

COMPARING THE COMPANIES USING PSYCHOGRAPHIC SEGMENTATION IN INDIA

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ABSTRACT

“Market Segmentation” refers to an organisation or grouping of people who have somewhat common

Characteristic which makes them demand for the same product. A company can successfully reach their precise customers when they divide the market into similar segments, done through market segmentation.

Psychographic segmentation, a sub-part of market segmentation, is one which defines the market segment by using consumer’s lifestyles, activities, interests as well as his opinions. It also takes into view the psychological aspect of the consumer’s buying behaviour.

The study is to examine the companies in India using psychographic segmentation, deeply analysing any three companies using the same, their objectives and policies for attracting the consumers. Further the study aims to conduct a survey to bring out the genders preferences and loyalty towards the brand they get attracted the most. It highlights and evaluates consumer’s increase in their purchase level of products by getting influenced by the psychographic policy used by the company.

INTRODUCTION

Market segmentation has become an important tool for any business enterprise. Before 1960’s , most companies tried to market their products to the masses but with declining success.

Mass marketing uses the same channel of marketing for all the consumers without identifying the needs of any particular group of people. Therefore several companies lost their credibility and market shares. However in recent times it has almost become impossible to appeal to the entire mass. This is why market segment has gained immense value since it divides and further subdivides the entire mass of

population into groups having similar characteristics to target the consumers effectively with their products.

Marketing segmentation is divided into four variables:

- Geographical segmentation: sub-markets on the basis of geographical location
- Demographic segmentation: sub-markets on the basis of age, gender, sex, family, etc.
- Behavioural segmentation: sub-markets on the basis of actual behaviours of the consumers.
- Psychographic segmentation: sub-markets on the basis of lifestyles, interests, activities etc. of the consumers.

The term 'psychographic segmentation' was first coined by Emanuel Demby, a marketing researcher some 30 years ago. His definition of psychographics is "the use of psychological, sociological and anthropological factors, self-concept and life style to determine how the market is segmented by the propensity of groups within the market-and their reason- to make particular decision about a product, person, or ideology."

Psychographic segmentation has gained immense popularity among the Indian companies since it helps in identifying the 'perfect customers' within the potential customers. Psychographic segmentation is useful in the fast moving consumer groups. Psychographic segmentation is based upon the social class, lifestyle and personality. The marketers research and target their customers according to their factors.

The seller analyses the psychographic variables: social class, personality and lifestyle of the consumers in order to understand the psychology of the customer and sell the correct product to him as per his need.

SOCIAL CLASS

The different social class of people demand different products according to their income. The upper class, called the rich, is more brand conscious and therefore

demand high class branded products. On the other hand the middle class are aware of their income and needs and so they want such products that will satisfy their need be it branded or not. Therefore the marketers easily target their customers according to the class they belong.

Social class is treated as an important source of segmentation.

The marketers who have to target the audience use such techniques to attract them which they can easily use and can reach to them according to the class they belong to, like banners, advertisements etc.

PERSONALITY

The marketers are aware of the product and know the target audience whose personality would match with the product they have got.

Personality depends upon the person's buying habit. If he is a rich then he would be more conscious in building up his personality therefore he would prefer high brands. Therefore the marketers attract those people whose personality exactly matches with the product they manufacture.

LIFESTYLE

Each person or family have their own lifestyle. They follow them and buy such products which suits their personality. Lifestyle is a more recent method where the marketer tries to know to which group of lifestyle they follow. The marketers select some respondents and give them questions regarding their interests, activities and opinions. Through that they try finding whether some groups match with the product they have. If it does then they target them. The marketers get a good understanding of the lifestyle of the customer and therefore analyse how their product would fit into the customer's lifestyle. There are various multinational shops that knew the lifestyle of their customer and provide them with such products only.

Psychographic segmentation is an important tool in today's market. The various factors included in it help the marketers to identify and divide their customers according to the product they have launched. Social class helps such brands which are meant for the elites. Lifestyle helps to know the marketers about the right group

of consumers to be targeted. This not only saves time but also helps the marketers to focus on their marketing strategy.

Psychographic segmentation has a number of benefits since it increases the brand value of the company in front of the consumers, easily get inputs to design new products for the customers and result in greater degree of customer satisfaction and customer loyalty.

OBJECTIVES

Following are the objectives of the study:

- To analyse the companies using psychographic segmentation in India.
- To evaluate how the three selected companies (Levis, Samsung and Vodafone) use this policy
- To analyse gender preference towards these three brand
- To conduct a survey to bring out the successful brand among the three that has the maximum gender preference and loyalty towards itself.

HYPOTHESIS

Among the three companies using psychographic segmentation in India, one company becomes successful in the long run.

Females tend to get more attracted to the clothing brand than the other two.

REVIEW OF LITERATURE

In order to understand the preference of the consumers various psychographic studies have been carried out throughout the world. The main elements of psychographics are social class, lifestyle and personality. Research studies have been carried out to understand the relation between the social class of a consumer and his buying behaviour. For example a research of Slocum and Matthew, 1970. Further their have been significant researches on how a customer's personality affects his buying behaviour. For any seller or brand to be successful it is necessary that he clearly understands these elements of psychographics to successfully sell his product and therefore increase the brand value.

Research in the Indian scenario however has been comparatively lesser as compared to the outside world.

