

Consumer Behaviour
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Lecture - 23
Implication of Lifestyle in Marketing

Welcome, today we will be discussing the Implication of Lifestyle in Marketing. This is the twenty third module of our CB course and I am Srabanti Mukherjee will be presenting you this particular topic.

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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**

The basic learning objectives of this session are the implication of the lifestyle analysis on positioning of new products, implication of lifestyle analysis on repositioning of an old or existing product, implication of lifestyle analysis on developing new product concepts, implication of lifestyle analysis on creating promotional strategies, so we go one by one.

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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.

First, the implication of lifestyle analysis on positioning of new products. So here the marketer needs to identify the most cost effective and profitable segment for selling a new product, because anyway developing a new product is a costly process. So they have to very carefully analyse that, actually identify which segment they should target with the new product and how to position those products in this particular segment in a most cost effective and profitable manner.

So lifestyle research, for example, as we have done in AIO, which is activity interest and opinion study or the VALS classification that we have discussed in the last two sessions, that is values and lifestyle classification. For any given consumer product gives the information regarding the age, place of residence, the social class, interest, opinion, action, value system, the motivation level of the customers in term of any particular product.

Therefore, it provides a very rich database for use in marketing decisions related to positioning a new product or sometimes even designing a new product. So decisions pertaining to the positioning of a product encompasses the designing of the product image, the media corresponding media planning for that product and developing proper integrated marketing communication means, so that the complete product package is in conformity with the particular lifestyle.

As an example, if I say I am new kind of customer, inverse, then probably the Apple iPhone 7 or Apple iPhone 8, this kind of product might be very suitable to them, because they want to stand out from this crowd and they have enough resource. Experiential for them may be

different checking packages, amusement parks, amusement facilities could be designed and targeted to them.

Similarly, for societally conscious people different yoga meditation camp, say the spiritual camps or the camps of Sri Sri Ravishankar could be of helping them, because these people are societally conscious, so probably this kind of, you know, spiritual as well as different superior life culture might attract them. So this kind of products could be targeted to the societally conscious population.

Similarly, if you see a people like achievers, for them the recent ad of Fair and Lovely, which shows the equal-equal ad. This shows the father of the daughter wants the daughter to get married before she has completed her education. But she is very confident about her achievement, and she says that once I become equal with that guy in terms of my career, in terms of my economic and social status, then only I can marry that guy.

So she is very confident about that achievement and that comes from her confident look, which has been given by the Fair and Lovely. So that is for the ad project, which means the product is positioned for them. So another very nice example, I will try to discuss here is about the distribution that is TESCO of South Korea. In South Korea, TESCO has been is one of the biggest little outlet in South Korea, a departmental store.

Now TESCO, they suddenly found there are many people they are basically coming from suburban area and they are the commuters. So considerable amount of time in a day are passed in commuting from the suburban places to the metropolitan cities for their job. After going back home, they hardly have energy to go back again to the shopping mall for buying product, whatever the basic necessities although they require it.

So by understanding this particular lifestyle of the customer, TESCO has design a very unique way to reach them. That is, they have created virtual malls in the railway stations and the bus stops. It looks like a mall only but it is a virtual mall, where the projection of all the products the way it is kept in a shopping mall or in a departmental store is kept in the same way. But virtually, all you need is a smart phone.

You need to capture the product code, and then you SMS that to the or mail that, in whatever way you send that information to the TESCO that you need, and you decide what are the different product require and accordingly you select the product codes, and you can pay by your credit card prior in hand and that information is reaching to TESCO and what is happening, when you come back home the product is delivered to your doorstep.

So just looking at the busy lifestyle of this commuters, this particular distribution channel has been designed.

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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.



Now we move to another way of positioning new products. Now here you can see Dominos, the case of Dominos. Dominos pizza, they have actually carried with all the western offerings in the Indian market. Nonetheless the company in due course realise, that there is a baint of Indian customer towards local test, and the taste was very strong towards the local test.

So that is how, moreover they have also shifted their focus from only metropolitan areas to many metros and category B towns also. And so therefore, it is really difficult for them to penetrate in those market where solely western taste and flavours. So they tried out with the Indian taste and flavour options especially for these smaller towns like, consequently they came with the local toppings.

In US Pizza also they used to offer local toppings for western toppings and here they came with toppings like peppy panner and Chicken Chettinad. Why the Berenjian, the managing director of the US Pizza stated that you cannot really change the taste buds that were

developed for more than thousand years ago. So better if you cannot change your customers who have to change and you adopt and adapt to the local culture.

In a similar light, KFC has also introduced rice bowls, because KFC people often go for lunch and all this, but only the kind of Kentucky Fried Chicken or French fries may be, that does not match with our idea of lunch or dinner. We want something like staple food like rice or roti or chapatti kind of thing, things actually in during our lunch and dinner.

