Conformists (35%), The Forerunners (11%), The Traditionalists (19%), The Autonomous (7%), and The Retreaters (28%) (Associated Merchandising Corporation, 1973). These segments appeared to be similar in size and characterization to shoppers found in an earlier Yankelovich segmentation study (Associated Merchandising Corporation, 1973). J.C. Penney classified potential furniture buyers into four groups, ranging from Taste Leaders to a group titled The Lethargics (Mitchell, 1973).

The Journal of Retailing has published a considerable amount of research derived from portions of proprietary retailer segmentation studies. As examples of this research, Darden and Reynolds (1971) reconfirmed Gregory Stone's classical shopper segments of: The Economic Shopper, The Personalizing Shopper, The Ethical Shopper, and The Apathetic Shopper. (The Darden and Reynolds and another Stone replication study conducted by Boone, et al. will be examined later in this chapter.) Crask and Reynolds (1978) again identified department store shoppers, finding their life style patterns to be distinctly different from those of nonpatrons of department stores. Darden and Ashton profiled middle-class suburban housewives, with respect to grocery shopping, as: Apathetic Shoppers (22%, who do not have strong grocery shopping requirements); Demanding Shoppers (8.6%, who demand excellence on all shopping benefits); Quality Shoppers (19%, who seek fresh produce and quality meats); Fastidious Shoppers (12%, who prefer spick-and-span stores); and, Stamp Preferrers (12%, who prefer supermarkets offering trading stamps) (1976).

Primary Issues in the Use of Life Style Research

Flexibility Over Precision. The life style concept became immediately popular once introduced to marketing. It appeared to offer both the descriptive depth and potential to be quantified of earlier personality and motivation research practices (Plummer, 1974, p. 34):

The new construct, life style patterns, contains 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. It tells us things about our customers that most researchers did not really attempt to quantify in the past, when the focus was on the product or on widely used measures of classification such as demographics.

A strong need existed for a quantifiable segmentation construct which could provide rich detail. No inventories were available from other disciplines that did this. Therefore, marketers had an opportunity to think of everything they would possibly want to know about the consumer, develop quantifiable scales for each aspect, and then cross tabulate and factor analyze "everything with everything." This density of data has been considered one of the application's greatest assets: "the basic premise of life style research is that the more you know and understand about your customers the more effectively you can communicate and market to them" (Plummer, 1974, p. 33). Or, as Wells (1976, p. 496) pointed out:

There will no doubt continue to be groups of life style researchers whose aims and methods have little or nothing in common. This will distress the many of us who wish the world were simpler than it is; but, hopefully, it will benefit the field by maintaining competing points of view each of which has something to contribute that others do not. At this point in its development, life style research cannot be tied into one neat operational package. That's good.

Life style research provided rich detail, possibly at the expense as a concept of being a largely elusive abstract notion. Wind and Green (1974) discussed several of the numerous ways life style has been conceptualized, including (1974, p. 106):

1. The products and services the person consumes. This approach is based on the premise that a consumer's life style is reflected by the products and services he buys and the way which he is using/consuming them (Levy, 1963).
2. The person's activities, interests, and opinions, i.e., AIO variables (Wells and Tigert, 1971).
3. The person's value system (Rokeach, 1968), especially his dominant value system.
4. The person's personality traits (Cohen, 1967; Koponen, 1960), and his concept of "self" (Dolich, 1969; Green, Maheshwari, and Rao, 1969).
5. The person's attitudes toward various product classes which may include the benefits he seeks in buying items in the category (Haley, 1968), special problems that items in the category might solve, and his more general attitudes toward brands within the product class.

The lack of consensus as to the appropriate definition or scope of life style led Wind and Green to conclude that it currently takes on the meaning, "all non-demographic characteristics of customers that may account for unit of association differences in some kind of consumer behavior" (p. 106). Numerous criticisms have been leveled at how this loose conceptualization and low level of theoretical development has manifested itself on the current status of market segmentation research, such as:

1. The validity of market segmentation solutions can not be ascertained because of the lack of theory linking segmentation descriptors to the decisions of the firm (Wind and Green, 1974; Pernica, 1974; Wells, 1975).
2. Segmentation descriptors which are chosen because they richly describe should not necessarily be expected to predict well (Wells, 1974).

3. Life style dimensions may have added to the predictive ability of demographics, but their relationships with consumer behavior have been far from impressive (Wells and Tigert, 1969; Frank, Massy and Wind, 1972).
4. Life style research, by attempting to analyze "everything with everything," is merely an exploratory first stage of the research process (Hustad and Pessemier, 1974; Wind and Green, 1974).
5. Because of the lack of theoretical development, life style research ignores the hierarchy of effects learning behavior consumers go through in making decisions (Wind, 1978).
6. Since adequate life style theory has not been developed the selection of segmentation descriptors and scales is too often a "fishing expedition" (Hustad and Pessemier, 1974; Wind and Green, 1974).

However, a sizable number of life style researchers justify current practices with the Wells and Tigert contention, "going on a fishing expedition is one of the best ways to catch fish" (p. 260, 1969).

Subjectivity in Developing Life Style Market Segment Profiles.

Wells (1974) listed the steps usually followed to develop life style market segment profiles:

1. A set of life style and psychographic items related to the topic of investigation--automobiles, vacations, or whatever--are developed.
2. Other questions about customer characteristics and product usage are developed that will be helpful as additional descriptive information, but are not used in constructing segments.
3. Respondents are clustered on the basis of responses to the life style statements, usually with either cluster analysis or Q factor analysis.
4. Cluster membership is cross-tabulated with responses to the life style and other descriptive statements.

This is a highly "subjective" process. Life style inventories are "homemade" for the needs of the user. (Marketing has not agreed on a consistent definition for life style (Wells, 1974), much less standards for a life style inventory.) Output from cluster analysis or factor analysis depends on the particular statistical model and series of model options chosen by the user. Interpretations of the life style market segment profiles involve the creativity of the analyst.

In summary, numerous life style market segmentation studies have been conducted, and there is evidence that the studies have had important roles in the development of corporate strategic plans. Despite the thousands of studies, very few generalizations can be drawn from the research (Wind, 1978). As suggested from this section, the limited generalizability of life style segmentation research seems to be due to the proprietary nature of the research, loose conceptualization of the life style concept, and subjectivity involved in the steps followed for developing segment profiles.

Shopping Strategies and Activity Patterns Segmentation Inventories

The following chapter will demonstrate that contemporary inventories of segmentation variables appear to identify shopping strategies of consumers to specific marketing situations in addition to life style activities. Since there have never been widely accepted criteria or standards for selecting life style variables, the inventories were free to change when conditions prompted their evolution.

In particular, segmentation inventories have become more benefit-oriented today and reflect greater situation specificity. Consequently, contemporary inventories of market segmentation variables may more appropriately be termed, "shopping strategies and activity patterns," than life styles.

Benefit Orientation of Contemporary Inventories

The use of product and store benefits in market segmentation refers to "an approach to market segmentation whereby it is possible to identify market segments by causal factors rather than descriptive factors" (Haley, 1968, p. 31). Haley (1968) had popularized the term "benefit segmentation" so that by the mid-1970's it commonly appeared in the market literature. However, without using the term benefit segmentation, Yankelovich (1964), Belbo (1966), and others had already suggested that market segments should reflect the functions desired by consumers of products and stores.

Some segmentation solutions have been based solely on desired benefits. Figure 2-8, for example, lists the benefits used by Calantone and Sawyer (1978) which describe market segments of banks. However, most segmentation studies have added statements to life style inventories to contribute more of a benefit segmentation flavor to the solutions. The Burns and Harrison (1979) inventory, in Figure 2-9, is representative of most contemporary segmentation inventories. The underlined statements appear to reflect more of a benefit than life style orientation. The purpose for adding benefits to life style

Figure 2-8

Benefit Segments for Selecting Banks

Segment	1	2	3	4	5
NAME:	Front Runners	Loan Seekers	Representative Subgroup	Value Seekers	One Stop Bankers
Principal Benefits Sought	-Large -Bank for -Does a lot of advertising	-Good reputation -Loans easily available -Low loan interest	-About average on all benefits sought	-High savings interest -Quick service -Low loan interest -Plenty of parking	-Wide variety of services -Encourage financial responsibility -Convenient hours -Quick service -Convenient branches
Banks Favored	Bank #1	Bank #2 Bank #4	Bank #1 Bank #2	Bank #5 Bank #2 Bank #6	Bank #1 Bank #2
Demographics & SES	-Young -Rent home	-More transient -More blue collar	-None	-Tend to save more	-Older
Lifestyle (AIO) (dimensions where general strength was shown)	Money management	Loans (H) Credit (H)		Conservative (H) Credit (L) Risk Taking (L)	Checking Account Usage (H) Credit (L)
Differential Media Strengths	TV Sports	Adventures (TV) Newspapers Sports	About Average	Midday Radio	Television Series Evening FM Radio
Size* (n)	8	51	118	89	78

SOURCE: Roger J. Calantone and Alan G. Sawyer, "The Stability of Benefit Segments," Journal of Marketing Research (August, 1978), pp. 395-404.

Figure 2-9

Representative Segmentation Inventory Appearing in Recent Literature

1. I often watch the newspaper advertisements for announcements of store sales.
2. I like to watch or listen to baseball or football games.
3. I often try new stores before my friends and neighbors do.
4. I like to work on community projects.
5. My children are the most important thing in my life.
6. I will probably have more money to spend next year than I have now.
7. I often seek out the advice of my friends regarding which store to buy from.
8. I think I have more self confidence than most people.
9. I enjoy going to symphony concerts.
10. It is good to have charge accounts.
11. I enjoy participating in sports like golf or tennis.
12. I must admit that I really don't like house cleaning.
13. I usually have one or more outfits that are of the very latest style.
14. No matter how fast our income goes up, we never seem to get ahead.
15. I usually read the sports page in the daily paper.
16. I'd like to spend a year in a foreign city.
17. I am uncomfortable when my house is not completely clean.
18. A person can save a lot of money by shopping around for bargains.
19. I am more independent than most people.
20. I try to arrange my home furnishings for my children's convenience.
21. When I hear about a new store, I often visit it just to see what it's like.
22. I enjoy going to the art gallery.
23. My friends or neighbors often ask my opinions about stores.
24. I would like to take a trip around the world.
25. I like to pay cash for everything I buy.
26. I participate in sports regularly.
27. When I must choose between the two, I usually dress for comfort, not style.
28. Our days follow a definite routine, such as eating meals at a regular time, etc.
29. I sometimes influence which stores my friends buy from.
30. I enjoy vacuuming and dusting the house.
31. I would rather spend a quiet evening at home than go out to a party.
32. I enjoy volunteer work for a hospital or service organization on a fairly regular basis.
33. Our family income is high enough to satisfy nearly all our important desires.
34. My neighbors and friends usually give me advice on which stores to use.
35. Five years from now the family income will probably be a lot higher than it is now.
36. I would prefer to see a play on TV than attend that play at a theater.

SOURCE: Alvin C. Burns and Mary Carolyn Harrison, "A Test of the Reliability of Psychographics," Journal of Marketing Research (February, 1977), pp. 32-38.

inventories is to develop segment profiles which have the descriptive depth of life style studies and also directly suggest marketing strategies needed in attracting the consumers, an advantage of benefit segmentation.

Increased Specificity of Statements

A second trend has been the increasing specificity of statements in segmentation inventories. Situation-specific statements focus on highly specific items--involving single product class needs, problems, benefits sought--that are thought to be associated with narrowly defined classes of behavior (Wind and Green, 1974). General items, on the other hand, were broad; descriptive attitudes, interests, and opinions used in an attempt to generalize to all shopping in general, and not to specific behaviors. For example, a general measure might be, "Cleanliness is very important to me," versus, as a situation-specific statement, "Cleanliness of grocery stores is very important to me when shopping for produce." Figure 2-10 is a segmentation solution based on general life style items and Figure 2-11 is a situation-specific life style solution.

Segmentation inventories have been becoming more situation-specific. As Fishbein and Ajzen pointed out, the level of specificity of independent variables should match the level of specificity of dependent variables (1975). Since most marketers are concerned with explaining behavior related to specific products or retailers, the market segmentation variables used should be specifically related to

Figure 2-10

General Life Style Solution

THE MALE SEGMENTS

Herman, the retiring homebody (26%)

Herman is past his prime and is not getting any younger. His attitudes and opinions on life, which are often in conflict with modern trends, have gelled. And he is resistant to change. He is old-fashioned and conservative. He was brought up on "motherhood and apple pie" and cherishes these values. Consequently he finds the attitudes of young people today disturbing. He realizes he cannot affect any change, and has withdrawn into a sheltered existence of his own within the confines of his home and its surroundings. Here he lives a measured life. He goes to church regularly, watches his diet, and lives frugally. He longs for the good old days and regrets that the world around him is changing.

Scott, the successful professional (21%)

Scott is a man who has everything going for him. He is well educated, cosmopolitan, the father of a young family, and is already established in his chosen profession. He lives a fast-paced active life and likes it. He is a man getting ahead in the world. He lives in or near an urban center and seems to like what a big city has to offer--culture, learning opportunities, and people. He also enjoys sports, the out-of-doors, and likes to keep physically fit. He is understandably happy with his life and comfortable in his life style.

Fred, the frustrated factory worker (19%)

Fred is young. He married young and had a family. It is unlikely that he had any plans to get a college degree, if he did, he had to shelve them to find work to support his family. He now is a blue collar worker having trouble making ends meet. He is discontented, and tends to feel that "they"--big business, government, society--are somehow responsible for his state. He finds escape in movies and in fantasies of foreign lands and cabins by quiet lakes. He likes to appear attractive to women, has an active libido, and likes to think he is a bit of a swinger.

(continued on next page)

Figure 2-10 (continued)

Dale, the devoted family man (17%)

Dale is a wholesome guy with a penchant for country living. He is a blue collar worker, with a high school education. The father of a relatively large family, he prefers a traditional marriage, with his wife at home taking care of the kids. His home and neighborhood are central in his life. He is an easy going guy who leads an uncomplicated life. Neither worry nor skepticism are a part of him. He is relaxed and has a casual approach to many things. He is a happy, trusting soul who takes things as they are.

Ben, the self-made businessman (17%)

Ben is the epitome of a self-made man. He was probably not born wealthy, nor had he the benefit of higher education, but through hard work and shrewd risk-taking he has built himself a decent life. He has seen the system work. He believes if you work hard and play by the rules you will get your share (and perhaps some more). Therefore he cannot condone hippies and other fringe groups whom he sees as free-loaders. He embraces conservative ideology and is likely to be a champion of business interests. He is a traditionalist at home, and believes it is a woman's job to look after the home and to raise a family. He is gregarious and enjoys giving and attending parties. And he likes to drink.

SOURCE: Psychographics: A Study of Personality, Life Style, and Consumption Patterns (New York: Newspaper Advertising Bureau, 1963).

Figure 2-11

Situation-Specific Life Style Solutions

LIFESTYLE SEGMENTS OF THE LEISURE TRAVEL MARKET

<u>Lifestyle Group</u>	<u>Percent of Total Adult Population</u>
<u>Extravagant Consumer</u> --Predominantly female, tend to have higher than medium household incomes, and include all age groups. An appealing vacation would emphasize luxury, service, pampering, and clothes in Europe, Hawaii, and the Caribbean.	18%
<u>Nature People</u> --Tend to be young, unmarried, and well educated. Want to go to new and different places to avoid schedules and routine, and to experience the universe without concern about the usual comforts.	20%
<u>Playsters</u> --Primarily young males involved in the active pursuit of sensual pleasure. Vacation would need to be relatively inexpensive, but swinging, modern, and active, featuring no social values other than fun.	23%
<u>Cautious Homebodies</u> --Tend to be older, less affluent, less well educated, and less concentrated in urban areas. Want safety, security, and a perfectly predictable environment on their vacation, without any new experiences.	39%

SOURCE: Travel Research Association Conference, San Diego, California, September, 1975.

the products or stores. Young (1971, p. 221) reinforced this notion:

As far as the marketer is concerned, he need only be concerned with those aspects of personality and life style which are relevant to the way consumers think relative to "his product category." Any classification of consumers which attempts to generalize about their personalities, without consideration given to the role which the product

places the consumer in, or the importance it plays in his life, is likely to be irrelevant in many product situations, and even misleading.

Although specific measures are currently used more than general ones, they have disadvantages too, according to Wells (1974). One disadvantage is that when carried to its extreme, they degenerate into simple redundancy. An original purpose of life style research was to provide a broad, penetrating "total portrait" of the customer, and not to merely offer obvious translations. As Wells (1974) pointed out, if research shows that heavy beer drinkers are people who really like the taste of beer, or if users of a brand that promises "fast, fast" relief are consumers who have many headaches, then thousands of dollars may have been spent to find out what everyone already knew.

A second disadvantage of situation-specific inventories is that they are severely limited in generality. Product-specific studies require that each product have a separate study. Separate studies are expensive, and since new variables must be chosen for each study, cross-checking and verification is not directly possible. As Wells (1974) discussed, general studies have a cumulative value. Subsequent studies can be compared with previous ones so that changes in market segmentation can be analyzed.

Consequently, as a rule, segmentation inventories are becoming more specific about asking questions relating to the retailers and brands using the studies. However, the inventories are usually not so specific that they prevent the development of a penetrating "total por-

trait" of customers, which had popularized life style market segmentation in the first place.

Summary of Developments in Segmentation Frames of Reference

The American consumer has undergone a series of changes which have had a profound impact on the role of market segmentation on corporate planning. Increased attention has been given to the development of highly focused corporate marketing strategies aimed at attracting well-defined segments of consumers. Demographic segmentation descriptors failed to have the interpretative depth necessary for developing directional marketing strategies. Similarly, the periodic interest given to demographic composites and sales volume analysis has never been sustained because these frames of reference failed to provide penetrating consumer description.

During the 1950's marketing researchers turned to the field of psychology for uncovering new segmentation frames of reference which would provide greater interpretative depth than demographics. One early contribution, personality research, took advantage of the concurrent interest in computer statistical analysis. Another contributor, motivation research, offered richly descriptive consumer information which was unavailable with demographics.

In the late 1960's, a new concept, life style, was introduced in marketing. Life style market segmentation became popular because it combined the two contributions of penetrating description of motivation research and ease of computer statistical analysis from person-

ality research. In the 1970's a "second generation" life style research emerged. Segmentation inventories became more benefit-oriented and reflected greater situation specificity.

This section provided a chronological examination of the primary market segmentation frames of reference which have had an impact on corporate planning. In turn, the following section illustrates how segmentation research is currently used by corporate planners. These two sections provide a basis for demonstrating, in the third section, how the dissertation contributes to current market segmentation practice.

Corporate Applications of Market Segmentation Research

This section illustrates how life style and other contemporary market segmentation frames of reference have been used in corporate planning. Specifically, four central applications of market segmentation research have been (adapted from Demby, 1974; Wells, 1974):

1. To develop "background atmosphere" to supplement a communication theme, product design, or store layout-- copywriters and layout artists have used segmentation research to develop advertisements. Similarly, segmentation findings have helped manufacturers with product design and retailers with store layout. In each case, its primary value has been to augment the creative processes of copywriters and product and store designers. A detailed overview of the customer's interests and preferences, provided by segmentation research, may reveal an advantageous background atmosphere for communicating a product's benefits.
2. To profile current users and nonusers--the underlying premise for using segmentation research to profile users and nonusers is that, "the more you know and understand about your customers the more effectively

you can communicate and market to them" (Plummer, 1974, p. 33). As will be discussed later, segmentation research can explain how to meet the total set of wants and needs of a customer. An effective way to develop long-term customer loyalty is to become a "total capacity supplier" of a consumer's needs (McCammon, 1976).

3. To generate "general" segmentation solutions--general segmentation solutions identify the broad system of activities which define how consumers interact with their environment. A particular purchase is not viewed as an isolated consumer activity, but rather as an interrelated, patterned statement of what motivates consumers to purchase in general. This broad consumer conceptualization helps firms integrate corporate strategies around a central theme.
4. To create "product-specific" segmentation solutions--while general segmentation solutions integrate retailer strategies around a central theme, product-specific profiles provide detail for developing the content of strategies. By identifying the benefits desired of consumers when shopping for specific product categories, product-specific profiles dramatize strategically actionable shopper traits.

The earliest comprehensive applications of market segmentation research appeared in advertising. Brand managers followed with large scale market segmentation studies. Recently, retailers have used segmentation research to identify distribution opportunities. Selected applications of advertising, brand management, and retailing market segmentation research will be described below.

Application in Advertising

Use in Supplementing a Communication Theme

Many of the earliest applications of life style and other contemporary forms of market segmentation research were used for the development of advertisement copy and layout (Wells, 1975). Life style

research was a natural for copywriters because it augmented their creative processes. It provided them with a "Gestalt" of their customers which could be plugged into copy and layout. However, copywriters normally did not make a direct, literal transfer from research to advertising copy. Instead, they relied on life style research, as well as other sources of information and inspiration, to develop characters, settings, moods, and themes (Wells, 1974).

Pernica (1974) described how life style research helped copywriters redirect an advertising campaign for beer. Demographically, heavy beer drinkers were middle-income, primarily blue collar, young, and had at least a high school education (p. 164).

The life style patterns of heavy beer drinkers indicated that they aspired to be risk takers, pleasure seekers, and "real men." They positively responded to such statements as, "I sometimes bet money at the races;" "I would do better than average in a fist fight;" and, "Men are smarter than women."

The resulting focus of the advertising campaign was of the men of the sea--who lived their lives with gusto. The research seemed to suggest that the heavy beer drinker could identify with the life style of these men. Demby (1974), Lovell (1974), Ziff (1974), and Anon (1972) give other examples of how contemporary segmentation research can supplement copywriters' creative processes when developing copy and layout.

Use in Profiling Users and Nonusers (of Different Media)

The most extensive and successful applications of large-scale market segmentation studies have been used for profiling users of different media. The first national probability sample study was sponsored by Holiday magazine, after a pilot study sponsored by Time magazine showed a strong correlation between life style and self concept (Demby, 1974). The Holiday study found that people who were heavy users of media perceived themselves to be more imaginative and outgoing, and were heavy users of new products and premium brands.

A considerable amount of research has supported the importance of selecting media in accordance with the life styles and social characteristics of target markets. Bruno, Hustad, and Pessemier (1973) demonstrated, in Table 2-5, the appropriate media selection for each of several market segments. In another study, Tigert (1972) reported the differences in life style characteristics of viewers of different television programs, fantasy-comedy versus talk shows. Viewers of fantasy-comedy shows were traditional, conservative individuals, who took a negative view of their future. Talk show viewers, on the other hand, were enthusiastic about their future, and exhibited a strong interest in new products, fashion, and personal appearance. He concluded that (p. 246):

1. The fantasy-comedy shows represent viable media for all types of home-cleaning products from disinfectants to air fresheners to liquid cleaners. And the appeals in the copy should be hard hitting attacks on germs and dirt.

Table 2-5

Effectiveness of Selected Media in Reaching
Managerially Useful Market Segments

Basis for Market Segmentation	Frequency in Sample Population	Media With Highest Proportion of Desired Segment Heavily Exposed in Audience	Media With Lowest Proportion of Desired Segment Heavily Exposed in Audience
Innovativeness Generalized Innovator	18.4%	Dating Game Galloping Gourmet As the World Turns Glamour Cosmopolitan	Reader's Digest
Product Specific Innovators	21.8%	Glenn Campbell Carol Burnett Marcus Welby Johnny Carson As the World Turns	Time
Opinion Leadership Generalized Opinion Leaders	13.2%	Dating Game Johnny Carson Bold Ones Glamour Cosmopolitan	Carol Burnett Galloping Gourmet Love American Style Flip Wilson Reader's Digest Good Housekeeping
Product Specific Opinion Leaders	21.3%	Dating Game Laugh-In Flip Wilson Glamour Cosmopolitan	60 Minutes Reader's Digest Time
Usage Rate Heavy Users	61.1%	Gunsmoke Life Time Cosmopolitan Indianapolis Star	Glenn Campbell Hawaii Five-0 Dating Game 60 Minutes Bold Ones

SOURCE: Albert C. Bruno, Thomas P. Hustad, and Edgar A. Pessemier, "Media Approaches to Segmentation," Journal of Advertising Research (1973).

2. The fantasy-comedy shows represent viable media for all types of proprietary drugs such as deodorants, mouthwashes, and vitamins.
3. The talk shows represent viable media for many types of new products. These shows are a must during the introductory phase.
4. The talk shows represent viable media for women's cosmetics, fashions, and grooming aids.

Perhaps the most striking indication of wide-spread adoption of life style analysis in media selection is the recent inclusion of psychographics to the Target Group Index. The TGI, standard equipment for media selection, develops profiles of different magazine, television, radio and newspaper audiences from interviews of approximately 30,000 individuals yearly. Figure 2-12 lists the different psychographic variables examined along with demographics.

Figure 2-12

Psychographic Dimensions Examined by the Target Group Index

Self-Concept - Related

AFFECTIONATE, passionate, loving,
romantic
AMICABLE, amiable, affable,
benevolent
AWKWARD, absent-minded, forgetful,
careless
BRAVE, courageous, daring,
adventuresome
BROADMINDED, open-minded, liberal,
tolerant
CREATIVE, inventive, imaginative,
artistic
DOMINATING, authoritarian, demand-
ing, aggressive

Buying Style - Related

BRAND LOYAL
I always look for the name of
the manufacturer on the pack-
age.
CAUTIOUS
I do not buy unknown brands
merely to save money.
CONFORMISTS
I prefer to buy things that my
friends or neighbors would
approve of.
ECOLOGISTS
All products that pollute the
environment should be banned.

(continued on next page)

Figure 2-12 (continued)

Self-Concept - Related

EFFICIENT, organized, diligent,
thorough
EGOCENTRIC, vain, self-centered,
narcissistic
FRANK, straightforward, outspoken,
candid
FUNNY, humorous, amusing, witty
INTELLIGENT, smart, bright, well-
informed
KIND, good-hearted, warm-hearted,
sincere
REFINED, gracious, sophisticated,
dignified
RESERVED, conservative, quiet,
conventional
SELF-ASSURED, confident, self-
sufficient, secure
SOCIAL, friendly, cheerful,
likeable
STUBBORN, hardheaded, headstrong,
obstinate
TENSE, nervous, high-strung,
excitable
TRUSTWORTHY, competent, reliable,
responsible

Buying Style - Related

ECONOMY-MINDED
I shop around a lot to take
advantage of specials or
bargains.
EXPERIMENTERS
I like to change brands often
for the sake of variety and
novelty.
IMPULSIVE
When in the store, I often buy
an item on the spur of the
moment.
PERSUASIBLE
In general, advertising pre-
sents a true picture of the
products of well-known
companies.
PLANNERS
I generally plan far ahead to
buy expensive items such as
automobiles.
STYLE-CONSCIOUS
I try to keep abreast of
changes in styles & fashions.

SOURCE: "Psychographics," Target Group Index 77 (New York: Axions
Market Research Bureau, Inc., 1977).

Use in Generating General Segmentation Solutions

Numerous large scale general-life-style market segmentation solutions were developed by advertising agencies for clients. One of the most well-known studies, conducted by Needham, Harper & Steers, is presented in Figure 2-13. The solution was developed from the responses of 3,288 consumers to 199 psychographic statements. This type of

Figure 2-13

Needham, Harper, & Steers General Market Segments

Thelma, the old fashioned traditionalist, is a devoted wife, doting mother, and conscientious housekeeper. Thelma has few interests outside her own family. She does not condone sexual permissiveness or political liberalism, nor can she sympathize with women's libbers.

Candice, the chic suburbanite, is an urbane woman, well-educated, probably married to a professional man. She is a prime mover in her community and is active in club affairs.

Mildred, the militant mother, married early, had children and now wishes the women's liberation movement had happened in time to help her. She likes soap operas and lottery tickets because they help her escape into a fantasy world.

Cathy, the contented mother, married early, had a big family and likes it that way. She thinks women's liberation opposes biblical teachings, is trusting and relaxed, and buys only the cereals her children demand.

Eleanor, the elegant socialite, says women's liberation is unnecessary if a woman has a man to take care of her. She spends little time preparing meals but spends a lot of time and money on cosmetics and high-fashion clothes, and thinks face creams are better if they cost more.

Herman, the retired homebody, has opinions that conflict with nearly everything in the modern world. He can neither change the world nor cope with it. His favorite meal is a hearty breakfast. He uses low-cholesterol products, and he is very concerned about high prices. He distrusts foreign-made products.

Dale, the devoted family man, married early, fathered a family, and is happy. A blue-collar worker with a high school education, he is more interested in knowing what a product can do for him than what star endorses it and worries about excessive sex and violence on TV.

Ben, the self-made businessman, believes you get what you pay for, values his time, eats bacon and eggs despite his doctor's disapproval because "there's no substitute," and thinks government should keep its nose out of private industry.

Fred, the frustrated factory worker, married young and is now unhappy and cynical. He likes to think that he is a bit of a swinger; he fantasizes and goes to the movies to escape from his everyday world.

Scott, the successful professional, is much smoother; his speech is more confident and his manner sure. He carries three major credit cards and uses them primarily to pay for business travel.

SOURCE: Peter W. Bernstein, "Psychographics is Still an Issue on Madison Avenue," Fortune (January 16, 1978), pp. 78-84.

solution is often used to help a client select a target market. For example, liquor advertisers would be most interested in one of four types of consumers: Eleanor, the Elegant Socialite; Candice, the Chic Suburbanite; Ben, the Self-made Businessman; or Scott, the Successful Professional. Candice, the Chic Suburbanite, would be of interest to yogurt and cottage cheese advertisers (Bernstein, 1978).

Needham has prepared a videotape and slide presentation, using actors to play each of the shopper types. In addition to the usefulness of general segmentation solutions in developing advertising campaigns, there is a belief that the studies help agencies attract clients. "It impresses the client," maintains Pat Cafferta, associate research director for Needham. "A psychographic study is a terrific selling tool" (Bernstein, 1978, p. 83).

Advertising agencies are mixed in their interest in general life style segmentation solutions. Needham, Harper, and Steers, Leo Burnett, and Grey Advertising use it often, but B.B.D.O. and Ogilvy & Mather are less convinced of psychographics' usefulness (Bernstein, 1978).

Nevertheless, widespread interest in the descriptively rich life style segmentation research of advertising agencies emerged in other areas of marketing. Advertising Age (1968) reported in its year-end 1968 issue that the development of this form of research was one of the year's important events affecting advertising. The American Marketing Association four years later mailed questionnaires to registrants of its 1972 National Conference to assess the degree of interest in each

of the conference topics. Two out of three of the respondents indicated that they were very or extremely interested in life style and psychographics, and only five percent reported that they were not interested at all (American Marketing Association, 1972). As will be shown later in this section, these solutions soon became one of the most commonly conducted forms of proprietary research in marketing.

Use in Creating Product-Specific Segmentation Solutions

Young of Grey Advertising explains her interest in product-specific segmentation solutions (1974, p. 62):

I guess if I had to choose a single point which we have learned from the thirty-odd psychographic segmentation studies Grey has conducted over the past nine years, I think it would be the importance of relevance to the marketing problem in psychographic analysis.....

The only way to insure that measurements of personality and life style are relevant to the marketing problem is to analyze them within the context of a particular product category.

Product-specific segmentation has been used by advertisers to gain a more precise understanding of product benefits to communicate. For example, Ford Motor Company introduced the Pinto automobile as a frisky, carefree little car. A galloping pony was shown on Pinto television advertisements to reinforce this notion. Sales were disappointing, so Ford reassessed its advertising.

Grey Advertising conducted a product-specific psychographic study for the Ford Pinto. The study found that potential Pinto buyers were disinterested in friskiness and instead sought a practical, dependable small car. Grey Advertising changed the advertising campaign to

to show the Pinto with a Ford Model A, known for its reliability and value. With the change in benefits communicated, the Ford Pinto became the largest-selling subcompact in the United States.

Kallick, of Sullivan, Stauffer, Cowell, & Bales, Inc., demonstrated how product-specific segmentation research can be used to develop advertising communication themes (Ziff, 1974). Table 2-6 profiles three product-specific clothing shoppers. Segment one shoppers are primarily interested in reasonably "acceptable" fashion which needs little attention and can be purchased on a tight budget. An advertising communication theme might be, "clothing which is easy to take care of, comfortable, modern, and a good value to go with their liberal non-home family orientation" (p. 150).

Segment two shoppers have traditional values, which translate to mainstream fashion interests, and a strong desire for comfort and durability. An advertising communication theme directed at these shoppers might be, "high quality clothing that is durable because it's made of natural fibers, clothing that offers comfort, variety, and total look that reflects her conservativeness and active family-community life" (p. 151).

Segment three shoppers demand modern fashion. They would be reached with, "clothing that is 'up-to-date--stylish, high fashion, and fun to wear'" (p. 151).

The client advertiser decided to concentrate on segment two for its basic styles, and attract segment three for a new line of clothes. A typical headline for advertising aimed at segment two was, "For the woman who doesn't want to squeeze her life into a mini-skirt." In

Table 2-6

Product-Specific Segments of Clothing Customers

	Segment I	Segment II	Segment III
<u>What They Are Like:</u>	Liberal, on a tight budget, interested in easy maintenance, not style conscious	Traditional, conservative, energetic, involved with family, want comfort over fashion, feel it's important to get a total look from clothes	Fashion conscious, interested in high style, comfort less important, less active and energetic than other groups
<u>What They Want:</u>	Prefer synthetic fibers for durability & maintenance; negative toward wool & other natural fibers	Favorable toward wool--perceive it as versatile, having quality & being functional, willing to pay price for wool	Favorable toward wool, believe synthetics lack style & quality
<u>How They Buy:</u>	Buy in medium priced depts. of dept. stores, aware of price, less aware of manufacturer & labels	Buy clothes in discount stores to a high degree though most buy in a medium priced dept. in dept. stores	Most buy in medium priced depts. in dept. stores, 1/4 buy at specialty stores usually, aware of labels & information on clothes
	25% aware of client product, 12% have bought client product	39% aware of client product, 24% have bought client product	44% aware of client product, 11% have bought client product

SOURCE: Ruth Ziff, "The Role of Psychographics in the Development of Advertising Strategy and Copy," Life Style and Psychographics, edited by William D. Wells (Chicago: American Marketing Association, 1974), pp. 129-155.

Table 2-7

Distinguishing Characteristics of Financial
Service Market Segments

Characteristics	Segment I	Segment II	Segment III	Segment IV
Principal benefits sought	Accuracy More time to counsel students Stored data Speed & time savings	Accuracy Consistency in award-making More time to counsel students Speed & time savings	Accuracy Consistency in award-making Better control of funds Cost savings	Accuracy Consistency in award-making More time to counsel students Better control of funds
Institution Type (pre-dominantly)	Public (54%) Private (46%) Four- and Two-year colleges	Public (64%) Private (36%) Four- and Two-year colleges	Public (56%) Private (44%) Vocational/ Technical Schools	Public (68%) Private (32%) University Two-year colleges
Undergraduate enrollment	Under 1500	Under 1500	Under 1500	Over 1500
Number of financial aid applications processed/year	Under 500	Over 500	Under 500	Over 500
Purchase Intentions	Concepts 6 and 7	Concepts 3, 5, 6, 7	Concepts 3 and 6	Concept 6

SOURCE: Mark Moriarity and M. Venkatesan, "Concept Testing and Market Segmentation," Journal of Marketing (July, 1978), pp. 82-86.

contrast, the advertisement directed at the third segment read, "The only thing square about (the client) is the label."

Application in Brand Management

Use in Supplementing Concept Testing or New Product Design

Although several marketing articles have discussed the value of market segmentation research in concept testing and developing new product designs, Moriarity and Venkatesan (1978) reported in 1978 that no previous studies had been published in marketing journals to illustrate actual procedures.

Moriarity and Venkatesan (1978) conducted a study to evaluate eight different concepts of proposed financial-aid management services considered by an educational services organization. Specifically, the organization was considering whether to offer universities: (1) financial aid data storage and retrieval; (2) applicant ranking; (3) needs matching; (4) financial aid correspondence; (5) aid dispersment; (6) aid profile; (7) special request reports; or, (8) custom surveys. A questionnaire was sent to educational institutions, asking for an indication of interest in purchasing each of the eight concepts, as well as a rating of the importance of twelve service benefits.

A cluster analysis revealed distinguishing characteristics of four different segments, shown in Table 2-7. Concept six, the most basic service considered, was desired by all segments. Concepts one, two, four, and eight failed to characterize any of the segments, so they were not considered for adoption. The financial services firm chose to adopt the other four concepts.

Frye and Klein (1974) reported that product designers who were given psychographic customer information were judged by an independent panel of design experts to have superior product designs to those who were provided demographic data. With the increasing acceptance of life style and other contemporary market segmentation frames of reference, concept testing and product design should be based on market segmentation research more often in the future.

Use in Profiling Users and Nonusers

The premise for brand managers to collect qualitative information about their customers is that they can develop more effective marketing campaigns when they know their customers well (Wells, 1975). This point can be illustrated by comparing the demographic profile of the heavy shotgun ammunition user (Table 2-8) with his psychographic profile (Table 2-9).

Demographically, the shotgun user tends to be younger, has a lower income and educational attainment, is better represented in blue-collar occupations, and is more likely to live in rural areas and the South.

The psychographic data provides an additional layer of interpretative depth. This consumer's hunting is not isolated but part of a network of outdoor activities. He also fishes, camps, and is more likely to be a do-it-yourselfer.

The shotgun user is more violence-oriented, less risk-averse, and more self-indulgent. He agrees with the statement, "I love to eat," and he is willing to spend money on himself.

Table 2-8

Psychographic Profile of the Heavy User of Shotgun Ammunition

Base	Percent who spend \$11 + per year on shotgun ammunition (141)	Percent who don't buy (395)
I like hunting	88	7
I like fishing	68	26
I like to go camping	57	21
I love the out-of-doors	90	65
A cabin by a quiet lake is a great place to spend the summer	49	34
I like to work outdoors	67	40
I am good at fixing mechanical things	47	27
I often do a lot of repair work on my own car	36	12
I like war stories	50	32
I would do better than average in a fist fight	38	16
I would like to be a professional football player	28	18
I would like to be a policeman	22	8
There is too much violence on television	35	45
There should be a gun in every home	56	10
I like danger	19	8
I would like to own my own airplane	35	13
I like to play poker	50	26
I smoke too much	39	24
I love to eat	49	34
I spend money on myself that I should spend on the family	44	26
If given a chance, most men would cheat on their wives	33	14
I read the newspaper every day	51	72

SOURCE: William D. Wells, "Psychographics: A Critical Review," Journal of Marketing Research 12 (May, 1975), p. 198.

Table 2-9

Demographic Profile of the Heavy User of Shotgun Ammunition

Base	Percent who spend \$11 + per year on shotgun ammunition (141)	Percent who don't buy (395)
Age		
Under 25	9	5
25-34	33	15
35-44	27	22
45-54	18	22
55+	13	36
Occupation		
Professional	6	15
Managerial	23	23
Clerical-sales	9	17
Craftsman	50	35
Income		
Under \$6,000	26	19
\$6,000 - \$10,000	39	36
\$10,000 - \$15,000	24	27
\$15,000 +	11	18
Population density		
Rural	34	12
2,500 - 50,000	11	11
50,000 - 500,000	16	15
500,000 - 2 million	21	27
2 million +	13	19
Geographic division		
New England - Mid-Atlantic	21	33
North and West Central	22	30
South Atlantic	23	12
East South Central	10	3
West South Central	10	5
Mountain	6	3
Pacific	9	15

SOURCE: William D. Wells, "Psychographics: A Critical Review," Journal of Marketing Research 12 (May, 1975), p. 197.

The psychographic profile would help a brand manager to avoid several assumptional errors implied by demographics. The younger, blue-collar, less urban shotgun user demographic profile might imply that the consumer would be a heavier beer drinker, more interested in television, more likely to use credit, more of a spectator sports enthusiast, and more patronizing of discount stores. However, shotgun ammunition users do not reflect these distinguishing characteristics.

On the other hand, the psychographic profiling information had important implications for brand managers. The hunter's interest as a do-it-yourselfer suggests that he would also be a hardware customer and would shop at hardware stores. His attraction to violence indicates that appropriate advertising media might be adventure magazines and detective, war, and western television shows. The enjoyment in eating and willingness to spend money suggests opportunities for premium foods to be taken on hunting trips and indicates that hunting lodges should promote their restaurants.

Kinnear and Taylor (1976) found that it was important to profile both direct and indirect competitors when conducting a segmentation study. A national marketer of gasoline conducted a psychographic study to determine the differences of users of different brands. No psychographic differences were found between different major brand users. However, major brand, regional brand, and discount brand users were significantly different from each other. Discount brand users considered driving to be less of a pleasure than the other two users, and were more likely to feel that there are differences in gasolines.

Regional and discount brand users were more likely to do repair work and change oil themselves on their car than national brand users. Major brand users were more likely to feel that you can judge a man's success by the car he drives and they believed that they were neat and orderly. In this study no significant demographic differences were found among the three groups.

Numerous segmentation studies have been conducted by manufacturers to profile the qualitative characteristics of their customers. It is believed that more actionable marketing strategy can be developed when research penetrates beyond the surface characteristics of the consumer.

Use in Developing General Life Style Segments

Sender Hoffman, Senior Vice President of Yankelovich, summarized the significance of understanding general life style groups when addressing automobile industry executives (Henderson, 1981, p. 89).

We are becoming a society of at least five major groups, each with its own definitions of what the good life is all about... Although we go off in different directions often enough and consistently enough that manufacturers and retailers need to find out what is happening quickly or they will suffer in today's, and even more in the future's, marketplace.

Hoffman explains that there are two classical holdover life style groups from the past, the Traditionalists and the Retreaters. Traditionalists can be of any age, but are characterized by their belief in the work ethic and the worth of striving for upward mobility. To a brand manager, this customer should be regarded as a good target

for products which embrace "middle-class" values, such as expensive, but conservative clothes, family cars, or homes in the suburbs. They will try new products only if "it doesn't interfere with my work and the boss approves" (p. 90).

The Retreaters, probably over fifty, "keep plugging away at their jobs," and believe work is virtuous. They do not believe that they will ever be very successful, nor do they ever try to rock the boat. The Retreater would be interested in themes about, "the simple life," and they probably shop at stores which they have patronized for years.

Three groups represent new, emerging life styles, according to Hoffman. The Autonomous are materialistic and strivers, like the Traditionalists, except that they have modern, upscale tastes. The Autonomous have separated their private lives from their jobs, and express their interests with contemporary art, foreign cars, and travel. Although they are strong performers on the job, Autonomous individuals do not work as an end in itself. They work to obtain a high level of affluence.

The New Conformists live for a rich, exciting life. They are not particularly interested in status symbols, except those expressing their active life style to their friends.

Finally, Forerunners, well educated and usually in their thirties, might be "the Yale graduate son of a Yale graduate lawyer who opts to work with his hands instead of practicing law" (p. 90). Creativity is an emphasized value to Forerunners. Although they holdover

the value that they want to "make it," it is important to them that they do so as their own boss by creating something of value with their own hands.

As will be discussed later, the Yankelovich consumer types re-emerged in a replication. General segmentation solutions of this type are used to identify a broad system with which consumers interreact with their environment. A particular purchase is not viewed as an isolated consumer activity, but rather as an interrelated, patterned statement of what motivates consumers to purchase in general. It views purchasing as a means, not as an ends. The user of a general life style solution would not be interested in why a consumer purchased a can of peas, but instead in how the consumer views his status in life, acquaintances, and future expectations at the time when he bought the peas.

Most general segmentation solutions leave the determination of products purchased or specific shopping strategies to secondary analysis or interpretation. However, some, such as that in Table 2-10, describe consumer types by the products they buy and leave the implications of underlying life styles to the imagination of the reader.

Use in Developing Product-Specific Segments

Assael (1981) demonstrated the implications of a product-specific segmentation solution to a leading snacks food manufacturer. Nutritional Snackers, the first shopper type profiled in Table 2-11, are light snackers. They prefer to snack on fruits, vegetables, and

Table 2-10

Life-Style Categories Based on Products Purchased Most Frequently

Factors and Variables	Factor Loading	Factors and Variables	Factor Loading
Factor I: The Hard Drinker		Factor VIII: The Well-Groomed Man	
Rye whisky	.61	Hair tonic	.56
Canadian whisky	.62	After-shave lotion	.53
Bourbon	.60	Hair shampoo	.65
Scotch	.49	Mouthwash	.47
Gin	.62	Factor IX: The Cough- and Cold-Conscious Man	
Vodka	.59	Cold tablets	.64
Highball mixers	.72	Cough drops	.68
Beer	.65	Throat lozenges	.71
Factor II: The Car-Conscious Man		Factor X: The Man with the Photographic Memory	
Car wax and polish	.55	Unexposed movie film	.60
Motor oil	.77	Flash pictures taken	.86
Antifreeze	.76	Pictures taken without flashbulbs	.84
Miles driven	.78	Factor XI: The Liquor and Wine Connoisseur	
Gasoline	.87	Rum	.57
Factor III: The Candy Consumer		Brandy	.67
Candy bars	.70	Liqueurs	.66
Packaged hard candies	.72	Domestic wine	.53
Chewing gum	.63	Imported wine	.68
Factor IV: The Cosmopolitan Traveler		Factor XII: The Old Man	
Plane trips in past year	.67	Hats	.48
Car rental in past year	.68	Denture cream	.55
Gas credit cards	.50	Factor XIII: The Hard-Driving Man	
Other credit cards	.50	Miles driven in town	.83
Foreign trips last year	.54	Miles driven on highways	.81
Factor V: The Electric Shaver		Factor XIV: The Cocktail Drinker	
Pre-shave lotion	.69	Bottled cocktails	.81
Electric shaver	.82	Cocktail mixers	.73
Factor VI: The Cigar and Pipe Smoker		Factor XV: The Regular Shaver	
Small cigars	.71	Regular double-edged blades	.77
Cigarillos	.75	Stainless steel double-edged blades	.67
Regular cigars	.67	Factor XVI: The Deodorized Male	
Pipe tobacco	.57	Roll-on deodorant	.80
Factor VII: The Dress-Conscious Man		Spray deodorant	.67
Suits	.54		
Shoes	.67		
Dress shirts	.70		
Sport shirts	.65		

SOURCE: Lewis Alpert and Ronald Gatty, "Product Positioning by Behavioral Life-Styles," Journal of Marketing 33 (April, 1969): p. 67.

Table 2-11

Life-Style Segmentation of the Snack Food Market

	Nutritional Snackers	Weight Watchers	Guilty Snackers	Party Snackers	Indiscrim- inate Snackers	Economical Snackers
Percent of Snackers	22%	14%	9%	15%	15%	18%
Life-Style Characteristics	Self-assured Controlled	Outdoor types Influential Venturesome	High anxiety Isolate	Sociable	Hedonistic	Self-assured Price oriented
Benefits Sought	Nutritious No artificial ingredients Natural snacks	Low calorie Quick energy	Low calorie Good tasting	Good to serve guests Proud to serve Goes well with beverages	Good tasting Satisfies hunger	Low price Best value
Consumption Level of Snacks	Light	Light	Heavy	Average	Heavy	Average
Type of Snacks Usually Eaten.	Fruits Vegetables Cheese	Yogurt Vegetables	Yogurt Cookies Crackers Candy	Nuts Potato chips Crackers Pretzels	Candy Ice cream Cookies Potato chips Pretzels Popcorn	No specific products
Demographics	Better educated Have younger children	Younger Single	Younger or older Females Lower socio- economic group	Middle aged Nonurban	Teens	Larger families Better educated

SOURCE: Henry Assael, Consumer Behavior and Marketing Action (Boston: Kent Publishing Company, 1981).

cheese. Weight Watchers are also low calorie snackers. They are interested in outdoor activities and seek quick energy, low calorie foods. In comparison to the third low calorie segment, Guilty Snackers, Weight Watchers tend to be less guilty about snacking. Guilty Snackers perceive themselves to be overeaters and believe that snacking conflicts with their desire to lose weight. Guilty Snackers agree with, "I get easily upset when things go wrong," "I watch a lot of TV," and "I do not go out very frequently."

Indiscriminate Snackers snack heavily. They agreed with, "When I get a craving for a snack, I must have one right away," or "I'm not fussy about what I eat as long as it tastes good." Party Snackers are sociable, agreeing with, "I have more friends than most people," and "I usually eat snacks when with company." Although average snackers, they purchase more nuts, potato chips, and pretzels than average. Finally, Price-Oriented Snackers are self-assured comparison shoppers. They are average snackers, better educated than average, and have larger families.

Assael described the implications of this solution to the snacks food manufacturer, hypothetically called Great Snacks (pp. 238-239).

Great Snack's primary interest was in nuts and chip type snacks since the company has a line of products in both categories. The most profitable segments for nuts and chip types snacks are the party snackers, indiscriminate snackers, and guilty snackers. Great Snacks should continue to appeal to these segments, but advertising to appeal to each segment may be very different. For example, products should be presented in socially oriented situations to appeal to party snackers; appeals to the guilty snacker should be more serious and oriented toward

the alleviation of anxiety in snacking; and, given the hedonistic bent of indiscriminate snackers, the appeals to this segment should be oriented to taste and pleasure.

...

There may also be packaging implications. Products directed to the party snackers and indiscriminate snackers may be packaged more colorfully than the products directed toward guilty snackers. Products directed toward nutritional snackers and weight watchers should have nutritional information placed in a prominent place on the package.

More important are the implications for new product development. Great Snacks may wish to introduce products geared toward the two segments in which it is particularly weak--nutritional snackers and weight watchers. These two groups represent over one-third of all snackers. A single product line could be developed to appeal to both segments given the similarity in nutritional and low calorie benefits. For example, Great Snacks may consider positioning a new brand of potato chips or popcorn as a natural snack with no artificial ingredients to appeal to nutritional snackers. Advertising to this group would be more informationally oriented, emphasizing utilitarian appeals directed toward better educated, self-assured consumers.

Figure 2-14 presents product-specific segmentation findings for aspirin and automobiles. Both solutions attempt to identify the benefits desired for purchasing the products. While general segmentation solutions help a brand manager develop a broad perspective of his customer, product-specific information suggests specific strategies for the customer's attraction.

Although the trend has been for product-specific rather than general segmentation solutions, in four situations product-specific studies have produced disappointing results:

1. Thin products. Wells and Tigert (1971) explained usage of some products does not correlate well with many segmentation variables. For example, cable television subscribers have similar segmentation profiles to nonsubscribers.

Figure 2-14

Product-Specific Market Segments

Aspirin Market Segments

The Severe Sufferers. They tend to be young, have children, and be well educated. They are irritable and anxious people, and believe that they suffer more severely than others. They take the ailment seriously, fuss about it, pamper themselves, and keep trying new and different products in search of greater potency. A most advanced product with new ingredients best satisfies their need for potency and fast relief, and ties in with their psychosomatic beliefs.

The Active Medicators. They are typical modern suburbanites with average income and education. They are emotionally well adjusted to the demands of their active lives. They have learned to cope by adopting the contemporary beliefs of seeking help for every ill, and use remedies to relieve even minor signs of ailments and every ache and pain. In a modern product, they seek restoration of their condition and energy, mental recovery, and a lift for their active lives. They are influenced by a brand's reputation and by how well it is advertised. They tend to develop strong brand loyalties.

The Hypochondriacs. They tend to be older, not as well educated, and women. They have conservative attitudes toward medication and a deep concern over health. They see possible dangers in frequent use of remedies, are concerned over side effects, and afraid of remedies with new ingredients and extra potency. To cope with these concerns, they are strongly oriented toward medical authority, seeking guidance in treatment, and what products they should use. They hold rigid belief about the ailment and are disciplined in the products they use, and how frequently. They want a simple, single-purpose remedy, which is safe and free from side effects, and backed by doctors or a reputable company.

The Practicalists. They tend to be older, well educated, emotionally the most stable, and least concerned over their ailment or the dangers of remedies. They accept the ailment and its discomforts as a part of life, without fuss and pampering. They use a remedy as a last resort, and just to relieve the particular symptom. They seek simple products whose efficacy is well proven, and are skeptical of complicated modern remedies with new ingredients and multiple functions.

Automobile Shoppers

Speed Enthusiasts. These were young, well educated motorists with great interest in cars (car buffs). They looked for power in the product, which they equated with performance and speed.

Power Drivers. These tended to be modern middleclass Americans who looked for power in the product to give them control and confidence in driving.

Apprehensive Motorists. These were typically older and women. They were less concerned with power and were apprehensive about the workings of a car. They looked primarily for good service which would give them assurance of safety, dependability, and confidence in driving.

Pragmatists. These tended to be older and with lower education and income. For them, a car was just a means of transportation, and a service station just a filling station. They did not go for power or styling frills, and considered economy of driving as the major criterion in brand choice.

SOURCE: Joseph Pernica, "The Second Generation of Market Segmentation Studies: An Audit of Buying Motivations," Life Style and Psychographics, edited by William D. Wells (Chicago: American Marketing Association, 1974), pp. 279-313.

2. Overlapping Products. The usage behavior of some products overlap, according to Wells and Tigert, which indicate that they have similar segmentation profiles. Fresh oranges and fresh lemons are purchased by customers with similar profiles.
3. Multiple product uses. Wells and Tigert (1971) observed that some products may be used heavily for more than one purpose and different segmentation profiles could be found for each purpose. For example, mouthwash could be used as a cold prevention or as a cosmetic.
4. Stylish products. Young, Ott, and Feigin (1978) concluded that when style or appearance is of overriding concern then product-specific, benefit-oriented segmentation is not appropriate. Silverwear, fashion accessories, and furniture were considered to be poor subjects for such a form of segmentation.

Application in Retailing

Use in Supplementing a Store Layout Design

Kotler (1973-1974, pp. 63-64) cited examples of how retailers have misapplied store layout atmosphere:

1. A major motel chain uses a standard decor for its motel offices and one of its features is soft lighting. Travelers have reported that the soft lighting makes the motel look somewhat lifeless. They prefer another large motel chain where the bright lighting of the motel offices as seen from the road suggests a bright, busy, and cheerful place.
2. A multimillion dollar shopping center was recently completed with an enclosed mall and "look" suggestive of the twenty-first century. People who visit this shopping center for the first time are quite impressed. From the second time on, they complain of a feeling of claustrophobia and stuffiness. The designers were evidently gifted in imagination, but they failed to pre-test their futuristic concept on a sample of shoppers.

3. A new bakery was opened up in a shopping center and attracted considerable attention initially because of its fine fixtures, window treatment, and exotic pastry. Everything about the atmosphere suggested fine pastries fit for a king. Yet customers failed to materialize in sufficient numbers and the bakery went out of business. The owners made the mistake of over-designing the shop for the clientele. The store's atmosphere suggested high prices and special occasion pastries whereas most shoppers wanted low prices and more everyday pastry. The owners had mismatched the atmosphere to the clientele.
4. A fish store in an ethnic neighborhood did a thriving business. The store was very unkempt and unattractive. Someone talked the owner into remodeling the store to give it a clean, attractive look. The owner did this, and business fell off. Somehow the modernization connoted higher prices to many customers and also they felt less comfortable in the place than before. Once again, atmosphere was mismatched to the clientele.

Currently, store layout atmosphere is an underexamined consideration in retailing segmentation studies. As Kotler explains (p. 48): "First, men of business tend to be practical and functional in their thinking; if they were poetic they probably would not be businessmen. Therefore they have tended to neglect the aesthetic factor in consumption. Secondly, atmospherics are a 'silent language' in communication. It is only recently that recognition and study has been given to various silent languages such as body language, temporal language, and spatial language."

However, some research on the segmentability of interior atmosphere has been provided by the field of interior design. For example, Hall, Purcell, Thorne, and Metcalfe (1976) had thirty-five adult students rate the similarity of each pair of eleven representative

office foyers of high rise office buildings in Sidney, Australia. The students also rated each foyer on a series of scales relating to atmosphere image. The investigators determined the primary dimensions of foyer similarity, and correlated these dimensions with the atmosphere image scales, shown in Table 2-12.

These procedures can easily be applied to retailers. Similarity ratings of various competitive retailers might be collected from shoppers who are in a desired market segment. The shoppers might also provide evaluations of each interior on an inventory of atmosphere image factors, as well as overall appeal ratings of the retailer interiors. The different dimensions of atmosphere image can be compared with overall appeal to determine the efficacy of attracting the market segment with various interior designs.

Analysis of store layout design should be an increasingly important component of market segmentation studies in the future. As retailers evolve into more advanced stages of their institutional life cycle and other traditional marketing variables have a diminished impact, store atmosphere should become a central factor of competitive advantage.

Table 2-12

Correlations of Mean Scores on the Rating Scales with Dimensions

<u>Rating Scale</u>	<u>Dimension</u>		
	I	II	III
Warm - Cool	.53	NS	.50
Shiny - Matt	.78	NS	NS
Bright - Dull	NS	NS	NS
Patterned - Plain	NS	NS	.84
Large - Small	NS	.59	NS
Deep - Shallow	NS	.53	NS

NOTE: Only those coefficients significantly different from zero are shown.

SOURCE: Rob Hall, A. Terrance Purcell, Ross Thorne, and John Metcalfe, "Multidimensional Scaling Analysis of Interior Designed Spaces," Environment and Behavior (December, 1976), pp. 593-609.

Use in Profiling Users and Nonusers

Tigert, Lathrope, and Bleege (1971) demonstrated how the psychographic and product-use profile of Kentucky Fried Chicken customers could be used for developing corporate strategy:

Heavy users exhibit a zest for life. They are optimistic about their personal and financial futures, fashion and appearance conscious, pro credit, active, influential and risk takers. They are not afraid to borrow or invest and like to go to exciting parties.

Heavy users of fried chicken are also heavy users of eye make-up, nail polish, perfume, cologne, and toilet water, regular soft drinks, chewing gum, and candy. They are above average in town driving, frequent buyers of gasoline and shoes--a young homemaker fits this description.

They also buy other convenience food items...

This suggests a below average level of cooking...

...their working status has both eliminated time available for preparing meals and provided the income necessary for purchase of a wide variety of convenience foods.

The following strategies were implied from the above profile:

1. Accept charge cards in chicken outlets. Perhaps this could be done in conjunction with a major gasoline company.
2. Maintain an informal atmosphere. Patrons like to dress and shop in casual and comfortable clothes.
3. Tie in promotional activities with bowling alleys, beauty parlors, dress shops, etc.
4. Don't stress cents off promotion, since heavy users do not seem to be price conscious.
5. Consider home delivery as an added time saver.

As the above example suggests, retailers can profile customers with qualitative variables to develop insights in how to become a "total capacity supplier." McCammon (1976) explained that distributor services can range from transactional, transvectional, single source, to total capacity supplier status. Psychographic profiles can give a retailer information about how to meet the total set of wants and needs of the customer. The psychographic profile of Kentucky Fried Chicken customers indicated that home delivery, credit card charging, and in-

Figure 2-15

Case Example of Marketing Strategy and Programming Based on Life-Style Trends

Trend	Description of Trend	Illustrative Product Implications for Manufacturers and Retailers	Illustrative Additional Manufacturer Strategy Implications	Illustrative Additional Retailer Strategy Implications
More Casual Life-Styles	Desire to live a less traditional, conservative, formalized life-style in terms of behavior, dress, eating, entertainment, and so on.	Potential increase in sales of furniture that is more comfortable. More casual, perhaps rugged, case goods. Potential long-term reduction in sales of formal living and dining room furniture. Good growth prospects for indoor/outdoor furniture.	Consider advertising featuring furniture and home furnishings in more realistic and casual life-style settings. Think about emphasizing comfort where appropriate.	Same as manufacturer.
Desire for Elegance and Personalization	Growing interest in a personalized life-style that is different from others and consistent with one's self-concept.	Growing market for uniquely designed furniture that is visibly different from what is widely available. Growing market for old, second-hand furniture including antiques. Increasing tendency to mix styles between and/or within rooms. Potential increase in sales of refinish-it-yourself furniture, including kits.	Consider advertising featuring unique furniture and furniture settings that mix styles and designs harmoniously. Evaluate distribution through retailers having a reputation for uniqueness; brochures and sales promotion pieces that recommend what goes with what.	Consider devoting some inventory dollars to unique and unusual merchandise that is not available elsewhere. Some room settings and advertising might mix styles and designs harmoniously.
Flexibility of Roles/Women's Liberation	Men and women perform multiple roles -- parent, host, spouse, servant. Greater exchange of many roles between sexes	Growing market for interchangeable (room-to-room) furniture as well as furniture that can serve a variety of purposes (multiple purpose).	Consider advertising and sales promotion featuring the interchangeability and multiple purpose features of appropriate items.	Same as manufacturer. Add interchangeability and multiple purpose features to sales presentations where applicable. Avoid double standards (male, female) in extending credit.

Figure 2-15 (continued)

Trend	Description of Trend	Illustrative Product Implications for Manufacturers and Retailers	Illustrative Additional Manufacturer Strategy Implications	Illustrative Additional Retailer Strategy Implications
Instant Gratification	Living more for today and planning and living less for the future. Desire for instant standard of living. Instant career achievement. Interest in "solutions to problems" rather than parts of problems. Growing intolerance of incompetence -- waiting in line, etc.	Enlarging market for low cost, reasonable quality, and well-designed furniture and home furnishings; analogously, the Mustang (or fun watches). Greater interest in groupings (packages) of furniture that go together -- not necessarily the same style.	Continue to reevaluate delivery time. Evaluate advertising and sales promotion for complete rooms using themes like "decorate your family room by bedtime."	Same as manufacturer. Also consider trying to speed up the time required to process a customer transaction. For regular customers, think about maintaining a file containing room layout, items purchased, including swatches, and so on.
New Theology of Pleasure	Interested in having fun and in products, services, and other experiences that make life fun. This is a reaction to the boredom of life emanating partly from job tedium and dissatisfaction.	Favors unique, interesting furniture and furnishings that are conversation pieces. Also fun items like bean-bag chairs and water beds.	Consider advertising and promoting furniture and furnishings in unique, fun settings. Evaluate distribution through retailers having a unique fun image.	Create store excitement through unique displays. Reevaluate how frequently they are changed. Consider music and other techniques that are consistent with your market. Think about establishing a play area for children, refreshment center, etc. Advertise and promote furniture in unique, fun settings.
Life Simplification	Removing or reducing time and/or energy required to perform what are perceived by some to be mundane, undesirable tasks. Examples include self-cleaning ovens, trash	Furniture and home furnishings that are easy to care for, easy to repair, and require less frequent cleaning, dusting, and so on. Minimum maintenance wall coverings.	Consider advertising and promoting easy maintenance features.	Same as manufacturer.

Figure 2-15 (continued)

Trend	Description of Trend	Illustrative Product Implications for Manufacturers and Retailers	Illustrative Additional Manufacturer Strategy Implications	Illustrative Additional Retailer Strategy Implications
	compactors, power lawnmowers, etc.	Opportunity for services such as furniture and carpet cleaning and repair, complete interior cleaning, painting, refurbishing, and so on.		
Changing Morality	Growing tendency to believe that premarital sex, extramarital sex, homosexuality, etc., are not morally wrong. Increasing tendency to live together without being married.	Creates new needs for temporary furniture and home furnishings, including rental. Growing market for modular sofa and chair units that can be pushed together to create a large lounging area. Opportunity for unique beds, headboards, and bedroom furniture designs that create atmosphere and facilitate lounging as well as sleeping. Emphasis on products of minimum deterioration or obsolescence for rental programs.	Think about advertising and promoting the modular features of sofa and chairs, if applicable. Also emphasize the lounging features of beds and bedroom furniture. Feature bedroom and other furniture in tastefully sensual settings. Potential opportunity for diversification into furniture rental.	Same as manufacturer, depending upon local market characteristics and opportunities.
Concern About Appearance and Health	Partial outgrowth of youth orientation. Concern about health, weight, physical appearance--often youthful appearance. Illustrations include wigs, hair dye, face	Potential market for health and exercise equipment that has good design and is like furniture so that it looks well in bedrooms and/or other furnished areas, or		

Figure 2-15 (continued)

Trend	Description of Trend	Illustrative Product Implications for Manufacturers and Retailers	Illustrative Additional Manufacturer Strategy Implications	Illustrative Additional Retailer Strategy Implications
	lifts, vitamins, bust development, diet foods, etc.	which can be marketed as an accessory item, to be attached to or used with some item of furniture.		
Novelty, Change, and Escape	Reaction to the perceived boredom of life, resulting partly from the absence of meaningful work. Interest in products, services, and experiences that provide for novelty, change, and escape.	Potential market for less long-lasting, relatively low-priced, furniture and furnishings provided they are well-designed--i.e., the <u>Timex</u> concept. Growth potential for novelty items. Growing market for furniture and home furnishings for camping, camping vehicles and trucks, second homes, and so on. Potential opportunity for multiple coverings for upholstered goods.	Through advertising and promotion, evaluate positioning the home (apartment) as a place to get away from it all. Also show how furniture and furnishings can be rearranged to create a fresh change and new feeling.	Same as manufacturer. Also include in merchandise presentations and sales presentations.
Naturalism	Growing desire to have the best of both worlds--the advantages of technology and the standard of living that it makes possible on the one hand--and naturalism, return to nature on the other. Rejection of artificial forms of behavior and dress.	Continuing market for natural wood and other materials. Earth tones should be popular. Designs that facilitate openness and bring the outdoors inside should do well. Less demand for wall-to-wall carpeting; more for area and throw rugs. Potential growth of patterns and materials using natural scenes and outdoor living.	Through advertising and sales promotion, consider featuring the natural characteristics of the product--natural woods, natural wool, etc.	Same as manufacturer. Include naturalness in sales presentations. Consider expanding assortment of area rugs.

Figure 2-15 (continued)

Trend	Description of Trend	Illustrative Product Implications for Manufacturers and Retailers	Illustrative Additional Manufacturer Strategy Implications	Illustrative Additional Retailer Strategy Implications
Eclecticism	Trend away from homogeneous fashion and life-styles toward the acceptance of a multiplicity of acceptable styles. Decline of fashion and life-style dictatorship toward more individualistic, often peer group influence.	Eclectic product line and assortment (that goes together) may become more effective. Comfort may become a more important criterion in selecting items. Growing market for accessories based on astrology, the occult, mysticism. Also accessory collections--medals, stamps, etc.	Through advertising and promotion, show eclectic furniture groupings, and dramatize comfort. Where appropriate, emphasize maintenance/durability aspects; for example, ("brand name) lets kids be kids."	Same as manufacturer.
Time Conservation	Growing recognition that time is a critical resource and constraint in many consumer's lives.	Furniture and home furnishings that are easy to care for, easy to repair, require less frequent cleaning, dusting, and so on.	Consider featuring ease of cleaning and maintenance in advertising and promotion.	Same as manufacturer. Also include in sales presentations. Also, improve ability of consumer to buy some items without visiting store.

SOURCE: David T. Kollat, Profile V Management Report (Columbus, Ohio: Management Horizons, Inc., 1976).

formal atmosphere were additional shopper desires which helped explain how the retailer can be a total capacity supplier of the needs of fast food customers.

Figure 2-15 presents an expanded example of how future life style trends can be used to develop supplier marketing strategy. The findings were based on a psychographic study of about 10,000 households conducted for the Home Furnishings Marketing Institute. It illustrates the directionality of projected life style trends for developing retailer and manufacturer strategy. Additionally, the example demonstrates the multidimensionality of furniture shopper life styles and the variety of alternative market strategies which can be adopted in the future.

Use in Developing General Life Style Segments

In 1954 Gregory Stone investigated 150 female residents of Chicago's northwest side to determine if they would rather do business with local merchants or large chain stores. His questioning revealed four distinct, general life style segments:

1. The Economic Shopper -- a highly price, quality, and assortment sensitive shopper (33 percent).
2. The Personalizing Shopper -- she sought strong personal relations with store personnel, and these relations were crucial to store patronage (28 percent).
3. The Ethical Shopper -- this shopper was willing to sacrifice lower prices or a wider selection of goods "to help the little guy out" because "the chain store has no heart or soul" (18 percent).

4. The Apathetic Shopper -- the apathetic shopper disliked shopping and convenience of location was her primary motivator (17 percent).

