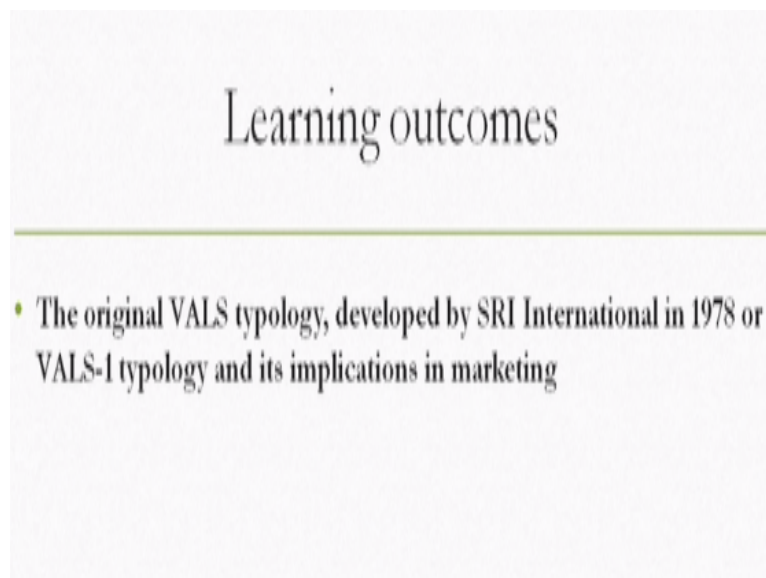


**Consumer Behaviour**  
**Prof. Srabanti Mukherjee**  
**Department of Management**  
**Indian Institute of Technology – Kharagpur**

**Lecture – 21**  
**VALS – I Typology**

Welcome to the 21 session of the VALS consumer behaviour and in this session we are going to talk about the VALS original typology or VALS 1 typology or values and lifestyle. In the previous session, we have discussed about the concept of values and the corresponding in the previous session, we have talked about the life style and your classification of life style and in this session, we are going to talk about the VALS 1 typology.

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VALS represents values and lifestyle and what is its relation actually with lifestyle marketing and how it is resulted in different kind of market segments? So as mentioned in the learning outcome we can say that the after completing this session, will understand the original VALS 1 typology developed by SRI International in 1978 or which is alternatively known as VALS 1 typology and what are its implication to the marketers?

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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.

So we first want to see what is its context? Okay, on which we are discussing this VALS typology. Now VALS is a system, VALS is on lifestyle, this is particularly a system or a questionnaire actually to understand different kinds of consumers and their distinctive products, service and media preferences. It also shows their attitude towards life, how much they are risk taker or they are risk averse, whether they are socially conscious.

Or they are not or how much they want to succumb to the peer pressure, how much they are independent thinkers. So other set of questions by which this could be identified. VALS, this was the original framework but which I will discuss first but then in the next session, I will probably discuss about the research framework which has been described with strategic business insights and in the website actually the interesting details.

Or the students, they can just type strategic business insights dot com and there you can find out the set of questions also, which are asked to the customers. Now the original VALS typology was developed by SRI International in 1978, has segmented people based on their social values and their life style or in this case probably, the lifestyle has been determined by the social value system and has the name values and life style.

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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.

Since then research has found out the psychological characteristics combined with the several key demographics are better predictors of consumer preferences than the social value alone. So that is why we, this time we call it psychographics, which means it is not only one independent psychographic variable like value or life style or attitude or something it is basically the combination of all these which predict the segment or the customer segment behaviour very well.

Now we see the VALS typology that has been in use now recently whatever we are seeing as the VALS typology, you see model 1 which is the strategic business insights that is VALS TM typology that typology has been in use for recently in the previous 20 years, but I will talk about from the historical perspective from where VALS typology has evolved and that is why even before I am talking about the last 10 years data annoy.

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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.

And I will talk about first, how this kind of thing evolved and what was the initial segments? and then in the next session, I will talk about the recent segments. So we talk about this VALS 1 typology where either it a 1978 and it has defined the total US residence actually this is applicable in Indian context as well, but initially this was propounded for western context.