So understanding this they came up with rice bowl option, where you can have a bowl of rice along with that you can have KFC chicken, you can have French fries or you can have Pepsi and they came up with the combo deals in this way. Even sometimes you may even you are looking at here you may also have to sometimes you know reposition an older existing product depending on the lifestyle of the customer.

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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.

So sometimes the existing product may not assure the targeted sales volume. So repositioning sometimes helps and eventually design a new product development process itself mainly as a corrective measure. Usually markets where the cut-throat competition is high, proper positioning is needed to get a foot hold in the market.

In case of the existing product, where the physical attributes are difficult to change completely, repositioning becomes a saviour. Now lifestyle repositioning are gradually move the product closure to the psychographic profile of the core segment by changing the

consumers perception about it or some of its attribute, so as to go well with the lifestyle of the core segment.

Now here I will give the example of Tanishq, which is a well known brand from TATA group and this was initiated in India with their business with western style of jewellery and outlets. They initially tried 18-carat gold ornaments. But they failed because, initially they failed, because Indians do not believe in 18-carat gold, they want 22 to 24 carat gold as a pure gold for jewellery. So they understood that kind of thing and Indian, you mean jewellery market is mostly the wedding market.

So once they are understood where the Indians preferably the lifestyle is they like jewellery for wedding or to attend weddings sometimes. So that is why they came up with the 22 carat gold and they first sponsored the jewellery of the historical movie Jodha Akbar, Jodha Bai was, Samrat Akbar's wife and the sister of Maharana Mansingh of Jaipur and obviously she symbolises the rich cultural heritage.

And then gradually they came up with different, now they have understood that even, you know, the wedding jeweller also there is some specification in terms of local wedding jewellery. That is why still the traditional goldsmiths are getting the major share of the land share in the wedding market. So that is why they came up with option called your wedding jeweller and they came up with an variations like Bengali wedding jewelleries, Gujarati wedding jewelleries, Tamil wedding jewelleries, like this.

Then of let they have identified that people also buy jewellery during festival. So they came with Subham collections which shows the assetex in different temples and very, very intricate, very nice designs but very traditional-look designs with modern precisions. This is a Shubam collections and it has been launched in this Diwali actually.

Secondly Johnson & Johnson, they moved from the baby shampoos and lotions to the adult market by altering the promotion on packaging strategy of the product to appeal the imagined natural and healthy look lifestyle.

Similarly, Mahindra & Mahindra currently repositioning their car by Bolero kind of cars or jeeps by aiming at the lifestyle of the professionals, who finds the rock lifestyle instead of the

chick one. So Bolero kind of car is mainly targeted towards the rock kind of, or macho kind of image. Now, this particular thing which I was telling that this does not only help in positioning new products or repositioning old products. But it also helps in developing new product concept.

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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.

So study of the existing market segments and examination of their needs have typically been used to conceptualise many new products. As because in India the number of aspirants are increasing products like ChotuKool or products like Mitticool, which are discussed in the earlier sessions may be, you know may click in the market. Products like Aakash tablet may serve the aspiration of the students coming from low income background who require some kind of computing gadget, but they do not have enough money.

So Aakash tablet is a very low price tablet. So conventionally demographic segmentation of a standard customer categorisation of major groups like sophisticated youth or youthful collegiate or metropolitan homemaker could be used to describe the study of different segments. Lifestyle studies conversely can be used to harmonise the demographic studies in terms of market needs, customer and non customer outlooks, the attitude related to product usage, the awareness of the target consumers, in order to understand which product features may be amiable to certain lifestyles.

So for example, *roti*, *paratha*, *idli* these are the very stable breakfasts in the suburbs, while in the metro, now we see that this noodles, cakes, bread butter, these are quite a palatable breakfast in the metropolitan cities. Quaker oats, they have come up with masala oats, Saffola

has come up with their masala oats. And even in masala oats, they have come up with veg delights, they have come up with Chinese recipe, and all this.

So which actually differentiates the taste and this gets into the urban marketers. When Maggie is coming with Maggie oats, this is relatively higher priced than the Maggie vegetable noodles. So this is costing 25 rupees per one serve. So but then again this is targeting to the kind of, you know, segments which is little bit affluent, okay. So mainly the customer like achievers, they can have this kind of product.

For those who are very much health conscious like societally conscious people also, you can target with oats noodles which is obviously healthy noodles. Now there is another problem, which I will try to discuss here is the case of Kellogg's corn flakes when it came in India. Ideally, we used to have something hot, our lifestyle is to have something hot in breakfast. So we used to pour hot milk in the corn flakes.

As a result, it used to get shaggy and people did not like the, you know, mushy taste of that particular product and it felt very difficult to actually attract the market in that way. So now they came up with, they have revised their product a bit, and they slowly started educating at least the urban customers and now Kellogg's is very successful product in the country. Similarly, because of, you know new product concept, even if you talk about the packaged fruit drinks.

