

# COMPARATIVE STUDY OF VALS AND AIO WITH SPECIAL REFERENCE TO RETAIL FORMATS

Mallika Sharma, SKUAST, JAMMU

## ABSTRACT

*The Indian retail market is undergoing an overwhelming environment modification. The sale and purchase of these lifestyle products are shooting and reaching the sky-high and retailers are focusing on improving their retail store formats. In this study VALs framework and AIO scales were used to determine the psychography and segmentation of the customers. The aim of the study is to determine a relationship between different clusters and their choice of retail formats.*

**Keywords:** AIO, VALS, Retail formats, Psychography, Cluster analysis.

## INTRODUCTION

Retailers were primarily getting agents for the subject of a selected vicinity, reflective closely those customers' life-styles, whole preferences, searching hours etc. Without having the knowledge of the concept of life-styles and specifically without any 'psychographic' research, the retailers at that time, a hundred or more years ago were unknowingly practising both the 'marketing concept' and what today is called lifestyle retailing (Blackwell and Talarzyk, 1983). The major aspect of all the businesses is the profit from customer relationship. In this way, the major purpose of any organization was to amplify profit through contentment of the customers.

## LITERATURE REVIEW

The VALS (Mitchell, 1983) system of classification clusters customers into different lifestyle segments. Way of life division has been a functioning examination field in western nations. The most mainstream way of life division plots that have been fabricated are VALS™ (Ma, 2004). VALS™ gives a methodical grouping of shoppers into a few particular esteem and way of life designs. In general, VALS™ utilizes brain science to break down the elements basic buyer inclinations and decisions. (Harcar and Kaynak, 2007) The first ever VALS™ system depended on social qualities and VALS™ spoken to Values and Lifestyles. Psychography indicates to customers' Activities Interests and Opinion (AIO). All the more particularly it concentrates on what customers like to do, their areas of interest, and their opinions customers on different matters. (Lazer, 1963; Plummer, 1974). During the initial phase of lifestyle study, AIO (Activities, Interests, and Opinions) established the dimension of lifestyle (Joseph et. al., 2009). Wells and Tigret (1977) utilized AIO to test substantial utilization of eye make-up by American ladies.

## RESEARCH METHODOLOGY

The respondents of 250 in number were selected purposively from luxury gym, kitty party and university. Cluster analysis of VALS and AIO was done using K-mean cluster analysis.

## Data Analysis

Cluster-1 The first cluster constitutes 74 respondents, which comprises of respondents who do not like outrageous people and things, seek less variety, have narrow interest, less oriented towards fashion and trends. This can be seen from the scores obtained by the variables 1, 2, 3,4,5,7 and these variables refer to trying new and different things, latest trends and fashion, and interests. They are like to make things on their own, they are docile and like peace and they do not like novelty. We have named them – “Tradionalists”. Cluster 2 showed medium characteristics of VALS framework. This cluster has been named “practioners”. They have average interest in new things, they tend to follow latest trends and fashion. They have more interest as compared to cluster one. This can be seen from the scores obtained by the variables 1, 2, 3,4,5,7 and these variables refer to liking outrageous and new things, latest trends and fashion, challenging themselves and have for wider interests. We have named them “*Practioners*”. Cluster -3 showed high characteristics of VALS frame work. This cluster has highest number of the total respondents. They show interest in new things, they prefer to follow latest trends and fashion. They like outrageous things and show excitement in performing activities. They have more interest as compared to both the clusters. This cluster has been named as Millenials. Cluster-4 The respondents in cluster four tends to be low to medium in assessment of AIO framework. The lowest scoring attribute is “I spend a lot on cosmetics” (1.99) & highest being the “I think education plays an important part of lifestyle” (1.23). This cluster constitutes of second highest number of respondents. We have named them them “Skeptics”. Cluster -5 showed medium characteristics of AIO framework. They give importance to education but are culture oriented. For them friends and family played important role. This can be seen from the scores obtained by the items 1,7,8,12,17,18 and 19; these variables refered to house-hold activities, culture, friends & education. They are less liberal and innovative & dependent but they like to lead and advice others. They score low to average in each variable. We have named them “Electics”. Cluster -6 showed high characteristics of AIO frame work. The sixth cluster constitutes 106 respondents, which comprises of respondents who love sports activities, they love to go out, they love to shop, they love to travel and prefer to dress with class. This can be seen from the scores obtained by the variables 1, 2, 3,4,10,11,14,17. and these variables refer to sports activities, vacation, shopping, family and friends, home, education. They are liberal, innovative, independent, try new things and love to spend money. For them culture and household activity plays important role.

## Cross-tabulation of VALS Clusters and Retail Formats

The segmentation of customers done using VALS are Tradionalists, Practioners and Millenials. The five retail formats with which the cross-tabulation is done are malls, convenience store, hyper-market, discount-stores and specialty stores. Cross-tabulation will reflect the patterns reflecting association among the variables or objects.

Cross-tabulation of VALS clusters with Malls.

Clusters		Malls					Total
		very low	low	average	high	very high	
Traditionalist	Count	11	8	11	11	33	74
	% within vals cluster	14.9%	10.8%	14.9%	14.9%	44.6%	100.0%
Practitioners	Count	10	6	5	11	16	48
	% within vals cluster	20.8%	12.5%	10.4%	22.9%	33.3%	100.0%
Millennials	Count	16	14	20	24	54	128
	% within vals cluster	12.5%	10.9%	15.6%	18.8%	42.2%	100.0%
Total	Count	37	28	36	46	103	250
	% within vals cluster	14.8%	11.2%	14.4%	18.4%	41.2%	100.0%

The analysis of cross tabulation between three clusters and mall displayed that the highest cases 103 Out of 250 was recorded as customer giving highest preference to malls, the total percent of respondents are 41.2 per cent. Among the clusters, Traditionalists with 44.6 per cent showed that they prefer mall for the shopping of apparel and home-furnishing products. About 42.2 percent of the millennial prefer shopping from malls. The practitioner with 33.3 per cent showed their preference for mall. Overall 59.6 percent of the sample size showed their preference for mall to buy apparel and home-furnishing whereas 26 per cent do not show any preference from mall. The large variation in choice format is represented by the millennials, then traditionalist and average distribution is shown by practitioners. Each cluster gives highest preference to malls for shopping of home-furnishing and apparel.

Clusters		convenience store					Total
		very low	low	average	high	very high	
Traditionalist	Count	28	11	10	18	7	74
	% within vals cluster	37.8%	14.9%	13.5%	24.3%	9.5%	100.0%
Practitioners	Count	23	9	7	5	4	48
	% within vals cluster	47.9%	18.8%	14.6%	10.4%	8.3%	100.0%
Millennials	Count	46	23	30	17	12	128
	% within vals	35.9%	18.0%	23.4%	13.3%	9.4%	100.0%

	cluster						
Total	Count	97	43	47	40	23	250
	% within vals cluster	38.8%	17.2%	18.8%	16.0%	9.2%	100.0%

The analysis of cross tabulation between three clusters and convenience store displayed that the highest cases 97 Out of 250 was recorded as customer giving least preference to malls, the total percent of respondents are 38.8 per cent. Among the clusters, Practitioners with 47.9 per cent showed that they give least preference to convenience store for the shopping of apparel and home-furnishing products. About 37.8 percent of the traditionalist do not prefer shopping from convenience store. The millennials with 35.9 per cent showed that they have least preference for convenience store. Overall 56 percent of the sample size showed they do not prefer to buy apparel and home-furnishing from the convenience store whereas 25.2 per cent show preference from convenience store. The large variation in choice format is represented by the millennials, then traditionalist and lastly by the practitioners. Each cluster gives lowest preference to convenience store for shopping of home-furnishing and apparel.

### Cross-tabulation of AIO clusters with malls

Clusters		malls					Total
		very low	low	average	high	very high	
Skeptics	Count	12	11	9	18	53	103
	% within aioclu	11.7%	10.7%	8.7%	17.5%	51.5%	100.0%
eclectics	Count	10	6	10	3	12	41
	% within aioclu	24.4%	14.6%	24.4%	7.3%	29.3%	100.0%
Mavens	Count	15	11	17	25	38	106
	% within aioclu	14.2%	10.4%	16.0%	23.6%	35.8%	100.0%
Total	Count	37	28	36	46	103	250
	% within aioclu	14.8%	11.2%	14.4%	18.4%	41.2%	100.0%

The analysis of cross tabulation between three clusters of aio and mall displayed that the highest cases 103 Out of 250 was recorded as customer giving highest preference to malls, the total percent of respondents are 41.2 per cent. Among the clusters, Skeptics with 51.5 per cent showed that they prefer mall for the shopping of apparel and home-furnishing products. About 35.8 percent of the mavens prefer shopping from malls. The eclectics with 29.3 per cent showed their preference for mall. Overall 59.6 percent of the sample size showed their preference for mall to buy apparel and home-furnishing whereas 26 per cent do not show any

preference from mall. Each cluster gives highest preference to malls for shopping of home-furnishing and apparel.

### Cross-tabulation of AIO clusters with Convenience Store

		convenience store					Total
		very low	low	average	high	very high	
Skeptics	Count	51	16	14	11	11	103
	% within aioclu	49.5%	15.5%	13.6%	10.7%	10.7%	100.0%
eclectics	Count	8	6	9	13	5	41
	% within aioclu	19.5%	14.6%	22.0%	31.7%	12.2%	100.0%
Mavens	Count	38	21	24	16	7	106
	% within aioclu	35.8%	19.8%	22.6%	15.1%	6.6%	100.0%
Total	Count	97	43	47	40	23	250
	% within aioclu	38.8%	17.2%	18.8%	16.0%	9.2%	100.0%

The analysis of cross tabulation between three clusters and convenience store displayed that the highest cases 97 Out of 250 was recorded as customer giving least preference to malls, the total percent of respondents are 38.8 per cent. Among the clusters, Skeptics with 49.5 per cent showed that they give least preference to convenience store for the shopping of apparel and home-furnishing products. About 31.7 percent of the eclectics prefer shopping from convenience store. The mavens with 35.8 per cent showed that they have least preference for convenience store. Overall 56 percent of the sample size showed they donot prefer to buy apparel and home-furnishing from the convenience store whereas 25.2 per cent show preference from convenience store. Among clusters, the eclectics have high preference for convenience stores.

### Conclusion and Findings

The review of literature and the current study have generated insight into various important aspects of retailing- consumer Behaviour, consumers' psychography, retail formats, lifestyle store, store and product attributes. The extraction of components, group investigation, connections and examination of change were attempted.

### REFERENCES

- Blackwell, R.D., & Talarzyk, W.W. (1983). Life-Style Retailing-Competitive Strategies For The 1980s. *Journal of Retailing*, 59(4), 7-27.
- Gupta, C.P., Agarwal, R., & Sinha, M. (2008). Organized Retailing and its Effect on the Consumers Buying Behaviour: with special reference to Agra City. *Journal of Marketing and Communication*, 4(1).

- Harcar, T., & Kaynak, E. (2008). Life-style orientation of rural US and Canadian consumers: Are regio-centric standardized marketing strategies feasible?. *Asia Pacific Journal of Marketing and Logistics*, 20(4), 433-454.
- Joseph, T. (1974) The Concept and application of Life Style Segmentation, *Journal of Marketing*, 38, 33-37.
- Lazer, W., 1963. Life style concepts and marketing. *Toward scientific marketing*, 15(4), 130-139.
- Ma, F. (2004), Lifestyle Segmentation of Chinese Consumers, European Society for Opinion and Marketing Research, March.
- Plummer, J. T. (1974). The concept and application of life style segmentation. *the Journal of Marketing*, 33-37.
- Wells, W.D., and Tigert, D.J. (1977), Attitudes, Interests and Opinions. *Journal of Advertising Research*, 35(8), 647-660.