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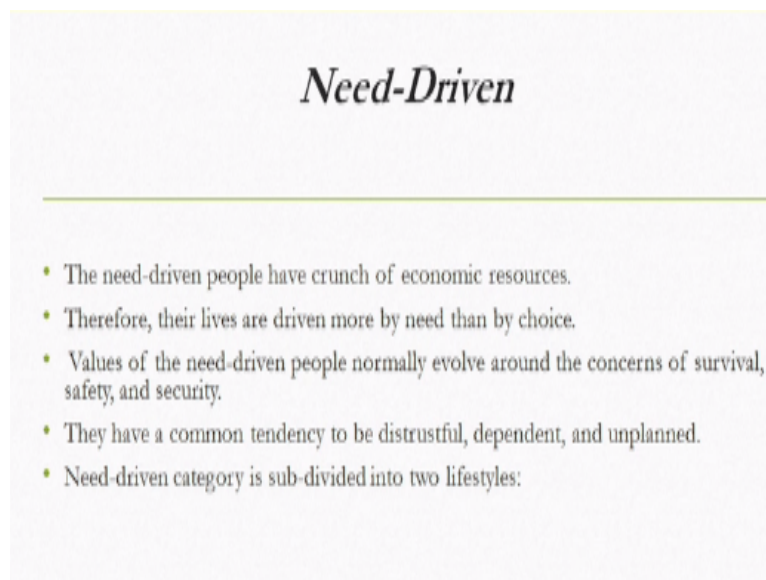
## VALS-1 typology

- |  |   |
|--|---|
| • <b>Need-Driven</b>                         | • <b>Inner-Directed</b>                                 |
| <input type="checkbox"/> Survivor lifestyle  | <input type="checkbox"/> I-Am-Me lifestyle              |
| <input type="checkbox"/> Sustainer lifestyle | <input type="checkbox"/> Experiential lifestyle         |
|  | <input type="checkbox"/> Societally Conscious lifestyle |
| • <b>Outer-Directed</b>                      | • <b>Combined Outer- and Inner-Directed</b>             |
| <input type="checkbox"/> Belonger lifestyle  | <input type="checkbox"/> Integrated lifestyle           |
| <input type="checkbox"/> Emulator lifestyle  |   |
| <input type="checkbox"/> Achiever lifestyle  |   |

That is particularly the US context and in that context, it has divided the customers into 4 major categories at a total of 9 life styles and what are these? See 4 major categories are need driven category, those who want to satisfy the needs, okay they are devoid of money, so for them, the basic need satisfaction is more important. Second one is the outer directed, they are little affluent and they want to mingle with the society.

They are ready to adapt to several new things. So that is the another category outer directed, then we have inner directed, those whose yes they are interact with society but ultimately their choice goes by their inner values, so that the inner directed people and this is, the last one is the combined outer and inner directed people, the most composed people in the most composed people who equally (()) (5:59) inner and outer directed behaviour.

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So now we first talk about the first one in this category as we see here, need driven. So we first talk about the need driven category. So the need driven people, as I just right now mention, they have crunch of resources and I mean resources means economical resources, so that is why their life is more driven of need other than choice. In India also when we talk about the bottom the pyramid kind of customer the actually, project this kind of behaviour.

Because, they are devoid of money. So that is why first, we will try to satisfy their hunger, you know or basic necessities or amenities like their residence and all that we try to first satisfy and then they can go for better brands or they can go for some conspicuous option. Though there are variation of studies, and some studies have said that in spite of this, some people do engage in conspicuous option.

But more or less it is believed that first they have to satisfy, I believe they should satisfy this kind of customers is, they devoid of economic resources. They will first try to satisfy their own needs and wants, I mean that to basic needs. So for them actually the values of this kind of need driven people normally evolve around the concerns of survival, safety, and security. They have a common tendency to be distrustful, dependent, and unplanned.

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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.

So that is why in our country, when we talk about the bottom of the pyramid kind of customer, they are more dependent on the retailer structures, retailers basically. The local retailers for their choice or their own peer groups for coming to their choice. So these need driven categories again subdivided into 2 categories, one is the category of a survivor and the other is the category of the sustainers.

Now the survivor category, if you see these are the 4 percent of the population in US that time in 1978, and this was the population age below, age around 18 or you know or sometimes we find that age either around 18 or they are old people, so mostly I think that some old people are also coming under this category, so there are mostly under privileged and because they have very acute poverty, they do not have enough education.

So they do not have skills, they cannot get good job, so they only have some type of basic or labour type jobs, they have very narrow channels of upward mobility since they are not educated, so they cannot increase their income as such. So often these people are oriented to more of customs and rituals rather than, but they are also characterised by anguish and misery.