It was easy to get a feeling that these were "real shoppers" and their descriptions seemed to suggest specific merchandising strategies. Darden and Reynolds (1971) and Boone, Kurtz, Johnson, and Bonno (1974) found the same types of shoppers in entirely different studies conducted twenty years later. Table 2-13 compares the distribution of shoppers found by Stone with the more recent Boone, et al., study for middle-class Anglo shoppers in Oklahoma and middle-class Mexican-American shoppers in Texas. Although similar overall, the later studies showed a significant reduction in the number of ethical shoppers and a larger percentage of Mexican-American economic shoppers.

General market segmentation typologies help retailers align the numerous functions they perform into an integrated system of corporate strategies. Gutman and Mills (1981) demonstrated how general life style profiles can be used to develop an integrated corporate position across different decision areas. Table 2-14a lists seven types of shoppers found by Gutman and Mills. They identified ten different decision areas of importance to clothing shoppers, in Table 2-14b. Finally, in 2-14c Gutman and Mills determined the degree to which each general type of shopper reflected the different fashion decisions. If attempting to attract the "Followers" shopper type, the retailer might use Table 2-14c as a basis for the following strategies:

Table 2-13

Distribution of Consumer Types

Type of Consumer	Stone Study ^a	Oklahoma: Anglo-Americans ^b	Texas: Mexican-Americans ^c
Economic	33.1%	35.4%	54.2% ^d
Personalizing	28.2	36.7 ^d	23.7
Ethical	17.8	6.1 ^d	7.6 ^d
Apathetic	16.9	21.8 ^d	14.5
Indeterminate	<u>4.0</u>	<u>--</u>	<u>--</u>
Total	100.0%	100.0%	100.0%

^aSOURCE: Gregory P. Stone, "City Shoppers and Urban Identification: Observations on the Social Psychology of City Life," The American Journal of Sociology, Vol. 60 (July 1954), pp. 36-45. N = 124.

^bN = 147.

^cN = 317.

^dStatistically significant from the Stone study responses at the .05 level.

SOURCE: Louis E. Boone, David L. Kurtz, James C. Johnson, and John A. Bonno, "'City Shoppers and Urban Identification' Revisited," Journal of Marketing (July, 1974), pp. 67-69.

Table 2-14

(a)

Seven Types of Fashion Shoppers

I. <u>Followers</u> (High) Fashion Leadership (High) Fashion Tamerity (High) Purchase Enjoyment (High) Cost Consciousness (High) Label Consciousness	IV. <u>Classics—Inner Directed</u> (Low) Fashion Leadership (High) Traditional Orientation (Low) Shopping Enjoyment (High) Fashion Tamerity (High) Purchase Enjoyment (High) Label Consciousness (High) Cost Consciousness	VII. <u>Planners</u> (High) Planning/Careful Shopping (Low) Shopping Enjoyment (Moderate) Fashion Leadership (High) Purchase Enjoyment (High) Size Consciousness
II. <u>Playing Own Game</u> (Low) Fashion Leadership (High) Shopping Enjoyment (High) Planning/Careful Shopping (Low) Purchase Enjoyment (High) Label Consciousness (High) Size Consciousness	V. <u>Fashion Leaders</u> (High) Fashion Leadership (High) Shopping Enjoyment (High) Dressing for Success (High) Purchase Enjoyment	
III. <u>Middle of the Road</u> (High) Traditional Orientation (High) Fashion Tamerity (High) Size Consciousness (High) Cost Consciousness (Moderate) Fashion Leadership (Moderate) Shopping Enjoyment	VI. <u>Traditionalists</u> (High) Traditional Orientation (High) Shopping Enjoyment (Moderate) Fashion Leadership (High) Planning/Careful Shopping (High) Cost Consciousness	

(b)

Fashion Shopping Factors

<u>FACTOR 1 Fashion Leadership</u> First to try new fashions Important to be fashion leader Friends regard me as source of fashion advice Aware of fashion trends and first to buy Current with fashion trends in magazines Need wide variety - active life-style Spend lot of time on fashion-related activities Spend lots of money on clothing Spend money on clothes before other things Clothes important way to express individuality	<u>FACTOR 6 Purchase Enjoyment/Self Enhancement</u> Like to buy clothes Like clothes that emphasize my femininity Feel good when buy something new Like clothes that make most of my figure Confident in my own good taste
<u>FACTOR 2 Traditional Orientation</u> Prefer traditional styling Prefer tailored look Try to buy "basics" in clothing If have few clothes, can get by Buy smaller number items that cost more Selection made with an eye to future Avoid high fashion	<u>FACTOR 7 Dressing for Success/Dressing Better</u> Man wouldn't look twice at woman ... Can tell you are better if dress better Something wrong with a woman who doesn't care about dressing Wearing good clothes part of good life
<u>FACTOR 3 Shopping Enjoyment</u> Like to go to stores to see what's new Don't like to go shopping Go shopping often Go shopping to get ideas Like to shop many different stores I like to buy clothes	<u>FACTOR 8 Practical Shopping</u> Buy less because of rising prices Fashion just way to get more money Not as concerned with fashion as with modest price and wearability Spending excessive amounts on clothes is ridiculous Make fewer shopping trips due to gas cost
<u>FACTOR 4 Fashion Tamerity</u> Not afraid to be first to wear something different Buy new fashion only when well-accepted Apparel selections strongly influenced by admired people Like to experiment so won't look like everybody Confident in ability to recognize fashion trends	<u>FACTOR 9 Label Conscious</u> Prefer designer labels - not something new Prefer well-known designer labels - not store brand
<u>FACTOR 5 Careful Shopping/Planning</u> Plan shopping trips carefully Make purchases only when needed Shop only when need to replace items Plan my wardrobe carefully	<u>FACTOR 10 Size Consciousness</u> Size dictates what style I can buy Don't buy clothes that make me stand out

Table 2-14 (continued)

(c)

Average Factor Scores for Fashion Life-Style Clusters on 10 Decision Areas

<u>Decision Areas</u>	<u>CLUSTERS</u>						
	<u>Followers</u> (26)	<u>Playing Own Game</u> (18)	<u>Middle of the Road</u> (90)	<u>Inner Directed</u> (20)	<u>Fashion Leaders</u> (22)	<u>Traditionalists</u> (16)	<u>Planner</u> (12)
1. Fashion Leadership	.50	.65	.03	.78	-1.11	.32	.03
2. Traditional Orientation	.65	.62	-.39	-.34	.15	-.39	.61
3. Shopping Enjoyment	.19	-.59	-.13	.55	-.33	-.69	1.16
4. Fashion Tawerity	-.53	.26	-.25	-.35	.59	.84	-.54
5. Planning/Careful shopping	.50	-.09	.07	-.50	.41	-.22	-1.25
6. Purchase Enjoyment	-.23	1.05	.12	-.70	-.12	-.17	-.56
7. Dressing for Success	.37	.19	-.11	.04	-.49	.05	-.23
8. Cost Consciousness	-.55	.21	-.04	-.44	.83	.22	.78
9. Label Consciousness	-.58	-.75	.35	-.50	.40	.54	.35
10. Size Consciousness	.21	-.47	-.27	.43	.44	.74	-.09

SOURCE: Jonathan Gutman and Michael K. Mills, "Fashion Life-Style and Store Patronage: A Different Approach," Retail Patronage Theory 1981 Workshop Proceedings (May, 1981), pp. 155-160.

1. Since Followers value both fashion leadership and traditional orientation, the retailer attempting to attract them may wish to adopt the "preppy look." Advertising and in-store promotion could reflect traditional, classical elegance.
2. Followers believe in planning/careful shopping and are size conscious. This may indicate that retailers should provide a high level of display merchandise information and a heavily-advertised liberal return policy to lower the risk associated with fashion purchases.
3. Followers are neither cost conscious nor famous designer label conscious. Therefore, the store may wish to develop its own label reflecting upscale yet traditional taste.

Although these three strategies involve different elements of the retailer's "marketing mix," each characterize the same image: a store with upscale yet traditional, "riskless" fashion. The profiles of the general shoppers were used in this example to develop strategies for a clothing department. However, a general segmentation solution could be extended to the development of strategies for other departments - each reflecting a consistent image derived to attract a general market segment.

Use in Creating Product-Specific Segmentation Solutions

While general segmentation solutions may be used to integrate retailers strategies around a central theme, product-specific profiles provide detail for developing the content of strategies. The Retail Hardware Research Foundation (McCammon, et al., 1979) identified specific strategy re-commendations for hardware retailers with a product-specific "do-it-yourselfer" solution. From the profiles shown in Figure 2-16, the Foundation recommended (p. 11):

Figure 2-16

Do-it-Yourself Consumer Profiles

<u>Do-it-Yourself Consumer Segment</u>	<u>Profile</u>
Reluctant Do-it-Yourselfers	Reluctant do-it-yourselfers are less than enthusiastic about undertaking home improvement projects, preferring to hire professionals even for minor repairs. For economic reasons, however, Reluctants are surprisingly active do-it-yourselfers. Although Reluctant do-it-yourselfers are only moderately price sensitive, they place considerable emphasis on store convenience and on a high level of in-store service. This segment also prefers to shop in stores that offer a wide variety and selection of products which are easy to locate on the selling floor. Because of their limited knowledge, Reluctant do-it-yourselfers also place a premium on <u>informal</u> sales assistance. Reluctant do-it-yourselfers, more than other segments, rely on TV commercials as a source of product information.
Dedicated Do-it-Yourselfers	Dedicated do-it-yourselfers are almost continuously involved in home improvement and repair projects. They are also aggressive and informed shoppers. They prefer to shop in stores that offer several brands in each product category, that carry hard-to-find items, and that offer creative advice on do-it-yourself projects. Dedicated do-it-yourselfers are value sensitive and do not buy on impulse. This segment is composed of highly sophisticated customers with extensive product knowledge. Dedicated do-it-yourselfers enjoy shopping and typically compare prices and features before making purchases. The Dedicated do-it-yourselfer is a tough shopper with limited brand and store loyalty.
Discretionary Do-it-Yourselfers	Discretionary do-it-yourselfers tend to be moderately active home maintainers. This segment is more included to undertake routine repair projects than major home improvements. This, along with their substantially higher income, implies that Discretionary do-it-yourselfers view home maintenance and repair as one of many alternative uses of their leisure time. Convenience of location is extremely important to the Discretionary segment when shopping for do-it-yourself products. Discretionary do-it-yourselfers also prefer to shop in stores that have uncluttered layouts and "accessible," informed personnel. Price considerations are of little importance to Discretionary shoppers, and thus, they tend to avoid price-oriented outlets. This segment does not shop for comparative prices nor do they respond to sale advertising. In general, consumers in this segment do not enjoy shopping since they view it as an infringement on their leisure time.
Transitional Do-it-Yourselfers	Transitional do-it-yourselfers are the third most active segment and are strong believers in do-it-yourself home repair and improvement. The primary consideration in shopping for hardware and lumber and building materials for this segment is <u>price</u>. Despite his interest in new products and ideas, the Transitional do-it-yourselfer's price orientation makes him a strong discount department store customer. The Transitional segment is characterized by younger consumers, larger families, and lower incomes than other segments. These consumers are typically in the early stages of the family life cycle and must watch their expenditures carefully. Transitional do-it-yourselfers are willing to forego convenience and service, seeking out stores that offer <u>low everyday</u> prices and <u>good sale</u> prices. Despite their income limitations, Transitionals tend to be impulse buyers, and they like to try new products. They are not sophisticated do-it-yourselfers, but are very much interested in becoming more knowledgeable about do-it-yourself products and applications. This segment also relies more heavily than most segments on circulars and TV commercials for product information.
Active Do-it-Yourselfers	Active do-it-yourselfers are knowledgeable and active home craftsmen. They place considerable emphasis on shopping convenience and buying from established "authoritative" stores. Active do-it-yourselfers are only moderately price sensitive and do not buy on impulse. They are sophisticated customers with a high level of technical skill and in-depth product knowledge. They know which retailers and brands offer the "best value," and they tend to concentrate their purchases accordingly. In short, they are directional and expedient shoppers.

SOURCE: Bert C. McCammon, Jr., Bradley T. Farnsworth, Toby R. Stone, and Joann Rixon, The Changing Do-it-Yourself Consumers: A Psychographic Profile of the Do-it-Yourself Market (Indianapolis: Russell R. Mueller Retail Hardware Research Foundation, 1979).

... a strong price image is needed to attract the patronage of Dedicated and Traditional do-it-yourselfers. Stated alternatively, consumers in these segments tend to be uniquely responsive to the price leadership strategies adopted by K-Mart, Wal-Mart, Toys-R-Us and others. In contrast, key item pricing programs should be sufficient to satisfy the expectations of Reluctant and Active do-it-yourselfers. Retailers appealing to these segments should adopt a velocity pricing program with commodity items priced at or below the market. Discretionary do-it-yourselfers are obviously "unconcerned" about price and will, therefore, patronize stores that offer other appeals including personal service and broad assortments of merchandise.

Figure 2-17a details the merchandising priorities suggested for attracting each type of shopper, Figure 2-17b indicates the types of repair/replace projects they perform, and Figure 2-17c summarizes the shoppers' store preferences. The exhibits demonstrate the actionability of profiles derived from product-specific statements. For example, Figure 2-16b suggests that Dedicated, Transitional, and Active shoppers will each perform a wide variety of do-it-yourself projects. In one sense, they have similar life styles -- they are do-it-yourselfers. However, as Figure 2-17c shows, the three types of consumers shop at different stores. Furthermore, they are attracted by different merchandising factors, as indicated in Figure 2-17a. Dedicated shoppers are strongly concerned about broad assortment factors, Transitionals are price shoppers, and Actives have a much stronger interest in shopping convenience than average. The sponsors of this product-specific segmentation solution were able to provide different strategy recommendations for consumers who with a general segmentation solution might have been classified together.

Figure 2-17

(a)

Merchandising Priorities of Do-It-Yourself Consumers

Reluctant Do-It-Yourselfers

- Knowledgeable and helpful employees.
- Courteous and friendly employees.
- Easy to find items in the store.
- Convenient store location.
- Easy acceptance of personal checks.
- Easy-to-recognize employees.
- Provides special services.
- Convenient to other stores.
- Accepts bank cards.

Dedicated Do-It-Yourselfers

- Good sale prices.
- Employee assistance when needed.
- Easy to find items in the store.
- Carries hard-to-find items.
- Several brands to choose from in all product categories.
- Displays providing good do-it-yourself ideas.
- Stores open until 9:00 p.m.
- Stores providing delivery service.

Discretionary Do-It-Yourselfers

- Knowledgeable and helpful employees.
- Courteous and friendly employees.
- Employee assistance when needed.
- Quick checkout.
- Easy to find items in the store.
- Carries hard-to-find items.
- Wide variety and selection of national brands.
- Convenient store location.

- Easy acceptance of personal checks.
- Easy-to-recognize employees.
- Accepts bank cards.
- Attractive store decor.
- Stores providing delivery service.

Transitional Do-It-Yourselfers

- Easy to return or exchange merchandise.
- Adequate stock of advertised specials.
- Good sale prices.
- Low everyday prices.
- Carries hard-to-find items.
- Convenient store location.
- Easy acceptance of personal checks.
- Stores open until 9:00 p.m.
- Low-priced store brands.
- Convenient to other stores.
- Accepts banks cards.
- Redeems manufacturers' coupons.
- Offers store coupons.

Active Do-It-Yourselfers

- Adequate stock of advertised specials.
- Good sale prices.
- Easy parking.
- Convenient store location.
- Easy-to-see departmental signing.
- Displays providing good do-it-yourself ideas.
- Convenient to other stores.
- Redeems manufacturers' coupons.

Figure 2-17 (continued)

(b)

Percent of Consumers Undertaking Project In Past Two Years
By Do-It-Yourself Consumer Segment

<u>Repair/Replacement Project</u>	<u>All Segments</u>	<u>Reluctant</u>	<u>Dedicated</u>	<u>Discretionary</u>	<u>Transitional</u>	<u>Active</u>
Light Fixtures or Switches	51.2	-	+		+	+
Faucet	62.1	-	+			+
Shower Head	40.7	-	+	+		
Door Knob	34.3	-	+			
Locks	50.5	-	+		+	+
Window Caulking	53.5	-	+			+
Weather Stripping	41.6	-	+		+	+
Door or Window	49.5	-	+		+	
Screens	47.0	-	+		+	+
Sink	21.1	-	+	-		+
Toilet	34.4	-	+			+
Pipes or Plumbing	28.8	-	+	+	+	+
Water Heater, Pump, or Softener	21.6	-	+			+
Cracked Wall	33.1	-	+		+	+
Electrical Wiring	51.2	-	+		+	+
Dishwasher or Garbage Disposal	12.9	-	+	+	+	
Gutters or Downspouts	22.0	-	+	-	+	+
Repair/Replacement Project Index	100.0	-	+		+	+

(c)

Leading Competitors By Do-It-Yourself Segment

<u>Key Merchandising Factors</u>	<u>First Place Stores</u>	<u>Second Place Stores</u>
	RELUCTANT DO-IT-YOURSELFERS	
Customer Service (Informal/directional)	Hardware Stores	National Chains
Shopping Convenience	National Chains	Discount Department Stores
	DEDICATED DO-IT-YOURSELFERS	
Merchandise Assortments	Hardware Stores	National Chains
Customer Service (Full service/knowledgeable sales personnel)	Hardware Stores	National Chains
	DISCRETIONARY DO-IT-YOURSELFERS	
Product Information	Home Centers	National Chains
	TRANSITIONAL DO-IT-YOURSELFERS	
Merchandise Prices	Discount Department Stores	National Chains
Shopping Convenience	National Chains	Discount Department Stores
	ACTIVE DO-IT-YOURSELFERS	
Product Information	National Chains	Home Centers
Shopping Convenience	National Chains	Discount Department Stores

SOURCE: Bert C. McCammon, Jr., Bradley T. Farnsworth, Toby R. Stone, and Joeann Hixon, The Changing Do-it-Yourself Consumer: A Psychographic Profile of the Do-it-Yourself Market (Indianapolis: Russell R. Mueller Retail Hardware Research Foundation, 1979).

Conclusions: Corporate Applications of Market Segmentation Research

Segmentation studies have had as profound an impact on corporate planning as any other contribution from the marketing discipline. During the previous two decades, an impressive level of corporate resources have been committed to the development of corporate strategies suggested from segmentation research. This is because contemporary market segmentation research has adapted to the types of problems faced by corporate planners. The "fragmented market" stage of consumer evolution has necessitated increasingly "data intensive" segmentation frames of reference for basing corporate decisions. While "low prices" and "convenient location" may have been the predominant corporate strategy considerations of previous periods, consumers currently appear to be responding to a dramatically expanded set of factors (Tauber, 1972). Therefore, market segmentation research has been required to provide increasingly descriptive detail of shopper interests. An additional implication of the fragmented market stage of consumer evolution is that increasingly diverse types of shoppers are appearing in the market place. Consequently, market segmentation studies have needed to more precisely identify a firm's shoppers.

As this section has demonstrated, marketing researchers are providing corporate planners with detailed, precisely-focused market segmentation studies. In other words, so much situation-specific information has been found from the numerous segmentation studies conducted recently that it is difficult to get a sense of closure from the

research. Do a "basic set" of shoppers underlie the segmentation solutions which are presented in this section? Can types of shoppers, defined in research which uses limited samples of respondents, be generalized across all of the market served by a firm? What level of confidence should corporate planners have that the types of shoppers discussed in this section can consistently be found and attracted? As the following section indicates, the generalizability of market segmentation research is a central issue of corporate planning.

Problems With Market Segmentation Research and Contribution of Dissertation

In order to explain how the dissertation makes a contribution to current practice, the problems of market segmentation research are briefly summarized. Several comprehensive literature reviews examine the problems of market segmentation (such as, Hustad and Pessemier, 1974; Wind and Green, 1974; Pernica, 1974; Wells, 1974; Wells, 1975; and Wind, 1978). These reviews consistently suggest the following problems (from Wind, 1978):

1. A lack of comparative conceptual and operational definitions of variables across studies.
2. A lack of specific models which link behavior (and other bases for segmentation) to descriptor variables and thus predict which descriptor variables should be used.
3. A lack of systematic effort (by both academicians and practitioners) to build a cumulative body of substantive findings about consumer behavior.

Lack of Definitional Consistency

The conceptual development of contemporary market segmentation research evolves from life style segmentation studies of the 1960's. When marketing borrowed the term "life style," little conceptual development was acquired with it. As an abstract notion, life style had been used for hundreds of years, by early philosophers, and more recently, by Veblen, Weber, and Adler (Cosmas, 1978). However, the term had not been precisely defined nor subject to much empirical research (Cosmas, 1978; Thorne, 1975).

In the years that followed its introduction to marketing there was very little agreement about the definition of life style beyond the basic rudiments specified by Lazer (1963) in the definition offered on page 33 of this chapter. Wells, for example, concluded that there were no less than 32 definitions in twenty-four articles he had reviewed (1975).

This lack of definitional consistency has permeated every facet of market segmentation's conceptual and operational development. To some extent this was done on purpose. Wells (1976) pointed out, "life style research cannot be tied into one neat operational package. That's good" (p. 496). A loose conceptualization of life style allowed marketing researchers to consider every aspect they would possibly want to know about the consumer, develop quantifiable scales for each characteristic, and then cross tabulate and factor analyze "everything with everything."

However, a loose conceptualization has also tended to discourage the development of a cumulative body of market segmentation findings. Without this body, every study is conducted as if it were the first study, without previous work to guide implementation and analysis.

Lack of Models and Theory

It is all too common for market segmentation solutions to be accepted or rejected on the basis of whether or not they "look right." Several researchers have investigated the reliability of inventories of market segmentation variables (such as Arnold and Tigert, 1973-1974; Villani and Lehmann, 1975; and Burns and Harrison, 1979), and other investigators have proposed conceptualizations of how descriptor variables may relate to each other (such as Hustad and Pessemier, 1974; and, Wind and Green, 1974), but these efforts have only preliminarily considered the validity of making different types of generalizations from segmentation research. Unless recurring findings can be synthesized and "theorized about," face validity will continue to be the only indicator of the segmentation solution value.

Lack of a Cumulative Body of Findings

Because of its largely proprietary nature, the extent of application of market segmentation research cannot be precisely measured. However, market segmentation research plays an important role in the strategic planning of many corporations --perhaps more than any other single marketing research contribution. Numerous segmenta-

tion studies have been conducted, across different geographical markets, points in time, and samples of individuals. However, practically no published attention has been given to summarizing the salient conclusions which can be drawn from this extensive body of research.

Relationship of Previous Research to the Purpose of this Dissertation

The purpose of this dissertation is to determine the degree of generalizability of market segmentation solutions across different markets. As discussed above, little research has been conducted that evaluates the generalizability of any facet of market segmentation research, and no research has been conducted which determines the generalizability of market segment solutions across markets.

As suggested above, no area is more consistently mentioned in market segmentation literature reviews as reading additional research than the evaluation of the generalization of market segment solutions. The contributors to the Journal of Marketing Research's special issue on market segmentation (August, 1978 issue) and to Wells' already classic Life Style and Psychographics (1974) were unanimous in making this point. Calantone and Sawyer (1978) and Burns and Harrison (1979) have recently responded by investigating the stability of market segmentation solutions across time. This dissertation attempts to compare solutions across "place." Such research can help corporate planners evaluate the validity of developing precisely targeted marketing strategies that appeal to "basic" consumer segments existing in a nation-wide audience.

Chapter Three

THE RESEARCH DATA AND DATA COLLECTION PROCEDURES

Chapters three and four describe the procedures used in this dissertation to determine the extent of similarity of types of shoppers existing in different geographical markets. In this chapter the research data and data collection procedures used to describe shoppers are considered.

The next chapter describes the data analysis procedures used to construct shopper types from the data and to evaluate the extent of similarity of types of shoppers existing in different markets.

Specifically, this chapter will describe:

1. the sampled individuals;
2. the inventory of statements used to construct types of shoppers;
3. the reliability test applied to the inventory of statements; and,
4. the procedures used to collect the data.

Description of the Sampled Individuals

Individuals sampled for this dissertation have the following characteristics:

1. Population Analyzed - The data collected for this dissertation attempts to generalize about male and female heads of households who lived in representative cities (markets) of the United States during the mid-to-late 1970's.

2. Sampling Frame - A list of telephone numbers was chosen, using an "N+1" sampling procedure, from telephone book numbers for each of the telephone exchanges (the first three digits of a telephone number) of the seventeen cities listed in Table 3-1.

3. Sampling Method - Male or female heads of households who first answered the telephone, were interviewed subject to a quota of the proportion of males versus females to be used in the study.

4. Time - The interviews were conducted during late 1976 and early 1977.

The specifics involved in collecting the above data are described in the final section of this chapter.

Type of Marketing Segmentation Statements and Market Segments

As explained in the previous chapter, inventories of segmentation variables have been undergoing an ongoing evolution since the initial interest in market segmentation research. Currently, inventories may be appropriately termed, "shopping strategies and activity patterns" (as discussed in the previous chapter) because they usually capture the benefits desired and situation-specific strategies of consumers, as well as life style traits. Consequently, the conceptual domain of the dissertation research is defined as, "the types of

Table 3-1

Markets Compared in the Dissertation

<u>Markets to be Compared</u>	<u>Number of Individuals in Original Study</u>
Bend, Oregon	306
Claremore, Oklahoma	401
Chickasha, Oklahoma	394
Clinton, South Carolina	397
Delaware, Ohio	297
Fairmont, Minnesota	301
Hutchison, Minnesota	297
Jacksonville, Florida	602
Lawton, Oklahoma	403
Louisville, Kentucky	609
Missoula, Montana	299
Monroe, Georgia	398
Moorehead, Minnesota	297
Oklahoma City, Oklahoma	600
Spokane, Washington	299
Valley City, North Dakota	304
Wichita, Kansas	604

'shopping strategy and activity pattern' shoppers existing in geographic markets," so that the findings can be compared with the results of other research.

Figure 3-2 lists the inventory of segmentation statements used for this dissertation. The inventory of statements appears to reflect the conceptual domain suggested for the research. A content analysis, shown in Figure 3-1, reveals that three types of information were captured by the individual statements: (1) general life style characteristics which are not directly related to shopping behavior; (2) stra-

tegies of consumers in general and for various types of shopping types; and, (3) benefits desired when shopping.

Figure 3-4, at the end of the chapter, lists a series of market segmentation inventories which appeared in marketing journals during the mid-1970's. The statements used in this dissertation appear to be representative of the inventories in Figure 3-4. Several of the inventories in Figure 3-4 share a sizable number of statements with the inventory used for this research. More importantly, most of the inventories in Figure 3-4 also seem to reflect consumer shopping strategies and activity patterns, rather than general life styles.

In subsequent chapters the statements used for this dissertation will be termed a "segmentation inventory." Although, strictly speaking, the term shopper type may be more proper than the term market segment for describing profiles of individuals produced from factor analysis, "market segments" and "shopper types" will be used interchangeably. Several psychometricians have argued that factor analysis develops profiles of ideal or representative types of individuals and not of groups (Stephenson, 1953; Overall and Klett, 1972; and Nunnally, 1978). However, the term market segment is used so often in marketing to describe the output of this research that it will be used at times in this dissertation for clarity.

Figure 3-1

Behavioral Dimensions of Segmentation Inventory

<u>Type of Statement</u>	<u>Behavioral Dimensions</u>	<u>Number of Statements</u>
General Life Styles	Outdoor Activities.....	4
	Do-It-Yourself Activities.....	6
Shopper Strategies	Use of Advertising and Coupons.....	6
	Number and Types of Stores Searched...	4
	Use of Private Brands.....	2
	Use of Store Signing.....	2
	Type of Product Adopter.....	3
Benefits Desired	Pricing.....	1
	Convenience of Store.....	1
	In-Store Convenience.....	3
	Employee Service.....	1
		34

Figure 3-2

Inventory of Market Segmentation Statements

1. I carefully compare prices before buying items.
2. When I shop, I usually go to several different stores to get the best prices.
3. I often shop at discount stores.
4. I usually use most of the coupons offered by stores.
5. I pay attention to advertisements for sales.
6. Television advertising is a real help in shopping.
7. Radio advertising is a real help in shopping.
8. Newspaper advertising is a real help in shopping.
9. I often make purchases from a catalog.
10. When there is a choice, I generally buy the store's own brand rather than a national brand.
11. A store's own brand usually gives you good value for the money.
12. Convenience of location is of minor importance in selecting a place to shop.

(continued on next page)

Figure 3-2 (continued)

13. I would rather go to conveniently located stores than go out of my way to get bargains or a large variety of merchandise.
14. I am more impatient than most waiting in checkout lines.
15. It is important to me that stores have helpful clerks.
16. It is important to me that a store has signs or a store directory to tell me where to find merchandise.
17. I rely heavily on signs in stores to give me helpful information for selecting merchandise.
18. You or another adult in your household enjoys barbecuing or eating outdoors often.
19. You or another adult in your household works in the yard or garden often.
20. You or another adult in your household enjoys socializing or entertaining outdoors.
21. You or another adult in your household goes hiking or camping often.
22. You or another adult in your household goes hunting or fishing often.
23. You or another adult in your household has a workshop which is used often for projects around the house.
24. You or another adult in your household likes to repair cars.
25. You or another adult in your household likes to personalize their car by adding accessories.
26. Even when minor repairs are needed at home it is usually better to hire a professional to do it.
27. You or another adult in your household often works on do-it-yourself projects at home.
28. I like to try new products when they come out on the market.
29. I usually buy new products before my friends do.
30. I usually come home from the store with more things than I intended to buy.
31. You or another adult in your household uses power tools often.
32. I usually go out of my way to shop at stores with a wide variety and selection of merchandise.
33. Checkout clerks should be able to "ok" checks right at the cash register.
34. I am more impatient than most waiting for a clerk to help me.

Reliability of Measurements

Three types of reliability measures are commonly used to evaluate the internal consistency of individual statements: alpha, split-half, and test-retest. The alpha reliability of statements were measured for each market in this study because split-half and test-retest measures were not possible. Split-half analysis compares the scores of conceptually similar sets of statements from an inventory. It was not possible to divide the segmentation statements into two conceptually similar groups. Test-retest was also impossible because the research did not retest the same individuals on the statements.

Nunnally is extremely supportive of coefficient alpha: "Coefficient alpha is the basic formula for determining the reliability based on internal consistency. ...Even if other estimates of reliability should be made for particular instruments, coefficient alpha should be obtained first. ...Even though potentially there are important sources of measurement error that are not considered by coefficient alpha, it is surprising what little difference these sources of measurement usually make. This is particularly so if the test instructions are easily understood and there is little subjectivity of scoring (Psychometric Theory, 1978, p. 230)."

As useful as alpha reliability may be, it must be cautioned that it is a reliability and not a validity measure. Alpha can not determine how well the conceptual domain, types of shopping strategy and activity pattern shoppers, are being measured; all that is known is the

extent to which the variables under analysis consistently reflect some domain.

The coefficients for each market were all approximately .800. Peter (1979) reported alpha levels found in Journal of Marketing Research articles, and .800 would be above average. Details of this analysis will be reported in Chapter 5.

Data Collection Procedures

The data used in this dissertation is from two different studies conducted by Professor Bert C. McCammon, Jr., Director of the Distribution Research Program of the University of Oklahoma. One of the studies was conducted in nine different cities for a discount department store chain and the other was conducted in eight cities for a hardware retailer. However, the questionnaire used and the data collection procedures were almost identical in both studies. Walker Research, Inc., under the direction of Mr. Toby Stone, helped in the collection of data and development of the questionnaire.

The Questionnaire

The questionnaire was designed to determine the major strategic thrusts facing the discounter and hardware store. The inventory of shopping strategy and activity pattern questions used for this dissertation represented one section of the questionnaire. The other sections of this questionnaire, not used for the dissertation, asked respondents to report:

1. the importance of twenty store benefits, rated on a 0 to 10 scale;
2. the store where each of a number of different product categories were purchased;
3. an evaluation of how well different retailers provide each of twenty different store benefits;
4. the frequency in which different retailers were shopped;
5. the degree of satisfaction in shopping at different retailers;
6. the sections of the newspaper usually read; and
7. the demographic characteristics of family members.

In all, the questionnaire had about 210 questions, and it took the respondent about forty minutes to respond to the statements over the telephone. The directions and scaling procedures for the shopping strategy and activity pattern questions are shown in Figure 3-3.

Selection of Statements

Shopping strategy and activity pattern statements were chosen from inventories used in other published research and previous experience of the types of statements which proved to be good segmentation correlates. The questions were pretested with a small convenience sample for face validity and proper wording.

Sampling Procedure

Three criteria were used to determine the sample size of each of the markets (cities) in the studies: (1) statistical analysis of

Figure 3-3

Questionnaire Directions for Shopping Strategy and
Activity Pattern Statements

(from the questionnaire) I'm going to read you some statements about shopping. Using this scale, please tell me how true the statement is for you by giving me a number from zero to ten. Zero means that the statement is never true for you. A ten means that the statement is always true for you. If it is true about half of the time, you would say five. Do you understand the scale? (START WITH ROTATION [X] STATEMENT.)

The first statement is _____. How true is that statement for you?
(CONTINUE FOR EACH STATEMENT)

	NEVER <u>TRUE</u>	SOMETIMES <u>TRUE</u>	ALWAYS <u>TRUE</u>	NO <u>ANSWER</u>
[] I usually come home from the store with more things than I intended to buy.....	00	01 02 03 04 05 06 07 08 09 10		99
[] You or another adult in your household uses power tools often.....	00	01 02 03 04 05 06 07 08 09 10		99
[] I carefully compare prices before buying items.....	00	01 02 03 04 05 06 07 08 09 10		99

(the same procedures were followed for each of the thirty-four statements listed in Figure 3-2)

the sample size needed to generate particular confidence interval requirements; (2) economics of conducting the study; and, (3) adequate size for dividing samples into market segments of shoppers. Between 297 and 609 completed interviews were conducted in each market, as reported earlier in Table 3-1.

An "N+1" procedure was used to select telephone numbers for calling respondents. Landon and Banks (1977) reviewed the use of N+1 sampling procedures and endorsed their use at times when a large percentage of desired respondents do not have published telephone numbers or when demographics are known to influence the phenomenon being studied. In the case of this research demographics would influence the shopping behavior activities under analysis.

Telephone exchanges (the first three digits of a telephone number) were chosen by analyzing the potential geographical boundaries of the trading areas of the stores being analyzed. Also, to some extent, the direction of traffic flow was taken into consideration. For example, in Louisville, northern parts of the city were not sampled because traffic flows suggested that very few individuals living in this area would shop at the stores being analyzed.

