VALS-1 Typology of Values and Lifestyle

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Learning outcomes

- **The original VALS typology, developed by SRI International in 1978 or VALS-1 typology and its implications in marketing**

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The context

- VALS is a system for understanding different kinds of consumers and their distinctive products, services, and media preferences.
- The original VALS typology, developed by SRI International in 1978, segmented people based on their social values—hence the name, Values and Lifestyles. Since then, SRI research has found that psychological characteristics combined with several key demographics were better predictors of consumer preferences than social values.

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The context

- The VALS typology that has been in use for over 20 years is based on psychological differences. A person's VALS type is determined by the way he responds to a short questionnaire. The VALS questionnaire is often integrated into custom surveys of client interests, such as car preferences, attitudes about climate change, or fashion.
- The VALS questionnaire has also been integrated into GFK MRI's Survey of American Consumers for 10 years. VALS, therefore, provides a comprehensive framework for characterizing different American lifestyles.
- The system is at present functional in many areas of business and is inducing importance in circles as varied as marketing, sociology, politics, and even health. VALS is now owned and operated by Strategic Business Insights (SBI), an SRI spin-out.

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VALS-1 typology

- The original VALS typology designed by SRI in 1978 was divided into four major categories, with a total of nine lifestyles.

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VALS-1 typology

- **Need-Driven**
  - Survivor lifestyle
  - Sustainer lifestyle
- **Outer-Directed**
  - Belonger lifestyle
  - Emulator lifestyle
  - Achiever lifestyle
- **Inner-Directed**
  - I-Am-Me lifestyle
  - Experiential lifestyle
  - Societally Conscious lifestyle
- **Combined Outer- and Inner-Directed**
  - Integrated lifestyle

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Need-Driven

- The need-driven people have crunch of economic resources.
- Therefore, their lives are driven more by need than by choice.
- Values of the need-driven people normally evolve around the concerns of survival, safety, and security.
- They have a common tendency to be distrustful, dependent, and unplanned.
- Need-driven category is sub-divided into two lifestyles:

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Need-Driven

- ***Survivors:*** Survivors (4% of the population aged 18) are the most underprivileged in American society because of their acute poverty, low education, old age, and narrow access to the channels of upward mobility. Often they are oriented to customs and rituals but characterized by anguish and misery.

- ***Sustainer:*** Sustainers (7% of population) are a group besieged in the boundary of poverty. However, they are better off and younger than survivors, and many have not lost all their aspirations. Their values are quite diverse from those of survivors. Actually the sustainers have passed off the stage of acute despair and hopelessness typical of survivors to express anger at the system. But now they have developed a shrewd determination to get ahead. Many of them even work in the underground economy.

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Outer-Directed

- The outer-directeds conduct their lives in response to cues symbolic or significative from the external environment.
- Psychologically, outer-direction is one-step advanced stage from the need-driven state due to inclusion of other people, a host of institutions, common goals, and an array of personal values and options are far more multifaceted than those presented to the need-driven.
- In general, the outer-directeds are the most contended of Americans, thoroughly adjusted to the mainstream culture and also influence on it. The VALS typology defines three major types of outer-directed people

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Belongers

- Belongers (39% of population) comprise of the middle-class group of Americans who are the most important balancing entities of society.
- They are also the preservers and protectors of the ethical status quo. Ideally, this category inclines to be conventional, conformist, evocative, and maudlin.
- The main drive is to fit in the requirements of the society and not to be the odd-man-out.
- Family, church, and tradition impend to a large extent.
- It is evident that the belongers, in terms of psychological maturity, are to the fore of the need-drivens in having a much wider range of associations (both personal and institutional), a steady long-term planning for future, and a less opportunistic pattern of behaviour. These are comparatively well integrated with their external environment

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Emulators

- Emulators (8% of population) live in a totally diverse world from that of belongers.
- Emulators try to embark on the upper levels of the socio-economic hierarchy. The purpose of their emulation is to adapt the achiever lifestyle. They are go-getting, upwardly mobile, esteem-oriented, chauvinist, and aggressive.
- Many perceive themselves as coming from the other side of the tracks. They are deeply suspicious, are irritated with the way things are, and hardly have any faith that 'the system' will give them an even chance.

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Achievers

- Achievers (20% of population) comprise the selected few in business, the professions, and government.
- Proficient, self-sufficient, competent achievers tend to be acquisitive, meticulous, oriented to recognition and accomplishment, and comfort loving. Achievers are amongst the best attuned of Americans, being well contented with their position in the system and their financial status. Nonetheless, only 5% of achievers come from minority backgrounds.
- Achievers, though, are psychologically more advanced than emulators in terms of values like liberalness and trust for others, improvement of technology, nonetheless they resist radical change.

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Inner-Directed

- Inner-directed people tend to be self-reliant, individualistic, person-centred, passionate, and versatile.
- However, it is beyond any doubt that one can hardly be intensely inner-directed without having internalized outer-directedness through far-reaching and profound revelation as a child, adolescent, or adult.
- This does not mean that the happiness of the outer world fades away (for the VALS typology is a nested model) when one is inner-directed, the inner needs become more crucial rather than the outer ones. VALS has identified three stages of inner-directedness: I-Am-Me, Experiential, and Societally conscious.

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I-Am-Me

- The I-Am-Me person (3% of population) is youthful and intensely individualistic, egoistic and showy.
- These groups of consumers are often full of confusions and emotions and tend to be dramatic and impulsive.
- Much of their inner-direction shows up in great creativity and an eagerness to try a new thing.

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Experientials

- Experientials (6% of population) are those types of beings who prefer direct experience and energetic participation.
- They are sometimes casual and sometimes passionate, mystical.
- They are fascinated to the foreign (such as Oriental religions), to the outlandish (such as parapsychology), and to the habitual activities (such as 'organic' gardening and home baking).
- These people also are probably the most creative, imaginative, and most zealously involved with others than any other groups of VALS.

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The Societally Conscious

- The societally conscious (11% of population) seek to live careful lives that preserve, guard, and make well.
- Inner growth remains a vital part of life. As a result, many societally conscious people believe in a high degree of independence, which extends to holistic health and a sense that they are in touch with internal forces that direct their activities.

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Combined Outer- and Inner-Directed: The Integrated

- At the apex of the VALS typology is a tiny group named as the integrated (2% of population).
- These atypical people meld the power of outer-direction with the sensitivity of inner-direction.
- They are completely in their prime in a psychological sagacity—able to make out many sides of a subject, capable to direct if necessary and ready to take even a secondary role if that is suitable.
- They generally own a profound sense of the appropriateness of certain aspects of actions and reactions.
- They tend to be self-confident, self-actualizing, self-expressive, and intensely conscious of social and emotional issues.
- They try to view things from world's point of view. These extraordinary people are the Lincoln, Jefferson, Einstein, Schweitzer, Huxley, Hammarskjold, Mahatma Gandhi, and Swami Vivekananda etc.