Basically they will go for their very basic products like and, very basic food items, basic stuffs. Sustainer category is comparatively a younger category and they are a group besieged in the boundary or poverty. They are also running under poverty but they are not as poor as

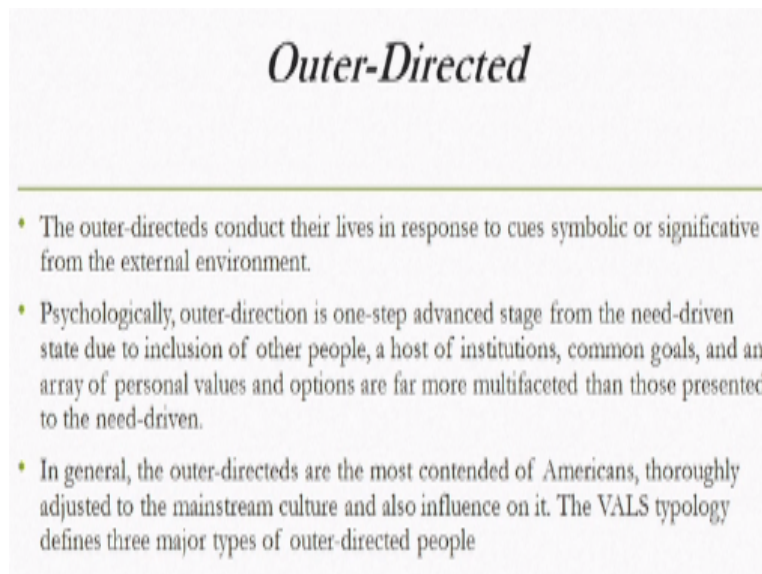


the survivors. Because they are still younger and you know little better half and they may not have lost all their aspiration.

They still aspired that they still have hope and they have a tendency to imitate the lifestyle of the upper section, although they do not have enough resources. In India, this kind of people actually constitute the lower middle income people, okay or may be the APL segment, the above poverty line segment not exactly too poor but not even middle class. So they have a tendency to get things which the middle class people are using.

So probably they know the pouch packs or this kind of products, the pouch packs of different brands and you know the lower in variety of different brands. So that could be of, you know the marketers could try this kind of customers or with they can develop this kind of products for this sustainer category of customer because they want to come up but they do not have enough resource to come up.

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### *Outer-Directed*

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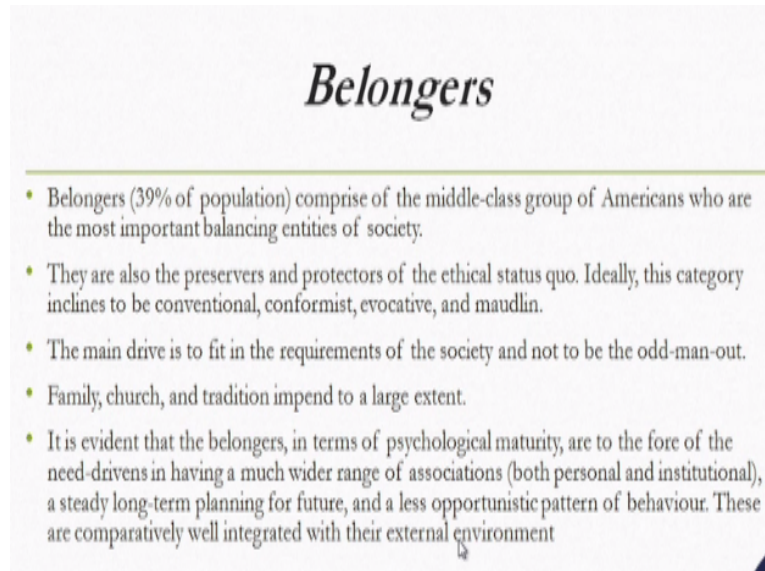
- The outer-directeds conduct their lives in response to cues symbolic or significant from the external environment.
- Psychologically, outer-direction is one-step advanced stage from the need-driven state due to inclusion of other people, a host of institutions, common goals, and an array of personal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

And some of them have actually found to be working in underground economy as well. Now we are going to the outer directed group of customers. Then the outer detected group of customers, they conduct their life in response to cues symbolic or significant from the external environment. Now psychologically, the outer direction is actually one step advance than the need driven state due to the inclusion of other people, host of institution.

