International Journal of Applied Research

Dr. S Prasad
Assistant Professor, Dept of
International Business and
Commerce, Alagappa
University, Karaikudi-4,

Psychographic segmentation of online consumers and its antecedents of online purchase experience – an analytical study

Dr. S Prasad

Abstract
This paper attempts to identify the segmentation of online consumers during the purchases and difficulties faced were identified in the study. The online consumers were segmented based on their personalities and life styles can be understood through their behaviour which may differ in product preferences and their way of choosing products. Data were collected from 205 samples from Coimbatore city in which respondents who have purchased online were taken for the study to find out their personalities, values and life styles. The results show that the significance of online segmentation of consumers can further understand the internet market to a greater level and can target the online consumers to a greatest extent.

Keywords: *Origanum vulgare,* phytochemistry, GC-MS, essential oil.

Introduction
The Segmentation of online consumers was done by Value and life style segmentation was abbreviated as VALS was formally inaugurated as an SRI International product in 1978 and was cited by Advertising Age as one of the ten top market research breakthroughs in the 1980.
In 1989, VALS was redefined to maximize its ability to predict consumer behaviour. A team of experts from SRI International, Stanford University, and the University of California, Berkeley, determined that consumers should be segmented on the basis of enduring personality traits rather than social values that change over time.
By using psychology to analyze and predict consumer preferences and choices, the current VALS system creates an explicit link between personality traits and purchase behaviour. The current VALS system is described in depth in the VALS segments.
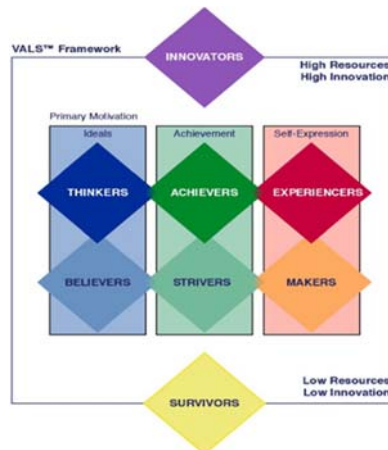
Fig 1.1: VALS Segments

Correspondence
Dr. S Prasad
Assistant Professor, Dept of
International Business and
Commerce, Alagappa
University, Karaikudi-4,

VALS places adult consumers into one of eight segments based on their responses to the VALS questionnaire. The main dimensions of the segmentation framework are primary motivation (the horizontal dimension) and resources (the vertical dimension).

Primary Motivation

Consumers buy products and services and seek experiences that fulfill their characteristic preferences and give shape, substance, and satisfaction to their lives. An individual's primary motivation determines what in particular about the self or the world is the meaningful core that governs his or her activities. Consumers are inspired by one of three primary motivations: ideals, achievement, and self-expression. Consumers who are primarily motivated by ideals are guided by knowledge and principles. Consumers who are primarily motivated by achievement look for products and services that demonstrate success to their peers. Consumers who are primarily motivated by self-expression desire social or physical activity, variety, and risk.

Resources

A person's tendency to consume goods and services extends beyond age, income, and education. Energy, self-confidence, intellectualism, novelty seeking, innovativeness, impulsiveness, leadership, and vanity play a critical role. These personality traits in conjunction with key demographics determine an individual's resources. Different levels of resources enhance or constrain a person's expression of his or her primary motivation.

Descriptions of the VALS types

- Innovators
- Thinkers
- Achievers
- Experiencers

Innovators

Innovators are successful, sophisticated, take-charge people with high self-esteem. Because they have such abundant resources, they exhibit all three primary motivations in varying degrees. They are change leaders and are the most receptive to new ideas and technologies. Innovators are very active consumers, and their purchases reflect cultivated tastes for upscale, niche products and services.

Image is important to Innovators, not as evidence of status or power but as an expression of their taste, independence, and personality. Innovators are among the established and emerging leaders in business and government, yet they continue to seek challenges. Their lives are characterized by variety. Their possessions and recreation reflect a cultivated taste for the finer things in life.

Thinkers (formerly Fulfilleds)

Thinkers are motivated by ideals. They are mature, satisfied, comfortable, and reflective people who value order, knowledge, and responsibility. They tend to be well educated and actively seek out information in the decision-making process. They are well-informed about world and national events and are alert to opportunities to broaden their knowledge.

Thinkers have a moderate respect for the status quo institutions of authority and social decorum, but are open to consider new ideas. Although their incomes allow them many choices, Thinkers are conservative, practical consumers; they look for durability, functionality, and value in the products they buy.

Achievers

Achievers are motivated by the desire for achievement, Achievers have goal-oriented lifestyles and a deep commitment to career and family. Their social lives reflect this focus and are structured around family, their place of worship, and work. Achievers live conventional lives, are politically conservative, and respect authority and the status quo. They value consensus, predictability, and stability over risk, intimacy, and self-discovery. With many wants and needs, Achievers are active in the consumer marketplace. Image is important to Achievers; they favour established, prestige products and services that demonstrate success to their peers. Because of their busy lives, they are often interested in a variety of time saving devices.

Experiencers

Experiencers are motivated by self-expression. As young, enthusiastic, and impulsive consumers, Experiencers quickly become enthusiastic about new possibilities but are equally quick to cool. They seek variety and excitement, savouring the new, the offbeat, and the risky. Their energy finds an outlet in exercise, sports, outdoor recreation, and social activities.

Experiencers are avid consumers and spend a comparatively high proportion of their income on fashion, entertainment, and socializing. Their purchases reflect the emphasis they place on looking good and having "cool" stuff.

The current study adapts to the four Value and Life Style segments they are innovators, thinkers, achievers and experiencers. The antecedents of online purchase experience are studied among these four Value and Life Style segments to find out the differences between their online purchase behaviour.

Statement of the Research Problem

To understand online consumers much more clearly, there is need for research on segmentation of online consumers like Value and Life style segmentation which help the marketers and advertisers to understand the personalities and values of different consumers. The values and personality of a customer can be understood through their behaviour which may differ in product preferences and their way of choosing products.

During these phases the marketer need is to evaluate these phases and understand the difficulties of the consumers during the online purchases. The marketer can then develop their websites to improve their online services to the consumers much easier.

Objectives of the study

➢ To find out the socioeconomic status of the online life style segments
➢ To examine the differences of antecedents of online purchase experience among the life style segments during online purchases

Research Methodology

Value and life style segmentation scale was been adapted for four value and life style segments namely innovators, thinkers, achievers and experiencers from SRI International website. The value and life style segmentation measures the values and personalities of life style segments which help the marketers to forecast the product preferences of the life style segments. The value and life style segmentation is a likert type scale which measures (**1**= Mostly disagree,**2**= Somewhat disagree,**3**= Neutral,**4**= Somewhat agree, **5**= Mostly agree) the product preferences of the life style segments.

Results and Discussion

The data was analyzed through proper statistical analysis like percentage analysis, cross tabulation and stepwise regression analysis was used and the result shows that the majority of the respondents are males belong to Experiencer life style segment. They are young graduates belong to Innovator life style segment and professionals belong to Innovator life style segment. The majority of the respondents are in the age group between 20-30 years belong to Experiencer life segment. The online consumers earn a monthly income of Rs.10,001-Rs.20,000 belong to Experiencer life segment. Among the antecedents of online purchase behaviour Product Knowledge, Product Risk and Search Behaviour are the antecedents that contribute online purchases in the internet. So as a result the marketers have to help the consumers in searching, building product knowledge, minimising the product risks by developing the websites and web tools that aid the consumer in effective online purchasing and to develop the internet market. The online purchasing plays a major role in developing the growing potential of the online business, Therefore, more thrust is to be given to improve the online purchase behaviour.

References

1. Alba JW, Hutchinson JW. Dimensions of Consumer Expertise, Journal of Consumer Research. 1987; 13:411-454.
2. Ariely Dan. Controlling the Information Flow: Effects on Consumers' Decision Making and Preferences, Journal of Consumer Research. 2000; 27(2):233-248.
3. Beatty SE, Smith SM. External Search Effort: An Investigation across Several Product Categories, Journal of Consumer Research. 1987; 14:83-95.
4. Bei LT, Widdows R. Product Knowledge and Product Involvement as Moderators of the Effects of Information on Purchase Decisions: A Case Study Using the Perfect Information Frontier Approach, the Journal of Consumer Affairs. 1999; 33:165-186.
5. Bettman JR, Sujan M. Effects of Framing on Evaluation of Comparable and Noncomparable Alternatives by Expert and Novice Consumers, Journal of Consumer Research. 1987; 14:141-154.
6. Brucks M. The Effects of Product Class Knowledge on Information Search Behavior, Journal of Consumer Research. 1985; 12:1-16.
7. Bruner GC, Kumar A. Web Commercials and Advertising Hierarchy-of- Effects, Journal of Advertising Research. 2000, 35-42.
8. Celsi Richard L, Jerry Olson C. The Role of Involvement in Attention and Comprehension Processes, Journal of Consumer Research. 1988; 15:210-224.
9. Chaudhuri A. A macro analysis of the relationship of product involvement and information search: the role of risk. Journal of Marketing Theory and Practice. 2000; 8:1-16.
10. Dowling GR, Staelin R. A Model of Perceived Risk and Intended Risk handling Activity, Journal of Consumer Research. 1994; 21:119-134.
11. Laaksonen P. Consumer Involvement: Concepts and Research, Routledge: London, 1994.
12. Liao Z, Cheung MT. Internet-based e-shopping and consumer attitudes: an empirical study, Information and Management, 2001; 38:299-306.
13. Moe WW. Buying, Searching, or Browsing: Differentiating between Online Shoppers Using In-Store Navigational Clickstream, Journal of Consumer Psychology. 2003, 13.
14. Moutinho L. Consumer Behavior in Tourism, European Journal of Marketing. 1987; 21:5-44.
15. Selnes F, Troye SV. Buying Expertise, Information Search, and Problem Solving, Journal of Economic Psychology. 1989; 10:411-428.
16. Shim Soyeon, Mary Ann Eastlick, Sherry Lotz L. Patricia Warrington An Online Prepurchase Intentions Model: The Role of Intention to Search, Journal of Retailing. 2001; 77:397-461.
17. Sim L, Koi S. Singapore's Internet Shoppers and their impact on traditional shopping patterns. Journal of retailing and consumer services. 2002; 9(2):115-124.
18. Smith DC, Park CW. The Effect of Brand Extensions on Market Share and Advertising Efficiency. Journal of Marketing Research. 1992; 29:296-313.
19. Stone RN, Grønhaug K. Perceived Risk: Further Considerations for the Marketing Discipline, European Journal of Marketing, 1993; 27:39-50.
20. Tyebjee Tyzoon T. Response Time, Conflict, and Involvement in Brand Choice, Journal of Consumer Research. 1979; 6:259-304.
21. Zaichkowsky Judith L. Measuring the Involvement Construct, Journal of Consumer Research. 1985; 12:341-335.

APPENDIX

Table 1: Cross tabulation between gender and life style segments

Gender	Value and Life Style Segments				Total
	Innovators	Thinkers	Achievers	Experiencers	
Male	46(22.4%)	25(12.2)	37(18 %)	49(23.9%)	157(76.6%)
Female	13 (6.3%)	9 (4.4%)	9(4.4%)	17(8.3%)	48(23.4%)
Total	59(28.8%)	34(16.6%)	46(22.4%)	66(32.2%)	205

H1: There is no significant association between life style segments and gender

Pearson Chi-square value	Degrees of freedom	Significance	Remarks
0.822	3	0.844	Not significant

The above table shows that among males 22.4 % are innovators, 12.2 % are thinkers, 18 % are achievers and 23.9 % are experiencers, among females 6.3 % are innovators, 4.4% are thinkers and achievers, 8.3 % are experiencers. The chi square value (**0.822**) is not significant and it can be inferred that there is no association between gender and life style segments. Hence the null hypothesis H1 is accepted.

Table 2: Cross tabulation between age and life style segments

Age	Value and Life Style Segments				Total
	Innovators	**Thinkers**	**Achievers**	**Experiencers**	
Under 20 Years	1 (0.5%)	4(2.0%)	0(0 %)	5(2.4%)	10(4.9%)
20-30 Years	29 (14.1%)	14(6.8%)	28(13.7%)	30(14.6%)	101(49.3%)
31-40 Years	11 (5.4%)	6(2.9%)	9(4.4%)	11(5.4%)	37(18.0%)
41-50 Years	12 (5.9%)	4(2.0%)	3(1.5%)	4(2.0 %)	23(11.2%)
51-60 Years	4(2.0%)	5(2.4%)	6(2.9%)	16(7.8 %)	31(15.1%)
Above 60 Years	2(1.0%)	1(0.5%)	0(0%)	0(0%)	3(1.5%)
Total	59(28.8%)	34(16.6%)	46(22.4%)	66(32.2%)	205(100%)

H2: There is no significant association between life style segments and age

Pearson Chi square value	Degrees of freedom	Significance	Remarks
26.783	15	**0.031**	Significant

The above table shows that among respondents under 20 years of age old 0.5 % are innovators, 2.0 % are thinkers and 2.4 % are experiencers, among respondents in the age group of 20-30 years old 14.1 % are innovators, 6.8 % are thinkers, 13.7 % are achievers and 14.6 % are experiencers, among respondents in the age group of 31-40 years old 5.4 % are innovators, 2.9 % are thinkers, 4.4 % are achievers and 5.4 % are experiencers, among respondents in the age group of 41-50 years old 5.9 % are innovators, 2.0 % are thinkers, 1.5 % are achievers and 2.0 % are experiencers, among respondents in the age group of 51-60 years old 2.0 % are innovators, 2.4 % are thinkers, 2.9 % are achievers and 7.8 % are experiencers, among respondents above 60 years old 1.0 % are innovators, 0.5 % are thinkers, 0 % are achievers and experiencers.

The chi square value 26.783 is significant (p<0.05) and the null hypothesis H2 is rejected. It shows that there is a significant association between age and life style segments.

Table 3: Cross tabulation between education level and life style segments

Education level	Value and Life Style Segments				Total
	Innovators	**Thinkers**	**Achievers**	**Experiencers**	
High School	1 (0.5%)	0(0 %)	0(0 %)	0(0 %)	1(0.5%)
Diploma	0(0 %)	1 (0.5%)	0(0 %)	1 (0.5%)	2(1.0 %)
Secondary school	3(1.5%)	3(1.5%)	4(2.0 %)	4(2.0 %)	4(6.8%)
Graduate	28(13.7%)	17(8.3%)	22(10.7%)	27(13.2%)	94(45.9%)
Postgraduate	18 (8.8 %)	8(3.9%)	13(6.3%)	23(11.2 %)	62(30.2%)
M.Phil	4(2.0 %)	1 (0.5%)	3(1.5%)	6(2.9 %)	14(6.8%)
Ph.D	5(2.4%)	4(2.0 %)	4(2.0 %)	5(2.4%)	18 (8.8%)
Total	59(28.8%)	34(16.6%)	46(22.4%)	66(32.2%)	205(100%)

H3: There is no significant association between life style segments and education level

Pearson Chi square value	Degrees of freedom	Significance	Remarks
9.091	18	**0.958**	Not Significant

The above table shows that among respondents who completed high school 0.5 % are innovators, among respondents who completed Secondary School 1.5 % are innovators, 1.5 % are thinkers, 2.0 % are achievers and experiencers, among respondents who are graduates 13.7 % are innovators, 8.3 % are thinkers, 10.7 % are achievers and 13.2 % are experiencers, among respondents who completed post graduation 8.8 % are innovators, 3.9 % are thinkers, 6.3 % are achievers and 11.2 % are experiencers, among respondents who completed M.Phil 2.0 % are innovators, 0.5 % are thinkers, 1.5 % are achievers and 2.9 % are experiencers, among respondents who completed Ph.D 2.4 % are innovators, 2.0 % are thinkers and achievers and 2.4 % are experiencers, among respondents who completed diploma 0.5 % are thinkers and experiencers.