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VALS-1 Framework helps the marketers in the following areas:

- New Product Development
- Targeting and Positioning
- Communications and Channel Planning

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Parallels in India

- Soney Mathews and Dr. H. Nagaraj in their article "An Analytical Study of VALS of Youth Implication to Marketers" showed that youth Indian have changed from the past and specified five different lifestyles on Indian youth:
- Family Oriented (Family is always a forcing factor ,would love to stay with family)
- Fashion Oriented (tend to be updated with modern fashion, media-driven, attention-seeking)
- Education Oriented (fanatic about foreign degrees)
- Brand Oriented (brands express my personality and satisfies my esteem need within peers)
- Shopping Oriented (impulsive buyers)

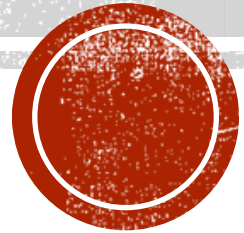
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VALS™ TYPOLOGY OF VALUES AND LIFESTYLE

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LEARNING OBJECTIVE

- VALS™ Typology of Values and Lifestyle

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THE VALS™ TYPOLOGY

- VALS™ segments US adults into eight distinct types—or mind-sets—using a specific set of psychological traits and key demographics that drive consumer behaviour.
- In the US Framework, a graphic representation of VALS, illustrates the eight types and two critical concepts for understanding consumers: primary motivation and resources.
- The combination of motivations and resources determines how a person expresses himself or herself in the marketplace as a consumer.
- While VALS research in other countries shows that basic psychological motivations such as self-expression and achievement are common across cultures, the way they are expressed in day-to-day life varies.
- For example, status symbols, expressions of achievement, often vary with countries.
- Other VALS frameworks include Japan VALS™, Venezuela VALS™, Nigeria VALS™

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VALS ™ TYPOLOGY*

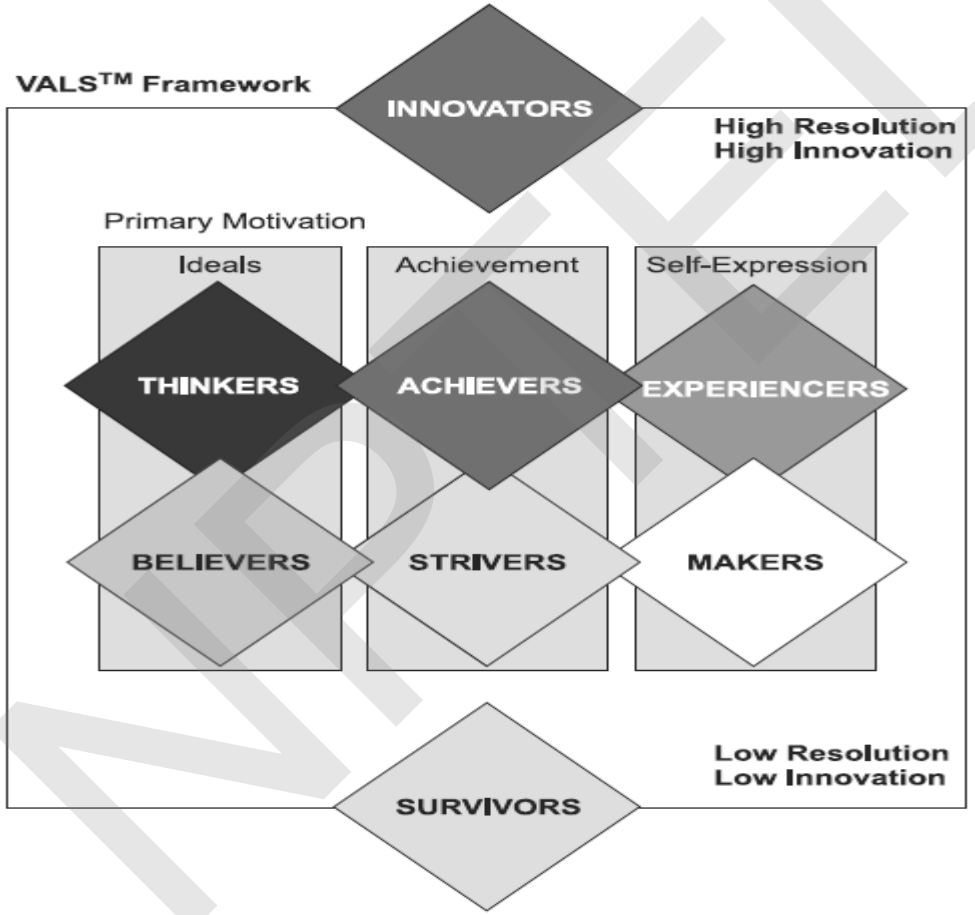


Figure 9.1 VALS™ typology

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INNOVATORS

- Innovators are successful, sophisticated, charge-taking 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 most receptive to new ideas and technologies. Innovators are very active consumers and their purchases reflect cultivated tastes for upscale, niche products, and services. They are less receptive to promotion.
- They make highest number of financial transactions.
- Image is important to innovators, not as an 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 recreations reflect a cultivated taste for the finer things in life.

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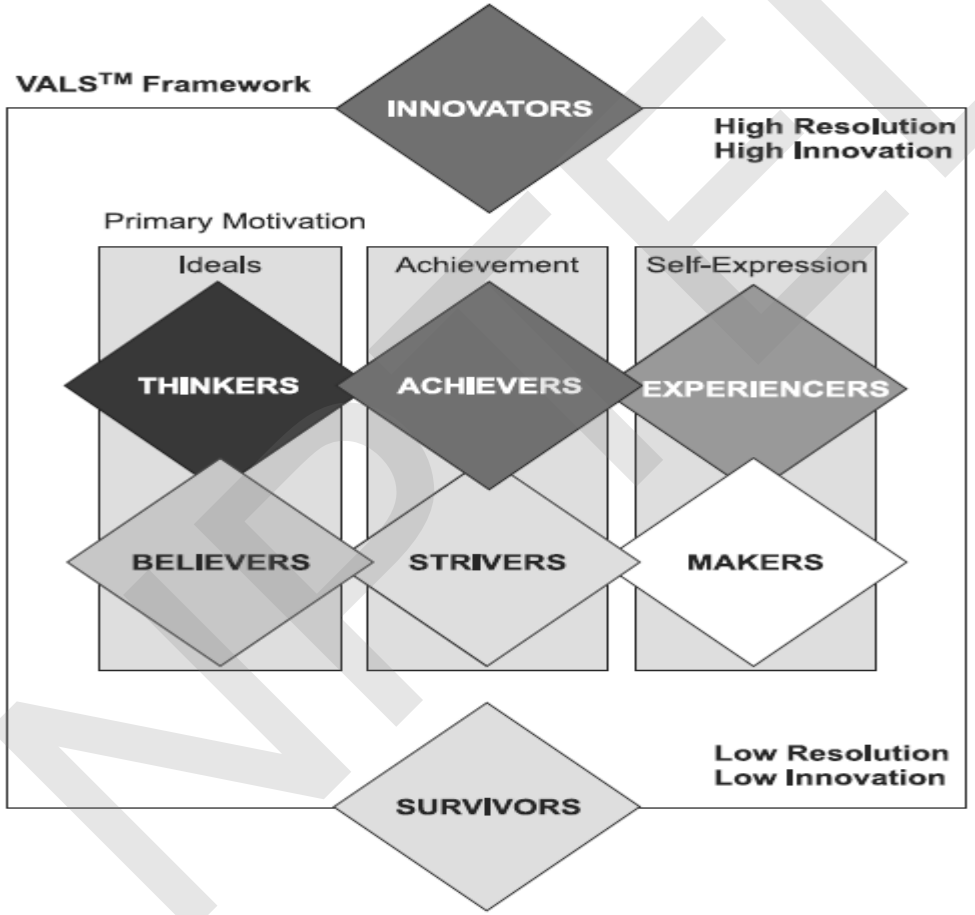


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THINKERS

- 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 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. They buy proven products. For examples, Given Galaxy S7 Active, the Galaxy S7 and S7 Edge are water resistant, they may like them.

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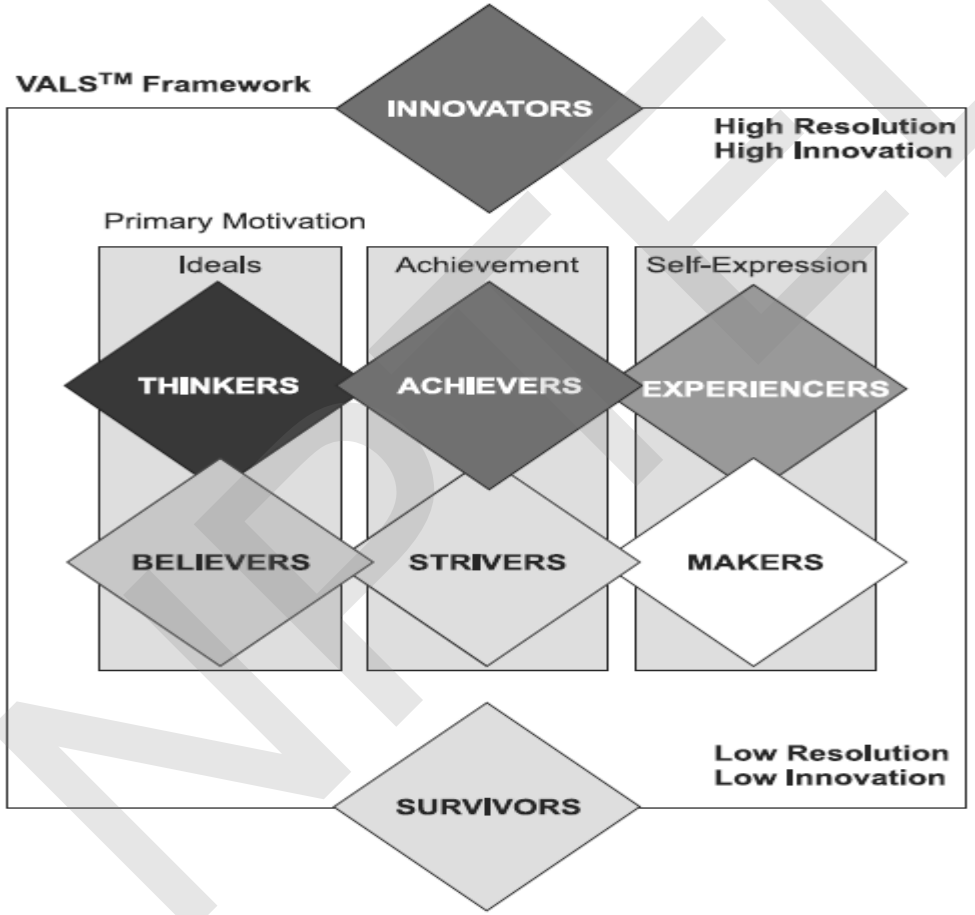


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BELIEVERS

- Like thinkers, believers are motivated by ideals.
- They are conservative and conventional people with concrete beliefs based on traditionally established codes: family, religion, community, and the nation.
- Many believers express moral codes that have deep roots and literal interpretation. They follow established routines, organized in large part around home, family, community, and social or religious organizations to which they belong.
- As consumers, believers are predictable; they choose familiar products and established brands. They are generally loyal customers. However, they find advertising a legitimate source of information.

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THE MEMORY MARKET FOR GRAMOPHONES
THE MARKET OF BELIEVERS

The old artifacts are, these days, no more only the collector's item. Instead, they have dripped down to mass markets, tiptoeing into the lounges of art aficionado middle-class not just as a peculiar show-piece, but as a quality product that talks about a certain time, perchance even the lost epoch.





A street seller in Janpath, Delhi, as per a *The Times of India* report (The Memory Market, February 8, 2011), claimed gramophones sell a lot. He confidently asserted that he has sold a large amount of such rare objects to even strangers who are eager to pay handsome price for them. Pricing anywhere between INR 3000–10,000 a piece, based on the size and rarity, in flea markets such as those of Janpath in New Delhi,these oddballs are no longer the cartel of selected vendors.

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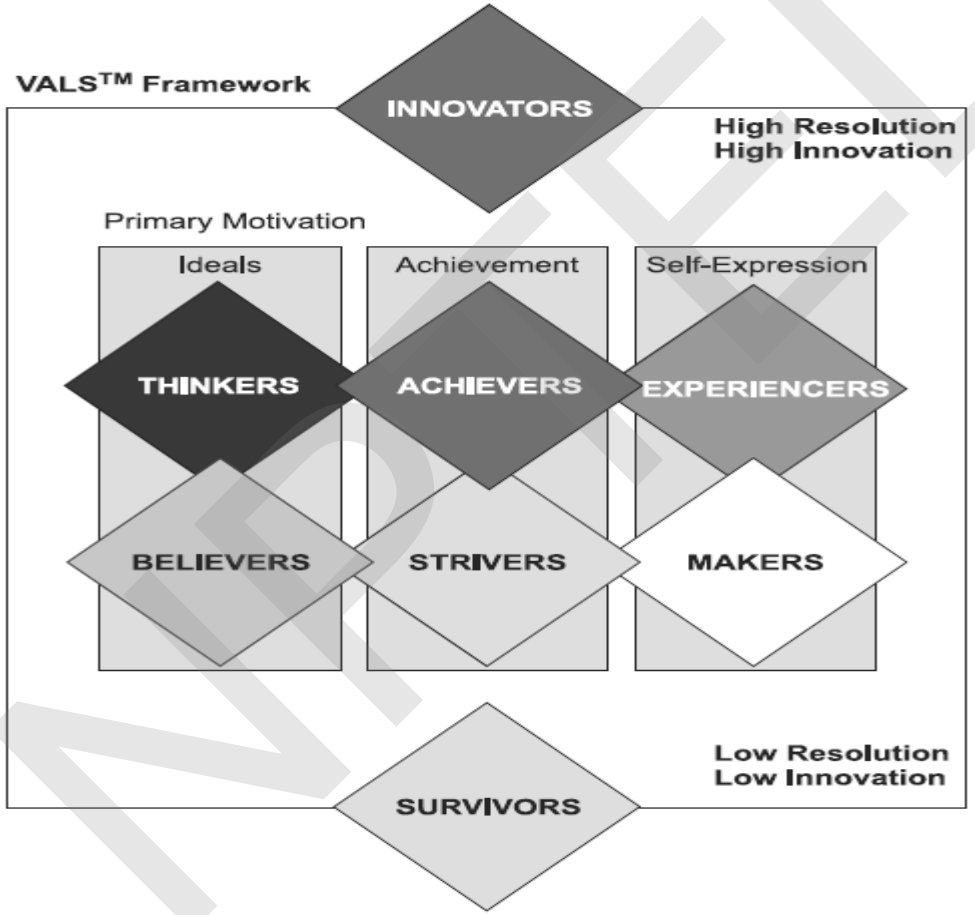


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ACHIEVERS

- 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 are value consensus, predictable, and stable over risk, have an urge for 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. Like Raymonds' Complete Man or J Hampstead's man who is in 'different league'.