Because outer direction people actually interact with the society, so they have common goals, on the peer group has an array of personal values and options are far more multifaceted than

those presented in the need driven state. So in general, the outer directed are the most contented kind of Americans and they are thoroughly adjusted to mainstream culture and they can influence it also.

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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-drivers 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

And this kind of outer directed customers again they are divided into 3 categories; one is as we have seen here, Belongers, Emulator, and Achiever. So I will discuss one by one. So what is belonger? Belonger is the 39 percent of the population, they comprise of the middle class group of Americans who are most balancing entities, now they are the preservers and protectors of their ethical and status quo.

They are very careful about what to do and what not to do and ideally they are very conventional, they are conformist to their group norms, their groups what the other peers or the neighbours are behaving in that way they try to behave actually. Because they do not want to be odd man out, so their choice of brand is actually, the choice of brand which their peers are also doing.

They are very conformist that way. So family charge this kind of things are very important to them, it is evident that belongers in terms of psychological maturity or actually fore of the need drivers in having a much wider range of associations because they are little bit steady in terms of income so they have much more time to interact with the society as such and they have a long term planning for the future.

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## *Emulators*

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- 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.

They want their kids to get admitted in good schools so all these and this is comparatively well integrated with the external environment. Now we talk about the emulators. The emulators are 8 percent that time of the US population. They live in a total diverse world from that of belongers. Now they try to embark on the upper levels of social economic hierarchy.

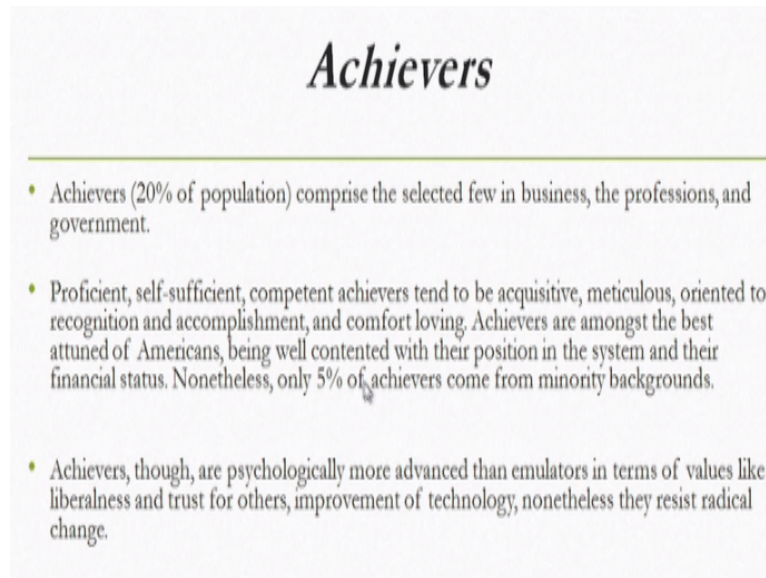
Their resource is moderate but they want to actually again they want to perform the lifestyle of the little bit of upper middle income population. So they are go getting, upwardly mobile, they are esteem oriented, they want people should look, should you know appreciate and they appreciate what they are using in terms of their vehicles, in terms of their dress and all these, so and their chauvinist and aggressive.

So many perceive themselves as coming from the other side of the tracks but they are deeply suspicious and irritated and the ways the things are, because they are aspire to you know to become an apparent customers but they do not have enough resource so that is why they are very discontented towards the society because they are not get in, so hardly faith the system as such.

So for them, probably the products like in our country also when we talk about this kind of lower and aspires, so (( )) (14:29) aspires they were usually travelling in scooters and 2 wheelers in which we are found that 2,3 people even some times with the kids that is the fourth member is travelling in a scooter. So the Ratan Tata has first award the concept of Tata Nano to actually convert the scooter population to the four wheeler population.

And the price of the car was very near to one lakh, which is one of the very cheapest alternative but it is a car and in the initial launch advertisement of Tata Nano, if you remember it was showing a kind of slum or very moderate kind of structure of the society whereas small girl comes out, and she puts a black tikka on the car and everybody is coming and all other kids are coming and early watching the car.

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### *Achievers*

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- 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.

