Consumer Psychographics: Why are these gaining importance more than Demographics?

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Abstract: This research article is an attempt to gain an insight about why psychographic factors are given equal if not more importance than demographic factors while doing any consumer research. In consumer research, researchers persistently encounter such problems like which factors would be giving more accurate outcomes, age-old demographic factors or scientifically-tested psychographic ones. Like demographic factors which have almost always given consistent, expected and desired results, reliability of psychographic factors-its measures and analysis is still a matter of concern. In this article, research attempt to find out why, despite their certain shortcomings and not so strong reliability in results, researchers are still using them in their researches.

Keywords: Psychographics, Demographics, Personality, Attitude and Lifestyle.

Introduction: With a robust economic growth and ever going innovation in products, the world has witnessed a very high consumer demand in every sector, from food and grocery to electrical and electronics, from house hold products to high-end products. This growth has led towards phenomenal transformation of retailing industry. As the number of choices increases, researchers and retailers need to understand consumers’ perceptions of the products and quality of services in order to survive. The determinants of quality of services differ across individuals, industries and countries. And psychographic segmentation is one of the element to help determining and providing quality of service. This segmentation is used by marketers by grouping the targeted consumers into various categories on the basis of their lifestyle, attitude and personality and other similar or related attributes. All of these are carry immense importance because purchasing decisions get hugely affected by them. These factors aide in foreseeing what kind and volume of buying customers generally make to help marketers in targeting the right consumers.

Psychographics and Consumer Behavior Schiffman et al. (2007) has described Consumer behavior as a study of the various processes in which individuals or group of individuals – select, purchase and use product, services or ideas to satisfy their needs and desires. Arens (1996) explained consumer behavior which is displayed by consumers while searching, purchasing, using, evaluating and disposing of products and services that are expected to satisfy their needs. In 2003, Adelaar et al. suggested that consumer behavior is resulted from emotional response and the main aim for analyzing consumer behavior is to understand why consumers act in a particular way in certain situation.

One of the often used method to understand consumer behavior is psychographics, by which sociological, psychological and anthropological factors in determining how the market is segmented by the tendency of groups within the market itself.

What is Psychographic exactly? Psychographics is defined as: “The use of psychological, sociological, and anthropological factors, such as benefits desired (from the behaviour being studied), self-concept, and lifestyle (or serving style) to determine how the market is segmented by the propensity of groups within the market and their reasons to make a particular decision about a person, a product, ideology or otherwise hold an attitude or use a medium.” (Demby, 1994).
Basically profile of prospective consumers based on their opinions, activities and interest is called consumer psychographics. To identify potential consumer it gives us a snapshot into their lifestyle. Organisations then use this information to create and implement highly and focused advertisement campaign.

In Consumer psychographic segmentation, identification of the segments is carried out according to the subjective criteria. Yanase (2011) ensures that the psychographic segmentation can be defined as any involving one or more variables in their analysis, i.e., research involving variables such as values, attitudes, personality, interests etc.

“The psychographic is the use of psychological, sociological and anthropological factors to determine how the market is segmented according to the trends within it, to take a concrete decision on a product” [Solomon, 2011, P.261]

Limeira (2008) the term psychographics – presented from the union of the psychological and demographic words, it was originally focused by Emanuel Demby on one’s life style and psychographics article published in 1974.

In short, demographics provide information about who your consumers are, whereas psychographics provide information about why they purchase things.

Different variables of Psychographics:
Some techniques are there which attempt to implement the psychographic segmentation process for attaining the evolutionary, flexible, viable and attractive investigation. Various psychographic studies have been conducted over time. Therefore, it is accurate to note that psychographics has been gaining ground amongst segmentation studies and increasingly becoming a useful tool for the researchers. Schiffman and Kanuk (2012) have identified some psychographic variables namely, personality, attitude, lifestyle, values, opinions, interests and activities. Among these we can focus on three variables more often used by the authors, which are: personality, attitude and lifestyle. To study the effects of this article, we would analyse these variables in details.