Non-male or female heads of the household were screened from the interviewing process. If a non-head of the household answered the telephone the interviewer asked to speak to "the mother or father."

If no one answered the telephone interviewers were instructed to make up to three additional attempts to reach the respondent. Furthermore, for a questionnaire to be considered "completed" for use in analysis the respondent would have to answer all sections up to the final demographics questions. At times the interviewer needed to call back the respondent to finish portions of the questionnaire. As an approximation, about half of the initial calls resulted in non-

interviews (where no one was home or the respondent refused to be interviewed).

Summary of the Research Data and Data Collection Procedures

The conceptual domain of this research is defined as, "the type of 'shopping strategy and activity pattern' shoppers existing in geographic markets." An inventory of thirty-four statements is used to reflect this conceptual domain across the seventeen geographical markets compared for this dissertation. The research data consists of the scores of telephoned heads of households on the inventory of statements from each of the markets.

The shopping strategy and activity pattern data used for this dissertation was originally collected as part of a larger study which analyzed the major strategic thrusts facing a discounter and hardware retailer. An "N+1" sampling procedure was used to telephone respondents from the telephone exchanges of each of the seventeen markets. Respondents were given a telephone interview which consisted of responses to the shopping strategy and activity pattern statements, as well as answers to about two hundred other questions. Interviewers were instructed to make up to three attempts to reach a respondent.

Figure 3-4

Segmentation Inventories Appearing in Recent Marketing Journals

Inventory to Study Food Shopping Behavior-Roberts and Wortzel (1979)

1. At home we usually eat quickly prepared meals rather than more carefully prepared dishes of various flavors.
2. When I give a dinner party I feel my guests will judge me by the food I serve.
3. A wife who is not a good cook owes it to her husband to work at improving her cooking.
4. Cooking is very creative.
5. I am disappointed in myself when dinner is a flop.
6. I worry about my family's nutrition.
7. I feel good when I spend a lot of time making dinner for my family.
8. I like to serve unusual dinners.
9. Dishes cooked in wine or sauces appeal to me.
10. I am an excellent cook.
11. I have better ways to spend my time than in grocery shopping and cooking.
12. It is the wife's responsibility to keep her family healthy by serving nutritious meals.
13. Winning my family's praise for my cooking is important to me.
14. The main reason we eat out is that it saves cooking and cleaning up time.
15. The main value of food should be in its nourishment rather than in its taste or flavor.
16. In planning menus, the food preferences of other family members should be more important than the wife's.
17. I prefer meals that can be prepared quickly.
18. I like to read magazine articles that offer new food ideas and recipes.
19. I like spices and herbs in or on my food.
20. I love to cook.
21. It is more important to choose foods with the proper amount of calories, minerals, and vitamins than foods which can be enjoyed for their various tastes.

Inventory to Study Roles of Women - Venkatesh (1980)

1. I feel capable of handling myself in most social situations.
2. It doesn't bother me to have to enter a room where other people have gathered already and are talking.
3. In group discussions, I usually feel my opinions are inferior.
4. I don't make favorable first impressions on people.

Figure 3-4 (continued)

5. I would feel extremely uncomfortable if I accidentally went to a formal party in ordinary clothes.
6. When confronted by a group of strangers, my first reaction is one of shyness and inferiority.
7. I am rarely at a loss for words when I am introduced to someone.
8. An important part of my life and activities is dressing smartly.
9. I like to feel attractive.
10. I would like to go to the beauty parlor as often as I can.
11. I enjoy looking through fashion magazines to see what is new in fashions.
12. I like to do a lot of partying.
13. I love to shop for clothes.
14. Television has added a great deal of enjoyment to my life.
15. I don't like watching television and so I rarely do.
16. I watch television to be entertained.
17. I watch television more than I should.
18. I consider it essential for most American families to own an automatic coffee maker.
19. I consider it essential for most American families to own a dishwasher.
20. I consider it essential for most American families to own a food disposal unit.
21. I consider it essential for most American families to own a washer and dryer.
22. Leisure activities express one's talents better than does a person's job.
23. Leisure activities are more satisfying than a job.
24. Ambitions are more realized on the job than in one's free time.
25. I often try new ideas before my friends do.
26. I feel I am a member of more organizations than are most women.
27. Sometimes I buy things impulsively and do not feel sorry about it later.
28. I like people who take risks in life without fear of what may happen.
29. I sometimes influence what my friends say.
30. I indulge in sports activities in my free time.
31. It is encouraging to see women participate in outdoor sports as men do.
32. During leisure time I like to relax by reading a book or listening to music.
33. If I am not working, I feel bored.
34. My friends or neighbors often come to me for advice.
35. I sometimes influence what my friends say.
36. People come to me more often than I go to them for information about brands.

Figure 3-4 (continued)

37. At school I volunteered for special projects.
38. I couldn't get along without frozen foods.
39. I depend on frozen food for at least one meal a day.

General Inventory - Burns and Harrison (1979)

1. I often watch the newspaper advertisements for announcements of department store sales.
2. I like to watch or listen to baseball or football games.
3. I often try new stores before my friends and neighbors do.
4. I like to work on community projects.
5. My children are the most important thing in my life.
6. I will probably have more money to spend next year than I have now.
7. I often seek out the advice of my friends regarding which store to buy from.
8. I think I have more self-confidence than most people.
9. I enjoy going to symphony concerts.
10. It is good to have charge accounts.
11. I enjoy participating in sports like golf or tennis.
12. I must admit that I really don't like house cleaning.
13. I usually have one or more outfits that are of the very latest style.
14. No matter how fast our income goes up, we never seem to get ahead.
15. I usually read the sports page in the daily paper.
16. I'd like to spend a year in a foreign city.
17. I am uncomfortable when my house is not completely clean.
18. A person can save a lot of money by shopping around for bargains.
19. I am more independent than most people.
20. I try to arrange my home furnishings for my children's convenience.
21. When I hear about a new store, I often visit it just to see what it's like.
22. I enjoy going through an art gallery.
23. My friends or neighbors often ask my opinions about stores.
24. I would like to take a trip around the world.
25. I like to pay cash for everything I buy.
26. I participate in sports activities regularly.
27. When I must choose between the two, I usually dress for comfort, not style.
28. Our days follow a definite routine, such as eating meals at a regular time, etc.
29. I sometimes influence which stores my friends buy from.
30. I enjoy vacuuming and dusting the house.
31. I would rather spend a quiet evening at home than go out to a party.

Figure 3-4 (continued)

32. I enjoy volunteer work for a hospital or service organization on a fairly regular basis.
33. Our family income is high enough to satisfy nearly all our important desires.
34. My neighbors and friends usually give me advice on which stores to use.
35. Five years from now the family income will probably be a lot higher than it is now.
36. I would prefer to see a play on TV than attend that play at a theater.

Inventory to Study Super Markets - Darden and Ashton (1974-1975)

1. I enjoy going to suburban shopping centers.
2. I enjoy trying new products before other people do.
3. I like shopping at discount stores because the clerks leave me alone.
4. I would rather browse than buy.
5. I shop a lot for specials.
6. You get what you pay for.
7. Grocery shopping is a terrible waste of time.
8. Big chains offer better bargains.
9. The big stores have no heart or soul.
10. You have to give the independent merchant a chance to earn a living.
11. Local merchants take more interest in you.
12. I do most of my shopping in one store.
13. Once I find a brand I stick with it.
14. I often try new brands before my friends and neighbors do.
15. I think I have more self-confidence than most people.
16. I buy many things with a credit card or a charge card.
17. My friends or neighbors often come to me for advice about furniture.
18. I sometimes influence the cake mixes my friends buy.
19. I feel that I am generally regarded by my friends as a good source of advice about gifts.

Inventory to Study Outshoppers - Reynolds and Darden (1972)

1. I enjoy eating fine foods and frequently do.
2. It takes too much time to shop out-of-town.
3. When you consider travel time, it costs too much to shop out-of-town.
4. Our family travels quite a lot.
5. I am an active member of more than one social or service organization.

Figure 3-4 (continued)

6. I have personally worked on a project to better our town.
7. I always shop where it saves me time.
8. Once I get used to where things are in a supermarket, I hate to change stores.
9. Once I have made a choice on which store to buy clothes in, I am likely to shop there without trying other stores.
10. It would not bother me to have to move to a new town.
11. We will probably move once in the next five years.
12. I would rather live in or near a big city than in or near a small town.
13. I frequently read an out-of-town newspaper.
14. I listen to an out-of-town radio station more often than a local station.

Inventory to Study Media Usage - Villiani (1975)

1. Cooking/Entertaining Self-Confidence - enjoy having guests for dinner, enjoy entertaining.
2. Convenience Cook - desire for convenience in cooking.
3. Creative Cook - enjoyment and skill in cooking fancy meals.
4. Home Cleanliness - activities and expectations about house cleaning.
5. Home/Laundry Cleanliness - judge floors by shine, laundry by whiteness.
6. Do Husband's Shirts - do husband's shirts oneself.
7. Planning and Routine - plan shopping and budget, limit shopping trips.
8. Attention to Detail - attend to details in carrying out a task.
9. Spend Time with Children - take time to teach and talk with children, family is close knit group.
10. Children Are Center of Attention - consider children in family, household decisions.
11. Father Should be Boss in Family - man (versus woman) should run the family.
12. Marriage Should Be a Partnership - neither the man nor the woman should be "boss" in family.
13. Formal Entertainment - go out to dinner, concerts, movies, plays, and formally entertain regularly.
14. Reading - read novels, newspapers, and magazines regularly.
15. Music - enjoy listening to music.
16. Participation in Activities - often visit friends, enjoy activities outside of the home.
17. Spend Time Out Every Day - out of house every day.
18. Enjoy Doing Nothing - often like to do nothing.
19. Self-Indulgence justified - believe entitled to play hooky once in a while.

Figure 3-4 (continued)

20. Television as Primary Entertainment - watch television often; television is a companion, brings enjoyment.
21. Watch TV to Relax - watch television to relax and escape problems.
22. Watch Television if Nothing Else to Do - watch television because there is nothing else to do at the time.
23. Watch Television Selectively - certain about programs liked and watch specific ones, ignore others' opinions about programs selected.
24. Watch a Variety of Programs - watch different programs instead of the same ones from week to week.
25. Rarely Change the Channel - once the television set is on, the channel is rarely changed.
26. TV as Company - like having television on while do other work.
27. Like TV Violence - like to watch shows about murder and violence.
28. Use of Non-Prescription Drugs - believe in use of non-prescription drugs for minor ailments.
29. Purchase of Non-Prescription Drugs - believe some brands are more powerful.
30. Concern about Nutrition - believe nutrition is important, make family take supplementary vitamins.
31. Nutrition Is Instinctive - believe children instinctively know the best foods to eat.
32. Dress for Comfort - usually dress for comfort (versus fashion).
33. Importance of Woman's Appearance - believe woman's appearance is very important, tend to dress for fashion.
34. Overweight Problem - feel overweight.
35. Weight Consciousness - eat carefully and exercise to control weight.
36. Present Financial Situation - distressed with present financial situation.
37. Financial Future - optimistic about future family income and financial position.
38. Attitudes Toward Moving - do not mind moving to a new community, have moved often before.
39. Attitudes Toward Risk - not afraid to take a chance.
40. Moral Issues - believe movies should not be censored, marijuana should be legalized.
41. Belief in Work Ethic - believe becoming a success is a matter of hard work, not luck.
42. Religious Practices and Attitudes - attend church and pray regularly, believe abortion should be restricted.
43. Attitudes Toward Advertising - believe advertising is expensive, wasteful, and generally misleading.
44. Susceptibility to Advertising - believe advertising cannot sell one anything not wanted.

Figure 3-4 (continued)

45. Product Innovativeness/Opinion Leadership - try new food brands before friends and neighbors, like to try new gadgets, products; advise others of new brands and products.
46. Dependent-Influencer - influenced by friends to try new products, desire sympathy of friends, give advice to friends about new products.
47. Price Consciousness - use price-off coupons, check prices and sale advertisements.
48. Price-Quality-Believer - believe you get what you pay for.
49. National Brand Preference - believe national brands are better and worth paying more for than private brands.
50. Credit Practices and Attitudes - believe in use of credit cards and charge accounts.
51. Shopping Practices - enjoy shopping, take frequent shopping trips.

Chapter Four

DATA ANALYSIS PROCEDURES

The purpose of this dissertation is to determine the extent of similarity of "shopping strategy and activity pattern" types of shoppers existing in different geographical markets. The purpose is carried out by attempting to fulfill three objectives: (1) the construction of shopping strategy and activity pattern shopper type profiles; (2) the comparison of markets which comprise of types of shopping strategy and activity pattern shoppers; and, (3) the classification of markets with respect to the similarity of types of shoppers.

The following decisions need to be made in order to compare and classify types of shoppers:

1. What technique should be used to classify respondents into groups which represent the types of shoppers in a market?
2. What should be the form of the data input to the classification technique?
3. The available classification techniques offer a variety of different types of models and options. What specific model and set of options would be most consistent with the objectives of this research?
4. What market comparison procedures would be appropriate for this research?
5. What procedures should be used to classify markets into groups?

The significance of the decisions and available choices are discussed below in order to determine the appropriate data analysis procedures for this dissertation.

Statistical Technique Used to Classify Respondents

Significance of the Decision

As indicated earlier, the purpose of this dissertation is to determine the extent of similarity of "shopping strategy and activity pattern" types of shoppers existing in different geographical markets. There are two general classes of techniques used for determining types of shoppers in a market: post hoc and a priori (Green, 1977). Post hoc techniques "create" the categories of shopper types themselves while a priori techniques rely on prior criteria supplied by the analyst for identifying shopper types.

The dissertation research uses a post hoc technique because suitable criteria for developing optimal shopper types can not be found in the marketing literature. The selection of a post hoc technique shifts the responsibility for the development of shopper types to the user's choice of classification model and decision of the appropriateness of various classification model options. There are no pre-established criteria developed by the investigator to determine if the types of shoppers found by the technique "really exist." Consequently, the choice of classification model used to identify shopper types in each market is fundamental to the objectives of the dissertation research.

Alternative Classification Techniques

Cluster Analysis and Factor Analysis. The two categories of post hoc techniques generally used to classify individuals are cluster analysis and factor analysis. The objective of the cluster analysis category of techniques is to separate objects into groups such that each object is more like other objects in its group than like objects outside the group (Green and Tull, 1970). An optimum cluster analysis grouping of objects should maximize the cluster's average inter-group distance (or dissimilarity) while minimizing its average intra-group distance (or dissimilarity) (Peter, 1972).

Factor analysis, on the other hand, develops linear combinations of the original factor-analyzed objects. Each of the linear combinations represents a position in coordinate space, termed a "factor," which signifies an underlying dimension of the original objects (Shepard, Romney, and Nerlov, 1972). The decision to classify an object with a dimension is made on the basis of how large the object's loading is on the linear combination of objects representing each underlying factor.

In summary, cluster analysis searches for groups of objects which are similar to each other while factor analysis develops linear combinations of objects which represent underlying dimensions of the original objects.

Types of Cluster Analysis and Factor Analysis Techniques.

There are a variety of different cluster analysis and factor analysis techniques. Ball and Hall (1968, pp. 133-135) categorize the types of cluster analysis techniques as follows:

1. Nonhierarchical methods. These methods start right from the proximity matrix and can be characterized as follows:
 - a. Sequential threshold. In this case a cluster center is selected and all objects within a prespecified threshold value are grouped. Then a new cluster center is selected and the process is completed. Once points enter a cluster they are removed from further processing.
 - b. Parallel threshold. This method is similar to the one immediately above except that several cluster centers are selected in advance and points within threshold level are assigned to the nearest center; threshold levels can then be adjusted to admit fewer or more points to clusters.
 - c. Parallel partitioning. This method is similar to the one immediately above except that once several cluster centers are chosen, the whole set of data is partitioned into disjoint sets based on nearest distance to cluster centers.
 - d. Optimizing partitioning. This method differs from the one immediately above in that points can be reassigned to clusters on the basis of optimizing some overall criterion measure such as average within-cluster distance for a given number of clusters.
2. Hierarchical methods. These procedures are characterized by the construction of a hierarchy or tree-like structure. In some methods each point starts out as a unit (single-point) cluster. At the next level the two closest points are placed in a cluster. At the next level a third point joins the first two or else a second two-point cluster is formed, based on various criterion functions for assignment. Eventually all points are grouped into one large cluster. Variations on this procedure involve the development of a hierarchy from the top down. At the beginning the points are partitioned into two subsets based on some criterion measure related to average within-cluster distance. The subset with the highest within-cluster distance is next partitioned into two subsets, and so on, until all points eventually become unit clusters.
3. Connectivity methods. These measures are characterized by the development of linkages based on whether an object's nearness (interpoint distance) to one member of a cluster is less than some threshold. In this case, however, the

object need only connect with a single member of the group. This concept views similarity as meaning "relatedness," where similar objects are those connected to other objects through being within threshold distance of still other objects.

Five of the most common factor analysis models are:

1. Principal components. (This model will be discussed more fully later.) Factors are produced by this model which are linear composites of all of the information contained in all of the variables or objects in the data matrix (Green, 1978).
2. Common factor analysis. (This model will also be discussed more fully later.) The common factor analysis model assumes that each factor-analyzed variable or object has both common and unique information, when compared to the other variables or objects in the data matrix. Factors are produced which are based on the information common to the variables or objects (Rummel, 1977).
3. Canonical factor analysis. A factor solution is found in which the correlation between the set of hypothesized factors and the set of data variables or objects is maximized (SPSS Users Manual, 1975).
4. Alpha factor analysis. The user attempts to seek factors which have the maximum generalizability with respect to the universe of variables or objects represented by the variables or objects in the data matrix (SPSS Users Manual, 1975).
5. Image factor analysis. As with common factor analysis, the image model assumes that variables or objects can be decomposed into both common and unique parts. Image factor analysis determines the proportion of variance which is in common for each variable or object based on an operationalization of image theory, developed by Guttman (SPSS Users Manual, 1975).

Choice of Factor Analysis for Classifying Respondents

The primary objection to the use of factor analysis seems to be that it is an indirect procedure for classifying objects. While cluster analysis directly groups objects, factor analysis develops

linear combinations of objects which represent underlying properties of the objects. As will be discussed later, there is considerable disagreement about what the underlying properties represent. (Some individuals feel that the underlying properties represent characteristics of the objects while others feel that they represent types of objects themselves.)

Factor analysis was chosen to develop shopper types because it has two advantages over cluster analysis which are felt to be critical in meeting the objectives of the dissertation research:

1. Factor analysis derives "optimal solutions," while cluster analysis is not guided by an overall optimization rule (Arnold, 1974; Overall and Klett, 1972). The comparison of different markets should be based on the "best" solution in each market.
2. Factor analysis simultaneously determines relationships while cluster analysis categorizes on a one-to-one basis (Overall and Klett, 1972). The dissertation research attempts to generalize about a conceptual domain, "types of shoppers," and not about individuals who have similar responses to specific statements on the questionnaire. Therefore, a classification should be used which categorizes by analyzing differences simultaneously.

Form of the Input Data

Significance of the Decision

The data used in this dissertation have three properties. First, the data represents the scores of an entity. Here, entities are the shoppers sampled in each market. Second, the data represent the scores of characteristics of entities, i.e., shopping strategy and activity pattern characteristics. Third, the data define an occasion in

which the sampled entities reflect the shopping strategy and activity pattern characteristics. The occasion here is: being at home, responding over the telephone, in 1976 and 1977.

Any of the above three properties can be used to define factors with respect to any other of the above three properties to characterize the domain of generalization. Cattell (1952) has given names to factor analysis models based on different pairs of the above three properties:

1. R factor analysis--factor-analyzed characteristics generalized across entities.
2. Q factor analysis--factor-analyzed entities generalized across characteristics.
3. O factor analysis--factor-analyzed occasions generalized across characteristics.
4. P factor analysis--factor-analyzed characteristics generalized across occasions.
5. T factor analysis--factor-analyzed occasions generalized across entities.
6. S factor analysis--factor-analyzed entities generalized across occasions.

The latter four types are beyond the scope of the dissertation because the dissertation research assumes that occasions are the same across the different factor analysis solutions (i.e., individuals are assumed to be interviewed during the same time period and their interviewing experiences are assumed to have no effect on their responses).

Both R factor analysis and Q factor analysis are often used in market segmentation studies. However, R factor analysis and Q factor analysis are based on data with different factor definition and domain

of generalization properties. Therefore, the choice of R versus Q factor analysis appears to be an important decision in segmentation studies.

Alternative Forms of Input Data

R and Q Factor Analysis Data and Correlation Matrices--Factor analysis begins with the development of a correlation matrix from the original data matrix. In R factor analysis, the correlation of each pair of variables is computed between the individuals responding to the variables. A data matrix, $X_n \times m$, and resulting R factor analysis correlation matrix, $R_n \times n$, are shown in Figure 4-1.

Q factor analysis, on the other hand, "transposes" the original data matrix so that shoppers are factor-analyzed across the domain of generalization variables. This is done so that a correlation matrix of shoppers can be developed. The Q factor analysis data matrix, $X_m \times n$, and resulting correlation matrix, $R_m \times m$, are exhibited in Figure 4-2.

Figure 4-1

R Factor Analysis Data Matrix and Correlation MatrixR Factor Analysis Data Matrix, $X_n \times m$

<u>"n" segmentation statements to be factor-analyzed</u>	<u>"m" shoppers representing the domain of generalization</u>				<u>shopper "m"</u>
	<u>shopper one</u>	<u>shopper two</u>	<u>shopper three</u>		
statement one	$x_{1,1}$	$x_{1,2}$	$x_{1,3}$	. . .	$x_{1,m}$
statement two	$x_{2,1}$	$x_{2,2}$	$x_{2,3}$	. . .	$x_{2,m}$
statement three	$x_{3,1}$	$x_{3,2}$	$x_{3,3}$	. . .	$x_{3,m}$
.					
.					
.					
statement "n"	$x_{n,1}$	$x_{n,2}$	$x_{n,3}$	. . .	$x_{n,m}$

R Factor Analysis Correlation Matrix, $R_n \times n$

	<u>statement one</u>	<u>statement two</u>	<u>statement three</u>		<u>statement "n"</u>
statement one	1 ¹	$r_{1,2}$	$r_{1,3}$	. . .	$r_{1,n}$
statement two		1	$r_{2,3}$	. . .	$r_{2,n}$
statement three			1		$r_{3,n}$
.					
.					
.					
statement "n"					1

¹The correlation between the two same segmentation statements equals one. However, there is a form of factor analysis, to be discussed later, which has other values than one down the diagonal of the correlation matrix.

Figure 4-2

Q Factor Analysis Data Matrix and Correlation MatrixQ Factor Analysis Data Matrix, $X_m \times n$

<u>"m" Shoppers to be factor- analyzed</u>	<u>"n" statements representing domain of generalization</u>				
	<u>statement one</u>	<u>statement two</u>	<u>statement three</u>		<u>statement "n"</u>
shopper one	$x_{1,1}$	$x_{1,2}$	$x_{1,3}$	. . .	$x_{1,n}$
shopper two	$x_{2,1}$	$x_{2,2}$	$x_{2,3}$	. . .	$x_{2,n}$
shopper three	$x_{3,1}$	$x_{3,2}$	$x_{3,3}$	. . .	$x_{3,n}$
.					
.					
.					
shopper "m"	$x_{m,1}$	$x_{m,2}$	$x_{m,3}$		$x_{m,n}$

Q Factor Analysis Correlation Matrix, $R_m \times m$

	<u>shopper one</u>	<u>shopper two</u>	<u>shopper three</u>		<u>shopper "m"</u>
shopper one	1	$r_{1,2}$	$r_{1,3}$	. . .	$r_{1,m}$
shopper two		1	$r_{2,3}$	. . .	$r_{2,m}$
shopper three			1	. . .	$r_{3,m}$
.					
.					
.					
shopper "m"					1

Some segmentation studies use R factor analysis as an initial step in the segmentation process. R factors, or linear combinations of the correlated variables, are formed in order to produce factor scores for each of the individuals in the study. Factor scores, to be

explained more fully later, are, in the case of R factor analysis, values which represent an individual's relationship to a factor of variables. If five factors are produced, five factor scores are computed for each individual in order to indicate the respondent's relationship to each factor. Then the factor scores of the individuals are cluster-analyzed in order to obtain groups of individuals.

Q factor analysis, on the other hand, forms linear combinations of individuals, instead of variables, and the linear combinations of individuals are used directly to group respondents. Individuals are classified into factor groups by the size of their loadings in the linear combinations which represent each factor.

What are R and Q Factors? Practitioners, when using either R or Q factor analysis, typically consider factor groups to be different market segments. However, there is almost unanimous support from psychometricians that R factors represent different underlying dimensions of variables and not different groups or types of individuals. Therefore, individuals clustered with R factor analysis output represent different underlying dimensions of the segmentation statements instead of different market segments.

There are two entirely different schools of thought for the interpretation of Q factors. Cattell (1978) is the leading contemporary advocate of the school which believes that, like R, Q factors represent underlying dimensions of variables and not groups or types of individuals. He explains (1978, p. 363):

Here it suffices to point out why Q is not a type search method. The dimensions yielded by Q technique are naturally marked by high and low loaded (scoring) people instead of high and low loaded tests, as in R technique. Thus the intelligence factor in R is marked by high loadings on, say, analogies and classification, and in Q by people, who are known to score high on analogies and classification. However, whereas in true type search ... each person belongs to only one type, if we "type" people by Q technique a person will belong to a different type for each dimension found. For example, we shall find that the high and low groups on intelligence will not be the same as the high and low groups on, say, anxiety. And in all dimensions we shall not have discrete types but a normal, continuous distribution of people from high to low.

Stephenson (1953), Overall and Klett (1972), and Nunnally (1978), on the other hand, are of the school who believe that Q factors represent hypothetical pure or ideal types of shoppers. Overall and Klett (1972, pp. 201-203) counter Cattell's position with:

The major objections to the use of factor-analytic methods for identifying clusters of natural groupings among persons have come from individuals who see the linear factor model as reflecting the partitioning of variance into factor components. In this context, the partitioning of individuals does not appear at first blush to make much sense. Within the context of the linear factor model, however, it is quite reasonable to conceive of "person factors" as ideal types and the factor loadings as indices of relationship of individuals to the several ideal types. Given a reasonably good simple-structure solution, most individuals will relate primarily to only one ideal type, although some individuals will be represented as complex. Whereas factor variates in the usual R-type analysis are defined as weighted functions of the original measurements, by direct analogy the "ideal types" can be defined as weighted averages of profiles of individuals.

Choice of Q Factor Analysis

R factor analysis is unacceptable for this research. The purpose of the research is to analyze types of individuals and not types of variables or segmentation statements. R factor analysis correlates variables. Factors produced from correlations of variables can only relate to variables, not individuals.

The school which believes that R and Q factor analysis in essence give the same results base their opinion on a proof by Burt (1937). The proof has been heavily debated in psychology for over forty years. The author of this dissertation is not able to accept or reject Burt's proof. However, Q factor analysis is used for the following two reasons:

1. The argument in favor of Q given in the quotation from Overall and Klett above appears to stand on its own without regard to the merits of the Burt proof.
2. Those who suggest that R and Q produce the same results do not offer any other empirical or conceptual evidence except the proof. Furthermore, they have not suggested any other alternatives which are acceptable for this dissertation for typing individuals. (The alternatives which they have suggested are either alternate forms of cluster analysis, see Coulter and Cattell (1966), for example, or different applications of R factor analysis, such as those proposed by Cattell, Coulter, and Tsujioka (1966) and Nunnally (1978.)

The Factor Analysis Model

Significance of the Decision

A number of different factor analysis models are described earlier. Each model is based on a different conceptual foundation. It

is important to determine which model produces factors which best represent the concepts, types of shoppers, desired for the dissertation research.

Alternative Factor Analysis Models

The two most commonly used factor analysis models are principal components and common factor analysis. Most of the other models involve more computer space and time, given the size of the data matrices used in this research, than can be practically accommodated by available computer facilities. Therefore, the dissertation research will be limited to considering principal components and common factor analysis, although research in the future should consider the other models as well.

The "fundamental theorem," or underlying principle of operation, of principal components factor analysis is:

$$R_{m \times m} = F_{m \times p} F_{p \times m}, \quad (1)$$

where $R_{m \times m}$ is the correlation matrix of the m individuals (in Q factor analysis) correlated with themselves and the F matrices are matrices of loadings, or weights, which explain how important the different individuals are to each of a set of p underlying, unknown factors.

The process is as follows. For the dissertation research, the Q factor analysis data matrix of original scores, $X_{m \times n}$ (where n is the number of segmentation statements), is converted into a correlation

matrix, $R_m \times m$. The original data and correlation matrices were shown earlier in Figure 4-2. The factor analysis model determines a set of weights which explain the relationship of the individuals to a set of underlying dimensions of the individuals. The weights are derived in such a way that the matrix of weights ($F_m \times p$) multiplied by its transpose ($F_p \times m$) recovers all of the information in the original correlation matrix ($R_m \times m$). Symbolically, the weights form the following principal components factor analysis model:

$$\begin{aligned}
 X_1 &= a_{11}S_1 + a_{12}S_2 + \dots + a_{1p}S_p, \\
 X_2 &= a_{21}S_1 + a_{22}S_2 + \dots + a_{2p}S_p \\
 &\vdots \quad \quad \quad \vdots \quad \quad \quad \vdots \quad \quad \quad \vdots \quad \quad \quad (2) \\
 &\vdots \quad \quad \quad \vdots \quad \quad \quad \vdots \quad \quad \quad \vdots \quad \quad \quad \vdots \\
 X_m &= a_{m1}S_1 + a_{m2}S_2 + \dots + a_{mp}S_p
 \end{aligned}$$

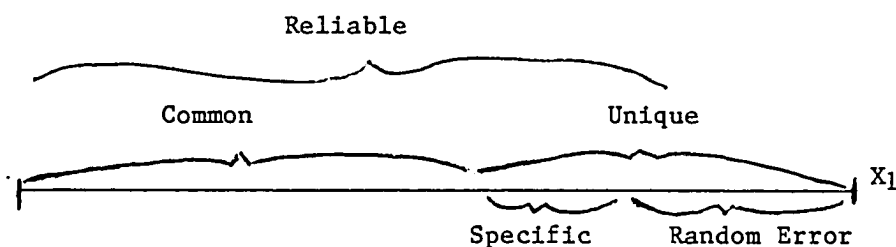
where $X_1, X_2, \dots, X_m$ are the column vectors of known scores in the original data matrix, $X_n \times m$, the a_{j1} values are scalar weightings designating the contribution of S_1 to the total variance of X_j , S_{ju} factors are the underlying but unobservable dimensions contributing to the total variance of X_j , and p is the number of principal components factors.

Therefore, the principal components model develops underlying factors and weights for each individual to the underlying factors. These factors and weights (usually called "loadings") are based on all of the information contained in the correlation matrix.

The common factor analysis model, on the other hand, is not based on all of the information contained in the $R_m \times m$ correlation matrix. An $R_m \times m$ correlation matrix contains three types of information, as portrayed in Figure 4-3.

Figure 4-3

Types of Information in a Correlation Matrix



First, a common variance is involved which represents the variance in an individual which is in common to the other data matrix individuals. Second, a correlation also has information about specific variance, variance which is unique to the individual. Third, an individual has random, or unreliable, error variance. Random error and specific variance together form the unique variance of an individual.

Common factor analysis differs from principal components factor analysis because it uses only the variance in common with the individuals in the correlation matrix. As a result, the "fundamental theorem," applied to common factor analysis is:

$$R_{m \times m} - U_{m \times m}^2 = F_{m \times p} F_{p \times m}' \quad (3)$$

where $U_{m \times m}^2$ is a diagonal matrix of the unique parts of the individuals to be factor-analyzed.

The only operational difference between principal components and common factor analysis is that the "ones" which are in the diagonal of the principal components correlation matrix are replaced by estimates of communalities. A communality is the variance of an individual in common with the other individuals in the data matrix. Such a correlation matrix produces the following common factor analysis model:

$$\begin{aligned} X_1 &= a_{11}S_1 + a_{12}S_2 + \dots + a_{1p}S_p + a_{1u}S_{1u}, \\ X_2 &= a_{21}S_1 + a_{22}S_2 + \dots + a_{2p}S_p + a_{2u}S_{2u} \\ &\vdots \\ X_m &= a_{m1}S_1 + a_{m2}S_2 + \dots + a_{mp}S_p + a_{mu}S_{mu} \end{aligned} \quad (4)$$

where S_1 is a factor based on common variance, a_{j1} is a scalar weight-
ing the contribution of S_1 to the common variance of X_j , S_{ju} is a
unique factor contributing to the unique variance of X_j , a_{ju} is a
scalar weight for S_{ju} , and p is the number of common factors.

The common factor analysis model, in summary, develops underlying factors and loadings of individuals which are based on the variance in common to the original individuals in the data matrix. The factors and loadings of principal components factor analysis are derived from all of the variance contained in the data matrix.

Choice of Common Factor Analysis

Both principal components and common factor analysis have been preliminarily applied to the dissertation data and the solutions from the two models are relatively similar. However, common factor analysis is preferred for the dissertation. Since this is a "market segmentation" dissertation, only the underlying shopper types in each market would be of interest and not the qualities specific to individuals. Common factor analysis removes the information specific to individuals and random error from consideration.

The Factor Analysis Rotation Option

Significance of the Decision

A number of factor analysis options need to be considered once the choice of an appropriate model is established. This section evaluates different factor analysis rotation options. Later sections will consider the number of factors and types of output which are used in this dissertation.

After an initial factor analysis solution is found, factors are usually "rotated" in order to develop a simple, parsimonious structure. Rummel (1977, p. 372) explains:

The reason for rotation is that the factoring technique may be adequate to define the minimum dimensionality of the data and a basis for the space, but the original factors are often substantively uninteresting. The properties the factors should have to be substantively interesting serve as the criteria to be satisfied by rotation.

A solution is "substantively interesting" in this research if individuals are classified into different factors as distinctly as possible. How well different rotation options do this is discussed below.

Alternative Factor Analysis Rotation Options

Almost all segmentation research develops orthogonal (uncorrelated) factors, so this dissertation is restricted to orthogonal factor analysis in order to facilitate comparison with solutions found by other investigators.

Two general classes of orthogonal rotation procedures may be performed. The first, graphical rotation, is a procedure in which the investigator subjectively chooses a factor structure by using graphical devices. The other, analytic rotation, relies on quantitative algorithms performed by the computer for choosing a simple, parsimonious structure. Only the analytic rotation procedures will be considered further in order to keep the subjectivity of the researcher to a minimum.

The three most common analytic rotation procedures are quartimax, varimax, and equimax rotation. Quartimax rotates the initial factors in such a way that a variable or object being factor analyzed loads highly on one factor but almost zero on all others. Quartimax rotates the factors by simplifying the rows of a factor matrix. A characteristic of quartimax is that it tends to load more variables or objects on the first factor than do other procedures

(Harmon, 1977). Varimax rotation was developed to overcome this limitation. Varimax rotation differs from quartimax in that it simplifies the columns instead of rows of a factor matrix. This is done to more clearly distinguish between factor-analyzed variables or objects which should and should not belong to a factor. Finally, equimax is somewhat of a compromise procedure between quartimax and equimax. It attempts to simplify rows and columns of factor matrices.

Choice of Orthogonal Varimax-Rotated Factors

The varimax procedure is chosen because it most clearly distinguishes between the factor members and nonmembers, and this is the objective of rotation for the dissertation research.

The Number of Factors (and Shopper Types)

Significance of the Decision

Common factor analysis generally produces more factors than desired when used in market segmentation studies. Most of the procedures for determining the appropriate number of factors have not been empirically tested or mathematically proved (Rummel, 1977). The procedures, instead, usually are "rules of thumb" based on practical experience of the investigator. These rules of thumb need to be evaluated with respect to the goals of the dissertation research.

Complicating the factor extraction issue further, it has been shown that a factor represents two groups of individuals or variables:

those loading positively with a factor and those loading negatively (Stewart, 1981). Most segmentation research ignores the negatively loaded individuals. The appropriateness of one versus two groups of individuals per factor should also be assessed.

Choice of Six Factors (and Twelve Types of Shoppers)

Considering the second issue first, a disadvantage of using both the positively and negatively loaded individuals is that shopper types can no longer be considered to be "orthogonal." Nothing, for example, prevents the "negative" individuals in factor one from being similar to the "positive" individuals in factor two. In fact, as the findings reported later for this dissertation will show, the positives of factors often do match up with the negatives of other factors.

Regardless, it is felt that both positively and negatively loaded groups of individuals should be used to compare markets. The negatively loaded individuals represent types of shoppers as validly as do the positively loaded individuals. Removing the negative groups may eliminate important information about a market.

The choice of the number of factors (six) is also based on the desire to extract the maximum amount of information from markets which are to be compared. It is felt to be desirable to have the maximum number of types of shoppers in each market, subject to the constraint that each shopper type represents enough individuals to be of concern to managers. It is easier to recombine segments in markets with too

many shopper types than to decompose segments in solutions with too few types of shoppers. Furthermore, the more types of shoppers, and therefore, the greater amount of information about a market, the more accurately one market can be compared with another.

A six factor solution, yielding twelve types of shoppers, appears to be the largest solution which would still represent adequately large types of shoppers. For example, in a city of 50,000 individuals, with an average of five members per household, each of the twelve shopper types would represent on average about 800 families. This seems to be the smallest number of individuals most firms would devote much attention to attract.

Type of Output Used to Define Shopper Types

The final issue to be considered concerning the factor analysis model is the type of output which should be used to define types of shoppers. Factor analysis produces three different types of output which can be used to define the shopper types to be compared in this dissertation. The choice of type of output is simplified because only one alternative is operationally possible. However, a brief analysis will be provided for each type in order to assess the adequacy of the alternative chosen and to evaluate the value of the other types for future research.

Choice of Profiles of Means of Individuals Who Load Highly on Factors

Three types of output which can be used to define shopper types are factor loadings of Q factor-analyzed individuals, factor scores of segmentation statements, and segmentation statement mean scores of individuals who load highly on factors. The first two types of output are not operationally possible for the dissertation research. The use of factor loadings of individuals would require that loadings of the same individuals are compared in each market. Since an individual appears in only one market, the use of factor loadings is inappropriate for this research. Factor scores and mean scores of statements overcome the problem of having different individuals in each of the markets which are compared. They rely on the segmentation statements, which are common to each market. Factor scores, however, can not be used because "singular" correlation matrices are input into the dissertation factor analyses. Factor scores are not computed when singular correlation matrices (matrices without an inverse) are used.

Even though loadings and scores can not be directly used, a comparison of loadings and scores is useful since the profile of means alternative is based on loadings. If principal components factors analysis is used then loadings and scores yield identical results (Harris, 1975). However, factor scores provide a more direct interpretation of factors when common factor analysis is used and ideally should be chosen for comparing different common factor analysis solutions (Harris, 1975; Nunnally, 1978). Guttman (1955, 1956), for example, found that if a factor loading drops below .707 ($= \sqrt{.5}$), it is

possible to find two sets of factor scores which are uncorrelated with each other but which have the same factor loading patterns.

Finally, if loadings are an indirect form of output for common factor analysis, then the means of individuals loading highly are even more indirect. This is not to say that the means represent conceptually different types of individuals than do factor loadings or factor scores. What is the case is that the differences in using means, loadings, or scores for defining types of individuals is currently inadequately explored. Therefore, future research needs to evaluate the differences in alternative choices of output for profiling.

Procedures Used to Profile Shopper Types With Means

Individuals are classified as members of positive shopper types (factors) if their factor loadings are at least $+0.33$ with that factor. Similarly, individuals are classified as members of negative shopper types if their loadings are smaller than -0.33 . The 0.33 level is chosen because Multivariance, Inc., a proprietary marketing data analysis organization, uses the same cut-off in its research. The value is felt to be low, but nevertheless is chosen so that the dissertation solutions can be compared with characteristics of factor analysis solutions of other researchers.

The individuals representing each type of shopper are described in terms of their means on the inventory of segmentation statements when compared to the average scores of other shoppers in the market. Creative names are given to the shopper profiles generated.

Procedures are used, as discussed later, to determine if some groups of shoppers in a market are so similar to each other that they may be combined.

Market Comparison Procedures

Significance of the Decision

The purpose of this dissertation is to compare different market solutions. Each market solution is characterized by twelve types of shopping strategy and activity pattern shoppers. Therefore, a comparison technique is needed which matches the twelve types of shoppers in one solution with the twelve types in another and provides an overall index of similarity from the matches.

Six different statistical techniques, discussed below, are used at times for comparing factor analysis solutions. However, only one of the six is felt to be appropriate for this dissertation.

Choice of Distance Measures Applied to Mean Scores of Types of Shoppers

In the final analysis, choice of factor analysis solution comparison technique is a process of elimination. Five of the six candidates considered have serious limitations which prevent their consideration:

1. Classification Analysis. Classification analysis develops weighted linear combinations of variables for classifying different

groups of cases. Applied to the dissertation, linear combinations of segmentation statements can be developed with classification analysis for classifying individuals into different groups. For example, classification analysis can be used to compare different groups of shopper types on the basis of the similarity of the weights of the segmentation statements used to classify shoppers. Classification analysis can also be used to compare different overall market samples in the same manner.

However, an ideal comparison technique for this dissertation should be able to compare different groups of shopper types in order to directly compare overall markets of shopper types. Classification analysis can not directly assess the similarity of two overall markets from a determination of the similarity of market shopper types.

2. Coefficients of Similarity. Burt's coefficient and other coefficients of similarity are unadjusted correlation coefficients (i.e., correlation coefficients in which the variable means have not been subtracted out), computed between factor loadings of two factors. Coefficients of similarity are generally used to compare factors developed from R factor analysis solutions. When used to compare R factors a coefficient of similarity is computed with the factor loadings of identical factor-analyzed variables. If applied to Q factor analysis, the two factors to be compared need the same factor-analyzed individuals. Since each market is composed of different individuals a coefficient of similarity is not an appropriate technique.

3. Matrix Rotation Methods. Matrix rotation methods compare the entire matrices of two different solutions of factor loadings, instead of the loadings of pairs of factors, as do coefficients of similarity. As the case with coefficients of similarity, matrix rotation methods require that the solutions are composed of the same individuals if used for Q factor analysis. Again, since markets compared in this dissertation are composed of different individuals, matrix rotation methods are not appropriate.

4. Lisrel. In Lisrel, a confirmatory factor analysis package, the user develops a regression model in order to statistically explain the factors produced from a factor analysis model. Lisrel uses factor loadings, as do coefficients of similarity and matrix rotation methods. Therefore, as with the two above techniques, Lisrel is inappropriate since the different compared solutions need to be composed of the same individuals. Furthermore, Lisrel may not be able to "converge" when comparing the large factor analysis matrices used in this research (Cattell, 1978).

5. Canonical Correlation. Factor loadings are used in canonical correlation packages for comparing R factor analysis solutions. Similarly, for Q factor analysis, factor scores can be used to compare solutions. However, factor scores are not computed when "singular" correlation matrices are input into the factor analysis.

A distance measure, on the other hand, will be described in the following section which appears conceptually and operationally acceptable.

Procedures Used to Compare Market Solutions With a Distance Measure

A distance measure is applied to the mean scores of the most similar types of shoppers in each pair of solutions. Usually, distance measures are of the Minkowski power-metric form:

$$d_r(x,y) = [\sum_{t=1}^n (x_t - y_t)^r]^{1/r} \quad (5)$$

where x and y are two points in an n -dimensional space, x_t is the coordinate of point x in dimension t , and $d_r(x,y)$ is the distance between points x and y (Carroll and Wish, 1974).

The dissertation research sets $r=2$. When r is set to two, the function becomes an Euclidean metric, the most commonly used of the special cases of the Minkowski power-metric (Humphreys, 1977). Although the Euclidean metric is used for statistical convenience, there is evidence that Minkowski power-metrics may be relatively insensitive to the exact value of r (Carroll and Wish, 1974).

The Euclidean distance measure is applied in the following manner:

1. Mean scores are calculated for the segmentation variables across individuals loading on each of the twelve positive and negative factors of the solutions to be compared. The vector of mean scores is used to characterize each shopper type. There will be twelve vectors for each market.
2. The Euclidean distance is computed between each pair of shopper types, where one member of the pair is from one market and the other is from another market, producing a 12×12 matrix of distance measures (for the twelve types of individuals from the first solution compared with twelve types from the second solution).

3. The smallest distance measure is found for each of the twelve types of shoppers in the first solution and each of the twelve types in the other solution. Distance measures are not necessarily transitive in this research, i.e., just because type one of solution one pairs with type three of solution two does not guarantee that type three of solution two pairs with type one of solution one. Therefore, a comparison of two different solutions should be based on distance measures for each of the twelve types of shoppers.
4. An average distance index is found by summing the distance measures and dividing by twelve.

This approach, involving the averaging of distance measures computed from both sets of compared data, has been previously used. Shephard (1963), for example, averaged distance measures from two different sets of compared data in a study examining anticipated versus actual Morse Code communication.

The distance measures will be analyzed in three ways. First, the overall distance measures comparing the seventeen different markets are analyzed to determine the extent in general in which markets are similar or dissimilar. Second, the distance measures are input into other statistical techniques, discussed in the next section, to group similar markets. Third, distance measures of individual types of shoppers within markets are compared to determine: (1) the frequency in which different types of shoppers exist across markets; and, (2) the desirability of merging types of shoppers in each market together because they appear to be too similar to represent separate market segments.

Market Classification Procedures

Significance of the Decision

The purpose of this dissertation is to determine the extent of similarity of shopper types existing in different markets. The previous step does this in an unabridged manner. All possible pairs of markets are compared with each other. The purpose of the following research stage is to give structure to the findings of the previous stage. Assuming that markets can be classified (i.e., that markets are not all the same or all very different), the classification of markets is useful because it reduces the information about pairs of markets found in the previous stage to manageable proportions.

Choice of Cluster Analysis for Classifying Markets

This chapter previously described two different classification techniques: factor analysis and cluster analysis. As in the earlier section, the factor analysis algorithm advantages would be useful here for classifying types of markets. However, factor analysis is not possible because the comparison input data is in the form of unstandardized distance scores (described in the previous section). There is no simple way to compare the results of factor-analytic solutions based on unstandardized data (Green, 1978). Therefore, cluster analysis is used to classify markets.

Procedures for Classifying Markets With Cluster Analysis

The distance scores discussed in the previous section are used to classify markets. Before entering the data into a classification analysis procedure, measurements for each market have to be based on a common set of dimensions. Multidimensional scaling is often used to transform distance input data into coordinate representations of points measured on the same dimensions (Green, 1978).

Two decisions are especially important to the user of multidimensional scaling. First, most programs require the user to specify the number of dimensions on which the data are to be compared. Second, the formula used to measure distances which best translates the input data into dimensions and coordinates of those dimensions may be specified.

The first decision is handled by calculating MDS solutions for each potentially meaningful number of dimensions. The statistical procedure used produces two measures of dimension adequacy: Kruskal's Stress formula and a squared correlation coefficient. Both are used to determine the value of each of the dimensional solutions.

For the second decision, the choice of distance formula, an Euclidean distance measure is used, as was the case in the previous section for comparing different shopper types. Again, the Euclidean distance measure is chosen because it is the most widely used measure.

Each of the MDS solutions are input into a cluster analysis routine. As with MDS, cluster analysis also usually requires the user to specify the number of desired dimensions. Again, as with the MDS

analysis, a number of different dimensional solutions will be presented and evaluated.

These procedures for classifying markets do not insure that groups are meaningfully different. Classification analysis only finds the best groupings which appear to exist in the data. To evaluate how different clusters of markets are from each other a procedure is used to compare the similarity of distance scores of markets existing in different clusters.

Summary of Data Analysis Procedures

The objectives of the dissertation research are carried out in the following manner:

1. The Construction of Shopper Profiles. Common, Q factor analysis is used to classify respondents into different groups of shoppers which exist in each market. Six factors are extracted from each varimax-rotated factor analysis solution. For each factor, individuals who have loadings of greater than +.33 are classified into one group and those who have loadings of less than -.33 are classified into another group. Approximately twenty percent of the sample is classified into more than one group with these procedures. The mean scores of the thirty-four segmentation statements are calculated for members of each group. The literature seems to suggest that these mean score profiles represent ideal, or representative types of shoppers in the markets. The profiles of shopper types are analyzed in Chapter Six.

2. The Comparison of Markets. An Euclidean distance measure is calculated between the mean scores for each of the twelve types of shoppers in a market and the mean scores for each of the twelve types in another market. Using procedures discussed earlier in this chapter, an overall distance index between two markets is obtained from the distance scores between shopper types existing in the markets. This overall distance index is found for each pair of markets. The distances between each pair of markets are reported and analyzed in Chapter Five.

3. The Classification of Markets. A seventeen by seventeen matrix of overall distance scores is formed between each of the markets. The matrix of distance scores are input into an MDS routine to develop a set of scores for each market which would be based on the same dimensions. The MDS scores of each market are then cluster-analyzed in order to determine how markets group together with respect to similarity of shopper types and the significance of the differences of distance scores of markets in the different groups are evaluated. These findings are also reported and analyzed in Chapter Five.

Chapter Five

REPORT AND INTERPRETATION OF FINDINGS

This chapter reports and interprets the findings from four procedures used in the process of comparing and classifying markets: (1) the determination of the alpha and split-half reliability of the dissertation "shopping strategy and activity pattern" data; (2) the comparison of markets comprised of types of shopping strategy and activity pattern shoppers; (3) the classification of markets with respect to the similarity of types of shoppers; and, (4) the evaluation of the significance of the differences of the classes of markets. Chapter Six profiles the shopping strategies and activity patterns of the shopper types which are compared and classified in this chapter.

Alpha and Split-half Reliability of the Data

Two tests are made to determine how reliable the data is to generalize about the conceptual domain of this research, "the types of shopping strategy and activity pattern shoppers existing in each market."

Alpha Reliability of the Segmentation Statements

The purpose of the test using the alpha reliability coefficient is to determine the degree of internal consistency of the segmentation statements used in this dissertation. Table 5-1 reports the alpha reliability coefficients of each market. The reliability coefficients are well within the range reported in Journal of Marketing Research articles (Peter, 1979). Consequently, the alpha levels appear to suggest that the inventory of variables used in this research consistently reflect the same conceptual domain.

Table 5-1

Alpha Reliabilities of Segmentation Statements

Wichita, Kansas	.822
Louisville, Kentucky	.797
Jacksonville, Florida	.797
Oklahoma City, Oklahoma	.792
Lawton, Oklahoma	.790
Clinton, South Carolina	.828
Monroe, Georgia	.825
Claremore, Oklahoma	.813
Chickasha, Oklahoma	.822
Moorehead, Minnesota	.811
Fairmont, Minnesota	.815
Valley City, North Dakota	.812
Hutchinson, Minnesota	.820
Delaware, Ohio	.832
Missoula, Montana	.775
Bend, Oregon	.783
Spokane, Washington	.816

Split-half Reliability of the Market Segmentation Solutions

Procedure. The purpose of the split-half reliability test is to determine the extent of stability of the solutions of shopper types found for each market. The following procedures are used:

1. Market Samples are Divided Into Half. In the markets with no more than 500 sampled individuals (see Table 3-1 in Chapter Three for sample sizes) respondents are divided into two groups: one who are "even coded" respondents and the other who are "odd coded" respondents. In the markets with more than 500 individuals respondents are divided in the same manner after a random sampling procedure is used to select 250 individuals per split-half.

2. Split-half Analysis to Test Reliability Within Markets. Each split-half sample of individuals are Q factor-analyzed across the thirty-four segmentation statements of the dissertation. The two split-half solutions in each market are compared with each other, according to the distance measure procedures described on pages 150 and 151 in Chapter Four.

Findings and Interpretation. The split-half distance measure scores, as recorded in Table 5-2, are all approximately an "eight," regardless of market. To put this into perspective, the distance measure used in the research can range from a score of zero to approximately 58.31.¹ As an indicator of the distance volubility, the dis-

¹The maximum average distance score between markets is $\sqrt{34 \text{ segmentation statements } (10 \text{ maximum score} - 0 \text{ minimum score})^2} = 58.31.$

tance measure was used to compare positive with negative types of individuals in the Wichita market. A distance of about 16.5 was registered when comparing positive with negative types, double the size found when comparing shoppers from split-half samples.

Therefore, the scores reported in Table 5-2 appear to suggest that the split-half segmentation solutions are adequately similar to support the reliability of the factor analysis segmentation procedures used in this dissertation. Since solutions are similar, regardless of market, subsequent analysis is based on only the first of the two solution halves.

Table 5-2

Split-half Reliabilities of Market Segment Solutions

Wichita, Kansas	7.324
Louisville, Kentucky	8.389
Jacksonville, Florida	8.022
Oklahoma City, Oklahoma	7.817
Lawton, Oklahoma	8.945
Clinton, South Carolina	9.545
Monroe, Georgia	8.195
Claremore, Oklahoma	8.934
Chickasha, Oklahoma	8.466
Moorehead, Minnesota	7.993
Fairmont, Minnesota	8.535
Valley City, North Dakota	8.335
Hutchinson, Minnesota	8.258
Delaware, Ohio	8.535
Missoula, Montana	7.867
Bend, Oregon	8.433
Spokane, Washington	8.075

Overall Distance Measures Between Markets

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Comparison of Markets

Procedure for Comparing Markets

The previous research stage finds the market solutions to be adequately reliable to make generalizations about the research conceptual domain, "types of shoppers." The following research stage compares different markets with respect to the conceptual domain, types of shoppers. This is done by applying the distance measure used earlier to compare split-half solutions in each market. This time the distance measure is used to compare the first split-half solution in each pair of different markets. The resulting output of this procedure is a matrix of distance scores, as shown in Table 5-3, comparing each of the pairs of markets in this research.

Report of Findings

The distance scores in Table 5-3 exhibit little variability. Each pair of markets registers a distance of about eight. There seems to be a slight tendency for pairs of larger markets to have smaller distance scores than pairs of smaller communities. However, the differences of larger versus smaller markets are very small, in tenths of a distance point. (Putting the size of these distance scores into perspective, recall that the distance scale ranges from 0 to about 58.31, and that a comparison of individuals loading on positive versus negative factors register a 16.5 distance.)

Interpretation of Findings

Distance measures were reported earlier, in Table 5-2, between split-halves of individuals sampled within the same markets. The distances between the split-halves are similar to the distances shown in Table 5-3 between markets. Consequently, the markets are found to be no more different from each other than are samples of individuals within the same markets. This finding seems to suggest that differences in the conceptual domain, types of shoppers, caused by the markets themselves, are insignificant.

Classification of Markets

Procedure for Classifying Markets

The previous research stage compares all possible pairs of markets with each other. This stage attempts to classify markets into groups, based on the information about the similarity of each pair of markets. The classification of markets into different groups will aid in developing explanations about why some types of markets are different from others.

The procedure begins by inputting the matrix of distance scores, shown in Table 5-3, into an MDS routine to develop a set of scores for each market based on the same dimensions. Then the MDS scores of each market are cluster-analyzed in order to generate groups of markets.

Two- through six-dimension MDS solutions are calculated, each with the following stress and squared correlation (RSQ) "measurement fit" characteristics:

Table 5-4

Stress and Squared Correlation (RSQ) Scores
of Two- Through Six-dimension MDS Solutions

1. Two Dimensional Solution	.281	.590
2. Three Dimensional Solution	.193	.739
3. Four Dimensional Solution	.124	.862
4. Five Dimensional Solution	.101	.891
5. Six Dimensional Solution	.072	.932

The three and four dimensional MDS solutions are chosen to input into the classification analysis routine used to group markets. The stress and RSQ scores appear to "level off" after four dimensions. This leveling off is often termed an "elbow" when graphically portrayed, and is used to select the proper number of dimensions for an MDS solution (Humphreys, 1977). Two- through six-group cluster analysis solutions are calculated from the three and four dimensional MDS input. Figure 5-1 reports the groupings of markets which are produced from each cluster analysis solution.

Report of the Findings

Three Dimensional Cluster Analysis Solutions. Wichita, Jacksonville, Louisville, Oklahoma City, Monroe, and Chickasha form a stable cluster in each of the three-dimensional MDS solutions.

Similarly, Claremore, Valley City, Moorehead, Fairmont, and Hutchinson are in the same cluster, regardless of cluster. The first cluster seems to be composed primarily of larger cities while the second represents, for the most part, North Dakota and Minnesota towns.

Other markets than those in the large city and North Dakota/Minnesota town clusters appear less stable in the different cluster analysis solutions. Clinton, Delaware, and Missoula are in the same cluster in most of the solutions. Lawton and Spokane break out of the large city cluster and form their own group in the four cluster analysis solution. Bend leaves the Minnesota/North Dakota group to become an isolated market in the six cluster solution.

Four Dimensional Cluster Analysis Solutions. The cluster analysis solutions based on the four dimensional MDS input are similar to the solutions derived with three dimensional input. One difference is that Wichita joins the North Dakota/Minnesota group with four dimensional MDS input. A second difference is that the North Dakota/Minnesota cluster appears to divide into separate groups in the six cluster analysis solution. One group is strongly identified with North Dakota and Minnesota towns and the other appears uninterpretable.

Figure 5-1

Classification Analysis Solutions of Markets

A. Cluster Analysis Solutions Based on Three Dimensional MDS Input

Two Cluster Solution

<u>Cluster One</u>	<u>Cluster Two</u>
Wichita	Claremore
Jacksonville	Valley City
Louisville	Moorehead
Oklahoma City	Hutchinson
Monroe	Fairmont
Chickasha	Bend
Lawton	
Spokane	
Clinton	
Delaware	
Missoula	

Three Cluster Solution

<u>Cluster One</u>	<u>Cluster Two</u>	<u>Cluster Three</u>
Wichita	Clinton	Claremore
Jacksonville	Delaware	Valley City
Louisville	Missoula	Hutchinson
Oklahoma City		Fairmont
Monroe		Bend
Chickasha		Moorehead
Lawton		
Spokane		

Four Cluster Analysis Solution

<u>Cluster One</u>	<u>Cluster Two</u>	<u>Cluster Three</u>	<u>Cluster Four</u>
Wichita	Lawton	Clinton	Claremore
Jacksonville	Spokane	Delaware	Valley City
Louisville		Missoula	Moorehead
Oklahoma City			Hutchinson
Monroe			Fairmont
Chickasha			Bend

(continued on next page)

Figure 5-1 (continued)

Five Cluster Analysis Solution

<u>Cluster One</u>	<u>Cluster Two</u>	<u>Cluster Three</u>
Wichita	Lawton	Delaware
Jacksonville	Spokane	Missoula
Louisville		
Oklahoma City		
Monroe		
Chickasha		
<u>Cluster Four</u>	<u>Cluster Five</u>	
Clinton	Claremore	
	Valley City	
	Moorehead	
	Hutchinson	
	Fairmont	
	Bend	

Six Cluster Analysis Solution

<u>Cluster One</u>	<u>Cluster Two</u>	<u>Cluster Three</u>
Wichita	Lawton	Clinton
Jacksonville	Spokane	
Louisville		
Oklahoma City		
Monroe		
Chickasha		
<u>Cluster Four</u>	<u>Cluster Five</u>	<u>Cluster Six</u>
Delaware	Claremore	Bend
Missoula	Valley City	
	Moorehead	
	Hutchinson	
	Fairmont	

(continued on next page)

Figure 5-1 (continued)

B. Cluster Analysis Solutions Based on Four Dimensional MDS Input

Two Cluster Analysis Solution

<u>Cluster One</u>	<u>Cluster Two</u>
Wichita	Clinton
Hutchinson	Missoula
Claremore	Delaware
Bend	
Moorehead	
Fairmont	
Valley City	
Louisville	
Oklahoma City	
Jacksonville	
Monroe	
Chickasha	
Lawton	
Spokane	

Three Cluster Analysis Solution

<u>Cluster One</u>	<u>Cluster Two</u>	<u>Cluster Three</u>
Wichita	Louisville	Clinton
Hutchinson	Oklahoma City	Missoula
Claremore	Jacksonville	Delaware
Bend	Monroe	
Moorehead	Chickasha	
Fairmont	Lawton	
Valley City	Spokane	

Four Cluster Analysis Solution

<u>Cluster One</u>	<u>Cluster Two</u>	<u>Cluster Three</u>	<u>Cluster Four</u>
Wichita	Louisville	Lawton	Clinton
Hutchinson	Oklahoma City	Spokane	Missoula
Claremore	Jacksonville		Delaware
Bend	Monroe		
Moorehead	Chickasha		
Fairmont			
Valley City			

(continued on next page)

Figure 5-1 (continued)

Five Cluster Analysis Solution

<u>Cluster One</u>	<u>Cluster Two</u>	<u>Cluster Three</u>
Wichita	Louisville	Lawton
Hutchinson	Oklahoma City	Spokane
Claremore	Jacksonville	
Bend	Monroe	
Moorehead	Chickasha	
Fairmont		
Valley City		
<u>Cluster Four</u>	<u>Cluster Five</u>	
Clinton	Delaware	
Missoula		

Six Cluster Analysis Solution

<u>Cluster One</u>	<u>Cluster Two</u>	<u>Cluster Three</u>
Wichita	Moorehead	Louisville
Hutchinson	Fairmont	Oklahoma City
Claremore	Valley City	Jacksonville
Bend		Monroe
		Chickasha
<u>Cluster Four</u>	<u>Cluster Five</u>	<u>Cluster Six</u>
Lawton	Clinton	Delaware
Spokane	Missoula	

Interpretation of Findings

Some support can be given to the supposition that markets group according to size of population. Across solutions, the largest cities usually group together, the smallest towns form a second cluster, and the middle-sized Lawton and Spokane markets seem to develop into a third cluster.

There does not appear to be an "obvious" explanation for why Wichita switches clusters for different dimensional MDS input. However, two of Wichita's characteristics may possibly be responsible. First, Wichita demonstrates relatively few differences on buying strategy and activity pattern statements from the average responses of the seventeen markets. Perhaps Wichita is too similar to the overall market averages to be meaningfully classified into a particular group. Second, the market's primary distinguishing consumer type is Wichita's absence of Price Shoppers (to be discussed in the following chapter, Price Shoppers are primarily concerned with low prices when making purchases). Consequently, the absence of Price Shoppers may suggest that Wichita is more depressed in its competitive evolution than other large cities and may more closely represent the weaker competitive markets in the Upper Midwest.

These two explanations for Wichita may also suggest why the Minnesota/North Dakota cluster divides into two in the six cluster solution computed with four-dimensional MDS input. All of the markets in the Minnesota/North Dakota cluster appear to be relatively average, non-price sensitive communities. (Valley City has a large number of "price only" shoppers, but yields below average ratings overall on price-related segmentation statements.) It may take an extremely sensitive solution (the six cluster four dimension MDS) to find differences in markets which are "average."

Significance of the Differences of the Clusters of Markets

Procedure for Evaluating the Significance of Differences of the Clusters of Markets

Cluster analysis is used in the previous stage to find groupings of markets which appear to exist in the data. The groups of markets may not be meaningfully different. The following procedure is used to determine how different the clusters of markets are from each other.

Clusters of markets are compared for the three cluster analysis solution based on three dimensional MDS data and the four cluster analysis solution based on four dimensional MDS data. An average distance score is found for the similarity of markets within the same cluster by calculating the average of the distance scores for all possible pairs of within cluster markets. An average distance for the similarity of markets in two different clusters is found by calculating the average of the distance scores for all possible pairs of markets in the different clusters. If the cluster analysis solutions develop significantly different groups of markets then the average distance scores of pairs of markets in the same clusters should be considerably smaller than the average distance scores of pairs of markets in different clusters.

Interpretation of the Findings

Figure 5-2 reports the average distances of markets between each pair of clusters for the two cluster analysis solutions. Differences between markets in different clusters are not significantly larger than distances between markets which are in the same clusters. In some cases, distances are actually smaller for markets in different clusters. Since pairs of markets within the same clusters do not have significantly smaller distances than pairs of markets in different clusters, it is difficult to conclude that the cluster analysis solutions produce meaningfully different groups. Consequently, as suggested in the earlier Comparison of Markets section, markets appear to be too similar to be groups in any meaningful way.

Figure 5-2

Average Distance Scores Between Clusters of Markets

1. Three Cluster Analysis Solution Based on Three Dimensional MDS Data:

	Cluster One	Cluster Two	Cluster Three
Cluster One	8.44		
Cluster Two	9.04	9.16	
Cluster Three	8.82	9.27	8.63

where Cluster One is Wichita, Jacksonville, Louisville, Oklahoma City, Monroe, Chickasha, Lawton, and Spokane.

Cluster Two is Clinton, Delaware, and Missoula.

Cluster Three is Claremore, Valley City, Moorehead, Hutchinson, Fairmont, and Bend.

Figure 5-2 (continued)

2. Four Cluster Analysis Solution Based on Four Dimensional MDS Data:

	Cluster One	Cluster Two	Cluster Three	Cluster Four
Cluster One	8.61			
Cluster Two	8.66	8.71		
Cluster Three	9.04	8.94	9.31	
Cluster Four	9.23	8.30	9.16	8.66

where Cluster One is Wichita, Hutchinson, Claremore, Bend, Moorehead, Fairmont, and Valley City.

Cluster Two is Louisville, Oklahoma City, Jacksonville, Monroe, and Chickasha.

Cluster Three is Lawton and Spokane.

Cluster Four is Clinton, Missoula, and Delaware.

Summary of Findings

This chapter reports the findings from four procedures used in the process of comparing and classifying types of shoppers in each market:

1. Reliability of the Data. An alpha reliability coefficient is computed on the responses to the segmentation statements for each of the seventeen markets. The alpha coefficients appear to indicate that individual segmentation statements have a high degree of internal con-

sistency. The reliability of market segment solutions "within" markets is evaluated by comparing split-halves with a distance measure. The distance scores suggest that solutions are acceptably reliable.

2. Comparison of Market Solutions. A distance measure is used to compare the seventeen market solutions. The distance scores are found to be as low as those which compare split-halves of markets. The distance measure analysis appears to indicate that the markets have similar types of shoppers.

3. Classification of Market Solutions. The markets are classified by inputting the distance scores between markets into an MDS routine so that values are produced for each market which are based on the same dimensions. The MDS output is cluster-analyzed to group markets. Two relatively stable clusters are found: one representing the largest cities in the study and another appearing to be composed of Minnesota/North Dakota towns. The cluster analysis solutions appear to lend some support for the contention that markets group according to size of population.

4. Significance of Differences of the Clusters of Markets. Average distance scores between pairs of markets which are classified into the same cluster are compared with the average distance scores between pairs of markets which are classified into different clusters. The distances of markets within the same cluster are not smaller than distances of markets in different clusters. Consequently, the markets appear to be too similar to be meaningfully grouped with the procedures used in this dissertation.

Chapter Six

REPORT AND INTERPRETATION OF SHOPPER TYPES FOUND IN EACH MARKET

The previous chapter presents the findings for the second and third objectives of the dissertation research: the comparison of markets and the classification of markets. This chapter is concerned with the first objective discussed in the data analysis chapter, the construction of types of shoppers existing in each market.

The results of the first objective are presented in this separate chapter because interpretations are made from the profiles of shopper types which are in addition to those needed to carry out the purpose of this research, the comparison and classification of markets. This chapter is based on the vector of means data used in the previous chapter to compare and classify markets. Additionally, the chapter attempts to interpret the profiles produced by the vectors as "caricatures," describing ideal types of shoppers which seem to be suggested by the vectors of means. These caricatures will be used to develop marketing strategy implications for each market.

This additional interpretative color contributes a useful, but not required, layer of researcher subjectivity to the dissertation. Therefore, it is provided in a separate chapter from the necessary comparison and classification objectives.

The first section of this chapter describes the types of shoppers found in the seventeen markets in general. The second section examines the shopper composition of individual markets and explores the marketing strategy implications suggested from the types of shoppers found in each market.

Composition of Markets in General

Description of Types of Shoppers

Appendix I reports the procedures used to develop profiles and names for the types of shoppers found in each market. The procedures identify seventeen distinctly different types of shoppers who appear in markets at times. Figure 6-1 lists the frequency in which they are found and the criteria used to characterize the shoppers.

Seven of the shopper types are in most markets and three are in about half of the markets. The remaining seven types of shoppers are in few markets, but they seem to be sufficiently different from the more common shopper types to be given separate identities.

A brief "caricature" is presented below for each of the seven types of shoppers which are consistently found in the seventeen markets. The caricatures are based on interpretations of the characteristics of consumers which seem to be implied by the criteria listed in Figure 6-1, and by the qualities other investigators have found for shoppers who meet the same criteria. Although such caricatures can not be literally interpreted from the criteria in Figure 6-1, their additional interpretability contributes to the "actionability" of their profiles.

Figure 6-1

Shopper Types Found in Research

<u>Criteria for Naming Shopper Types</u>	<u>Markets Found</u>
A. Shopper Types in Most Markets:	
1. <u>Inactive Shoppers</u>	Found in all markets but Delaware.
1. Do not engage in outdoor activities.	
2. Are not do-it-yourselfers.	
3. Are not price sensitive, nor do they exhibit a strong interest in shopping or show any particularly strong shopping requirements.	
4. Often they work in the yard or garden.	
2. <u>Active Shoppers</u>	Found in all markets but Clinton, Chickasha, and Missoula.
1. Are price sensitive.	
2. Are interested in shopping around.	
3. Engage in outdoor activities.	
4. Often are do-it-yourselfers.	
3. <u>Service Shoppers</u>	Found in all markets but Oklahoma City, Bend, and Valley City.
1. Major shopping requirement appears to be in-store service.	
2. Are not price sensitive.	
3. Are not do-it-yourselfers.	
4. Often are impulse shoppers.	
4. <u>Traditional Shoppers</u>	Found in all markets but Claremore and Chickasha.
1. Engage in outdoor activities (especially hunting or fishing).	
2. Are not price sensitive, nor do they exhibit much shopping interest at all.	
3. Usually are do-it-yourselfers.	
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Figure 6-1 (continued)

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|---|---|
| <p>5. <u>Dedicated Fringe Shoppers</u></p> <ol style="list-style-type: none">1. Use the catalog heavily.2. Are do-it-yourselfers.3. Often try new products more than average.4. Other than the above characteristics, seem to have relatively inactive lifestyles. | <p>Found in all markets but Monroe, Louisville, Hutchinson, and Moorehead.</p> |
| <p>6. <u>Price Shoppers</u></p> <ol style="list-style-type: none">1. Are very price sensitive. Often rely on advertising heavily.2. Are not active do-it-yourselfers or active outdoors.3. Appear to have few other shopping requirements than price. | <p>Found in all markets but Monroe, Wichita, and Missoula</p> |
| <p>7. <u>Transitional Shoppers</u></p> <ol style="list-style-type: none">1. Are very interested in repairing and personalizing their cars.2. Are not interested in shopping.3. Are usually involved in outdoors activities.4. Often like to try new products. | <p>Found in all markets but Claremore, Chickasha, Hutchinson, Fairmont, and Delaware.</p> |
- B. Shopper Types in About Half of the Markets:
- | | |
|---|---|
| <p>1. <u>Convenience Shoppers</u></p> <ol style="list-style-type: none">1. Want shopping convenience.2. Are not concerned about price. | <p>Found in Oklahoma City, Wichita, Chickasha, Moorehead, Fairmont, Valley City, Lawton, Clinton, and Delaware.</p> |
|---|---|

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Figure 6-1 (continued)

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| 2. <u>Coupon Saver Shoppers</u> | Found in Louisville, Monroe, Chickasha, Wichita, Bend, Valley City, Lawton, Clinton, and Missoula. |
| 1. Are heavy coupon users. | |
| 2. Do not engage in outdoor activities nor are they usually do-it-yourselfers. | |
| 3. Rely on all forms of advertising. | |
| 3. <u>Innovator Shoppers</u> | Found in Jacksonville, Hutchinson, Bend, Fairmont, Clinton, Valley City, and Monroe. |
| 1. Buy new products. | |
| 2. Make impulse purchases. | |
| 3. Seem to have upscale buying desires. | |

C. Shoppers Types in Few Markets:

- | | |
|---------------------------------------|--|
| 1. <u>Sociable Shoppers</u> | Found in Oklahoma City, Claremore, Chickasha, Bend, Spokane, and Delaware. |
| 1. Entertain outdoors. | |
| 2. Are not concerned about shopping. | |
| 2. <u>Information Seeker Shoppers</u> | Found in Oklahoma City, Wichita, Chickasha, and Missoula. |
| 1. Heavily rely on advertising. | |
| 2. Desire in-store signing. | |
| 3. Have an "active" life style. | |
| 3. <u>Catalog Innovator Shoppers</u> | Found in Claremore. |
| 1. Use the catalog. | |
| 2. Are not do-it-yourselfers. | |
| 3. Try new products. | |
| 4. <u>Coupon Innovator Shoppers</u> | Found in Hutchinson. |
| 1. Use coupons heavily. | |
| 2. Try new products. | |
| 5. <u>Type A Shoppers</u> | Found in Hutchinson and Delaware. |
| 1. Are impatient with service. | |
| 2. Are active do-it-yourselfers. | |
| 3. Try new products. | |

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Figure 6-1 (continued)

6. New Traditional Shoppers Found in Louisville.
 1. Work in yard or garden.
 2. Are do-it-yourselfers.
 3. Try new products.
7. Outdoorsman Shoppers Found in Delaware.
 1. Outdoors recreation is their only differential characteristic.

Inactive Shoppers - Inactive shoppers have extremely restricted life styles and shopping interests. Although demographic analysis was not provided, their inactivity seems to suggest that they are older and have lower incomes than average.

The restricted life styles of Inactives are best illustrated through the activities that do not characterize them. Inactive shoppers do not engage in outdoor or do-it-yourself activities, except for working in the yard or garden. They do not express strong enjoyment or interest in shopping. Inactives are not price shoppers or coupon users, nor are they particularly concerned about employee service or product selection.

The limited commitment that Inactives place in the shopping process indicates distinct merchandising strategies for attracting these consumers. Conventional forms of retailing, such as variety stores, "mom and pop" grocery stores, and neighborhood drug stores, which are near concentrations of older shoppers, can attract Inactives

without offering emulative prices or assortments. Furthermore, intercept retailers, stores which siphon off trade of other retailers by offering a more convenient location, may attract a disproportionate number of Inactives. If intercept retailers are attracting large numbers of Inactive shoppers, then they might consider expanding the variety of services they offer to older shoppers and presenting a less "intense" interior design and merchandising image.

Active Shoppers - Actives are the extreme opposites of Inactives. They have demanding life styles and are "tough" shoppers.

Actives engage in all forms of outdoor activities and members are usually do-it-yourselfers. Their high energy level explains their active interest in shopping. Actives enjoy "shopping around," and price is a major consideration in their search. However, given their full range of interests outside of shopping, Actives appear to shop more as an expression of their intense life styles than an interest in finding bargains. Therefore, this shopper probably balances price with quality, fashion, and selection in his search for value. This active, value-oriented shopper seems to be overrepresented by middle class, slightly younger but better educated than average, consumers.

Retailers which can offer merchandise with middle class appeal by using a campaign which combines low prices and wide assortments should attract a disproportionate number of the price-sensitive, multifaceted Actives.

Service Shoppers - Service shoppers demand a high level of in-store service when shopping. They usually seek convenient stores with

friendly, helpful employees. Conversely, they quickly become impatient if they have to wait for a clerk to help them.

Service shoppers are not price sensitive, which may account for the large number of impulse purchases they make. Not surprisingly, few of these service-oriented consumers tend to be do-it-yourselfers. Overall, Service shoppers seem to be relatively affluent, highly educated shoppers who perceive the opportunity cost of their time to preclude personal involvement in the details of shopping.

The Service shopper presents a clear challenge to retailers: he demands meticulous attention and his impatience will quickly lead him to shop elsewhere if the retailer does not reserve a total commitment to his needs. On the other hand, the Service shopper will pay for the additional service with high prices and extended loyalty, since he really does not want to take the time to look elsewhere.

Traditional Shoppers - Traditional shoppers share Active shoppers' preoccupation with outdoor activities, but not their enthusiasm for shopping. Demographically, this shopper seems to be a blue collar, middle-aged, consumer who has a moderate income, less education than average, and roots in the South or Midwest. He actively hikes, camps, hunts, and fishes. The Traditional is usually a do-it-yourselfer and he often works on his car. However, he is an uncomfortable shopper, possibly because spending money runs counter to the values of his modest upbringing.

This is not to say that the Traditional is price sensitive. The Traditional shopper does not have strong shopper requirements.

Once he is confronted with a purchase decision he may be a relatively "easy" sale. He restricts his purchases by avoiding purchasing decisions rather than by imposing rigid criteria to his decision-making.

Traditional shoppers may be forced into price shopping because they are more affected by the current economic conditions than are other shoppers. To satisfy their temporary economic constraints, Traditional shoppers may be a salient market for "throw away" merchandise in order for them to maintain a middle-class standard of living at a lower cost. In general, however, ultra-modernistic themes should be avoided. Traditional shoppers should be made to feel as at home as possible.

Dedicated Fringe Shoppers - Dedicated Fringe shoppers present clear motives for being heavy catalog customers. They are do-it-yourselfers and are more likely than average to try new products. The catalog represents a medium for obtaining an expanded selection of do-it-yourself and other products which are not generally sought by other shoppers.

Dedicated Fringe shoppers have almost a compulsion for being different. They are disinterested in extensive socializing with others, and have limited enthusiasm for outdoor sports. Dedicated Fringe shoppers register a strong statement against mass merchandising by ignoring television and radio advertisements and showing little interest or enjoyment in shopping for the best prices. On the contrary, they have extremely limited brand and store loyalty.

It should be relatively easy to reach Dedicated Fringe shoppers with a promotional campaign. They probably take considerable initiative on their own to learn about do-it-yourself merchandise. The challenge is to keep their loyalty by continuously being perceived as the pioneer in the industry.

Price Shoppers - As their name implies, this segment's most identifiable characteristic is its extreme price consciousness. These shoppers are willing to undertake an extended search to meet their price requirements. Price shoppers rely heavily on all forms of advertising to find the lowest prices. They have only moderate interest in merchandise quality, selection, employee service, and other merchandising factors.

Overall, Price shoppers are probably in early stages of the family life cycle and have a need to budget their expenses. Therefore, many Price shoppers may acquire increasingly upscale buying tastes in the future.

Since these shoppers are the price extremists, at first blush they may seem to be too costly to attract by all but bargain and distress outlets. However, on a marginal cost basis, price shoppers can often represent the necessary additional sales to cover the fixed costs of the firm. Furthermore, the retailer can minimize other merchandising and service costs when attempting to attract Price shoppers.

Transitional Shoppers - Transitional shoppers seem to be consumers in earlier stages of the family life cycle who have not yet formalized their life style patterns and shopping values. They take an

active interest in repairing and personalizing cars. Most of these seemingly young, blue collar shoppers participate in a variety of outdoor activities. Although they probably have moderate incomes and educational attainment levels, Transitional shoppers are more likely than average to try new products.

Transitional shoppers usually have little interest in shopping around for low prices. They may place such a premium on their personal time that they are unwilling to devote much of it to price shopping.

Transitional shoppers are probably eclectic customers. Once they become interested in a product they quickly make up their mind to buy it. Their purchasing spontaneity may also suggest that they are a large proportion of a retailer's one-purchase shoppers.

Comparison With Earlier Proprietary Solutions Drawn from this Data

The dissertation data was used originally to generate market segment solutions for proprietary reports. Entirely different procedures were used to develop the proprietary solutions. The proprietary solutions were based on principal components as opposed to common factor analysis for the dissertation research. Between four to eight markets were combined for each proprietary factor analysis solution, while the dissertation solutions were computed from split-half samples of single markets. The proprietary solutions developed either five or six types of shoppers, as opposed to twelve types for the dissertation solutions. Regardless, there appears to be a great deal of consistency between the proprietary and dissertation solutions. Figure 6-2 lists

the profiles of the shopper types found in the original three proprietary studies. Almost all of the market segments in the proprietary studies are similar to the Inactive, Price, Active, Convenience, or Service shoppers found for the dissertation.

Figure 6-2

Proprietary Market Segment Solutions

A. Solution for Lawton, Chickasha, Claremore, Clinton, and Monroe:

1. Passive Shoppers--not price sensitive, below average interest in advertising, interest in shopping convenience, few outside activities, not a do-it-yourselfer. Similar to Inactive Shoppers in dissertation solutions.
2. Traditional Rural--extremely price sensitive, relies on media advertising, member of "active" household, strong interest in do-it-yourself projects. Similar to Active Shoppers.
3. Striver Shoppers--relies on media advertising, interest in fast check-out service, above average interest in "fashion" and new products, strong impulse buyer. Similar to Service Shoppers, Innovator Shoppers.
4. New Rural Shoppers--interest in national brands, expects high level of in-store service, member of "active" household, strong interest in fashion and new products. Similar to Service Shoppers.
5. Price Shoppers--very price sensitive, strong interest in private brands. Similar to Price Shoppers.

B. Solution for Oklahoma City, Wichita, Louisville, and Jacksonville:

1. Blue Collar Traditional Shoppers--expects in-store service, member of active household, strong interest in do-it-yourself activities, below average interest in fashion. Similar to Traditional Shoppers.
2. White Collar Traditional Shoppers--extremely price sensitive, expect high level of in-store service, are do-it-yourselfers. Similar to Active Shoppers.

Figure 6-2 (continued)

3. Creative Shoppers--are moderately price sensitive, have heavy interest in newspaper advertising and catalog purchasing, strong interest in do-it-yourself activities. Similar to Dedicated Fringe Shoppers.
 4. Trend Shoppers--have low price sensitivity, above average interest in shopping convenience, expect high level of in-store service. Similar to Service Shoppers.
 5. Convenience Shoppers--have low price sensitivity, overriding interest in shopping convenience, not a do-it-yourselfer. Similar to Convenience Shoppers.
 6. Price Shoppers--extremely price sensitive, rely on media advertising, not a do-it-yourselfer. Similar to Price Shoppers.
- C. Solution for Spokane, Missoula, Delaware, Bend, Fairmont, Moorehead, Hutchinson, and Valley City:
1. Retreating Shoppers--are not price-conscious, are convenience oriented, do not engage in outdoor activities, not do-it-yourselfers. Similar to Inactive Shoppers.
 2. Traditional Shoppers--are price sensitive shoppers, are moderately convenience oriented. Similar to Price Shoppers.
 3. Inexperienced Shoppers--are price sensitive, are heavy users of advertising, are slightly convenience oriented, like to try new products, are impulse buyers. Similar to Transitional Shoppers, Innovator Shoppers.
 4. Sophisticated Shoppers--are not price sensitive, are convenience oriented, socialize and entertain outdoors, are moderately heavy purchasers of new products. Similar to Convenience Shoppers, Sociable Shoppers.
 5. Active Shoppers--are price sensitive shoppers, use all forms of advertising, are active outdoors, are do-it-yourselfers. Similar to Active Shoppers.

The Size of Each Market Segment

Table 6-1 reports the proportion of individuals who are classified as each shopper type for the seventeen markets. The number of

individuals classified as a shopper type depends on such subjective decisions as the factor loading cut-off level used, whether or not shopper types should be composed of mutually exclusive individuals, and the investigator's application of the procedures listed in Figure 6-1 for identifying and combining types of shoppers. Consequently, conclusions based on the relative sizes of the segments reported here should not be accepted unreservedly.

Table 6-1 summarizes from Table 6-2 the aggregate proportion of shoppers in each market segment. Seventy-eight percent of the shoppers are classified as one of the seven most common types of shoppers. 14.3 percent of the shoppers are one of the three types of shoppers which appear in about half of the markets. Only 7.7 percent of the shoppers are classified as one of the remaining seven types of shoppers which are found in few markets.

Table 6-1

<u>Relative Size of Each Market Segment</u>	
Inactive Shoppers	15.0%
Traditional Shoppers	14.1%
Active Shoppers	12.8%
Price Shoppers	10.4%
Service Shoppers	10.0%
Dedicated Fringe Shoppers	8.8%
Transitional Shoppers	6.9%
Coupon Saver Shoppers	5.4%
Convenience Shoppers	4.8%
Innovator Shoppers	4.1%
Shoppers in Few Markets	7.7%
	100.0%

Table 6-2

The Number of Individuals Classified as Each Type of Shopper

Market	Sample Size	Shopper Types In Most Markets (Percentage of ALL Shoppers)						Shopper Types In Half of the Markets (Percentage of ALL Shoppers)			Shopper Types In Few Markets (Percentage of ALL Shoppers)							
		In- active	Active	Service	Tradit- ional	Dedicated Fringe	Price	Transi- tional	Conven- ience	Coupon Saver	Inno- vator	Sociable	Infor- mation Seeker	Catalog Inno- vator	Type A	New Tradit- ional	Coupon Inno- vator	Outdoors- man
Louisville	(301) ¹	20.9%	16.6%	11.0%	17.6%		6.6%	6.6%		11.3%							9.3%	
Oklahoma City	(277)	17.0%	7.6%		8.7%	6.1%	17.0%	15.2%	7.9%			12.3%	8.3%					
Jacksonville	(291)	16.2%	18.2%	10.0%	10.3%	6.5%	17.5%	6.5%			14.8%							
Monroe	(244)	12.1%	15.6%	6.7%	25.4%			19.2%		11.6%	9.4%							
Chickasha	(218)	13.3%		9.2%		28.0%	17.4%		6.4%	10.6%		6.9%	8.3%					
Wichita	(288)	9.0%	10.8%	12.5%	19.8%	10.4%		5.6%	14.6%	9.4%			8.0%					
Hutchinson	(168)	28.6%	14.9%	6.5%	18.5%		7.7%				8.9%				5.4%		9.5%	
Claremore	(226)	15.5%	24.8%	15.9%		21.2%	6.6%					9.3%		6.6%				
Bend	(166)	9.0%	22.3%		18.1%	5.4%	17.5%			8.4%	11.4%	7.8%						
Moorehead	(175)	18.9%	15.4%	16.6%	20.6%		13.1%	5.7%	9.7%									
Fairmont	(191)	19.4%	23.6%	11.5%	18.3%	6.8%	6.3%		7.3%		6.8%							
Valley City	(182)	17.6%	6.6%		6.0%	9.9%	22.0%	13.7%	7.1%	9.9%	7.1%							
Lawton	(206)	9.7%	9.7%	5.8%	16.0%	8.7%	19.9%	17.5%	5.8%	6.8%								
Spokane	(172)	9.9%	12.8%	29.7%	9.9%	16.9%	9.3%	8.1%				3.5%						
Clinton	(191)	7.3%		14.1%	20.4%	9.9%	8.9%	7.3%	5.8%	14.1%	12.0%							
Missoula	(158)	18.0%		15.8%	17.1%	17.1%		5.7%		7.6%		8.9%						
Delaware	(157)		17.2%	7.6%	17.8%	5.1%	7.6%		18.5%			7.0%			8.2%			10.8%
(3,591), Percentage of Total		15.0%	12.8%	10.0%	14.1%	8.8%	10.4%	6.9%	4.8%	5.4%	4.1%	3.2%	1.8%	0.4%	0.61%	0.78%	0.45%	0.47%
Percentage of Total When Types in Few Markets Are Removed		16.1%	13.9%	10.8%	15.3%	9.5%	11.3%	7.5%	5.2%	5.9%	4.4%							

¹Sample sizes exceed the sizes of original samples factor-analyzed because some individuals were classified into multiple markets.

Nine of the market solutions have eight shopper types, three have seven, and five have nine. Therefore, given that seven shopper types consistently appear across markets, most markets seem to consist of practically all of the seven typical segments plus one or two of the types of shoppers which are found in half of the markets. Accordingly, at least in composition, markets seem to be more similar to each other than different.

Description of Individual Markets

Each of the seventeen markets of this dissertation are described below. First, general population, income, age, and retail sales growth characteristics are reported for each market. Second, the differentiating shopping strategy and activity pattern characteristics of each market are listed. Third, the differences in the types and sizes of market segments of markets, when compared to others, are examined. Finally, possible marketing strategy implications of the types of shoppers existing in the markets are suggested.

The market descriptions which follow are provided to add to the managerial actionability of the dissertation research. However, other opinions than the ones expressed in this section can be supported from the data at times.

Shopper Types in Louisville

1. Market Characteristics¹ --

- a. Population: 895,300
- b. Effective Median Buying Income: \$14,967
- c. Median Age: 29 years old
- d. Five Year Retail Sales Growth Projection: 56.6%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Use more coupons.
- b. Television advertising is less helpful.
- c. Are less likely to purchase from a catalog.
- d. Are less likely to seek wide variety.
- e. Are more impatient waiting in checkout lines and waiting for clerks.
- f. Rely more on store signs.
- g. Are less likely to go hiking, camping, hunting, or fishing.
- h. Are less likely to use power tools or have a workshop.

Table 6-3

Relative Size of Each Market Segment in Louisville

Inactive Shoppers	20.9%	Price Shoppers	6.6%
Active Shoppers	16.6%	Transitional Shoppers	6.6%
Service Shoppers	11.0%	Coupon Saver Shoppers	11.3%
Traditional Shoppers	17.6%	New Traditional Shoppers	9.3%

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Market appears to be composed of a few large market segments: Inactives, Actives, and Traditionals represent over 55 percent of all Louisville shoppers. This percentage becomes larger if

¹Market characteristics are from the 1977 Survey of Buying Power Data Service.

New Traditional Shoppers are considered to be similar to Traditional Shoppers.

- b. Louisville has the third largest percentage of Inactive Shoppers of any market.
- c. Thirty percent of the Coupon Savers in all markets reside in Louisville.
- d. Although Price Shoppers represent a smaller proportion of shoppers than in the average market, the price sensitive Actives and Coupon Savers are larger than in most other markets.

4. Possible Marketing Strategy Implications--

- a. A marketer's segmentation options in Louisville appear to be relatively clear-cut: 43.5 percent of the shoppers have active outdoors life styles (Actives, Traditionals, and New Traditionals), 34.5 percent are price shoppers (Price, Actives, and Coupon Savers), and most of the rest are Inactive Shoppers.
- b. Actives may be a "swing segment." Although they represent only a sixth of the market's shoppers, they share characteristics in common with the other largest segments.
- c. The Price Shoppers represent only nineteen percent of the price sensitive shoppers. A large percentage of shoppers in Louisville are motivated by price, but not price-only. Direct mail pieces stressing outdoors life styles and offering coupons may be particularly effective in Louisville.

Shopper Types in Oklahoma City

1. Market Characteristics--

- a. Population: 772,900
- b. Effective Median Buying Income: \$12,972
- c. Median Age: 28.4 years old
- d. Five Year Retail Sales Growth Projection: 71.2%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more likely to purchase from a catalog.
- b. Convenience of location is less important.
- c. Are less likely to go hiking, camping, hunting, or fishing.
- d. More likely to repair their cars.
- e. Less likely to be a do-it-yourselfer.
- f. More likely to try new products.

Table 6-4

Relative Size of Each Market Segment in Oklahoma City

Inactive Shoppers	17.0%	Transitional Shoppers	15.2%
Active Shoppers	7.6%	Convenience Shoppers	7.9%
Traditional Shoppers	8.7%	Sociable Shoppers	12.3%
Dedicated Fringe Shoppers	6.1%	Information Seeker Shoppers	8.3%
Price Shoppers	17.0%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Oklahoma City appears to be a relatively heterogenous market: the three largest segments (Inactives, Price, and Transitionals) represent only 49.2 percent of the market and are relatively distinct from each other.
- b. In contrast to Louisville, most price sensitive shoppers are Price Shoppers.
- c. Transitional Shoppers have the third largest concentration in Oklahoma City of any market.
- d. There are no Service Shoppers in Oklahoma City. Perhaps Convenience, Sociable, and Information Seeker Shoppers fill their service desire void.

4. Possible Marketing Strategy Implications--

- a. The lack of Service Shoppers may reflect a service void in the Oklahoma City market. To obtain market volume, service-oriented stores entering the market might target their offerings around the combined Convenience, Sociable, and Information Seeker Shopper groups.
- b. The large Transitional segment may reflect the relatively young age of the average Oklahoma Citian (28.4 years old). Transitional Shoppers may very well be the Traditional Shoppers of the future, and consideration should be given to developing their loyalty as the age into new segments.

- c. Two of Oklahoma City's largest segments are not interested in shopping (Inactives and Transitionals), and the other largest segment shops for price only. With a downturn in the economy, Oklahoma City could be a very "tough" market in all product categories but necessities.

Shopper Types in Jacksonville

1. Market Characteristics--

- a. Population: 716,100
- b. Effective Median Buying Income: 11,168
- c. Median Age: 27.4 years old
- d. Five Year Retail Sales Growth Projection: 56.7%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are less likely to shop several stores for the best price.
- b. Are more likely to use coupons.
- c. Have above average interest in television advertising.
- d. Are less concerned that checkout clerks "ok" checks.
- e. Are more interested in store signing.
- f. Are more likely to socialize or entertain outdoors.
- g. Are less likely to go hiking, camping, hunting, or fishing.
- h. Are less likely to have a workshop or repair their cars.
- i. Like to try new products when they first come out.
- j. Are more likely to make impulse purchases.

Table 6-5

Relative Size of Each Market Segment in Jacksonville

Inactive Shoppers	16.2%	Dedicated Fringe Shoppers	6.5%
Active Shoppers	18.2%	Price Shoppers	17.5%
Service Shoppers	10.0%	Transitional Shoppers	6.5%
Traditional Shoppers	10.3%	Innovator Shoppers	14.8%

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Each of the seven "most common" shopper types are in Jacksonville. Each have approximately average market concentrations.
- b. The only other shopper type in Jacksonville is the Innovator Shopper. 29.3% of all Innovators are in Jacksonville, giving this market the largest concentration of Innovator Shoppers of any market.
- c. Two price-sensitive segments, Price and Active Shoppers, are somewhat larger in Jacksonville than average. Combined, they represent 35.7% of the market.

4. Possible Marketing Strategy Implications--

- a. The large number of Innovator Shoppers may suggest that Jacksonville would be a good market to introduce new products.
- b. Other than the Innovator Shoppers, Jacksonville appears to have one of the most "average" distributions of market segments of any market. Accordingly, once the initial wave of sales by Innovators are cancelled out, Jacksonville may provide a good test market setting.
- c. Jacksonville's price sensitive shoppers appear to be so large that a firm could reach an adequate portion of the market by using only price appeals.

Shopper Types in Monroe

1. Market Characteristics--

- a. Population: 19,300
- b. Effective Median Buying Income: 10,556
- c. Median Age: 27.5 years old
- d. Five Year Retail Sales Growth Projection: 80.0%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more likely to go to several stores to get the best price.
- b. Have above average interest in television and radio advertising.
- c. Are less likely to make purchases from the catalog.
- d. Convenience of location is of less importance.
- e. Are more impatient waiting for clerks and waiting in checkout lines.
- f. Are interested in store signing.
- g. Are more likely to engage in outdoor activities and entertaining.

- h. Are less likely to go hiking or camping but more likely to go hunting or fishing.
- i. Are less likely to have a workshop or be a do-it-yourselfer.
- j. Are more likely to make impulse purchases.

Table 6-6

Relative Size of Each Market Segment in Monroe

Inactive Shoppers	12.1%	Transitional Shoppers	19.2%
Active Shoppers	13.6%	Coupon Saver Shoppers	11.6%
Service Shoppers	6.7%	Innovator Shoppers	9.4%
Traditional Shoppers	25.4%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Monroe has the largest percentage of Traditional and Transitional Shoppers of any market. Together, the two segments represent 44.6 percent of the market's shoppers.
- b. Price Shoppers are absent from the market. However, Actives and Coupon Savers have more influence in Monroe than average (representing 15.6% and 11.6% of the market, respectively).

4. Possible Marketing Strategy Implications--

- a. Traditionals are such a large segment in Monroe that it may be viable to attempt to reach them alone. If Transitional Shoppers are found to be merely "younger" Traditionals, then the Traditional Shopper is indeed an important customer in Monroe.
- b. It may be best to use a "subtle" pricing strategy in Monroe. Price in and of itself does not appear too able to divert a large enough market share for the development of a marketing campaign. However, if Actives, Coupon Savers, and Innovators are given additional benefits with price it could be a powerful market share generator.
- c. While Service Shoppers do exist in the market, they do not represent a large proportion of the total customer base. Upscale retailers may wish to tailor strategies to include Innovators with Service Shoppers.

Shopper Types in Chickasha

1. Market Characteristics--

- a. Population: 37,100
- b. Effective Median Buying Income: 9,025
- c. Median Age: 33.5 years old
- d. Five Year Retail Sales Growth Projection: 78.0%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more likely to shop at discount stores.
- b. Are less likely to use coupons.
- c. Are more interested in store brands.
- d. Are less likely to engage in outdoor activities.
- e. Are less likely to repair their cars.
- f. Are more likely to make impulse purchases.

Table 6-7

Relative Size of Each Market Segment in Chickasha

Inactive Shoppers	13.3%	Convenience Shoppers	6.4%
Service Shoppers	9.2%	Coupon Saver Shoppers	10.6%
Dedicated Fringe Shoppers	28.0%	Social Shoppers	6.9%
Price Shoppers	17.4%	Information Seeker Shoppers	8.3%

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Three of the most common types of shoppers, Actives, Traditionals, and Transitionals are missing from Chickasha. To take their place, four less common types of shoppers occur in the Chickasha solution: Convenience, Coupon Saver, Sociable, and Information Seeker Shoppers.
- b. Chickasha has a large Dedicated Fringe Shopper base: 19.3% of all Catalog Shoppers are in the small Chickasha market, which is 28% of Chickasha shoppers.

- c. Price Shoppers constitute a larger than average shopper group. However, without Active Shoppers, the 17.4 percent of the market who are Price Shoppers does not offer a large mass of price-oriented customers.
- d. When Service Shoppers are combined with Sociable and Information Seeker Shoppers, Chickasha has a sizable proportion of consumers who might be attracted by upscale appeals.

4. Possible Marketing Strategy Implications--

- a. With 28% of the market Dedicated Fringe Shoppers, direct marketing may be an alternative to divert the current strong competitors in the market.
- b. Price may be overplayed in Chickasha. It may be that customers shop at the large price competitors for entertainment, selection, and other attributes, as well as price. Retailers should experiment with offerings tailored to attract Service, Coupon Saver, Sociable, and Information Seeker Shoppers.
- c. Chickasha currently has a relatively old population, but one which is growing relatively rapidly. Consequently, attention might be given to developing specialty stores aimed at younger Sociables and Information Seekers.

Shopper Types in Wichita

1. Market Characteristics--

- a. Population: 385,100
- b. Effective Median Buying Income: 14,496
- c. Median Age: 28.5 years old
- d. Five Year Retail Sales Growth Projection: 56.5%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more likely to shop at discount stores.
- b. Are less likely to make purchases from a catalog.
- c. Are more likely to try new products.
- d. Are more likely to be impulse purchasers.

Table 6-8

Relative Size of Each Market Segment in Wichita

Inactive Shoppers	9.0%	Transitional Shoppers	5.6%
Active Shoppers	10.8%	Convenience Shoppers	14.6%
Service Shoppers	12.5%	Coupon Saver Shoppers	9.4%
Traditional Shoppers	19.8%	Information Seeker Shoppers	8.0%
Dedicated Fringe Shoppers	10.4%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Wichita has the second largest percentage of Convenience Shoppers of any market.
- b. The fourth largest percentage of Traditional Shoppers are in Wichita.
- c. 20.5 percent of Wichita Shoppers are either Service or Information Seeker Shoppers.
- d. Wichita does not have a Price Shopper segment, and Actives are a slightly smaller group in Wichita than average.

4. Possible Marketing Strategy Implications--

- a. "Never being over an arm length's reach from customers" may be the most fundamental determinant of market share in Wichita.
- b. The "bulk" of Wichita shopper segments are not strong price shoppers. However, Wichita shoppers are more likely than average to shop at discount stores. Perhaps this is because of the convenience and selection which discounters may also offer. If so, the possibility of a convenience store concept targeted to Traditional Shoppers should be explored.

Shopper Types in Hutchinson

1. Market Characteristics--

- a. Population: 29,000
- b. Effective Median Buying Income: 13,400

- c. Median Age: 30.9
- d. Five Year Retail Sales Growth Projection: 80.8%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are less likely to shop at discount stores.
- b. Are more likely to find television and newspaper advertising helpful.
- c. Are more likely to use a catalog.
- d. Are more likely to shop at convenient stores.
- e. Are more interested in store signing.
- f. Are more likely to have a workshop and be a do-it-yourselfer.

Table 6-9

Relative Size of Each Market Segment in Hutchinson

Inactive Shoppers	28.6%	Price Shoppers	7.7%
Active Shoppers	14.9%	Innovator Shoppers	8.9%
Service Shoppers	6.5%	Type A Shoppers	5.4%
Traditional Shoppers	18.5%	Coupon Innovator Shopper	9.5%

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Hutchinson has more Inactive Shoppers than any other market.
- b. Conversely, the market lacks Transitional Shoppers.
- c. Hutchinson has a number of very small market segments, each with less than 10 percent of all shoppers: Service, Price, Innovator, Type A, and Coupon Innovator Shoppers.
- d. The Traditional Shopper constitutes 18.5 percent of the Hutchinson market, compared to an average of 14.1 percent for Traditionals.

4. Possible Marketing Strategy Implications--

- a. The 30.9 year old median age is reflected in the segment composition. Hutchinson retailers need to seriously evaluate the impact of these aging shoppers as they get even older in the future.

- b. The Price, Innovator, Type A, and Coupon Innovator Shoppers should be considered together in developing marketing strategies. They seem to complement each other.
- c. Traditionals seem to represent the only viable single segment for developing marketing strategies. Discounters which enter the market should tailor their efforts around the Traditional Shopper.

Shopper Types in Claremore

1. Market Characteristics--

- a. Population: 34,400
- b. Effective Median Buying Income: 10,158
- c. Median Age: 30.5 years old
- d. Five Year Retail Sales Growth Projection: 87.3%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more price conscious.
- b. Are more likely to shop at discount stores.
- c. Are more likely to find radio advertising helpful.
- d. Enjoy barbecuing or eating outdoors.
- e. Are more likely to work in the yard or garden.
- f. Are more likely to go hunting or fishing.
- g. Are more likely to use power tools and repair their own cars.