So you know this is where you know; it shows that you stand out differently in your neighbourhood or society. So these are emulators, then comes the achievers. Achievers are actually 20 percent of the population that in US population that time that comprises the selected few in business the professions and the government. The proficient, they are self-sufficient and they are competent achievers.

And they tend to be acquisitive, they are very meticulous, they are also oriented towards recognition and accomplishment may be they will like a very stylish phone, because they are some kind of favourable toward improvement of technology but resist of radical change also. So namely in our country also, we see that you know for this kind of people, we see that Samsung is bringing very slow change in their mobile.

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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.

And gradually they come up with so many options, now they are coming up with water resistant mobile phones may be which is an improvement of the technology but it justifies this value because it is coming up with the new feature of water resistance. Now I come to the other category other broader category, so these other broader categories which I see here, I have mentioned as the third category that is the inner directed category.

And in this inner category, we are going to talk about 3 different lifestyles, one is I, Am, Me, Experiential lifestyle and societally conscious lifestyle, so we go there inner directed. What is the characteristics of inner directed customer? Inner directed customer, they tend to be very much self-reliant, individualistic, person centred, passionate but versatile. However, it is beyond in a doubt that one can hardly be intensely inner directed without being you know interacting with the outer wall.

It is not that you close your doors and sit in your home but the basic you know essence of being inner directed is that, you are not so much influenced about your, by your social interaction, you learn from your social interaction but then ultimately you take the decision which you feel appropriate, it is not to satisfy the society not being, not from the fear of being odd man out or just to be me too kind of customer.

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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.

But their main choice of product will be directed by their own understanding of their requirements and they are self-concept, so they can be of three kind as I told, I, Am, Me, Experiential and societally conscious. So first, I-AM-ME, 3 percent is youthful and intensely individualistic, egoistic, and showy. So this group of consumer are full of confusions and but they are very emotional, they are very dramatic and impulsive.

And much of their inner direction shows up with great creativity and they are very very innovative in terms of trying new products. You can see the apple iPhones, apple iPhones 7 verse are also quiet, it is also in with the very improved technology now in the beginning of 2018 or may be end of 2017, they are going to bring up apple iPhone 8 also, so which people are assuming that it will come with even more advanced technology.

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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.

And the initially those the people, those who will also go and grab this kind of; want to buy this kind of products are basically the risk takers, amuse, who want to show off in the society that they are trendy and they are buying some prestigious products. Then comes the experientials, they are those types, like who prefer direct experience and energetic participation, so these sometimes are very casual or sometimes very passionate and mystical.

Sometimes they are fascinated with the foreign things, sometimes they like something outlandish like parapsychology, sometimes they are engage in habitual activities. Now these people are probably very creative, imaginative, most zealously involved with others than other group in VALS. But they may be like you know the adventurous story, some trucking or they like to go to some unusual locations.

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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.

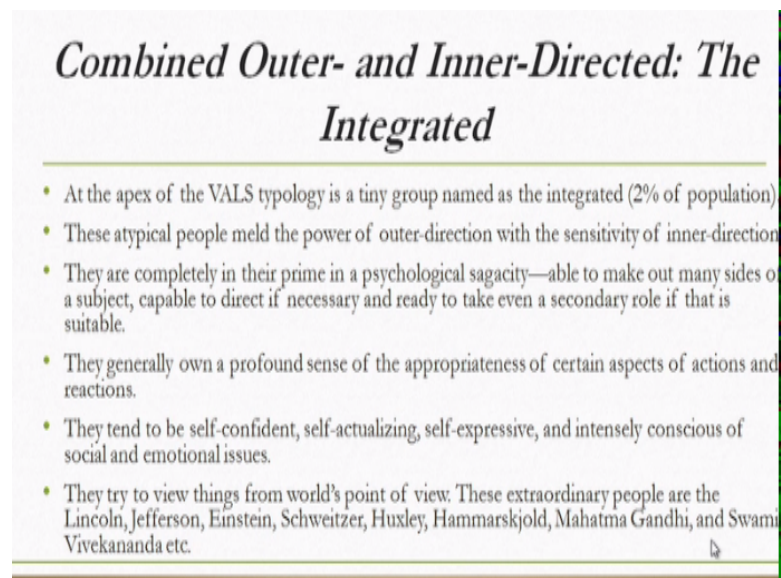
Or may be very expensive locations in terms of in tourism and try to go to some say amusement parks so which may be little costly but they want the kind of experience which they can get in amusement parks or they may go to multiplex movie house where they can get a good experience from the shows. The societally conscious people; the societally conscious, it is kind of 11 percent of the population.