Personality
Personality of a person is a set of different psychological characteristics which influences the way you think, feel and act socially or individually. Hence, knowing the personality of a person may suggest their behavior and reactions towards a particular product. Solomon (2011) personality is a unique psychological makeup of each person and systemically to influence the way a person acts in their environment. According to Solomon (2011) the concept personality is not very clear among researchers because the individual behaves differently in each situation.

Schiffman and Kanuk (2012) believe that the personality of a person changes in the occurrence of sudden events, such as: marriage, birth of a child, death of parents, etc., but also as part of the maturation process. Therefore, psychographic segmentation uses these different variables of personality to segment consumers as per their personality traits.

In simple words we can say that personality denotes certain physiological and psychological traits and characteristics of a person which produces constant behavior. Choice of brands is affected by the personality of the buyer. Certain brands are preferred more by extroverts and there are others which introverts prefer. It’s the personality of the consumer, which make people prefer online or store purchases.
Attitude

Attitude is a way of thinking or feeling about something. It’s the tendency to respond positively or negatively towards a particular idea. Attitude of the consumers towards a product is not just made by advertising campaign only.

Schiffman and Kanuk (2012) states that the concept of attitude is complex and subject to different definitions, being that managers assess the attitude toward a product, brand, company, etc. Given this statement, it can be inferred that the different points of analysis of the attitude as well as their definitions, evoke researchers, academics and managers to a field of uncertainty, i.e., with a certain degree of subjectivity. Schiffman and Kanuk (2000). Consumer attitude is directly related to the buying behavior.

Solomon (2011) states that the attitude comes from three components: Affection (describing how the consumer feels in relation to the attitude object), behavior (in relation to their intentions to act in itself) and cognition (which in turn is what he believes to be true in relation to the attitude object).

An attitude is subject to change, from time to time. At one point of time we prefer thriller or suspense movies, but at another moment we may like romantic movie. However, attitude can be influenced, that’s why advertising companies spend so much on marketing in an attempt to influence the consumers’ behavior and make different kind of advertisements because one advertisement can not connect or touch all type of people in the same way.

Lifestyle

Another factor which is critical to the success of any research is lifestyle. In simple words, lifestyle denotes how a person spends his money, time and energy. It’s a person’s style of living. It reflects a person’s tastes, priorities and choices, basically how a person chooses to live his life. Every person has a desire to better his lifestyle and marketers exploit this desire to market and channelize their products. For example, using celebrities in the advertisements. For Solomon, "the pattern of consumption is reflecting the choices of the person as to how to spend their time and money" [Solomon, 2008, p. 229. In the same way Limeira (2008) states that lifestyle is do as I understood the pattern of consumption reflecting a person's personal values and tastes, the same way as they consume their time and income.

In this way, we can see how psychographic factors are deeply related with consumers’ buying behavior. Though our choices get affected by our personality, attitude and lifestyle, still we can not ignore our values, opinions also play a major role in effecting our buying behavior.

How Psychographics are different from Demographic factors?

Psychographic factors delve deeper into consumer’s background than the regular demographic data comprising basic components like, age, gender, marital status, income, geographic location, length of experience etc. Besides, in addition to incorporating the basic demographic criteria, psychographics evaluate and cluster people based upon certain specific characteristics like lifestyle, personality, attitude, values. As mentioned earlier, demographics provide information about who your consumers are, whereas psychographics provide information about why they purchase things.

It was not easy for marketers to make a switch towards psychographics who were so used to thinking and speaking in demographics and always slicing the markets by age, gender and ethnicity and other broad variables.

Conclusion

Consumers these days are hard to predict as it’s the age of internet which is making them more experimenting and volatile. This makes marketers on their toes always. They have to always in look
out for something which can give an idea about what their consumers are looking for. There are software which use caches and cookies to predict the online habit and likings of its user and these psychographics act as that software which can give hints about what exactly consumers are looking for which demographics can not predict. It’s not like demographic factors are redundant rather these can compliment psychographic factors in ascertaining the consumer behavior more accurately.

References: