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Joseph T. Plummer

The Concept and Application of Life Style Segmentation

The combination of two useful concepts provides a unique and important view of the market.

A NEW dimension for segmenting markets has been developed in recent years. This new method, called life style segmentation, has been useful for marketing and advertising planning. The purpose of this article is to describe the theory behind life style segmentation and discuss how it has been and can be applied.

Life style segmentation is the marriage of two concepts into a single system. One of the concepts is life style patterns and the other is market segmentation. In order to discuss the uses of life style segmentation, it is important first to examine briefly each component of the system and then the uses of the total system.

Life Style Patterns

The concept of life style patterns and its relationship to marketing was introduced in 1963 by William Lazer. He defined life style patterns 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."[1]

Since 1963, methods of measuring life style patterns and their relationship to consumer behavior have been developed and refined. The most widely used approach to life style measurement has been AIO (Activities, Interests, and Opinions) rating statements.[2] Life style as used in life style segmentation research measures people's activities in terms of (1) how they spend their time; (2) their interests, what they place importance 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 life cycle, income, education, and where they live. Table 1 lists the elements included in each major dimension of life style.

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.

Over the years, a number of constructs have been useful in better understanding the customer. The most popular constructs have been demographics, social class, and psychological characteristics. Demographics have received broad acceptance and lend themselves easily to quantification and consumer classification. However, demographics lack richness and often need to be supplemented with other data. Social class adds more depth to demographics, but it, too, often needs to be supplemented in order to obtain meaningful insights into audiences. Lastly, psychological characteristics are often rich but may lack reliability when applied to mass audiences. In addition, the findings from psychological scales frequently are difficult to implement.

The new construct, life style patterns, combines 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.

Life style attempts to answer questions like: What do women think about the job of housekeeping? Are they interested in contemporary fashions? Do they participate in community activities? Are they optimistic about the future? Do they see themselves as homebodies or swingers? When the answers to questions like these correlate significantly with product usage, magazine reader-

1. William Lazer, "Life Style Concepts and Marketing," *Toward Scientific Marketing*, Stephen Greyser, ed. (Chicago: American Marketing Assn., 1963), pp. 140-151.

2. William Wells and Doug Tigert, "Activities, Interests and Opinions," *Journal of Advertising Research*, Vol. 11 August 1971), pp. 27-35, Joseph T. Plummer, "Life Style Patterns: A New Construct for Mass Communications Research," *Journal of Broadcasting*, Vol. 16 (Fall-Winter 1972), pp. 79-89; and Joseph T. Plummer, "Life Style Patterns and Commercial Bank Credit Card Usage," JOURNAL OF MARKETING, Vol. 35 (April 1971), pp. 35-42.

Journal of Marketing, Vol. 38 (January 1974), pp. 33-37.

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TABLE 1

LIFE STYLE DIMENSIONS

ACTIVITIES	*INTERESTS*	*OPINIONS*	*DEMOGRAPHICS*
Work	Family	Themselves	Age
Hobbies	Home	Social issues	Education
Social events	Job	Politics	Income
Vacation	Community	Business	Occupation
Entertainment	Recreation	Economics	Family size
Club membership	Fashion	Education	Dwelling
Community	Food	Products	Geography
Shopping	Media	Future	City size
Sports	Achievements	Culture	Stage in life cycle

ship, television program preferences, or other mass communication variables, a picture emerges that goes beyond flat demographic descriptions, program ratings, or product-specific measures. Life style patterns provide a broader, more three-dimensional view of customers, so that one can think about them more intelligently in terms of the most relevant product positioning, communication, media, and promotion.

Market Segmentation

As long as people have been selling products to one another there has been some form of market segmentation. In the early days of marketing, segmentation (i.e., selection of a group or groups with common characteristics out of the total) was based on rather general dimensions such as buyers vs. nonbuyers, men vs. women, and the like. Refinements have been made over the years to adjust to the increasing complexity in the marketplace and the rise of mass marketing. One of these segmented buyers in terms of light users, moderate users, and heavy users. This segmentation basis was adopted when sellers realized that in many product categories, the heavy user segment accounted for as much as two-thirds of the business.[3]

Whether sophisticated or simple, segmentation exists and has been used for a long time. Marketing management knows that no single population is homogeneous and that there is no "average man." People are different and do things for different reasons. Thus there is a need to identify the differences and group them in such a way that a better understanding of the population under consideration emerges. The focus in segmentation is on the differences between identified groups on certain criteria, such as brand purchasing, brand attitudes, media patterns, and so on.