The chi square value (**9.091**) is not significant and it can be inferred that there is no significant association between education and life style segments. Hence the null hypothesis H3 is accepted.

Table 4: Cross tabulation between designation and life style segments

Designation	Value and Life Style Segments				Total
	Innovators	**Thinkers**	**Achievers**	**Experiencers**	
Clerical	6(2.9 %)	2(1.0 %)	8(3.9 %)	8(3.9%)	24(11.7%)
Supervisory	2(1.0 %)	5(2.4%)	6(2.9 %)	12(5.9 %)	25(12.2%)
Manager	10(4.9 %)	2(1.0 %)	6(2.9 %)	12(5.9 %)	29(14.1%)
Entrepreneur	8(3.9 %)	1(0.5%)	1(0.5%)	3(1.5 %)	13(6.3%)
Engineer	9(4.4 %)	7(3.4 %)	7(3.4 %)	8(3.9 %)	31(15.1%)
Students	8(3.9 %)	9(4.4 %)	7(3.4 %)	10(4.9 %)	34(16.6%)
Professionals	16(7.8 %)	8(3.9 %)	11(5.4 %)	14(6.8%)	49(23.9%)
Total	59(28.8%)	34(16.6%)	46(22.4%)	66(32.2%)	205(100%)

H4: There is no significant association between life style segments and designation

Pearson Chi square value	Degrees of freedom	significance	Remarks
21.630	18	0.249	Not Significant

The above table shows that among respondents who are in clerical cadre 2.9 % are innovators, 1.0 % are thinkers, 3.9 % are achievers and experiencers, among respondents who are in supervisory cadre 1.0 % are innovators, 2.4 % are thinkers, 2.9 % are achievers, 5.9 % are experiencers, among respondents who are managers 4.9 % are innovators, 1.0 % are thinkers, 2.9 % are achievers and 5.9 % are experiencers, among respondents who are entrepreneurs 3.9 % are innovators, 0.5 % are thinkers and achievers, 1.5 % are experiencers, among respondents who are engineers 4.4 % are innovators, 3.4 % are thinkers and achievers, 3.9 % are experiencers, among respondents who are professionals 7.8 % are innovators, 3.9 % are thinkers, 5.4 % are achievers and 6.8 % are experiencers.

The chi square value (**21.630**) is not significant and it can be inferred that there is no significant association between designation and life style segments. Hence the null hypothesis H4 is accepted.

Table 5: Cross tabulation between monthly income and life style segments

Monthly income	Value and Life Style Segments				Total
	Innovators	Thinkers	Achievers	Experiencers	
Less than Rs. 5,000	10(4.9 %)	11(5.4%)	8(3.9 %)	14(6.8 %)	43(21.0%)
Rs.5,001-Rs.10,000	8(3.9 %)	5(2.4%)	8(3.9 %)	8(3.9 %)	29(14.1%)
Rs.10,001-Rs.20,000	18(8.8 %)	11(5.4%)	15(7.3 %)	20(9.8 %)	64(31.2%)
Rs.20,001-Rs.40,000	18(8.8 %)	6(2.9%)	12(5.9%)	18(8.8 %)	54(26.3%)
Rs.40,001-Rs.50,000	2(1.0 %)	0(0 %)	3(1.5 %)	3(1.5 %)	8(3.9%)
Above Rs.50,000	3(1.5 %)	1(0.5 %)	0(0 %)	3(1.5 %)	7(3.4%)
Total	59(28.8%)	34(16.6%)	46(22.4%)	66(32.2%)	205(100%)

H5: There is no significant association between life style segments and monthly income

Pearson Chi square value	Degrees of freedom	significance	Remarks
9.418	15	0.855	Not Significant

The above table shows that among respondents who earn less than Rs. 5,000 4.9 % are innovators, 5.4 % are thinkers, 3.9 % are achievers and 6.8 % are experiencers, among respondents who earn Rs.5,001-10,000 3.9 % are innovators, 2.4 % are thinkers, 3.9 % are achievers and experiencers, among respondents who earn Rs.10,001-Rs.20,000 8.8 % are innovators, 5.4 % are thinkers, 7.3 % are achievers and 9.8 % are experiencers, among respondents who earn Rs. 20,001-Rs.40,000 8.8 % are innovators, 2.9 % are thinkers, 5.9 % are achievers, 8.8 % are experiencers, among respondents who earn Rs.40,001-Rs.50,000 1.0 % are innovators, 1.5 % are achievers and experiencers, among respondents who earn above Rs.50,000,1.5 % are innovators, 0.5 % are thinkers, 1.5 % are experiencers.