And they seek to live careful lives that preserve guard and make well. Inner growth remains a vital part of their life and as a result may societally conscious people believe in a high degree of independence which extend to a holistic health and in a sense they are in touch with the internal forces that direct their activities. The things like you know yoga, meditation, then



reiki, these are some way to go to some spiritual organisation or some of the habits of this kind of people.

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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, Hammarskjöld, Mahatma Gandhi, and Swami Vivekananda etc.

Now we come to the next class, that is the combined outer and inner directed, they are the integrated people, now at the apex of the VALS typology, this is the very tiny group, and they constitute of around 2 percent of the population. They had an actually the very special class of people who can balance between the inner directedness and the outer directedness, which means they can collect information from the society.

But they can holistically view this information, they can holistically examine and understand and then they adopt whichever the socially acceptable and also we should be good for ourselves as well as which was good for the society as a whole. These are basically the leaders, so we see that these are very atypical people, melds the power, fired to direction and sensitivity.

And these people as we see that they tend to be very self-confident, they are self-actualising, self-expressive intensely conscious of social and emotional issues, which right now I have said and they do not other not scared of trying out new things as long as they feel that this will lead to an holistic improvement of the society and also as themselves as the person, so this kind of people are very extraordinary people like Lincoln, Jefferson, Einstein, Mahatma Gandhi, Swami Vivekananda like wise.

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

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

And how this helps to the marketer. Though they offer some discussion you may have some understanding about how the new products could be targeted towards the particular segment, so here also, we say that for the new product development you need to know for which category you are designing the new product. So if you are designing a product for a sustainer, who wants to; who aspires to say buy a refrigerator.

But do not have enough money to buy a refrigerator. So, for then maybe they claim a refrigerator Mitticool designed by Manshuk Lal Prajapati would be good an option, is a marked, claim edge refrigerator, which keeps their food refrigerated for some 2, 3 days. This does not run in electricity and the cost is also very minimum and the price as well as very minimum but you get the facility of refrigeration.

So that so if you try, but again when you are trying kind of product like Godrej Chotukool, may be you are trying the lower end population as substitute of refrigerator as to be used as refrigerator while you are targeting the upper income customers also for all, may be and these kind of customers are also the experientials to carry the products during their travels. Targeting and positioning very clearly, if you know the lifestyle of the customer.

You can very clearly; you know target that particular customer like you may; you may target like say Tata Nano has a aspirational car for the Emulators. Now say when we talk about kind of promotion, so like the next area in which; which helps the area of promotion and channel planning. Regarding promotion also like belongs, there you find kind of some family themes in the advertisement like Cadburys, they talk about the Diwali offers.

The festival offers or an how you enjoy or how you celebrate with your family, Flipkart this days is talking about how you provide gifts to your family members or may be Flipkart of facility is coming up with the recent Ad of Diwali Damaka for the kids and otherwise channel planning also you have, you know VALS framework can help in channel planning also. For example, Hindustan lever they have planned for project Shakti for marketing will which is an other detergent which is an affluent detergent.

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## Parallels in India

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- 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)

Whereas this urban products surf excel is sold by their original you know the retailer distributions system. Some parallels in India is also some parallel studies has been done like one study based on Soney Mathews and H. Nagaraj has been shown in their article and analytical study of VALS of Youth Implications of Marketers. They have divide Indian youth in 5 lifestyles in a similar way like family oriented, fashion oriented.

Those who seek to be more of modern fashion, they were like modern gadgets, modern headphones, wireless headphones and all this, they are much more media driven, whatever is shown in the media that will catch their attention more and their attention seeking showing us you know the; using the modern amenities, using modern trendy clothes this kind of behaviour would be viewed here.

Then education oriented may be they are more towards more fanatic towards the foreign degrees and brand oriented may be they feel that brands present their personality and esteem need, so they will likely buy action shoes and this kind of brands may be, and some might be

shopping oriented those will frequently keep on buying different kind of; may be the clothes and the gadgets, electronic gadgets.

Sometimes they can keep on changing their mobile handsets also very frequently. So this could be some of the implication of VALS 1 typology. So thank you so much and we will meet in the next session with VALS TM typology, which is a most practised one. Thank you.