Segmentation is useful because it moves beyond total scores or averages and reveals important differences that can be acted upon. If, for example, research indicated that a new concept received an overall rating of only 3.2 on a 5-point scale among a hundred people, the concept might be dropped. However, if the sample were segmented into light, medium, and heavy users, and the new ratings developed for the concept were 2.1 among light users, 3.3 among medium users, and 4.7 among heavy users, the evaluation of this concept would be different. In this way, segmentation can reveal important insights that averages often hide. Segmentation is particularly useful in developing marketing objectives because it identifies important subgroups in the population as more efficient marketing targets than others.[4]

All of this discussion leads to the question: "Segmentation of the market is useful, but what concepts are the most useful in segmenting the market?" In order to answer this question, we first need to examine what the various approaches to segmenting the market are and then discuss the criteria to be used in selecting among these approaches.

Historically, there have been two general approaches to market segmentation: "people" oriented and "product" oriented. The people-oriented segmentation approaches have utilized various dimensions along which to measure people and then relate the people segments to the product or service. Those people-oriented segmentation dimensions that have enjoyed widespread usage are demographics, social class, stage in life cycle, product usage, innovativeness, and psychological characteristics. The product-oriented segmentation approaches have been designed to measure product characteristics, either directly or indirectly through consumers, in order to better understand the structure of the market. Those product-

3. Clark Wilson, "Homemaker Living Patterns and Marketplace Behavior," in *New Ideas for Successful Marketing*, John Wright and Jac Goldstucker, eds. (Chicago: American Marketing Assn., 1966), pp. 305-332.

4. Daniel Yankelovich, "New Criteria for Market Segmentation," *Harvard Business Review*, Vol. 42 (March-April 1964), p. 83; and William Cunningham and William Crissy, "Market Segmentation by Motivation and Attitudes," *Journal of Marketing Research*, Vol. 9 (February 1972), pp. 100-103.

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oriented segmentation dimensions that have enjoyed broad usage include: product benefits, product usage occasions, value, ingredients or taste, perceived attributes, and advertising appeals.

The criteria that should be employed in selecting a useful segmentation approach to aid in marketing and advertising planning are three-fold:

1. Is the segmentation approach based on theory consistent with the objectives?
2. Does the segmentation reveal significant differences between the defined segments on a usage or purchasing measure?
3. Can these differences be understood and acted upon to improve business?

The most recent trend in market segmentation has been in the direction of more sophisticated procedures and product-oriented segmentations. So often, however, the segments developed from a study on one product category have little or no relevance to another product category. Product-benefit, or attribute, segmentation has been useful to marketers and advertisers and is often the basis for multibrand development. As Wells has pointed out, however, these measures are still inadequate in their description and analysis of the consumer as a person. It is in this area that life style data—activities, interests, and opinions—have proved their importance as a means of "duplicating" the consumer for the marketing researcher.[5]

Life Style Segmentation

Life style is used to segment the marketplace because it provides a broad, everyday view of consumers. When combined with the theory of typologies[6] and clustering methods,[7] life style segmentation can generate identifiable whole persons rather than isolated fragments. Life style segmentation begins with people instead of products and classifies them into different life style types, each characterized by a unique style of living based on a wide range of activities, interests, and opinions. The rationale for this approach is that consumers have hundreds of products in their world in an average week. Although the product is most important to the marketer; to the consumer, *he* is most important.

The analytical procedure of relating the life style segments to a particular market is a two-step process. In this two-step process, life style segmentation adds important new dimensions to available information on consumers and other market segmentation approaches.

Step 1

The usual first step in the analysis of life style segmentation information is to determine which of the life style segments are best from the standpoint of efficiently producing the greatest number of customers for a brand. The selection of the important segments is derived by examining several product dimensions: (1) usage of the category; (2) frequency of usage of the category, that is, who the heavy users, moderate users, and light users are; (3) brand usage and brand share (if available); and (4) product attitudes and usage patterns.

Ideally, the key segments selected would have high product penetration and would contain the highest proportions of heavy users, indicating greater volume potential, a healthy position for the brand or brands under consideration, and favorable brand attitudes. This type of ideal situation would make the selection of target segments quite easy. Unfortunately, this ideal situation seldom occurs in reality.

The author's experience with life style segmentation has shown that there tend to be three basic results in relationships between life style segments and the marketing data.

First, two or three life style segments account for 60% or more of the total business in that category. This means that these segments (types of people) are crucial to success or failure in the category. They are the ones who need to be appealed to, reached through the media, and concentrated on in marketing.

Second, a number of segments contain important levels of heavy users of the category, and a few segments are relatively unimportant. Here one needs to go beyond the consumption data to examine the relative positions of the brands. Where is a brand strong and where is it weak? If a brand profile matches the heavy-user profiles by segments, then the task becomes one of maintaining the current position and perhaps expanding it. It may be that the segments where a brand is weak are different people with different needs, which might suggest a second brand.

If, on the other hand, a brand profile does not match the heavier-using segments very well, there is a need to determine how to capture some business from those segments where competition is doing much better.

Third, there are no significant differences in

5. William D. Wells, "Seven Questions about Life Style and Psychographics," (Paper presented at the 55th International Marketing Congress, New York City, April 1972), p. 4.

6. William Stephenson, *The Study of Behavior* (Chicago: The University of Chicago Press, 1953); Carl Rogers, *On Becoming a Person* (Boston: Houghton Mifflin Co., 1961); and Joseph T. Plummer, "Audience Research in TV Program Development," *Educational Broadcast Review*, Vol. 2 (June 1968), pp. 23-30.

7. Richard Johnson, "How Can You Tell if Things Are Really Clustered?" (Paper presented to the American Statistical Association, New York, February 15, 1972.)

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consumption among the segments, but definite attitude, product function, and life style similarities exist between groups of segments. This type of outcome may be the result of two factors: no one brand has attempted to "segment itself," or the product is such that once a purchase is made the individual no longer contributes to the market. It is in this type of situation where creativity and intuition play an important role in selecting segments on which to focus advertising and marketing efforts just on the basis of attitude, usage pattern, or life style similarities. There are really no guidelines for target selection in this situation. In some instances, one must try another basis for segmenting the market and hope the alternative approach will show significant and more useful differences in consumption patterns.

Step 2

Once the target segments have been selected, one can begin to define and describe the target customer in more depth and with more understanding of "why." At this point, thinking can begin on how to reach and communicate more efficiently and relevantly to the target customers (who are usually a composite of several segments). The insights and knowledge of the key life style segments will aid in determining the product positioning, the advertising, the media strategy, and the promotion strategy.

Benefits of Life Style Segmentation

Definition of the Key Target

Invariably, life style segmentation provides a redefinition of the key target. Instead of defining the target in demographic terms (i.e., middle-aged housewives with a large family and average income) or in product usage terms (i.e., the frequent user, the price buyer, the vacation traveler, etc.), life style segmentation demonstrates the diversity of those definitions, helps tighten them up, and provides new definitions. In addition to middle-aged white collar or blue collar housewives, life style provides definitions like "housewife role haters," "old-fashioned homebodies," and "active affluent urbanites."

Also, since life style segmentation involves many factors simultaneously, it has shown that certain demographics go together to define targets which, considered independently (i.e., one at a time), might not merge. Life style segmentation provides a richer redefinition of the key target audiences.

Provides a New View of the Market

In the past, it was often difficult to determine the structure of the market in terms of usage patterns. Because life style segmentation provides an overview of the market in a multidimensional sense, one can often learn a good deal about the structure of the market. One such learning experience occurred where there had been a running controversy for years on whether the target was parents or children. Life style segmentation demonstrated that the target was heavy using households where both parents and children consumed more than average.

In another situation with which the author is familiar, where a marketer was involved in three closely allied product categories, life style segmentation showed them to be really three different categories. Although the demographic profiles of the heavy users for each category were well known and not dramatically different, life style segmentation indicated how different in life style and product orientation the key segments for each category were. This finding has helped lead to a different product positioning and product improvements for each category.

Product Positioning

Life style information can be used to complement more commonly used information such as product benefits, unique ingredients, and competitive advantages in positioning a product to customers.

Life style information can be employed to *position* a product based on the inferences drawn from the portrait of the consumer both in terms of his basic needs and how the product fits into his life. If, for example, the person's life style indicates a strong need to be with other people in a variety of settings, it may be that the product can be positioned to help satisfy this social need. Or one might learn how a product fits into a person's life. It may be that the basic function of a product is convenience. But if it is found that the target consumer enjoys cooking and is not convenience oriented, it may be appropriate to position the product as a shortcut in creating more elegant dishes.

Communication

Although there are many ways in which life style can be useful in the creation of advertising,[8] there are four major concepts that one can use in applying the findings for the creation of advertising communication. The most obvious one is that, for the creative person, life style data provide a richer and more life-like picture of the target consumer than do demographics. This enables the writer or artist to have in his own mind a better idea of the type of person he is trying to communicate with about the product. This picture

8. Joseph T. Plummer, "Application of Life Style Research to the Creation of Advertising Campaigns," in *Life Style and Psychographics*, William Wells, ed. (in press).

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also gives the creative person clues about what may or may not be appropriate to the life style of the target consumer. This has implications for the setting of the advertising, the type and appearance of the characters, the nature of the music and artwork, whether or not fantasy can be used, and so on.

A second and similar concept that can be used in applying the life style data are the insights into the basic *tone of voice* for the advertising. The creative user can get a sense of whether the tone should be serious or humorous, authoritative or cooperative, contemporary or traditional, from the life style dimensions of the target user portrait.

The third major concept which is helpful in developing advertising from life style information is that of the *rewards* people seek in their activities and interests. Do the target consumers obtain rewards by doing something nice for others, or are their rewards derived from more self-centered activities and interests? If the target consumer obtains rewards through others, then it might be more relevant to portray her as doing the right thing for her family by purchasing the product.

The final major concept which is useful in developing advertising from life style portraits of consumers is the notion of the number and types of *roles* in which the target consumer sees himself. If the female consumer sees her major role as a housekeeper rather than wife or mother or socialite, then it would seem most appropriate to utilize that role in communicating to her. She would have a difficult time identifying or, perhaps, even believing spokesmen not congruent with that role.

Helps Develop Sounder Overall Marketing and Media Strategies

In addition to providing input into the "who" of a marketing plan, life style segmentation often provides insights into the amount of concentration in a market: how difficult conversion of nonusers might be, the potential role of promotion, and the potential role of new products. For example, in one product category it was quite evident that every brand except one was targeted at the same life style segment. Although important, this segment comprised less than half of the users. Here was an instance where a marketing opportunity existed to target a new brand or reposition an older one at the other, less-concentrated segments.

The author is aware of one situation in which life style segmentation was particularly useful in basic media strategy, when an important segment appeared to be more print-oriented and a light daytime television viewer. Using the demographics of that life style segment, further analysis of other media data suggested that a move to print media for part of the budget would be a good one to reach these important consumers.[9]

Can Suggest New Product Opportunities

Because life style segmentation provides a great deal of information on the different needs of types of people and the potential size of those "types" in the population, one can examine existing products to see how well they are meeting the needs of consumer types. In one situation, several segments had a need for more and better alternatives for their children's "spur of the moment meals." Given these unmet needs, some sense of the potential, and a rich definition of the target segments, it was not too difficult to develop some new products which currently are being tested.

Helps Explain the "Why" of a Product or Brand Situation

Knowledge of each segment's life style, attitudes, and usage patterns enables the marketer in many situations to explain or generate hypotheses on why certain segments use or do not use a particular product or brand very heavily. It is often because of several factors interacting rather than a single factor. Without the holistic view of the segments, it would be difficult to observe these interactions and put them into perspective. These insights are helpful in deciding not to appeal to particular segments when there are several "barriers" to conversion or increased usage. On the more positive side, these insights often can help explain why two rather similar brands are both doing well. Frequently, it is because they are used equally for different sets of motivations and reason by different types of people. Life style segmentation often uncovers this type of situation.

Conclusion

Life style segmentation is useful because it provides a unique and important view of the market. It begins with the people—their life styles and motivations—and then determines how various marketing factors fit into their lives. This perspective often provides fresh insights into the market and gives a more three-dimensional view of the target consumers.

This article has described the theory underlying life style segmentation, a two-step analytic process, and uses which have been made of the data. This unique and detailed knowledge of consumers has been a useful input to marketing and advertising planning for many of the companies that have been involved in life style segmentation studies.

9. "How Nestle Uses Psychographics," *Media Decisions*, Vol. 8 (July 1973), pp. 68-71.

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