The chi square value (9.418) is not significant and it can be inferred that there is no significant association between monthly income and life style segments. Hence the null hypothesis H5 is accepted.

Table 6: Antecedents of online purchase experience among innovator life style segments

Model	constant	beta	R²	T value	F value	Sig
1 Product knowledge	1.772	.742	.551	8.364	69.960	0.01
Product knowledge 2. Product Risk	1.688	.592 .492	.771	8.811 7.324	94.098	0.01
Product Knowledge 3. Product Risk Product involvement	0.896	.481 .515 .384	.907	10.680 11.895 8.959	178.273	0.01
Product Knowledge 4. Product Risk Product Involvement Internet Experience	0.489	.393 .564 .297 .273	.962	12.871 19.866 10.161 8.896	343.427	0.01

In the above regression analysis table, the F-values for all predictors of antecedents of online purchase experience are statistically significant. It is evident that Product Knowledge, Product Risk and product involvement contribute 90% for online purchase of innovator life style segments.

Table 7: Antecedents of online purchase experience among thinker life style segments

Model	constant	beta	R²	T value	F value	Sig
1 Product knowledge	1.753	.820	.672	8.099	65.600	0.01
Product knowledge 2. Product Risk	1.551	.729 .369	.800	8.803 4.456	62.050	0.01
Product Knowledge 3. Product Risk Search Behaviour	.128	.424 .450 .505	.968	10.196 13.126 12.541	302.334	0.01
Product Knowledge 4. Product Risk Search Behaviour Internet Experience	.103	.362 .451 .376 .220	.987	12.668 20.288 11.481 6.510	550.126	0.01

In the above regression analysis table, the F-values for all predictors of antecedents of online purchase experience are statistically significant it is evident that Product Knowledge, Product Risk and Search Behaviour contribute 96% for online purchase of thinker life style segments.

Table 8: Antecedents of online purchase experience among Achiever life style segments

Model	constant	beta	R²	T value	F value	Sig
1 Search Behaviour	1.409	.754	.568	7.520	56.555	0.01
Search Behaviour 2. Product Risk	.744	.814 .509	.824	12.481 7.811	98.250	0.01
Search Behaviour 3. Product Risk Internet Experience	.019	.596 .503 .402	.938	12.823 12.876 8.709	207.519	0.01
Search Behaviour 4. Product Risk Internet Experience Product Knowledge	.113	.458 .523 .320 .268	.971	11.993 19.150 9.306 6.709	333.952	0.01

In the above regression analysis table, the F-values for all predictors of antecedents of online purchase experience are statistically significant. It is evident that Search Behaviour, Product Risk and Internet Experience contribute 93% for online purchase of achiever life style segments.

Table 9: Antecedents of online purchase experience among Experiencer life style segments

Model	constant	beta	R²	T value	F value	Sig
1 Product Knowledge	1.152	.884	.782	15.137	229.124	0.01
Product Knowledge 2. Search Behaviour	.671	.596 .403	.861	8.896 6.022	195.831	0.01
Product Knowledge 3. Search Behaviour Product Risk	.496	.487 .422 .304	.944	10.998 9.837 9.602	350.277	0.01
Product Knowledge 4. Search Behaviour Product Risk Internet Experience	.078	.341 .282 .356 .328	.987	14.022 11.978 22.065 13.838	1117.704	0.01

In the above regression analysis table, the F-values for all predictors of antecedents of online purchase experience are statistically significant and it is evident that Product Knowledge, Search Behaviour and Product Risk contribute 94% for online purchase of experiencer life style segments.