Tropicana when they came in India with the packaged tetra pack, see it was not so well accepted by the middle income customers, because we usually, you know, particularly the believers kind of customers, they did not actually or like this concept, because believers will generally like to go to the market and they will buy fresh vegetables, sorry fruits and they will try to consume that, they will cut the fresh fruit and eat.

So they feel that this packaged drink might be of, you know, some 3, 4 days, or may be 2, 3 months old and they are adding some chemical preservative which might not be very good for health. So slowly Tropicana is trying to get, or trying to change the mindset of the customer. Real has actually came up as solution. Real, while you consume Real, you can see some pulp are actually provided in the drink itself.

So people can feel the pulp while having this drink and therefore they can believe that, okay it is fresh and it is not a synthetic flavoured drink, this is actually a fruit juice only. So as because you know the people might be suspicious, because whenever we are talking about sustainer lifestyle or emulated lifestyle, or in the believer lifestyle, so then they will only adopt the product when you are providing some evidence that they should believe.

And Real has done that, that they are providing pulps, real pulps of the fruits in that. So while developing a new concept a complete inventory of the attitude, the interest and the opinion of the customers helps in defining the attributes of the final product. That is how we can say that Real has incorporated pulps in the fruit juice. So that the customers, particularly the believers can realise that, okay it is really a fruit drink.

Further, the marketers may also identify the diverse lifestyle segment and accordingly decide in which segment they intent their product to target. Tropicana can still target the metropolitan upper income customers, they can target the IME kind of customers, they can also target the experiential type of customers those who for the first time can try out the brand, and if they like at least during the outings and all, they can carry these cans.

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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.

Now lifestyle analysis also helps in creating promotional strategies. Lifestyle information is useful in formulating promotional strategies in numerous ways, how. It provides the decision maker an all-inclusive report of what type of customer you are going to talk about. If I you are going to talk about the customer like a sustainer kind of customer, so in there may be (()) (20:44) kind of campaign might help.

A product like Jaipur foot which is an artificial prosthesis might help, Jaipur rocks could be a good option for them, Mitticool could be a good option for them. You know that is how you can communicate to them, what I mean to say the way these kind of products are communicated to the customer is basically on the price consciousness of the customer.

So that has helped lifestyle data can even identify which language, accent, appeal, and ambience of the advertisement should be used for a particular kind of customer. When you are promoting Kisan mobile, so that time you should use the regional language. When you are promoting a campaign like, campaign for Lifebuoy kind of product or Wheel kind of product, you should have regional campaign as well.

And you should also select the media accordingly, the regional channels might be of well, the local cable channel might be of well for the lower end products, because the ambience and appeal of the advertisement also should be a consideration for the marketer before designing an ad for the particular group of customer. Further the lifestyle information also provide clues to benefit segmentation of the market for home and for why we are designing this.

Then the Indian marketing scenario particularly for consumer durable is characterised by fierce competition as the companies are realising that merely only stressing upon the attribute of the product might not help them. So therefore, they are focusing on the demographic and geographic dimensions, but they sometimes feel that is also not enough. So they have to focus on the buying behaviour of the customer and mostly on the consumer's lifestyle.

So the companies that is particularly dealing with cosmetics, apparel, packaged food, they are seeking information continuously about the lifestyle segmentation. Even if you see the savings habit of the customer and the investment habit of the customer is extremely important when you think of designing your mutual fund products or any other financial products.

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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.

Now the apparel stores these days for example, they are also visualising the merchandising matching with the target customers lifestyle like, Bata North Star advertisement aims at young western oriented fun-loving crowd, their IMEs. So Bata limited has expanded its product range from school range of active shoes, sport shoes, which is named as Power, I am sorry it is Power.

It is no doubt planned lifestyle marketing, moreover the emergent westernisation of youth in our country and the consequential alteration in lifestyle is accountable for growing demand for gents. So Denim as the lifestyle fabric is also a first scaling acceptance in the country, and this is going beyond just demographic segment, the marketers are nicely utilising this phenomenon, because now it is also a lifestyle product.

Nonetheless, the Indian market is also quiet unpredictable, although there is a memory market for the believers, on the other hand Indian youth do not show any interest with movies, revival of the classic movies, like Hum Dhono by Dev Anand, or the evergreen legend like Mughalyasam. When it came with a coloured revival it was not so successful.

When it came as a 3D version of Sholey, it was not that much acclaimed by the, that was no wow factor by the youth, because the lifestyle has changed. The youth of 1980's has now become basically the baby boomers. And now modern youth, their lifestyle has quite changed. So this revivals did not work, but at the same time there is a market for believers in our country who is actually buy gramophones in a much higher price.

Therefore, this strategy formulation keeping pace with the ever changing Indian lifestyle is really a challenge for the marketers. So this is how in four different dimensions lifestyle marketing is very, very relevant in modern days. So Thank you so much and I will meet you in the next session with culture.