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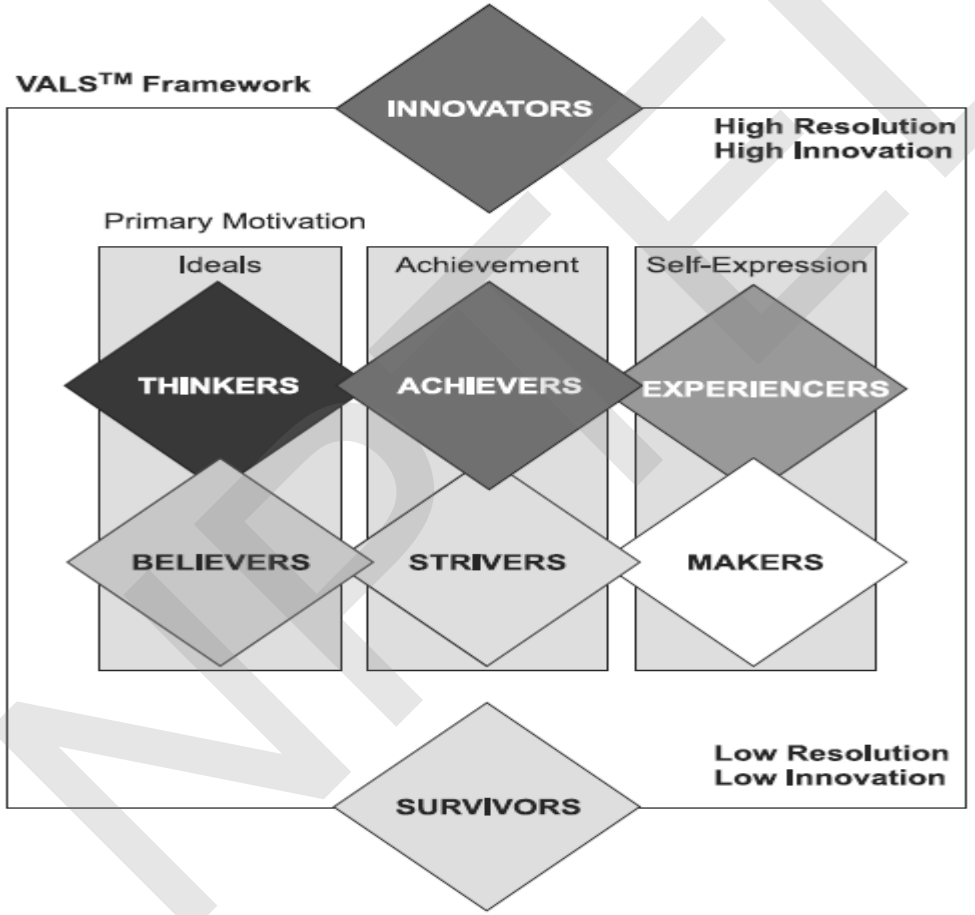


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STRIVERS

- Strivers are trendy and fun loving. Because they are motivated by achievement, strivers are concerned about the opinions and approval of others.
- Money defines success for strivers, but they do not have enough of it to meet their desires.
- They favour stylish products that emulate the purchases of people with greater material wealth.
- Many strivers are happy of just having a job rather than a career, and a lack of skills and focus often prevents them from moving ahead.
- Strivers are active consumers because shopping is both a social activity and an opportunity to demonstrate to peers their ability to buy. As consumers, they are as impulsive as their financial circumstances will allow.

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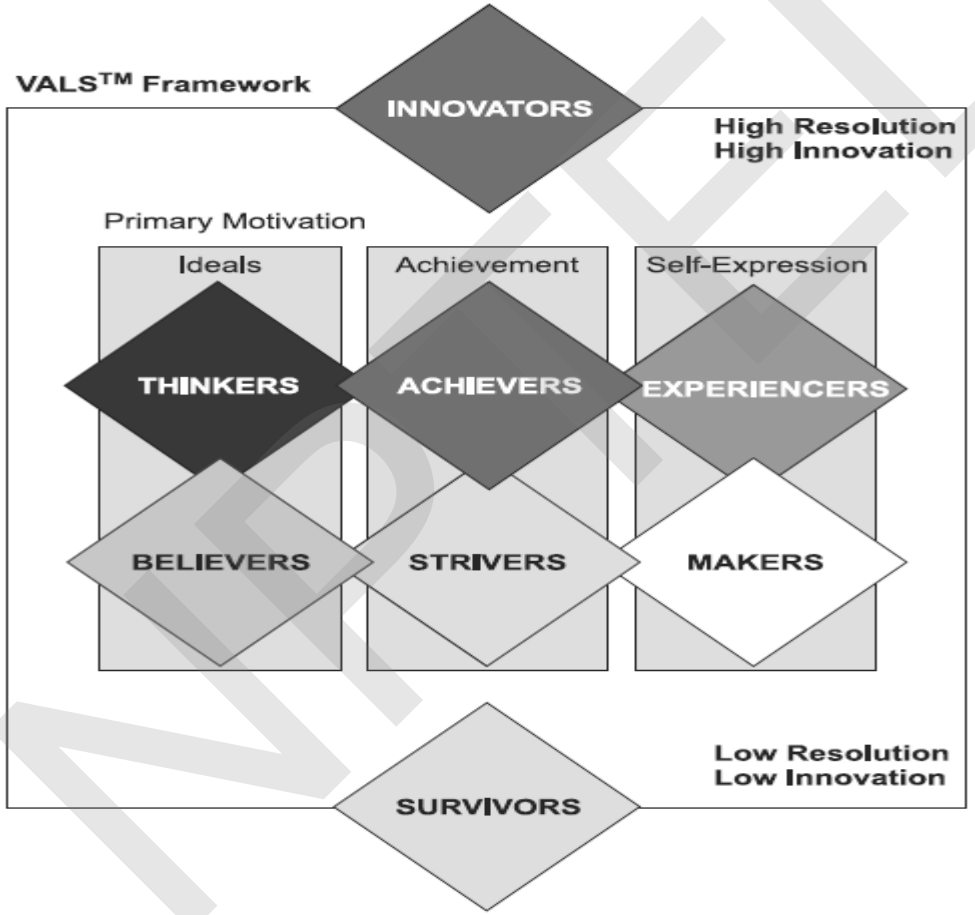


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EXPERIENCERS

- Experiencers quickly become enthusiastic about new possibilities but are equally quick to cool.
- They seek variety and excitement, trendy, the offbeat, and the risky. Their energy finds an outlet in exercise, sports, outdoor recreation, and social activities.
- They are more inclined towards peer pressure.
- Experiencers are avid consumers and spend a comparatively high proportion of their incomes on fashion, entertainment, and socializing. Their purchases reflect the emphasis that they place on looking good and having 'cool' stuff.

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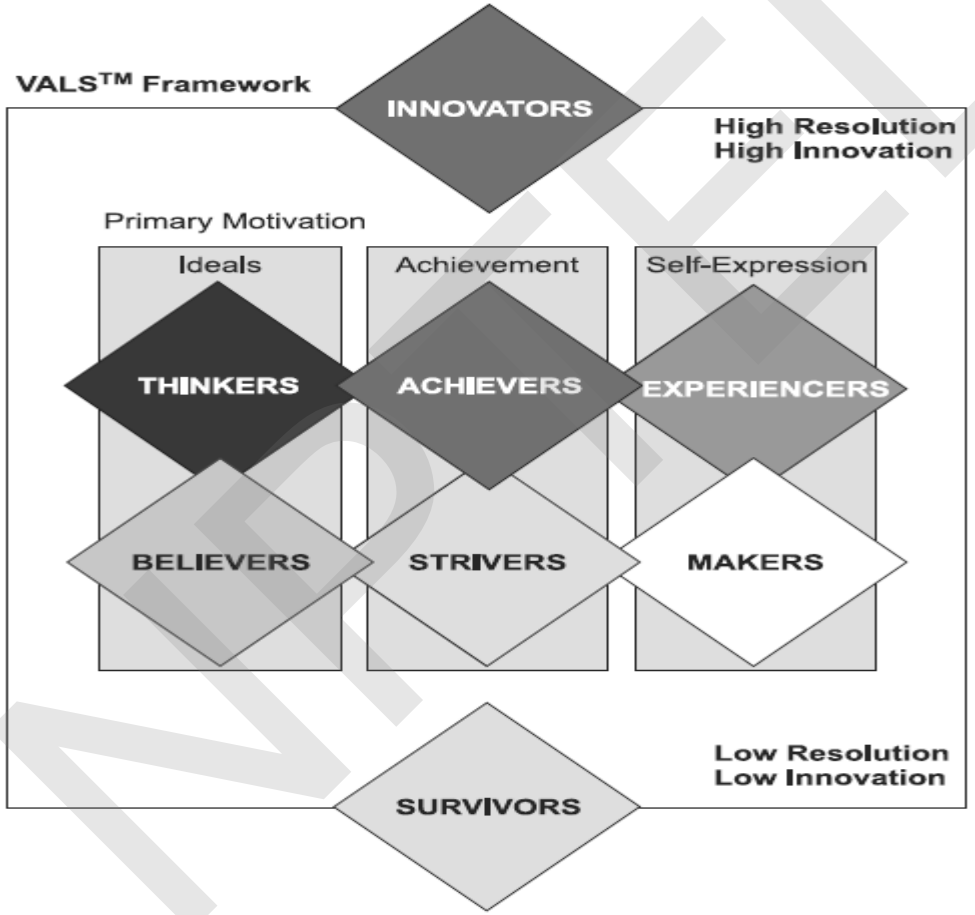


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MAKERS

- Like experiencers, makers are motivated by self-expression. They express themselves and experience the world by working on it—building a house, raising children, fixing a car, or canning vegetables— and have enough skill and energy to carry out their projects successfully.
- They live within a traditional context of family, practical work, and physical recreation and have little interest in what lies outside that context.
- Makers are suspicious of new ideas and large institutions such as big business. They are respectful of government authority and organized labour but resentful of government intrusion on individual rights.
- They are unimpressed by material possessions other than those with a practical or functional purpose. Because they prefer value to luxury, they buy basic products.

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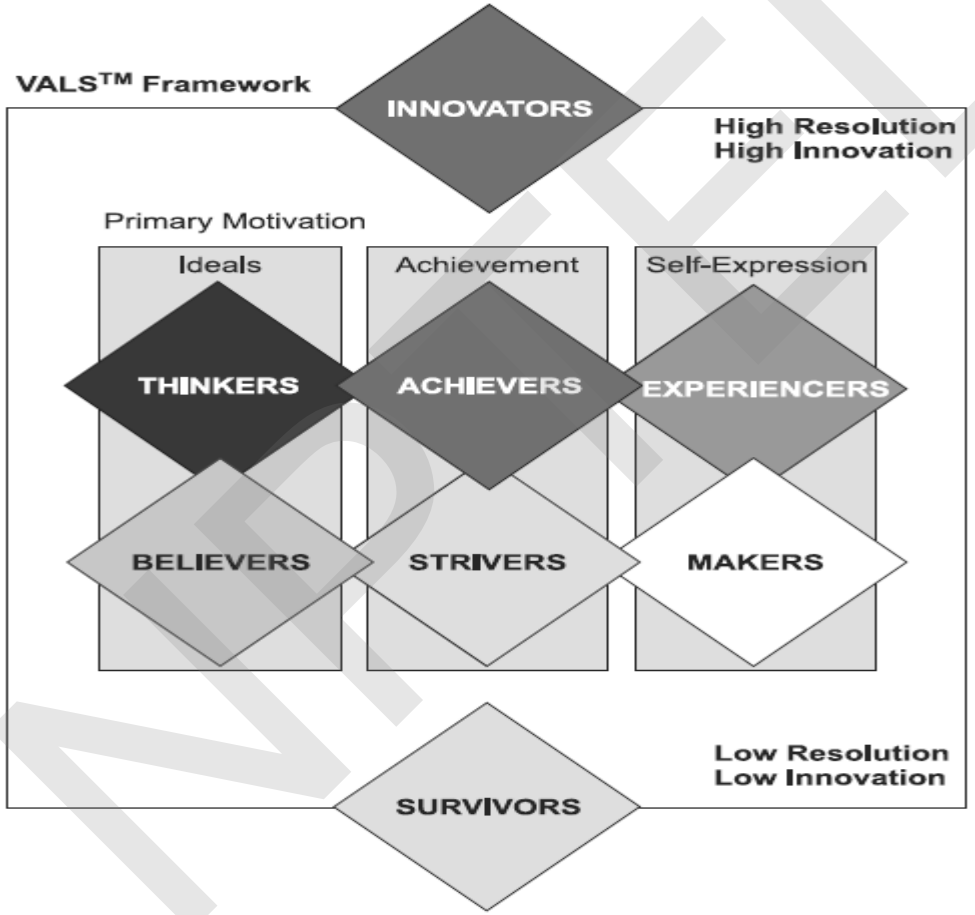


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SURVIVORS*

- Survivors live narrowly focused lives. Because they have few resources with which to cope, they often believe that the world is changing too quickly.
- They are comfortable with the familiar products and are primarily concerned with safety and security.
- They focus on meeting needs rather than fulfilling desires, and being old people survivors do not show a strong primary motivation.
- Survivors are cautious consumers. They represent a very modest market for most products and services.
- They are loyal to favourite brands, especially if they can purchase them at a discount

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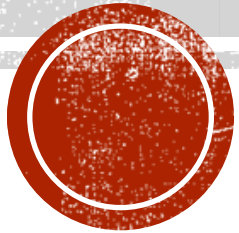
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APPLICATIONS OF LIFESTYLE IN MARKETING

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LEARNING OBJECTIVES

- Implications of Lifestyle Analysis on **Positioning of New Products**
- Implications of Lifestyle Analysis on **Repositioning an Old/Existing Product**
- Implications of Lifestyle Analysis on **Developing New Product Concepts**
- Implications of Lifestyle Analysis on **Creating Promotional Strategies**

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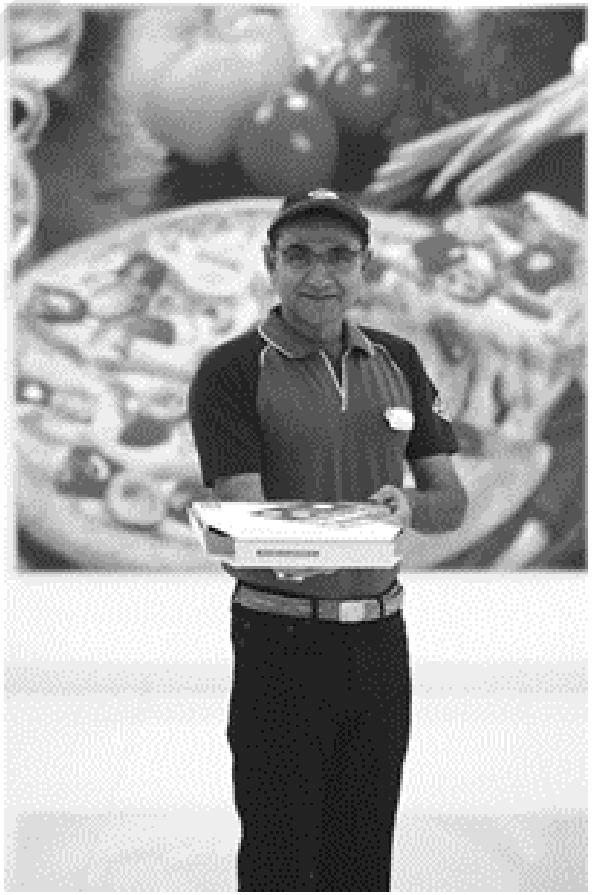
IMPLICATIONS OF LIFESTYLE ANALYSIS ON POSITIONING OF NEW PRODUCTS

- A marketer needs to identify the most cost-effective and profitable segment for selling a new product.
- Lifestyle research, for example, an AIO portrait or VALS classification, for any given consumer product provides the information regarding the age, place of residence, social class, interests and opinions, actions, and of course value system.
- This provides rich database for use in marketing decisions related to the positioning of a new product.
- Decisions pertaining to positioning of a product encompasses the designing of product image, media planning, and developing proper integrated marketing communication mix so that the complete product package is in conformity with particular lifestyle(s). Like TESCO in South Korea.

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DOMINO'S: AN ATTEMPT TO MATCH TO THE INDIAN TASTES

- At the time of its launch in India, Domino's Pizza just carried with it all the western offerings in the Indian market. Nonetheless, the company in due course realized that it had to bend over to local tastes.
- Moreover, they have also shifted their focus from only metropolitan areas to the expanses of 'mini metros' and
- B-category towns across the country in the last two years. But it was really difficult to penetrate those markets with solely western tastes and flavours.
- So they also tried out with Indian taste and flavour options, especially for smaller towns. Consequently, Domino's came up with local toppings such as 'Peppy Paneer' and 'Chicken Chettinad '.
- This, however, is not a unique attempt. Domino's main Indian competitor, US Pizza, was the pioneer to offer local toppings by any western food court. In fact, long ago in 1995, they offered tandoori chicken and paneer toppings.
- Wahid Berenjian, the Managing Director of US Pizza stated 'You cannot change the taste buds that were developed more than a thousand years ago,' he claimed.



IMPLICATIONS OF LIFESTYLE ANALYSIS ON REPOSITIONING AN OLD/EXISTING PRODUCT

- Sometimes existing products may not assume the targeted sales volume. Repositioning is often an eventuality designed in the new product development process itself, mainly as a corrective measure.
- Usually in markets where the cut-throat competition is high, proper positioning is needed to get a foothold in the market. In case of existing products, where the physical attributes are difficult to change completely, repositioning becomes a saviour.
- Lifestyle repositioning would gradually move the product closer to the psychographic profile of the core market segment, by changing the consumer's perception about it or some of its attributes so as to go well with the lifestyle of the core segment.

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IMPLICATIONS OF LIFESTYLE ANALYSIS ON REPOSITIONING AN OLD/EXISTING PRODUCT

- A recent example of repositioning is that of *Tanishq*, the jewellery brand from Tata group, which initiated their business with western style of jewellery and outlets. They initially tried to sell 18 carat gold ornaments. The strategy failed and *Tanishq* had to reposition their brand with 22 carat gold and change the style and design as per the Indian market. They also sponsored the jewellery of the historical movie *Jodha Akbar*, as Jodha Bai (Akbar's wife and sister of Maharana Mansingha of Jaipur) symbolized Indian rich cultural heritage.

- *Johnson & Johnson Ltd*. moved from their baby shampoos and lotions to the adult market by altering the promotional and packaging strategy of the product to appeal to the emergent 'natural healthy look' lifestyle.

- *Mahindra & Mahindra* are currently repositioning their jeep, by aiming at the lifestyle of the triumphant professionals who fancy a rugged lifestyle instead of a chic one. These people are more outer-directed and value their comfort.

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IMPLICATIONS OF LIFESTYLE ANALYSIS ON DEVELOPING NEW PRODUCT CONCEPTS

- Study of existing market segments and examination of their needs have typically been used to conceptualize the new products.
- Conventionally, demographic segmentation or standard consumer categorization of major groups like the sophisticated youth, the youthful collegiate, the metropolitan homemaker, etc., have been used to describe and study the segments.
- Lifestyle studies conversely can be used to harmonize the demographic studies in terms of market needs, customer and non-customer outlooks, the attitudes related to product usage, and the awareness of the target customers, in order to understand which product features may be amiable to certain lifestyles.
- While *roti*, *paratha*, and *idli* may be considered as staple breakfast items in suburbs, in metros cornflakes, noodles, cakes, and bread–butter are quite palatable breakfasts.
- While developing the concept of a new product, a complete inventory of attitudes, interests, and opinions of the consumers helps in defining the attributes of the final product. Further, the marketers may also identify the diverse lifestyle segments and accordingly decide in which segment they intend their product to target.

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IMPLICATIONS OF LIFESTYLE ANALYSIS ON CREATING PROMOTIONAL STRATEGIES

- Lifestyle information is useful in formulating promotional strategies in numerous ways. It provides the decision maker an all-inclusive report of the type of consumer who will be at the receiving end of the advertising communication. Lifestyle data can even identify which language, accent, appeal, and ambience of advertisement should be used for a particular kind of consumer. Further, lifestyle information also provides clues for the benefit segmentation of the market.

- The Indian marketing scenario, particularly for consumer durables, is characterized by fierce competition. Hence companies are realizing that merely stressing upon the attributes of their product or of the company in terms of demographic or geographic dimensions is not enough to be successful in the market place. Marketers must understand that buying behaviour is largely influenced by the consumer's lifestyle. Companies dealing in cosmetics, apparel, packaged food, etc. are seeking opportunities in lifestyle segmentation.

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IMPLICATIONS OF LIFESTYLE ANALYSIS ON CREATING PROMOTIONAL STRATEGIES

- The apparel stores, these days, are also visualizing their merchandise matching with the target customer's lifestyle. For example, *Bata North Star* advertisement aims at the 'Young, western oriented, fun loving crowd'. *Bata Ltd.* has expanded its product range to a full range of active sports shoes named '*Power*'. This is no doubt planned lifestyle marketing.
- Moreover, the emergent westernization of youth in our country and the consequential alteration in lifestyle is accountable for the growing demand for jeans. Denim as a lifestyle-fabric is fast gaining acceptance in the country, going beyond just demographic segments, and marketers are nicely utilizing this phenomenon.
- Nonetheless the Indian market is quite unpredictable. Although there is a memory market for the believers; on the other hand the Indian youth did not show any interest as such with the coloured revival of the classic Hindi film '*Hum Dono*' by Dev Anand, the Indian movies' evergreen legend. Despite the media hype surrounding its re-release, the movie viewers gave a cold shoulder to it (*The Times of India*, February 10, 2011).

- Therefore, the strategy formulation keeping pace with the ever-changing Indian lifestyle is really a challenge for the marketers.

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Influence of Culture on Consumer Behaviour

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Chapter Goals

After completing this chapter, you will be able to understand :

- **The meaning, elements, and characteristics of culture**
- **Cultural identities in India**
- **The various sub-cultural factors shaping up consumer behaviour**
- **Cultural adoption process**
- **Influences of culture and sub-culture on consumers and marketers**
- **Cross-cultural influences and their marketing implications**

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Culture Defined

- Culture is ‘that complex whole that includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society’, Edward B. Tylor (1871).

- Culture is ‘the distinctive way of life of a group of people, their complete design for living’, Clyde Kluchohn (1951).

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CHARACTERISTICS OF CULTURE

- Culture is a comprehensive concept. It includes everything that influences an individual's thought processes and behaviour.
- Culture is acquired. It does not include inherited responses and predispositions. Nonetheless, since most human behaviour is learned rather than innate; culture does not affect a wide array of behaviour.
- Culture is learned by interacting with the other members of the cultural group to which an individual belongs.
- Culture is transferred from one generation to another, with new influences being added to the cultural soup. Thus, culture is always cumulative.
- Culture is adaptive. It changes in response to the needs of the society.

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ELEMENTS OF CULTURE

- Languages and Symbols
- Customs and Rituals
- Norms and Sanctions
- Values

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A Model of Cultural Process

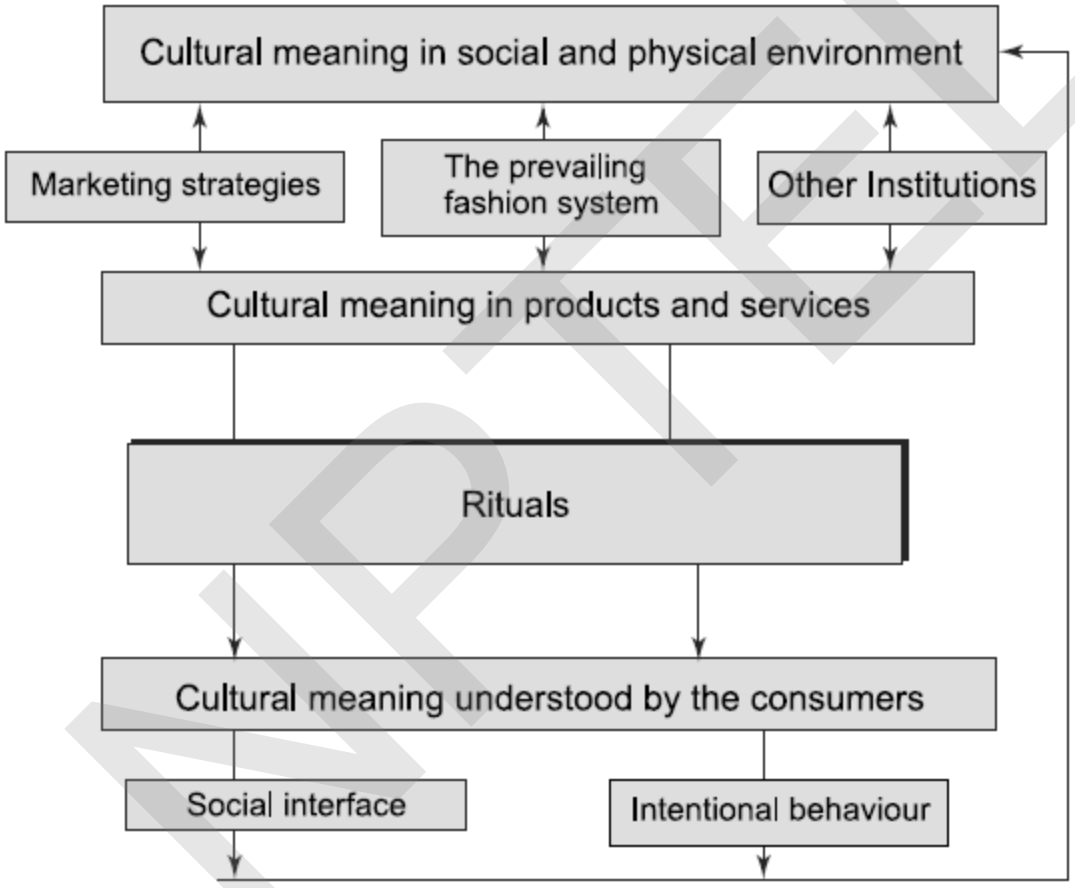


Figure 10.1 A model of cultural process

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Two ways that meaning is transferred to the consumers

- Marketing strategies are structured in such a way that the cultural meanings flow from the physical and social environments into products and services. Like : Nestea ad.

- Sometimes, consumers themselves want to acquire these cultural meanings in products “in order to establish a desirable personal identity or self-concept”.

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Moving cultural meanings into products

- Advertising messages
- Pricing strategies
- Product-designs
- Distribution models

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How cultural meaning flows from products to consumers?

- Cultural meanings moves from products into consumers through rituals.
- “Rituals are symbolic actions performed by consumers to create, affirm, evoke, or revise certain cultural meanings”.
- Rituals are of six types
  - **Possession rituals**
  - **Exchange rituals**
  - **Grooming rituals**
  - **Divestment rituals**
  - **Acquisition rituals**
  - **Bargaining rituals**

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Further..

- Cultural meanings in consumers

- Moving meanings to the cultural environment
  - through people's social behavior or interaction
  - As a part of cultural process

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Value System and Marketing Lessons

Value	*Meaning*	*Indian situation*	*Lesson for multinational marketer*
(A) *Self-oriented values*			
(1) Materialism	Importance attached to materialistic acquisitions	Earlier generation would not approve; now accepted	Lifestyle is still not fully oriented towards materialistic possessions
(2) Immediate/delayed gratification	Do people live for today?	Earlier saving was a virtue; it still is, but no harm borrowing	Credit-driven sales are possible; 'here and now' messages will work
(3) Sexual mores	Perception towards sex	Sex is a 'closed door' affair	Sexually explicit messages are unlikely to be accepted
(4) Hard work/leisure	Is working harder (than is economically necessary) a virtue in itself?	No, having leisure and time for oneself is very important. But hard work precedes enjoyment of life	Role models who only work hard but are not able to enjoy fruits of their labour are not likely to be acceptable

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Value System and Marketing Lessons

Value	*Meaning*	*Indian situation*	*Lesson for multinational marketer*
(B) *Other oriented values*			
(5) Individualism/collectivism	Are individual activities and initiative valued more?	Indians are not team oriented; only one person can occupy top position	Comparative advertising will succeed, since only one brand can be the 'best'
(6) Romantic orientation	Is romance platonic or with sexual innuendoes?	Romance in India has nothing to do with sexual permissiveness	Message of intimacy is unlikely to help promote a product
(7) Adult/child role	Do children act as decider/influencers?	At least in upper-income classes, children decide about products of direct consumption but with parental sanction	Marketer must sell the product to both, the child and the parents; child cannot independently decide for most categories
(8) Male/female dominance	Who decides: man or woman?	India is still a male-dominated society	Messages that show independence of women will appeal to only niche segment; man still a provider, woman a nurturer
(9) Competition	Is cooperation or competition valued?		Competition oriented messages will succeed
(10) Age	Seniority or merit?	In India, competition is valued. In India, wisdom is synonymous with age	Messages when 'parents know better' will work

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Value System and Marketing Lessons

Value	*Meaning*	*Indian situation*	*Lesson for multinational marketer*
(C) *Environment-oriented values*			
(11) Cleanliness	**Hygiene consciousness**	**Rather limited**	**Products oriented towards maintaining hygiene will have only limited access**
(12) Performance/status	**Is performance more important or ascribed status?**	**In India, status is more important**	**Only well-established products will succeed**
(13) Tradition/change	**Is change welcome?**	**No, fundamentally Indians are traditionalist**	**Consumers are not crusaders. Icons work within the system**
(14) Risk taking	**Is risk taking a desirable trait?**	**Yes or no: calculated risk taking is acceptable**	**Some consumers accept 'entrepreneurial' role**
(15) Control over nature	**Nature governs me or can I tame it?**	**There is some 'supra authority'**	**Many things/events cannot be understood/conquered**

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Cross-Cultural Marketing

- Cross-cultural problems definitely provide more challenges and opportunities to marketers in the 21st century although they might not be totally new in the marketing area.

- There are many unsolved problems or issues that need to be solved and discussed by the scholars and marketing professionals in theories and in practice as well.

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Cross-Cultural Marketing- Issues to be Probed

- Culture impacts on markets: International versus domestic marketing.
- Standardization versus adaptation in cross-cultural marketing
- Cross-cultural dimensions of marketing research
- Cross-cultural aspects of marketing mix (products, price, promotion, and distribution)
- Cross-cultural aspects of service marketing
- Cross-cultural implications on the aftermarket
- Cross-cultural marketing of education and professional training

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Guidelines for marketers to minimize the possible cross-cultural marketing mistakes

- Be sensitive to do's and taboos. Develop cultural empathy.
- Recognize, understand, and respect another's culture and difference.
- Be culturally neutral and realize that difference in culture is not necessarily better or worse.
- Never assume transferability of a concept from one culture to another. For instance, if local businessmen in developing countries tell you that they do not like Americans, they may not mean that they do not want to buy American goods. It simply means they are expected to say certain things in public, nonetheless may operate differently in private.
- Get cultural informants involved into the decision makings. Cultural informants could be local businessmen or very well-trained anthropologists. As already claimed, anthropological approach is among the best theories to understand the gamut of the cross-cultural marketing.

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Can Culture boost up a new market?

- Hungary-based strategy consultant Márti Matécsa and Mumbai-based brand and marketing consultant Pallavi Savant and Australian start-up mentor Orsi Parkanyi launched a new website JoinMyWedding.com some months back.

- They create opportunities for the interested foreign tourists to attend an Indian wedding for a fee.

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Group Influences on Consumption

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Chapter Goals

After learning this chapter you will be able to understand:

- What is a group
- Types of group
- Parameters of group conformity
- Impact of reference group on consumer decision making
- Impact of reference groups on marketing strategy formulation

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GROUPS DEFINED

A group may be defined as two or more people working together to achieve either individual or mutual goals.

The wider scope of this definition ranges from an intimate group of two next-door neighbours who do their daily grocery shopping together to a bigger and more formal group, such as a trade union whose members are equally concerned with the benefits of the work force.

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TYPES OF GROUPS

Dimensions	Types of groups	Definition	Example
Content or function	Family	This group is dependent on the size and the type of relationships that exist in the family	Joint family, nuclear family, etc.
	Ethnic origin	This group depends on the genetic country—origin of the individuals	American, Hispanic, etc.
	Age	This group shows how individuals can be classified according to their age	30–40, 50–60, etc.
	Sex	This group is gender-specific.	Male, female
	Others	This group considers many other factors like education, occupation, etc. Sometimes social networking groups are also considered under this kind of group.	www.linkedin.com, University Professors Association, etc.
Degree of personal involvement and perceived importance	Primary group	It consists of those interpersonal relationships which take place generally at one to one level, with high rate of occurrence and on an intimate level. These groups have shared norms and interlinking roles	Families, work groups, and some entertaining groups
	Secondary group	If a person interacts only intermittently with others and does not reflect in their opinions too seriously, the group is called a secondary group	Guardian's forum, citizen's forum, etc.
Degree of organization	Formal group	If a group has a highly defined structure (for example, a formal membership list), specific roles and authority levels (e.g., a president, treasurer, and secretary), and specific goals (e.g., to assist the elderly, anti-smoking), then it may be called a formal group	Rotary, lions, Jaycees, labour unions, social clubs and societies, etc.

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TYPES OF GROUPS

Dimensions	Types of groups	Definition	Example
	Informal group	An informal group is usually a primary group, featured by a somewhat loose structure, a lack of clearly defined goals or objectives, unstructured interface, and understood rules. Because of the degree of its influence on individuals' values and activities, informal group is perhaps of greater importance to us in the process of understanding consumer behaviour	Peer group, local clubs, etc.
Degree of attachment	Membership group	It is a group to which a person either belongs or qualifies for the membership	The marketing practitioners in American Marketing Association, members of booksellers' guild
	Symbolic group	It is a group in which it is improbable to receive a membership for an individual, despite acting like a member by adopting the group's values, attitudes, and behaviour	Young boys wearing Indian Cricket jerseys and cap feel their association with the team but do not belong to it
Degree of association	Aspirational group	It is a group in which the individuals aspire to be someone	Former Miss World Aishwarya Rai symbolizes beauty and hence is in the aspirational group of young Indian ladies. *Lux*, which has positioned itself as beauty soap used Aishwarya as their brand endorser
	Dissociative group	It is the group in which the individuals do not like to be associated with someone	Traditionalists may not like bare bodied portrayal of John Abraham and thereby avoid the brands endorsed by him as they might think that those brands will clash with their self-image of traditionality.

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Group Conformity and Compliance

- Conformity within a group guides the members in changing or forming their attitudes and beliefs in such a way that they easily fit in with the group norms and standards. In fact, it can be stated that those who conform to the group norms are considered to be more compliant. In order to conform, a group member must attribute someone as having the authority and integrity to lead or influence the group's behaviour.

- For compliance to occur within groups, one must adapt his/her actions to group's wishes or rules. A person that conforms must have a temperament that allows him/her to acquiesce to others. The most effectual method to achieve compliance is through rational persuasion and motivation.

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REFERENCE GROUPS—CONCEPT

- Reference group is ‘an actual or imaginary individual or group conceived of having significant relevance upon an individual’s evaluations, aspirations, or behaviour’ (Park and Lessig, 1977).
- Reference group is a person or a group that has considerable influence on the behaviour of an individual (Bearden and Etzel, 1982).
- Reference groups are usually conformed by the social network of an individual: family members, friends, colleagues, and inspirational figures (Bachmann, John, and Rao, 1993).
- Reference groups are the source of brand associations that mold the self image of a consumer (Escalas and Bettman, 2003)

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Types of Groups

- *Aspirational reference group* refers to those members of the society like whom an individual aspires to become.

- *Associative reference group* includes people who more pragmatically symbolize the individuals' present equals or near-equals—e.g., coworkers, neighbours, or members of churches, clubs, and organizations.

- *Dissociative reference group* includes people like whom the individuals do not aspire to be.

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IMPORTANCE OF REFERENCE GROUPS IN CONSUMER BEHAVIOUR

- *Informational influence*
- *Normative influence*
- *Identification influence*

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Levels of Group Involvement

- Compliance
- Identification
- Internalization

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REASONS FOR ACCEPTANCE OF GROUP INFLUENCE

- *Informational benefits*
- *Utilitarian benefits*
- *Value-expressive benefits*

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MARKETING STRATEGIES AND REFERENCE GROUPS

- *Personal selling strategies*: In group demonstration and selling situations of direct marketing (like *Tupperware*, *Amway*, etc.), a salesperson may use a 'party' situation to sell a product.

- *Advertising strategies*: A marketer uses celebrities, experts, or a simple spokesperson as a referent in his advertising message hoping that they form either associative or aspirational group. Thus *Lux* uses Aishwarya Rai, *Boost* uses Sachin, and so on.

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