But some research studies are as follows:

Deepa Kapoor(year not known) carried to a research to study the relationship between the buying behaviour and the lifestyle of people which clearly suggested that the conservative outlook of the people broadly affects their buying behaviour. This study was carried out in Delhi.

A further study was conducted by **Adite Chatterjee** (1995) to understand the brand association of denim brands with the lifestyle .This study was of a qualitative nature that focused on the final results.

One of the most comprehensive study conducted in India has been the study of National Council Of Applied Economic Research(1993-94):which studied the effect of consumer's income(an element of psychographic)on his buying behaviour and it clearly brought out that not only the rich class was most affected and attracted but also the middle income group responded most to those companies that focused on providing products to all level of income group buyers which indeed was an element of psychographic segmentation.

Study on personality association of various brands of jeans: A study was conducted of the different brand of jeans to understand the personality and images that consumers associated with different brands. The result came out that the consumers psychologically bonded with their jeans and further emphasised on the fact that brands showing more importance on providing the perfect jeans to the correct customers was more liked by the consumers than the other ones. This has been the main focus of psychographic segmentation

Among other studies been conducted to understand the psychographic elements were that of SHIRALI AND SINGH(1997)to understand the status symbol of the males, RAO AND NATARAJAN(1996) a study to understand the difference in consuming pattern of the rural from the urban, SHARMA AND CHAUBEY AND KUMAR AND MITRA(2004) And ROY AND GOSWAMI(2007) who tried to understand the effect of psychographics on the purchase frequency among the college goers on Kolkata.

From the above researches carried out it is clear that companies that would follow the psychographic segmentation will be more successful in capturing the attention of the customers. This study aims to further throw light on the positive impacts of the companies using this policy.

RESEARCH METHODOLOGY

The study was conducted in the state of Delhi. It focused on the population residing in the urban cities of Delhi. The targets for this study were mainly the people between the age group of years of age. Three companies using psychographic segmentation in India were taken for analysis: Levis, Samsung and Vodafone.

The study focuses if the consumers show some preference over the brands that use psychographic segmentation to attract them and whether the companies using this form of segmentation use it correctly, targeting the correct audience and satisfying them with the products as per their needs so as to create loyalty towards their brand. Further it is also to be seen whether from among the three companies in question, the consumers show more preference and loyalty towards a particular brand.

Questionnaires were completed by the consumers to get clear understanding of their preference and loyalty from among the three companies.

SAMPLE AREA:

Delhi/NCR malls and local shopping areas

SAMPLE AGE:

18- 45 years

SAMPLE GENDER:

Both males and females

SAMPLE SIZE:

For the survey to be conducted in short period of time, the size taken was 50 respondents.

RESEARCH FINDINGS

Based on a sample of 50 respondents with 25 males and 25 females, this study suggests that 'psychographic segmentation' can successfully be used by any company to attract the consumers and increase its credibility in the market.

From among the three companies, Levis became more successful than the other two in attracting the youth. Levis India has emerged out to be a successful brand capturing the attention and imaginations of the consumers throughout the world. From the questionnaire it was concluded that out of 50 respondents 38.5% have chosen Levis, 32.7% have chosen Samsung and only 28.8% have chosen Vodafone. Therefore it can be said here that the majority of customers are satisfied with the products and the quality offered by Levis specially the youth. The psychographic segmentation used by Levis is successful in winning over the youths. Their quality, price and brand are more popular among the youth than the other two brands.

On the other hand the other two brands, though popular, were not as successful in attracting the customers.

Levis targets its audience according to their lifestyles, activities, opinions and their personality. The customers easily get attracted towards this brand because of its variety, good quality, better price, great colours and original and authentic products. It segment its product to all the level of income group customers, according to their personality it provides new and varied styles with the current fashion and according to the lifestyles of each.

CONCLUSION

Psychographic segmentation is an important tool for any company to be successful. Psychographics basically explain "why" the consumers buy your product which becomes very important in knowing your consumers buying behaviour and therefore target them accordingly with the right product. Psychographics enables the seller to perfectly know what the customer want thereby not only attracting customers but also increasing the brand value. Therefore using this policy a company will surely achieve success in the long run.

After the quantitative analysis of closed ended questionnaire it was found that after using this policy by the companies they were more successful and the respondents

tend to buy more .However it was seen that levis became the most favoured brand , both men and female have almost equal reaction on repurchase since it satisfied them more than the other two brands. It was also observed that men get more attracted towards the technological benefit of loyalty program and women get more attracted towards the clothing brand.

LEVIS affected the consumer purchase behaviour in positive manner as it influences the consumers to make repeated purchases of products and in increasing customer retention towards brand which significantly improves a company's profitability. Consumers show committed behaviour towards this brand due to different types of benefits perceived by them. Levis affect each of the customer by satisfying their demand individually by knowing their buying behaviour and further carries out innovative research according to their buying behaviours.

SUGGESTIONS FOR FUTURE RESEARCH

Psychographic segmentation can mainly be used by all types of the companies who try to market their product according to the needs and desires of the consumers. It is seen that companies using other forms of segmentation do not get to know the exact need and want of the customers and therefore end up with declining success. Psychographic can be of more help to the seller because it targets the correct group of customers therefore avoiding the time otherwise getting wasted to sell to the entire mass population. It was also observed that since the customers were greatly satisfied and owing their loyalty to the brand, psychographics can be successfully use to increase the market shares and credibility.

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