Table 6-10

Relative Size of Each Market Segment in Claremore

Inactive Shoppers	15.5%	Price Shoppers	6.6%
Active Shoppers	24.8%	Sociable Shoppers	9.3%
Service Shoppers	15.9%	Catalog Innovator Shoppers	6.6%
Dedicated Fringe Shoppers	21.2%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Claremore has more Actives than any other market.
- b. Dedicated Fringe Shoppers have the second largest concentration in Claremore than in any market. Furthermore, Claremore has a Catalog Innovator Shopper.
- c. Traditional and Transitional Shoppers are absent from Claremore.

4. Possible Marketing Strategy Implications--

- a. The catalog may be a serious divertive competitor to large discounters. 27.8 percent of Claremore shoppers belong to a catalog-oriented segment.
- b. Claremore shoppers are more price conscious than average. However, the Price Shopper segment is very small. When competing on price in Claremore it should be realized that Actives compose the primary audience of interest.
- c. Although Traditional and Transitional Shoppers are absent from the Claremore market, the large Active and Dedicated Fringe segments share some of their characteristics. Therefore, Traditional characteristics are still important in Claremore, but customers seeking these characteristics want more than just these benefits.

Shopper Types in Bend

1. Market Characteristics--

- a. Population: 42,400
- b. Effective Median Buying Income: 12,446
- c. Median Age: 31.1 years old
- d. Five Year Retail Sales Growth Projection: 73.8%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more interested in television advertising.
- b. Are more likely to use the catalog.
- c. Are more likely to go hiking, camping, hunting, and fishing.
- d. Are more likely to have a workshop and be a do-it-yourselfer.
- e. Are less likely to make impulse purchases.

Table 6-11

Relative Size of Each Market Segment in Bend

Inactive Shoppers	9.0%	Price Shoppers	17.5%
Active Shoppers	22.3%	Coupon Saver Shoppers	8.4%
Traditional Shoppers	16.1%	Innovator Shoppers	11.4%
Dedicated Fringe Shoppers	5.4%	Sociable Shoppers	7.8%

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Actives have the third largest concentration in Bend than in any market.
- b. Only two other markets have a larger percentage of Price Shoppers than Bend.
- c. Service, Dedicated Fringe and Convenience Shoppers are absent from Bend.
- d. Although Service Shoppers are missing, the Innovator and Sociable Shoppers may pick up the upscale slack.

4. Possible Marketing Strategy Implications--

- a. Bend has a heavy price conscious audience. 39.8% of Bend's shoppers are either Active or Price Shoppers. This is a large enough segment to base a price-only strategy.
- b. Upscale marketing strategy in Bend may be best brought about by adopting an innovative image. This is because the market has no Service Shoppers, but sizable Innovator and Sociable factions.

Shopper Types in Moorehead

1. Market Characteristics--

- a. Population: 48,700
- b. Effective Median Buying Income: 15,304
- c. Median Age: 24.5 years old
- d. Five Year Retail Sales Growth Projection: 69.5%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more likely to shop at discount stores.
- b. Are more likely to have a workshop.
- c. Are more likely to repair and personalize their own cars.

Table 6-12

Relative Size of Each Market Segment in Moorehead

Inactive Shoppers	18.9%	Price Shoppers	13.1%
Active Shoppers	15.4%	Transitional Shoppers	5.7%
Service Shoppers	16.6%	Convenience Shoppers	9.7%
Traditional Shoppers	20.6%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Except for the lack of Dedicated Fringe Shoppers, Moorehead appears to have a very typical segmentation solution: Inactives, Actives, Service, Traditional, Price, Transitional, and Convenience Shoppers.
- b. Each of the segments listed above are about a third larger than average, except for Transitional Shoppers, who represent only 5.7% of the market.

4. Possible Marketing Strategy Implications--

- a. Shoppers in this market are more likely to repair and personalize their cars than average. However, the Transitional segment was relatively small. Consequently, marketers should look for other segments for car accessory sales.
- b. Moorehead's younger overall median age did not appear to affect the segment composition. Perhaps this suggests that when the shoppers age during the next decade the segment composition will remain relatively stable.

Shopper Types in Fairmont

1. Market Characteristics--

- a. Population: 25,700
- b. Effective Median Buying Income: 12,314
- c. Median Age: 33.9 years old
- d. Five Year Retail Sales Growth Projection: 52.9%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more likely to shop at discount stores.
- b. Use coupons more often.
- c. Are more impatient waiting in checkout lines.
- d. Are more likely to use power tools and have a workshop.
- e. Are less likely to make impulse purchases.

Table 6-13

Relative Size of Each Market Segment in Fairmont

Inactive Shoppers	19.4%	Dedicated Fringe Shoppers	6.8%
Active Shoppers	23.6%	Price Shoppers	6.3%
Service Shoppers	11.5%	Convenience Shoppers	7.3%
Traditional Shoppers	18.3%	Innovator Shoppers	6.8%

3. Differences in Market Segment Composition Compared to Other Markets--

- a. The second largest percentage of Actives are in Fairmont.
- b. Other than the large number of Actives and the lack of Transitional Shoppers, Fairmont appears to have a relatively typical segment composition.

4. Possible Marketing Strategy Implications--

- a. Actives are such a large factor in the Fairmont market that a retailer may not need to look any further than them in developing strategy.

- b. Fairmont has an older population than average. This older population should be taken into consideration when reaching Inactives and Traditionals.
- c. Fairmont has more Actives than the other Minnesota markets studied (Moorehead and Hutchinson), which should be taken into account when developing trade between these markets.

Shopper Types in Valley City

1. Market Characteristics---

- a. Population: 13,300
- b. Effective Median Buying Income: 13,570
- c. Median Age: 31.3 years old
- d. Five Year Retail Sales Growth Projection: 55.5%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets---

- a. Are more price conscious.
- b. Use more coupons.
- c. Are more likely to shop at discount stores.
- d. Are more interested in having checkout clerks "ok" checks.
- e. Are less interested in engaging in outdoor activities.
- f. Are more likely to have a workshop and use power tools.
- g. Are more likely to make impulse purchases.

Table 6-14

Relative Size of Each Market Segment in Valley City

Inactive Shoppers	17.6%	Transitional Shoppers	13.7%
Active Shoppers	6.6%	Convenience Shoppers	7.1%
Traditional Shoppers	6.0%	Coupon Saver Shoppers	9.9%
Dedicated Fringe Shoppers	9.9%	Innovator Shoppers	7.1%
Price Shoppers	22.0%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Valley City has a number of small market segments. Those with less than 10% of the market are: Actives, Traditionals, Dedicated Fringe, Convenience, Coupon Savers, and Innovators.
- b. Although the population of Valley City is relatively old, Valley City has the fourth largest concentration of Transitional Shoppers of any market.
- c. Valley City has the largest percentage of Price Shoppers of any market.

4. Possible Marketing Strategy Implications--

- a. Since the Active segment is so small, the large Price Shopper segment can be directly attracted on a price-only basis.
- b. Price seems to take on even added significance since the other market segments are individually so small.
- c. The Transitional segment may offer only short-term marketing value if these shoppers move to other areas when they get older.

Shopper Types in Lawton

1. Market Characteristics--

- a. Population: 100,700
- b. Effective Median Buying Income: 11,110
- c. Median Age: 30.8 years old
- d. Five Year Retail Sales Growth Projection: 49.2%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more likely to use coupons.
- b. Are more likely to find newspaper advertising useful.
- c. Are less interested in convenience of location.
- d. Are less impatient waiting in checkout lines.
- e. Are more interested in store signing.
- f. Are more likely to work in the yard or garden.
- g. Are more likely to socialize or entertain outdoors.
- h. Are more interested in personalizing their own cars.
- i. Are more likely to make impulse purchases.

Table 6-15

Relative Size of Each Market Segment in Lawton

Inactive Shoppers	9.7%	Price Shoppers	19.9%
Active Shoppers	9.7%	Transitional Shoppers	17.5%
Service Shoppers	5.8%	Convenience Shoppers	5.8%
Traditional Shoppers	16.0%	Coupon Saver Shoppers	6.8%
Dedicated Fringe Shoppers	8.7%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Lawton has consumers representing each of the nine most common types of shoppers.
- b. Price, Transitional, and Traditional Shoppers are much larger than the other shopper types. These three types of shoppers represent 52.9% of the shoppers.
- c. The other types of shoppers are relatively small segments, each having less than 10% of Lawton shoppers.

4. Possible Marketing Strategy Implications--

- a. There seem to be two different alternatives for developing mass market strategies. One alternative is emphasize price as an attempt to attract Price Shoppers and "pull in" the smaller Active and Coupon Saver segments as well. The other alternative would be to center effort on the Traditional and Transitional Shoppers, attempting to attract Dedicated Fringe Shoppers at the same time.
- b. The large number of small segments seem to complicate marketing efforts in Lawton. Creative strategy may need to be developed to treat four of the small segments, Actives, Catalog, Coupon Savers, and Service, as being in the same target market.

Shopper Types in Spokane

1. Market Characteristics--

- a. Population: 303,400
- b. Effective Median Buying Income: 13,994
- c. Median Age: 29.3 years old
- d. Five Year Retail Sales Growth Projection: 43.7%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are less likely to shop at discount stores.
- b. Are less likely to use coupons.
- c. Are less likely to buy private brands.
- d. Are more likely to barbecue or eat outdoors.
- e. Are more likely to go hiking, camping, hunting, or fishing.
- f. Are more likely to have a workshop and be a do-it-yourselfer.
- g. Are less likely to make impulse purchases.

Table 6-16

Relative Size of Each Market Segment in Spokane

Inactive Shoppers	9.9%	Dedicated Fringe Shoppers	16.9%
Active Shoppers	12.8%	Price Shoppers	9.3%
Service Shoppers	29.7%	Transitional Shoppers	8.1%
Traditional Shoppers	9.9%	Sociable Shoppers	3.0%

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Spokane has the largest number and percentage of Service Shoppers of any market (29.7%, representing 14.25% of all Service Shoppers).
- b. 16.9% of Spokane shoppers belong to the Dedicated Fringe type.
- c. The other six types of shoppers share only 53.4% of Spokane shoppers.

4. Possible Marketing Strategy Implications--

- a. The "mainstream" strategy would seem to be to offer benefits desired by Service Shoppers.
- b. A secondary strategy thrust might be to target the large Dedicated Fringe group in a way which would also be attractive to Actives, Traditionals, and Transitionals.

Shoppers Types in Clinton

1. Market Characteristics--

- a. Population: 49,500
- b. Effective Median Buying Income: 12,657
- c. Median Age: 30.0 years old
- d. Five Year Retail Sales Growth Projection: 74.2%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more interested in television and radio advertising.
- b. Are less interested in private brands.
- c. Are more interested in having checkout clerks "ok" checks.
- d. Are more likely to barbecue or eat outdoors.
- e. Are less likely to go hiking or camping.
- f. Are less likely to have a workshop or be a do-it-yourselfer.
- g. Are more likely to try new products.
- h. Are more likely to make impulse purchases.

Table 6-17

Relative Size of Each Market Segment in Clinton

Inactive Shoppers	7.3%	Transitional Shoppers	7.3%
Service Shoppers	14.1%	Convenience Shoppers	5.8%
Traditional Shoppers	20.4%	Coupon Saver Shoppers	14.1%
Dedicated Fringe Shoppers	9.9%	Innovator Shoppers	12.0%
Price Shoppers	8.9%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Clinton has the largest concentration of Coupon Savers of any market.
- b. Clinton has the third largest concentration of Traditional Shoppers of any market.
- c. 14.1% of all Clinton shoppers are Service Shoppers.
- d. The remaining six types of shoppers constitute only 51.4% of the Clinton market.

4. Possible Marketing Strategy Implications--

- a. Although Coupon Savers are an extremely large faction in the Clinton market, their relatively inactive life styles make them difficult to combine with other types of shoppers. They potentially could be combined with Price Shoppers, but the Price Shopper is a relatively small portion of the Clinton market. Consequently, regardless of the large size of Coupon Savers, it would be difficult to develop strategy based only on this group.
- b. The Traditional/Dedicated Fringe/Transitional customer base appears to be the most appealing. These 37.3% of the Clinton shoppers can be reached on the basis of their do-it-yourselfer activities.

Shopper Types in Missoula

1. Market Characteristics--

- a. Population: 67,500
- b. Effective Median Buying Income: 13,944
- c. Median Age: 25.7 years old
- d. Five Year Retail Sales Growth Projection: 57.7%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are more likely to use coupons.
- b. Are less interested in television advertising.
- c. Are more interested in private brands.
- d. Are more interested in convenient stores.
- e. Are less likely to use store signing.
- f. Are more likely to engage in outdoor activities of all types.
- g. Are more likely to have a workshop and be a do-it-yourselfer.
- h. Are less likely to make impulse purchases.
- i. Are more likely to try new products.

Table 6-18

Relative Size of Each Market Segment in Missoula

Inactive Shoppers	28.0%	Transitional Shoppers	5.7%
Service Shoppers	15.8%	Coupon Saver Shoppers	7.6%
Traditional Shoppers	17.1%	Sociable Shoppers	8.9%
Dedicated Fringe Shoppers	17.1%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Missoula has the second largest concentration of Inactive Shoppers of any market.
- b. Three other shopper types have a larger representation in Missoula than average: Service Shoppers (15.8%), Traditional Shoppers (17.1%), and Dedicated Fringe Shoppers (17.1%).
- c. There are no Price or Active Shoppers in Missoula.

4. Possible Marketing Strategy Implications--

- a. Missoula's young average age did not seem to follow the types of market segments. The largest groups, Inactives, Service, Traditional, and Dedicated Fringe, seem to be on average older types of shoppers. Consequently, Missoula's segment composition may not change much when the young population gets older.
- b. Missoula has no Price or Active Shoppers, but an overrepresentation of Inactives (28%). Consequently, marketers may have to look for other shopper type coalitions to develop in Missoula. The Service/Traditional Shopper combination may be the most promising.

Shopper Types in Delaware

1. Market Characteristics--

- a. Population: 52,100
- b. Effective Median Buying Income: 14,259
- c. Median Age: 27.4 years old
- d. Five Year Retail Sales Growth Projection: 61.7%

2. Overall Differences in Buying Strategies and Activity Patterns Compared To Other Markets--

- a. Are less likely to use coupons.
- b. Are more likely to pay attention to ads for sales.
- c. Are less likely to buy private brands.
- d. Are less interested in having checkout clerks "ok" checks.
- e. Are less interested in friendly employees.
- f. Are less interested in store signing.
- g. Are less likely to garden or work in their yard.
- h. Are more likely to personalize their own cars.
- i. Are less likely to try new products when they first come out.

Table 6-19

Relative Size of Each Market Segment in Delaware

Active Shoppers	17.2%	Convenience Shoppers	18.5%
Service Shoppers	7.6%	Sociable Shoppers	7.0%
Traditional Shoppers	17.8%	Type A Shoppers	8.2%
Dedicated Fringe Shoppers	5.1%	Outdoorsman Shoppers	10.8%
Price Shoppers	7.6%		

3. Differences in Market Segment Composition Compared to Other Markets--

- a. Delaware has several shopper types which rarely surface in markets: Sociables, Type A's, and Outdoorsmen.
- b. Delaware has more Convenience Shoppers than does any other market (18.5 percent of Delaware shoppers).
- c. Both Actives and Traditionals are relatively large market segments, having 17.2% and 17.8% of Delaware shoppers, respectively.

4. Possible Marketing Strategy Implications--

- a. Two different groups of shopper types appear to represent viable market options: those strongly interested in outdoors activities and shoppers who seek convenience of location. Out-

doors-oriented shoppers are found in Traditionals, Actives, and Outdoorsmen. The Convenience is such a substantial group that it by itself can support considerable marketing effort.

- b. Delaware has less price emphasis in segment composition than anticipated from individual statement responses. This may mean that the average shopper in Delaware is relatively price sensitive, so when attracting any market segment price has to be a consideration.

Chapter Seven

SUMMARY AND CONCLUSIONS

The findings reported in the previous two chapters appear to support the contention that a similar set of shopper types can be found across markets:

1. The types of shoppers in the different markets are found to be as similar to each other as are the shopper types in the split-half solutions within the same markets. The distance measure used to compare markets consistently scores about "eight," whether different markets or the split-halves are compared. To put this score into perspective, the distance scale used in the research ranges from 0 to about 58.31, and the average distance between individuals loading on positive versus negative factors is 16.5.
2. An attempt to classify markets fails to produce significantly different groups of markets.
3. Seven types of shoppers are consistently found in the markets. Since the average solution has only about eight different types, the markets display a great deal of consistency in composition.

The strategic and theoretical significance of making such a generalization can not be overstated. The generalization suggests that corporate profitability may be advanced by those firms which can develop programmed, carefully targeted marketing strategies that appeal

to "basic" consumer segments which exist in every market. A "success formula" that a firm develops in one market might be applied with confidence in other regions which have similar competitive configurations. Alternatively, if different markets have similar demand structures, then corporate opportunities may be predicted by examining variations in marketplace supply factors, such as the square footage coverage given to different types of retailers.

The findings also contribute to the development of market segmentation theory. As discussed earlier, there is no problem area more consistently mentioned in market segmentation literature reviews, nor seemingly more neglected by researchers, than the evaluation of the generalizability of market segment solutions. Very few generalizations have been provided to the marketing discipline from the numerous segmentation studies which have been conducted because of their proprietary nature. Hopefully, this dissertation will encourage marketing analysts to share findings of proprietary research toward the common ends of "what it all means." Figure 7-1, a summary of the dissertation's research procedures and findings, is included for other investigators to compare when conducting their research. The following sections of this chapter describe limitations of the dissertation and offer suggestions for future research.

Research Limitations

The following limitations need to be considered when making generalizations from this research:

Figure 7-1

Summary of Dissertation Research Procedures and Findings

Markets Compared

Bend, Oregon	Claremore, Oklahoma	Chickasha, Oklahoma
Clinton, South Carolina	Delaware, Ohio	Fairmont, Minnesota
Hutchinson, Minnesota	Jacksonville, Florida	Lawton, Oklahoma
Louisville, Kentucky	Missoula, Montana	Monroe, Georgia
Moorehead, Minnesota	Oklahoma City, Oklahoma	Spokane, Washington
Valley City, North Dakota	Wichita, Kansas	

Derivation of Market Solutions

Common Q factor analysis is used to classify respondents into different shopper groups which exist in each market. Six factors are extracted from each varimax-rotated factor analysis solution. For each factor, individuals who have loadings of greater than +.33 are classified into one group and those who have loadings of less than -.33 are classified into another group. Approximately twenty percent of the sample is classified into more than one group with these procedures. The mean scores of the thirty-four segmentation statements are calculated for members of each group. Using these procedures, Chapter Six reports that seventeen different types of shoppers are found in the solutions; seven in most markets, three in about half, and seven appearing infrequently.

Comparison of Market Solutions

An Euclidean distance measure is calculated between mean scores for each of the twelve types of individuals in a market and the mean scores for each of the twelve types in another market. This produces a 12 x 12 matrix of distance scores (for the twelve types of individuals from one market compared with twelve types from another market). The smallest distance score is found for each of the twelve types of shoppers in the first market and each of the twelve types in the other market. An average distance index is calculated as the average of the twelve smallest distance scores. The average indexes comparing markets are in Table 5-3. All of the scores are about "eight," with a two point range between the smallest and largest distances.

Classification of Market Solutions

The matrix of distance scores in Table 5-3 are input into an MDS routine to develop a set of scores for each market based on the same dimensions. The MDS scores of each market are cluster-analyzed to generate groups of markets. Figure 5-1 reports the two through six cluster solutions based on the three and four dimensional MDS input. Two relatively stable clusters appear across solutions. One appears to represent the largest cities in the study and the other seems to be composed primarily of North Dakota and Minnesota towns. However, an analysis of the distance scores of markets within clusters versus markets across clusters fails to show significant differences in the market groups.

Analysis and Statistical Techniques Involved Highly Subjective Decisions

At each stage of analysis the research involves numerous subjective decisions. The following decisions are based on other considerations than widely accepted criteria for this type of research:

1. Number of Factors and Shopper Types. As discussed earlier, it seems desirable to have as many types of shoppers in each market as will allow large enough market segments to be of concern to managers. It is easier to recombine segments, if necessary, than to decompose segments in solutions with too few types of shoppers. Furthermore, the more types of shoppers, and therefore, the greater amount of information about a market, the more accurately one market can be compared with another. However, there is no basis in the literature for the research decision to choose six factors, representing twelve shopper types.
2. Loading Cut-off Levels. Loading cut-off levels are set at $\pm .33$ because other research has used this value. However, the .33 level is very low and its use may have classified individuals into groups in which they only marginally belonged.
3. Description and Naming of Shopper Types. Descriptions of shopper types are based on the scores of thirty-four shopping strategy and activity pattern statements. This produces an incomplete picture; demographics, store preferences, and other variables would have added a great deal to the customer profiles. This incomplete profile makes it especially difficult to name shopper types. Without additional information it is difficult to get a feel of "who the customers are," and whether segments of customers are really similar or merely display the same responses to a couple of segmentation statements.
4. Regrouping Shopper Types. The shopper types found in each market are compared to determine if some are so similar that they should be regrouped together. The regrouped shopper types are used to develop an overview descriptive characterization of

each market. The comparison and classification findings presented in Chapter Five are based on the original twelve shopper types found in each market, not the regrouped shoppers. Furthermore, shopper types are combined only if they: (1) matched the criteria established earlier for a given segment name; and, (2) showed similar distance scores to shopper types in other solutions. Regardless, the decision to regroup shopper types was highly subjective.

5. Significance of Distance Score Value. There are no previously established standards for determining the similarity of shopper types with the distance measure used in this research. Fortunately, the conclusions of this dissertation can be supported in other ways, such as by observing the similarity of the market characterizations presented in Chapter Six, or by comparing distance scores of markets in the same versus different clusters, as done in Figure 5-2.

As these decisions suggest, the current practices involved in developing market segment solutions entail highly subjective considerations. The lack of criteria for developing market segmentation solutions is one reason why comparative dissertations of this type should be conducted.

Lack of Established Foundations for the Development of Segmentation Inventories

The segmentation statements in this study are similar to those currently used by other proprietary researchers. Furthermore, the segmentation statements appear to produce relatively reliable scores and solutions in this research. (See the Alpha and Split-half Reliability section in Chapter Five.) Therefore, the dissertation seems to measure some consistent concept, and it is a concept which appears to

be similar to what others measure. However, since no standards have been developed for determining what makes a valid inventory of segmentation statements, this consistent, similar concept may not be the correct consistent, similar concept for marketing studies of this type.

Sacrifice of External Validity for Internal Validity

The data collected in the seventeen markets is the research of one analyst, at one point in time, based on the same questions and research design. These characteristics tend to keep internal validity errors to a minimum. However, the research has several external validity threats: (1) the studies are over three years old and it is highly possible that shopper types have undergone significant changes during this period; (2) Northeastern large cities are underrepresented; (3) the studies are conducted by only one researcher and studies conducted by other researchers need to be compared with them; and, (4) the dramatic migrational trends which have taken place over the decade may introduce confounding sources of variance (e.g., members may not have been able to assimilate into the shopper type patterns of a particular region because they moved there only recently).

Inappropriateness of Procedures and Statistical Techniques

A great deal of effort was taken to choose the best possible procedures and statistical techniques for comparing and classifying types of shoppers across markets. However, the procedures and techniques have some important limitations, discussed below:

1. Comparison With Other Studies. In retrospection, the statements used in this research are similar to those used by other investigators. However, ideally it would have been useful to choose specific "marker" statements from other studies to facilitate more direct comparison of segmentation solutions.
2. Classification of Individuals With Factor Analysis. Q factor analysis has severe limitations when used to classify individuals. First, very little confidence should be given to the number of individuals classified as representing each shopper type. The number of individuals classified as a shopper type depends on such judgment decisions as the factor loading cut-off level used and whether or not individuals should be classified into more than one group. Furthermore, when positively and negatively loaded individuals are classified into separate clusters, the resulting groups do not represent totally independent types of individuals. The average profile of individuals loading positively on one factor are often found to be similar to the average profiles of individuals loading negatively on other factors.
3. Comparison of Market Solutions. The distance measure comparison and classification procedures are felt to be acceptable for this research. However, they are chosen because they represent the only acceptable alternative available, not because they prove to be the "best" of several plausible options. It is disturbing that a set of "homemade" procedures need to be designed to compare multiple matrices of data.

Suggestions for Future Research

The following suggestions for future research will help in evaluating the significance of findings from this and other market segmentation studies:

Validity of Market Segmentation Studies

1. Post hoc techniques are used in this dissertation, as well as in thousands of proprietary market segmentation studies. Much of the appeal of post hoc techniques to proprietary analysts is that the user is not required to understand his market for the technique to develop a solution. However, post hoc techniques have only exploratory value unless they are used to attempt to recover something previously believed about the market. Theories about a market should be developed a priori to the use of the post hoc technique and then tested by applying the technique.

Confirmatory factor analysis is a technique which has been developed to test theories involved in the post hoc technique factor analysis. However, the widespread use of confirmatory analysis in proprietary market segmentation studies is probably many years off. There is a need for researchers to develop segmentation profiling procedures which integrate simple a priori techniques, such as cross-tabs, with post hoc techniques, so that one procedure can develop hypotheses to be confirmed by the other within the same model.

Green and Carmone's segmentation congruence analysis (1977) appears to be a promising step in this direction. They develop several different post hoc solutions of groups of individuals, each based on a different a priori-selected type of segmentation variable. For example, they may develop cluster analysis solutions of individuals, one based on an a priori choice of demographics, a second on life style characteristics, and a third on store benefits desired. Green and

Carmone test the groups of individuals developed with each cluster analysis solution to determine if the solutions, based on different types of variables, develop the same clusters of individuals. Suppose, instead, that Green and Carmone's procedure is used to develop different solutions of groups of individuals, each solution based on different conceptual domains having known relationships to each other. For example, social economic status may relate in a known manner to store loyalty of general merchandise stores in a particular market. Groups of social economic status and store loyalty individuals can be obtained with a post hoc technique. The groups of individuals developed from the two related conceptual domains can be used to "validate" each other, by determining the degree to which the solutions vary from each other, with the application of a factor matrix comparison technique.

2. "Theory" of market segmentation has primarily been relegated to the issue of what constitutes a "good" market segment. Attention should be given to determining how and why market segments are formed. The field of sociology should be a valuable starting place for developing hypotheses which examine how market segments form.

3. Calantone and Sawyer (1978) and Burns and Harrison (1979) analyzed market segment changes which occurred over time. However, their primary concern was to determine whether or not changes took place, not why the solutions were different.

Recently, the American economy seems to be undergoing significant economic and social changes. The possible changes in the

economy might be used as hypotheses to test changes in market segmentation solutions over the past few years.

4. The dissertation research found a set of types of shoppers which exist in most markets. The appropriate marketing strategies should be determined for each type of shopper. Furthermore, the degree to which additional market segments are "pulled in" with the application of strategies designed for specific shopper types should be explored.

Conceptual Domain of Market Segmentation Studies

1. The selection of segmentation statements is usually a process of finding statements used in other studies and making home-made questions which the investigator suspects relates to the products being analyzed. The statements used by leading market segmentation research institutions need to be analyzed together in the same research design to determine the appropriateness of various types of statements for measuring different concepts.

2. One out of five households move each year (Moore, 1972). When, if at all, do people who move into a community assimilate into the shopper type structure existing in a market? Are movers more like the individuals in the areas in which they move or more similar to the shoppers in their originating communities? The effects of migrational trends on the dissertation research should be explored.

3. Tigert (1980) has recently popularized the concept of "market place structural factors." It would be useful to compare the

roles of market place structural characteristics and consumer characteristics in explaining differences in market segmentation solutions.

Appropriateness of Statistical Model Features

1. There are several schools of thought concerning which techniques are appropriate for typing individuals. After fifty years of debate, the alternative schools of thought have undergone little resolution. Research is needed to evaluate the similarity of individuals classified by different taxonomy techniques.

2. One reason why it is difficult to generalize about the sizes of market segments generated by factor analysis is because the number of individuals classified into each group is partially a function of the factor loading cut-off level chosen. Therefore, research should be conducted to compare factor analysis solutions having different cut-off loadings to determine the influence and appropriateness of loading cut-off levels on solution composition.

APPENDIX I

Types of Shoppers Which Exist in Each Market

Procedures Used to Identify Types of Shoppers

Market segments were profiled by comparing the mean scores of each type of shopper on the inventory of segmentation statements with the average responses of the markets overall. Descriptions of the types of shoppers found in each of the seventeen cities are listed on the following pages.

The following procedures were used to develop market segment names:

1. Market segment profiles were initially examined to establish tentative shopper names. A number of segment profiles reappeared in several different solutions, suggesting that these shoppers should be given the same names. Criteria, appearing in Figure 6-2, were developed that reflected the characteristics of these shoppers. Segments which were given the same names were verified for similarity by reviewing distance scores between the shopper types.

2. Market segment profiles were analyzed a second time to "clean up" the names given to shopper types. Shopper types within each market were compared to determine if any of the segments should be combined. They were combined if: (1) they matched the criteria established earlier for the segment name; and, (2) segments which were compared showed similar distances to shopper types in other solutions. Some market segments were renamed because they matched the criteria established for other shopper types. At the conclusion of this analysis criteria were established for all types of shoppers, regardless of how commonly segments were found across the seventeen markets.

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Oklahoma City

Sociable

- Are less price-conscious than average
- Above average interest in in-store service
- Engage in outdoor activities
- Are do-it-yourselfers

Price

- Are more price sensitive than average
- Below average interest in in-store service
- Do not engage in outdoor activities
- Are not do-it-yourselfers

Inactive

- Are very price insensitive
- Below average interest in radio or newspaper advertising
- Demand in-store service
- Less likely than average to engage in outdoor activities
- Try new products

Active

- Are more price sensitive than average
- Above average interest in radio or newspaper advertising
- Are less interested in in-store service than average
- Above average interest in outdoor activities

Convenience

- Do not shop around for the best price
- Do not use coupons or pay attention to ads for sales
- Are very concerned about shopping convenience
- Above average interest in in-store service, especially in friendly employees
- Above average desire for in-store signing
- Less likely than average to engage in outdoor activities
- Are not do-it-yourselfers
- Do not try new products
- Impulse buyers

Transitional

- Shop around for the best price
- Friendly employees are of below average importance
- Personalize and work on their cars
- More likely than average to try new products
- Less likely than average to be impulse buyers

Dedicated Fringe

- Are very interested in newspaper advertising
- Are heavy catalog purchasers
- Below average interest in shopping convenience
- Above average interest in in-store service
- Engage in outdoor activities
- Are do-it-yourselfers
- Are impulse buyers

Inactive

- Below average interest in newspaper advertising
- Above average interest in private brands
- Below average interest in shopping convenience
- Are less likely than average to engage in outdoor activities
- Are less likely than average to be do-it-yourselfers

Information Seeker

- Heavily rely on television and radio advertising
- Do not make catalog purchases
- Below average interest in in-store service
- Entertain outdoors
- Are not do-it-yourselfers
- Are impulse buyers

Transitional

- Are more price sensitive than average
- Below average interest in television and radio advertising
- Strong interest in private brands
- Do not entertain outdoors
- Are do-it-yourselfers
- Personalize and work on their cars

Price

- Are more price sensitive than average
- Rely on all advertising
- Are catalog buyers
- Above average interest in private brands
- Below average need for shopping convenience
- Impatient waiting for service in store
- Do not entertain outdoors
- Do not engage in outdoor sports
- Do not personalize or work on their cars
- Are not do-it-yourselfers
- Do not try new products
- Are impulse buyers

Traditional

- Below average interest in in-store service
- Actively engage in outdoor activities
- Are do-it-yourselfers
- Try new products

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Lead

<u>Inactive</u> - Are price sensitive - Are more likely than average to use private brands - Are not at all concerned with in-store service - Are less likely than average to go hiking, camping, hunting, or fishing - Are less likely than average to be do-it-yourselfers	<u>Active</u> - Are more price sensitive than average - Are catalog shoppers - Go hiking, camping, hunting, or fishing - Actively personalize and repair their cars - Are do-it-yourselfers - Are less likely than average to make impulse purchases
<u>Price</u> - Are more price sensitive than average - Are more interested in newspaper advertising than average, but are not interested in other forms of promotion - Are less impatient with in-store service than average - Do not hunt or fish - Are more likely than average to work in the yard or garden - Are not do-it-yourselfers - Are less likely than average to try new products - Are less likely than average to make impulse purchases	<u>Traditional</u> - Are price insensitive - Are more likely than average to go hiking, camping, hunting, or fishing - Are more likely than average to personalize and repair their cars
<u>Traditional</u> - Are extremely price sensitive - Are less interested in advertising than average - Do not make catalog purchases - Are not interested in private brands - Are more concerned with in-store service than average - Are more likely to engage in outdoor activities than average - Are more likely to be do-it-yourselfers than average	<u>Price</u> - Are price sensitive - Are more interested in media advertising than average - Are more interested in private brands than average - Are less impatient with in-store service than average - Do not engage in outdoor activities - Are not do-it-yourselfers - Are more likely than average to try new products
<u>Innovator</u> - Are less price sensitive than average - Are not catalog shoppers - Are more likely than average to entertain outdoors - Are not do-it-yourselfers - Try new products - Are more likely than average to make impulse purchases	<u>Active</u> - Are more price sensitive than average - Are catalog shoppers - Employee service is less important than average - Are more likely than average to go hiking, camping, hunting, or fishing - Are strong do-it-yourselfers
<u>Dedicated Fringe</u> - Are more likely than average to use coupons - Are heavy catalog purchasers - Are very concerned about in-store service - Are more interested than average in store signing - Works in yard or garden - Are not engaged in outdoor activities - Are less likely than average to try new products - Are less likely than average to make impulse purchases	<u>Sociable</u> - Are less impatient than average with in-store service - Are more likely than average to be engaged in outdoor activities - Are less likely than average to be do-it-yourselfers - Are more likely than average to make impulse purchases
<u>Coupon Saver</u> - Are more likely than average to use coupons - Are very interested in newspaper advertising - Are less concerned than average about in-store service - Do not engage in outdoor activities - Are more likely than average to try new products	<u>Active</u> - Are more price sensitive than average - Are more likely than average to use the catalog - Are less concerned with in-store service than average - Entertain outdoors - Are more likely than average to be a do-it-yourselfer - Are more likely than average to make impulse purchases

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Monroe

Coupon Saver

- Are more price sensitive than average
- Are coupon users
- Are more interested in private brands than average
- Do not engage in outdoor activities
- Are less likely than average to be do-it-yourselfers
- Do not try new products

Traditional

- Are less price sensitive than average
- Are less interested in advertising than average
- Are less interested than average in private brands
- Heavily engage in outdoor activities
- Are do-it-yourselfers

Active

- Are very price sensitive
- Are interested in all forms of advertising
- Are more interested than average in store signing
- Are more likely than average to be do-it-yourselfers
- Do not make impulse purchases

Inactive

- Are not price conscious
- Are not interested in advertising
- Are more likely than average to make catalog purchases
- Do not engage in outdoor activities
- Are not do-it-yourselfers
- Do not try new products
- Are more likely than average to make impulse purchases

Inactive

- Are less price sensitive than average
- Are not interested in radio advertising
- Do not make catalog purchases
- Want employee service
- Are not do-it-yourselfers
- Are more likely than average to make impulse purchases

Transitional

- Are more likely than average to make catalog purchases
- Are not at all concerned with employee service
- Likes to repair cars
- Are less likely than average to make impulse purchases

Traditional

- Are less price sensitive than average
- Are not interested in newspaper advertising
- Are more interested in shopping conveniences than average
- Are more likely than average to work in the yard or garden
- Go hiking, camping, hunting, or fishing
- Like to repair their cars
- Are more likely than average to be do-it-yourselfers
- Do not try new products
- Are less likely than average to make impulse purchases

Service

- Are more concerned about in-store service than average
- Are more likely than average to use coupons
- Want to "shop around"
- Are more likely than average to entertain outdoors
- Are not do-it-yourselfers
- Heavily purchase new products

Traditional

- Is less interested in media advertising than average
- Are more likely than average to work in the yard or garden
- Are more likely than average to go hiking, camping, hunting, or fishing
- Are do-it-yourselfers
- Are not impulse purchasers

Transitional

- Are more interested in media advertising than average
- Are less impatient with in-store service than average
- Do not work in the yard or garden
- Like to personalize and work on their cars
- Are not do-it-yourselfers
- Make impulse purchases

Active

- Are more price sensitive than average
- Are less likely than average to buy private brands
- Likely to go hiking, camping, hunting, or fishing
- Are do-it-yourselfers

Innovator

- Are more interested in media advertising than average
- Are more interested in private brands than average
- Are more impatient with in-store service than average
- Are more likely than average to entertain outdoors
- Are less likely than average to go hiking, camping, hunting, or fishing
- Try new products

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Jacksonville

<u>Price</u>	<u>Inactive</u>
- Are very price sensitive - Rely on all advertising - Above average interest in private brands - Below average interest in shopping convenience - Below average concern for in-store service - Have above average interest in in-store signing - Entertain outdoors - Not a do-it-yourselfer - Try new products	- Are very price insensitive - Below average interest in advertising - Above average concern for in-store service - Have below average interest in in-store signing - More likely than average to be a do-it-yourselfer
<u>Service</u>	<u>Active</u>
- Are very price sensitive - Above average interest in TV advertising but below average concern for other forms of promotion - Above average interest in shopping convenience - Above average concern for in-store service - Do not entertain outdoors - Are <u>not</u> do-it-yourselfers	- Are more price sensitive than average - Shop from a catalog more than average - Below average concern for in-store service - Entertain outdoors - Are do-it-yourselfers - Are less likely than average to make impulse purchases
<u>Catalog Shoppers</u>	<u>Active</u>
- Are less price sensitive than average - Below average interest in advertising - Are catalog shoppers - Have above average interest in private brands - Above average interest in store signing - Are strong do-it-yourselfers - Repair cars but interested in personalizing them - do not try new products	- Shop several stores for the best price - Above average interest in all advertising - More likely than average to entertain outdoors - Is not a do-it-yourselfer - Try new products
<u>Inactive</u>	<u>Innovator</u>
- Above average interest in private brands - Not at all concerned with shopping convenience - Do not entertain outdoors - Are less likely than average to be do-it-yourselfers - Do not try new products - Are less likely than average to be impulse purchasers	- Not interested in private brands - Interested in shopping convenience - Have above average concern for in-store service - Often entertains outdoors - Heavy buyer of new products - Are more likely than average to make impulse purchases
<u>Traditional</u>	<u>Price</u>
- Are less price sensitive than average - Do not rely on advertising - Engage in outdoor activities - More likely than average to be do-it-yourselfers	- Are more price sensitive than average - Above average interest in private brands - Have below average concern for in-store service - Are less likely than average to engage in outdoor activities - Are not do-it-yourselfers
<u>Innovator</u>	<u>Transitional</u>
- Above average interest in shopping convenience - Works in yard or garden - Do-it-yourselfer - Try new products - Impulse shoppers	- Above average interest in outdoor activities - Repair and personalize their cars

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Claremore

Inactive

- Are more likely than average to shop at discount stores
- Are more interested than average in media advertising
- Are more likely than average to buy private brands
- Do not engage in outdoor activities
- Are not do-it-yourselfers
- Are more likely than average to try new products

Dedicated Fringe

- Are more likely than average to make purchases from the catalog
- Are more likely to work in the yard or garden than average
- Are do-it-yourselfers

Price

- Are more price sensitive than average
- Are more likely than average to buy national brands
- Do not engage in outdoor activities
- Are less likely than average to try new products
- Do not make impulse purchases

Sociable

- Are less concerned about in-store service than average
- Are more likely than average to entertain outdoors
- Are less likely than average to be do-it-yourselfers
- Are more likely than average to try new products

Service

- Are very price insensitive
- Are not interested in advertising
- Are not concerned with shopping convenience
- Are very impatient with in-store service
- Are less likely than average to try new products
- Are more likely than average to make impulse purchases

Dedicated Fringe

- Are more price sensitive than average
- Are interested in radio and newspaper advertising
- Make catalog purchases
- Buy private brands
- Are not at all impatient with in-store service
- Are more likely than average to be do-it-yourselfers

Service

- Do not buy private brands
- Are not concerned with shopping convenience
- Are more likely than average to work in their yard or garden
- Do not personalize or work on their cars
- Are more likely than average to try new products
- Are more interested in quick in-store service than average

Active

- TV and radio advertising are very helpful
- Are more likely than average to buy private brands
- Are more concerned about shopping convenience than average
- Go hiking, camping, hunting, or fishing
- Are strongly involved with personalizing and repairing their cars
- Are do-it-yourselfers
- Are more likely than average to make impulse purchases than average

Catalog Innovator

- Are more likely to make catalog purchases than average
- Are more interested in private brands than average
- Are more interested than average in store signing
- Work in yard or garden
- Go hunting or fishing
- Do not personalize or work on their cars
- Try new products
- Make impulse purchases

Active

- Are more price sensitive than average
- Are less concerned than average with shopping convenience
- Are do-it-yourselfers
- Are less likely to make impulse purchases than average

Inactive

- Are less price sensitive than average
- Are not interested in advertising
- Are more interested in shopping convenience than average
- Do not engage in outdoor activities
- Are less likely to try new products than average

Active

- Are more price sensitive than average
- Are very interested in radio advertising
- Are more likely than average to purchase from the catalog
- Are less concerned with shopping convenience than average
- Go hiking, camping, hunting, or fishing
- Are more likely than average to personalize and work on their cars
- Are more likely than average to try new products
- Are less likely to make impulse purchases

Shopping Strategies and Activity Patterns Which
Characterise Each Type of Shopper in Moorehead

Convenience

- Very price insensitive
- Require shopping convenience
- More interested than average in store signing

Active

- More price sensitive than average
- Very interested in newspaper and radio advertising
- Want to "shop around"
- More likely than average to be do-it-yourselfers

Inactive

- Does not engage in outdoor activities
- Are not do-it-yourselfers

Traditional

- Engage in outdoor activities
- Are do-it-yourselfers
- Enjoy personalising their cars
- Not impulse buyers

Price

- Are more price sensitive than average
- Are very interested in newspaper advertising
- Work in their yard or garden, but are not active in other outdoor activities
- Are more likely than average to be do-it-yourselfers
- Are less likely than average to try new products

Inactive

- Are less price sensitive than average
- Are less interested in advertising than average
- Are less concerned than average with in-store service
- Are less likely than average to entertain outdoors
- Are not do-it-yourselfers

Active

- Are more price sensitive than average
- Use coupons
- Are more interested in advertising than average
- Are more interested in private brands than average
- Are less concerned than average with in-store service
- Are interested in entertaining outdoors
- Go hiking or camping
- Do not repair their own cars

Service

- Do not use coupons
- Are impatient with in-store service
- Repair their own cars
- Are less likely than average to be do-it-yourselfers

Transitional

- Are more price sensitive than average
- Are not at all impatient with in-store service
- Go hiking or camping
- Like to repair their own cars
- Are not do-it-yourselfers
- Are less likely than average to try new products

Service

- Are not price sensitive
- Are concerned about in-store service
- Try new products
- Are more likely than average to be impulse buyers

Price

- Are more price sensitive than average
- Are more interested in advertising than average
- Are interested in employee service
- Are not do-it-yourselfers
- Are more likely than average to try new products

Traditional

- Are less concerned with in-store service than average
- Are more likely than average to be do-it-yourselfers
- Make fewer impulse purchases than average

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Chickasha

Coupon Saver

- Are more likely than average to use coupons
- Are more price sensitive than average
- Do not engage in outdoor activities
- Are less likely than average to be do-it-yourselfers

Catalog Shopper

- Make catalog purchases
- Are less concerned than average with shopping convenience
- Engage in outdoor activities
- Are do-it-yourselfers
- Are more likely than average to make impulse purchases

Price

- Are extremely price sensitive
- Are very interested in newspaper advertising
- Are more likely than average to buy private brands
- Work in the yard or garden
- Are do-it-yourselfers
- Are less likely than average to try new products
- Are more likely than average to make impulse purchases

Inactive

- Are price insensitive
- Are not interested in newspaper advertising
- Are less likely than average to buy private brands
- Do not engage in outdoor activities
- Are not do-it-yourselfers
- Are more likely than average to try new products

Sociable

- Are less price sensitive than average
- Are more interested in entertaining outdoors than average
- Are not do-it-yourselfers
- Are more likely than average to make impulse purchases

Dedicated Fringe

- Make catalog purchases
- Are more likely than average to be do-it-yourselfers
- Are more likely to buy new products than average
- Are less likely to make impulse purchases than average

Dedicated Fringe

- Are not interested in advertisements
- Are catalog purchasers
- Are less impatient with in-store service than average
- Are strong do-it-yourselfers
- Do not try new products

Price

- Are more price sensitive than average
- Are more interested in media advertising than average
- Want to "shop around"
- Are more likely than average to entertain outdoors
- Are not do-it-yourselfers
- Are heavy new product critics
- Are more likely than average to make impulse purchases

Service

- Are less interested in advertising than average
- Are extremely impatient with in-store service
- Are more likely than average to rely on store signing
- Are do-it-yourselfers

Information Seeker

- Are more likely than average to shop at discount stores
- Are extremely involved with radio advertising
- Are more likely to buy private brands than average
- Rely on store signing

Convenience

- Are more likely than average to buy private brands
- Are very interested in shopping convenience
- Do not entertain outdoors
- More likely to work in the yard or garden
- Are more likely than average to be do-it-yourselfers
- Are more likely than average to try new products
- Are less likely than average to make impulse purchases

Inactive

- Are less interested than average in shopping convenience
- Do not socialize outdoors
- Are not do-it-yourselfers

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Wichita

Information Seeker

- Heavily rely on media advertising
- Are not catalog purchasers
- Have above average interest in store signing
- Are impulse buyers
- Are not do-it-yourselfers
- Entertain outdoors, but not strongly involved in other outdoor activities

Dedicated Fringe

- Below average interest in media advertising
- Are catalog purchasers
- Less likely than average to engage in outdoor activities
- Are do-it-yourselfers

Inactive

- Are very price insensitive
- Are more likely to purchase from catalog than average
- Do not engage in outdoor activities
- Are not do-it-yourselfers

Active

- Are more price sensitive than average
- Are less interested than average in shopping convenience
- Engage in outdoor activities
- Are do-it-yourselfers
- Are less likely than average to try new products
- Make more impulse purchases than average

Convenience

- Do not shop around for the best price
- More likely to shop at discount stores than average
- Above average interest in newspaper advertising, but not in other forms of promotion
- Are more interested than average in shopping convenience
- Have an above average desire for helpful clerks
- Are more interested than average in in-store signing
- Work in yard or garden, but have few other outside activities
- Are do-it-yourselfers, but do not have a workshop
- Make impulse purchases

Traditional

- Have above average interest in radio advertising, but not in other forms of promotion
- Are less interested than average in in-store service
- Engage in outdoor activities
- Repair and personalize their cars
- Less likely to make impulse purchases than average

Convenience

- Are price insensitive
- Are more likely than average to make catalog purchases
- Have a strong interest in private brands
- Above average interest in shopping convenience
- Below average desire for in-store service
- Below average impulse shopper

Service

- Less likely than average to buy private brands
- Above average interest in in-store service
- Above average interest in in-store signing
- More likely than average to make impulse purchases

Traditional

- Do not pay attention to ads for sales
- Go to conveniently located stores rather than shop around
- Below average desire for in-store service
- Engage in outdoor activities
- Have a workshop and use power tools

Coupon Saver

- Heavy coupon users
- Rely on all advertising
- Are not at all concerned with in-store service
- Do not engage in outdoor activities
- Are not do-it-yourselfers

Transitional

- More likely than average to use coupons
- Rely on all advertising
- Are not concerned with in-store service
- Do not engage in outdoor activities
- Repair and personalize their cars
- Are more likely to be do-it-yourselfers than average
- Do not try new products

Service

- Below average interested in media advertising
- Above average concern for in-store service
- More likely than average to engage in outdoor activities
- Try new products
- Are impulse shoppers

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Hutchinson

<u>Active</u> - Are more price sensitive than average - Are coupon users - Are catalog shoppers - Are less interested in shopping convenience than average - Engage in outdoor activities - Are do-it-yourselfers - Are less likely than average to try new products - Make more impulse purchases than average	<u>Inactive</u> - Are more interested than average in private brands - Are more interested in shopping convenience than average - Are <u>not</u> do-it-yourselfers - Are more likely than average to buy new products
<u>Type A</u> - Are interested in private brands - Helpful employees are more important than average - Are more likely than average to be do-it-yourselfers - Make fewer impulse purchases than average	<u>Inactive</u> - Are more likely than average to use the catalog - Are less likely than average to be do-it-yourselfers - Make more impulse purchases than average
<u>Traditional</u> - Are less price sensitive than average - Are less interested in newspaper advertising than average - Are more concerned about in-store service than average - Are active in hiking, camping, hunting, and fishing - Are do-it-yourselfers - Are less likely than average to try new products - Do not make impulse purchases	<u>Innovator</u> - Are more price sensitive than average - Are more interested in advertising than average - Are not do-it-yourselfers - Try new products - Are impulse shoppers
<u>Price</u> - Are very price sensitive - Are less likely than average to try new products - Make fewer impulse purchases than average	<u>Traditional</u> - Are very price insensitive - Want to "shop around" - Are more likely than average to go hiking, camping, hunting, and fishing - Are more likely than average to try new products
<u>Service</u> - Are very interested in newspaper advertising - Are more concerned than average with in-store service - Do not go hiking, camping, hunting, or fishing - Are not do-it-yourselfers - Are impulse shoppers	<u>Active</u> - Are more price sensitive than average - Are less concerned than average with in-store service - Are more interested than average in store signing - Engage in outdoor activities - Are more likely than average to be do-it-yourselfers - Heavily buy new products - Make fewer impulse purchases than average
<u>Inactive</u> - Are more price sensitive than average, but are less likely than average to shop at discount stores - Are less concerned than average in shopping convenience - Do not engage in outdoor activities - Do not try new products	<u>Coupon Innovator</u> - Are more likely than average to use coupons - Are not interested in store signing - Engage in outdoor activities - Are more likely than average to try new products

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Valley City

<u>Price</u> - Moderately price sensitive - Rely on all advertising - Below average interest in shopping convenience - Do not engage in outdoor activities - Are not do-it-yourselfers - Less likely than average to try new products	<u>Innovator</u> - Are less price conscious than average - Are very concerned about shopping convenience - Engage in outdoor activities - Are do-it-yourselfers - Try new products - Are impulse purchasers
<u>Inactive</u> - Very price insensitive - Not interested in private brands - Little interest in newspaper advertising - Do not work in yard or garden - Are not do-it-yourselfers	<u>Price</u> - Very price sensitive - Rely on advertising - Work in yard or garden, but less likely than average to engage in other outdoor activities - Are do-it-yourselfers
<u>Convenience Shopper</u> - Do not shop at discount stores - Interested in private brands - Above average interest in shopping convenience - Below average interest in in-store service - Do not engage in outdoor activities - Are not do-it-yourselfers - Do not try new products	<u>Transitional</u> - Rely on media advertising - Below average interest in private brands - Below average requirement for shopping convenience - Engage in outdoor activities - Personalize and work on their cars - Try new products
<u>Transitional</u> - Shop at discount stores - Rely on in-store signing - Do not engage in outdoor socializing - Go hiking or camping often - Are not do-it-yourselfers - Personalize and work on their cars - Try new products - Impulse buyers	<u>Traditional</u> - Do not rely on in-store signing - Engage in outdoor activities - Less likely than average to try new products - Less likely than average to be impulse buyers
<u>Dedicated Fringe</u> - Heavy catalog shoppers - Engage in outdoor activities - Are do-it-yourselfers and are likely to work on their cars - Have above average interest in helpful clerks	<u>Coupon Saver</u> - More likely than average to use coupons - Moderately price sensitive - Above average interest in private brands - Do not engage in outdoor activities - Are not do-it-yourselfers - Less likely than average to try new products
<u>Active</u> - Price sensitive - Strong interest in newspaper ads - Above average interest in private brands - More interested than average in outdoor activities - Do not work on their cars - Does not make impulse purchases	<u>Inactive</u> - Are less price conscious than average - Below average interest in in-store service - Very likely to personalize and work on their cars - Are impulse purchasers

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Lewton

Dedicated Fringe

- Are less price sensitive than average
- Do not rely on advertising
- More likely than average to purchase from the catalog
- Are do-it-yourselfers
- Less likely than average to try new products
- Less likely than average to make impulse purchases

Price

- Are very price conscious
- Rely on all advertising
- More interested than average in store signing
- Do not engage in outdoor activities
- Personalize their cars
- Are not do-it-yourselfers
- Are impulse buyers

Inactive

- Are less price sensitive than average
- Are less likely than average to rely on advertising
- Are more interested than average in shopping convenience
- Are more interested than average in in-store service
- Do not engage in outdoor activities
- Are not do-it-yourselfers
- Are more likely than average to try new products

Active

- Are more price sensitive than average
- Rely on all advertising more than average
- Engage in outdoor activities
- Are do-it-yourselfers

Traditional

- More interested than average in in-store signing
- Are do-it-yourselfers
- Are less likely than average to try new products
- Make more impulse purchases than average

Transitional

- More interested than average in media advertising
- More interested than average in in-store service
- Like to personalize and repair their cars
- More likely than average to try new products

Transitional

- Are very price insensitive
- Do not rely on advertising
- Engage in outdoor activities
- Like to personalize their cars
- Are less likely than average to try new products

Price

- Are more price sensitive than average
- Are more interested in newspaper advertising than average, but have below average interest in other forms of promotion
- Have above average interest in private brands
- Do not engage in outdoor activities

Convenience

- Have below average interest in media advertising
- Are very interested in shopping convenience
- Are more interested than average in store signing
- Are more likely than average to be do-it-yourselfers
- Do not try new products
- Are not impulse buyers

Coupon Saver

- Are more likely than average to use coupons
- Are more likely than average to rely on advertising
- Are more interested than average in private brands
- Are more interested than average in shopping convenience
- Less concerned with in-store service than average
- Are not do-it-yourselfers
- Are more likely than average to try new products
- Make more impulse purchases than average

Transitional

- Are very interested in television advertising
- Are more interested than average in private brands
- Are more interested in shopping convenience than average
- Are not at all concerned about in-store service
- Like to personalize and repair their cars
- Less likely than average to be do-it-yourselfers
- Are less likely than average to try new products
- Make more impulse purchases than average

Service

- Are catalog shoppers
- Want to "shop around"
- Are very concerned about in-store service
- Work in the yard or garden
- Heavy buyer of new products

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Fairmont

Convenience

- Are more interested in private brands than average
- Are more concerned about shopping convenience than average
- Are not at all impatient with in-store service
- Do not engage in outdoor activities
- Are less likely than average to be do-it-yourselfers
- Are less likely than average to try new products
- Are more likely than average to make impulse purchases

Active

- Are more price sensitive than average
- Are more concerned about in-store service than average
- Are likely to go hiking, camping, hunting, or fishing
- Are heavily involved in repairing and personalizing their cars
- Are more likely than average to be do-it-yourselfers
- Are more likely than average to try new products
- Are less likely than average to make impulse purchases

Active

- Are price conscious
- Are less likely than average to buy private brands
- Want to "shop around"
- Are more likely than average to work in the yard or garden
- Are more likely than average to be do-it-yourselfers
- Do not make impulse purchases

Inactive

- Are less price sensitive than average
- Do not use coupons
- Are less concerned than average about in-store service
- Are more likely than average to try new products
- Make impulse purchases

Active

- Are price conscious
- Do not make catalog purchases
- Want in-store service
- Entertain outdoors
- Do not go hiking, camping, hunting, or fishing
- Are less likely than average to be do-it-yourselfers

Traditional

- Are more interested than average in shopping convenience
- Are less concerned than average about in-store service
- Are more likely than average to go hiking, camping, hunting, or fishing

Traditional

- Are not price conscious
- Are not interested in advertising
- Are more impatient with in-store service than average
- Engage in outdoor activities
- Are more likely than average to be do-it-yourselfers

Inactive

- Do not engage in outdoor activities
- Are not do-it-yourselfers

Price

- Are more price sensitive than average
- Are private brand buyers
- Are not concerned with in-store service
- Often entertain outdoors
- Are less likely than average to be do-it-yourselfers

Service

- Are less price sensitive than average
- Are not interested in advertising
- Are concerned about in-store service
- Are less likely than average to make impulse purchases

Innovator

- Are more interested than average in media advertising
- Are not catalog shoppers
- Desire helpful clerks more than average
- Are not do-it-yourselfers
- Are heavy buyers of new products

Dedicated Fringe

- Are catalog shoppers
- Are more interested in shopping convenience than average
- Often work in their yard or garden
- Are strong do-it-yourselfers
- Are less likely than average to buy new products

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Spokane

Inactive

- Are less price sensitive than average
- Are less concerned than average with in-store service
- Do not engage in outdoor activities
- Are not do-it-yourselfers

Active

- Are more price sensitive than average
- Are more interested in radio and newspaper advertising than average
- Are more likely than average to make catalog purchases
- Are more concerned than average with in-store service
- Engage in outdoor activities
- Are do-it-yourselfers

Price

- Are more price sensitive than average
- Are very interested in newspaper advertising
- Want to "shop around"
- Are less concerned than average with in-store service
- Are more interested than average with store signing
- Entertain outdoors, but do not engage in other outdoor activities
- Are not do-it-yourselfers
- Do not try new products

Service

- Are less price sensitive than average
- Are not interested in advertisements
- Are more impatient with in-store service than average
- Lower desire for friendly employees than average
- More active with hiking, camping, hunting, and fishing than average
- Are less likely to make impulse purchases than average

Traditional

- Are less price sensitive than average
- Are not interested in advertisements
- Are not concerned with in-store service
- Extremely active with hiking, camping, hunting, and fishing
- Are less likely to make impulse purchases than average

Service

- More likely than average to use coupons
- Are more interested in radio advertising than average
- Are less interested in shopping convenience than average
- Are more concerned with in-store service than average
- Less likely than average to be a do-it-yourselfer

Service

- Are very concerned about in-store service
- Are more likely than average to be engaged in outdoor activities
- Is more likely than average to be a do-it-yourselfer, but is less likely than average to have a workshop

Transitional

- Are very interested in radio advertising
- Are more interested than average in private brands
- Are not very concerned about in-store service
- Are more interested than average in personalizing and repairing their cars

Dedicated Fringe

- Do not shop discounters
- Make more purchases from the catalog than average
- Are more interested in private brands than average
- Less interested in store signing than average
- Do not engage in outdoor activities
- Are more likely than average to be do-it-yourselfers
- Do not make impulse purchases

Traditional

- Make fewer purchases from the catalog than average
- Are less interested than average in private brands
- Are less concerned with shopping convenience than average
- Friendly employees are more important than average
- Are more likely than average to engage in outdoor activities
- Are very interested in personalizing and repairing their cars
- Are less likely than average to be do-it-yourselfers

Sociable

- Are more interested than average in newspaper advertising
- Are less likely than average to make catalog purchases
- Work in the yard or garden
- Are not interested in store signing
- Entertain outdoors
- Are not do-it-yourselfers

Dedicated Fringe

- Are not interested in advertising
- Are catalog shoppers
- Are more interested in shopping convenience than average
- Are more likely than average to be do-it-yourselfers
- Are less likely than average to try new products

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Clinton

Traditional

- Do not use coupons
- Are less interested than average in advertising
- Are less interested than average in private brands
- Are more concerned than average in in-store service
- Engage in outdoor activities
- Are heavy do-it-yourselfers

Coupon Saver

- Use coupons heavily
- Are more interested than average in advertising
- Are less concerned than average with shopping convenience
- Do not engage in outdoor activities
- Are not do-it-yourselfers

Traditional

- Are more interested than average in advertising
- Are less concerned than average with shopping convenience
- Are not concerned at all with in-store service
- Engage in outdoor activities
- Are heavy do-it-yourselfers

Service

- Are very concerned about in-store service
- Do not engage in outdoor activities
- Are more likely than average to try new products
- Make more impulse purchases than average

Service

- Are less price sensitive than average
- Are more interested in radio and newspaper advertising than average
- Do not purchase from the catalog
- Are more concerned with in-store service than average
- Are more likely than average to entertain outdoors
- Are not do-it-yourselfers
- Are more interested than average to try new products
- Make more impulse purchases than average

Dedicated Fringe

- Are less interested than average in advertising
- Are catalog shoppers
- Are not concerned that the store have friendly employees
- Do not entertain outdoors
- Are do-it-yourselfers
- Make fewer impulse purchases than average

Inactive

- Are very price insensitive
- Are not interested in advertising
- Are not interested in private brands
- Are more likely than average to be do-it-yourselfers
- Are less likely than average to try new products
- Do not make impulse purchases

Price

- Are very price conscious
- Are more interested than average in advertising
- Are less concerned than average with shopping convenience
- More likely than average to entertain outdoors
- Are not do-it-yourselfers

Convenience

- Are less interested than average in advertising
- Are catalog shoppers
- Are more interested than average in private brands
- Shopping convenience is more important than average
- Are not do-it-yourselfers
- Do not try new products
- Are less likely than average to make impulse purchases

Innovator

- Are more interested than average in advertising, especially in newspapers
- Heavy buyers of new products

Innovator

- More likely than average to purchase from a catalog
- More interested than average in private brands
- Entertain outdoors
- Less likely than average to be a do-it-yourselfer
- Heavy buyers of new products
- Are impulse buyers

Transitional

- Strongly like to personalize and repair their cars
- Do not try new products
- Do not make impulse purchases

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Missoula

Inactive

- Are more likely than average to make purchases from the catalog
- Are more interested in private brands than average
- Do not engage in outdoor activities
- Are not do-it-yourselfers

Traditional

- Are less likely than average to use coupons
- Are more interested than average in shopping convenience
- Are less concerned than average with in-store signing
- Engage in outdoor activities
- Are do-it-yourselfers

Inactive

- Are more interested than average in private brands
- Are less concerned than average with in-store service
- Are more interested than average in store signing
- Do not engage in outdoor activities
- Do not try new products

Traditional

- Are more interested than average in shopping convenience
- Engage in outdoor activities
- Have above average interest in repairing and personalizing their cars
- Make more impulse purchases than average

Dedicated Fringe

- Are less price sensitive than average
- Are very interested in radio advertising
- Are catalog shoppers
- Are not private brand buyers
- Are heavy do-it-yourselfers
- Are less likely than average to try new products

Inactive

- Are more price sensitive than average
- Are private brand buyers
- Are not do-it-yourselfers

Service

- Are less price sensitive than average
- Are not interested in any advertising
- Are more concerned than average with in-store service
- Are not do-it-yourselfers

Coupon Saver

- Are heavy coupon users
- Are less interested than average in shopping convenience
- Are less concerned than average with in-store service
- More likely than average to be do-it-yourselfers

Service

- Are less price sensitive than average
- Are more concerned than average with in-store service
- Are less likely than average to entertain outdoors
- Are not impulse buyers

Transitional

- Are more price sensitive than average
- Are less concerned with shopping convenience than average
- Are very interested in store signs
- Are very interested in repairing and personalizing their cars
- Are impulse buyers

Information Seeker

- Rely on all forms of advertising
- Want to "shop around"
- Are more interested in helpful clerks than average
- Are more interested in store signing than average
- More likely than average to work in the yard or garden, but do not engage in other outdoor activities
- Are not do-it-yourselfers
- Are more likely than average to try new products
- Make more impulse purchases than average

Dedicated Fringe

- Are more likely than average to make catalog purchases
- Engage in outdoor activities
- Are heavy do-it-yourselfers
- Are more likely than average to try new products
- Are less likely than average to make impulse purchases

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Delaware

Traditional

- Are less price sensitive than average
- Are not interested in newspaper advertising
- Are not interested in private brands
- Are not concerned with shopping convenience
- Engage in outdoor activities
- Are more likely than average to be do-it-yourselfers
- Repair their own cars

Convenience

- Use coupons
- Are interested in newspaper advertising
- Buy private brands
- Are very interested in shopping convenience
- Are less likely to engage in outdoor activities than average
- Are less likely to be do-it-yourselfers than average

Service

- Are less price sensitive than average
- Are not interested in radio or newspaper advertising
- Are less likely than average to use the catalog
- Are extremely impatient with in-store service
- Work in the yard or garden
- Are less likely than average to try new products
- Make impulse purchases

Active

- Are more price sensitive than average
- Are interested in all forms of advertising
- Are less impatient than average with in-store service
- Go hiking, camping, hunting, or fishing
- Are more likely than average to try new products

Price

- Are very price sensitive
- Use coupons
- Use newspaper advertisements
- Want to "shop around"
- Are more interested than average in employee service
- Try new products
- Are impulse buyers

Convenience

- Are not interested in newspaper advertising
- Are more interested in shopping convenience than average
- Are more impatient with in-store service than average
- Are more likely than average to personalize and work on their cars
- Are less likely than average to try new products
- Do not make impulse purchases

Traditional

- Are less concerned with shopping convenience than average
- Are less concerned with in-store service than average
- Are more likely to entertain outdoors than average
- Work in the yard or garden
- Are do-it-yourselfers
- Do not try new products

Outdoorsmen

- Go hunting or fishing
- Are not do-it-yourselfers
- Are more likely than average to try new products
- Are less likely to make impulse purchases than average

Sociable

- Often shop at discounters
- Are very interested in shopping convenience
- Are less impatient with in-store service than average
- Are more interested in store signing than average
- Are more likely to entertain outdoors than average
- Are not do-it-yourselfers
- Are more likely to make impulse purchases than average

Type A

- Are more impatient with in-store service than average
- Are more likely to be do-it-yourselfers than average
- Are more likely to try new products than average
- Are less likely to make impulse purchases than average

Catalog Shopper

- Are less price sensitive than average
- Make catalog purchases
- Are less impatient with in-store service than average
- Do not engage in outdoor activities
- Are more likely than average to personalize and work on their cars
- Are less likely to try new products

Active

- Are more likely than average to shop several stores for the best price
- Are more impatient with in-store service than average
- Are extremely active outdoors
- Are do-it-yourselfers
- Are more likely than average to try new products
- Are more likely to make impulse purchases than average

Shopping Strategies and Activity Patterns Which
Characterize Each Type of Shopper in Louisville

Inactive

- Are less price sensitive than average
- Strongly prefer private brands
- Are more likely than average to work in the yard or garden
- Are less likely than average to engage in outdoor activities

Active

- Are more price sensitive than average
- Are more interested in all forms of advertising than average
- Are not interested in private brands
- Want to "shop around"
- Are more likely than average to be do-it-yourselfers
- Are more likely than average to try new products

Active

- Are more price sensitive than average
- Are not at all impatient with in-store service
- Are more likely than average to work in the yard or garden
- Are strong do-it-yourselfers
- Like to repair their cars

Service

- Are less price sensitive than average
- Are not interested in newspaper advertising
- Are impatient with in-store service
- Are not do-it-yourselfers
- Are more likely to try new products than average

Inactive

- Are more interested in media advertising than average
- Are less concerned with in-store service than average
- Do not work in the yard or garden or entertain outdoors
- Are not do-it-yourselfers
- Are less likely than average to try new products

Gardener

- Are not interested in private brands
- Work in the yard or garden
- Are do-it-yourselfers
- Are more likely than average to try new products

Price

- Are more price sensitive than average
- Shop at discount stores
- Are more interested in newspaper advertising than average
- Are less interested in private brands than average
- Are interested in shopping convenience
- Are less concerned with in-store service than average
- Are not do-it-yourselfers
- Are less likely to try new products than average

Inactive

- Are less price sensitive than average
- Are not interested in newspaper advertising
- Are not concerned with in-store service

Traditional

- Do not use coupons
- Are not interested in newspaper advertising
- Engage in outdoor activities
- Are do-it-yourselfers
- Are less likely than average to try new products
- Are less likely than average to make impulse purchases

Coupon User

- Are more price sensitive than average
- Use coupons
- Are more likely than average to make catalog purchases
- Do not engage in outdoor activities
- Are not do-it-yourselfers
- Are less likely than average to try new products

Transitional

- Want to "shop around"
- Do not make catalog purchases
- Are more impatient with in-store service than average
- Do not engage in outdoor activities
- Actively repair their own cars

Traditional

- Are not interested in private brands
- Engage in outdoor activities
- Are not concerned with in-store service

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