

Segmenting Markets Based on Consumer Decision Making Style: An Exploratory Study from India

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Abstract

The study attempts to segment consumers on the basis of their decision making styles. Based on consumer style inventory (CSI), nine unique consumer shopping orientations were identified. Subsequently, these shopping orientations were used to identify unique consumer segments, for which cluster analysis was performed. Relative importance of particular factors within a cluster was also analyzed. For each of these five segments demographic profiling was done to analyze dominance of a particular socio-economic section, with regard to specific style orientation. This would enable marketers to easily identify the qualifiers which would motivate particular type of customers to buy specific product categories.

Keywords: *Consumer Decision Making Style, Cluster Analysis, Market Segmentation, Consumer Behavior.*

Introduction

Worldwide growth in digital technologies has given consumers more avenues to enhance their information search and learning. More and more Indian consumers are now aware of trends present in the west and try to match their expectations with the global standards. Knowledge of such consumer buying behavior traits helps practitioners by providing them with a quantitative measure for classifying heterogeneous decision making styles among consumer groups into specific category of consumer orientation. This can be used for consumer profiling, understanding the needs of different segments of consumers in a better manner and even to develop efficient and effective advertising strategy.

Different authors have conducted various studies across countries / cultural contexts which yielded different combination of consumer decision-making styles or shopping orientations exhibited by the consumers (Hiu et al. 2001; Mitchell and Walsh, 2006; Yasin, 2009). These studies highlight the variability or inconsistency among consumer behaviors due to their cultural or sub-cultural factors. As the use of technology and internet is increasing becoming an integral part of consumer marketing and buying process, the consumer decision-making styles are also tend to be changed. According to recent survey which was based on around twenty-thousand shoppers across twenty-five countries, it was found that (i) 54% customers are placing order online at least once in a month; (ii) one-third agree that mobile device will become their primary browsing device in near future; and (iii) two-third admit that either reading or writing social media reviews and comments influences their online shopping behavior (Dahlhoff, 2016). So, though abundance of classification of consumer decision making styles, most of the available study focused on traditional market conditions as opposed to existing market place which most of the time is combined with modern / online market space (i.e. online information source and online vendors). Assuming this as a possible research avenue, this study aims to revisit the consumer's decision making styles in Indian context.

Literature Review

Consumer Decision Making Style

Sproles and Kindall (1985) have defined consumer decision making style as “*a mental orientation characterizing consumer's approach to making choices, which has a stable and long lasting effect on consumer decision making*” (pg. 82). To validate these distinct decision making styles, the authors developed a 50-item instrument measuring the general orientations of consumers towards shopping and buying. This resulted in nine identifiable decision-making styles. Later, Sproles and Kendall (1986) developed a more parsimonious version of this instrument using 40-items, and named it consumer style inventory (CSI); however these items were not directly comparable to the earlier version of 50-item scale. This 40-item inventory comprised eight unique mental characteristics of consumer decision making styles: perfectionism or high-quality consciousness; brand consciousness; novelty-fashion consciousness; recreational, hedonistic shopping consciousness; price and value for money shopping consciousness; impulsiveness; confusion over choice of brands, stores and consumer information; and habitual, brand loyal orientation towards consumption.

The study by Sproles and Kendall (1986) was done using a high school student sample from US, which called for further validation of this instrument across other populations and demographics by the authors. Subsequently, many researchers have tested this scale in various different settings. Hafstrom et al. (1992) tested the scale on Korean university students and found it had elements of construct validity and could be used across international populations. Durvasula et al. (1993) also examined the appropriateness of this scale using a sample of New Zealand university students and found that this scale had construct validity, but required some modifications. They concluded that instrument was applicable and represented eight unique traits of the consumer decision making styles, even though some item loaded on different factors when compared to original 40-item inventory which needed to be modified. These studies encouraged other researchers to follow up and investigate applicability of this inventory to other cultures and countries. Since then, numerous replication studies have taken place to test validity of CSI in different countries and context e.g. South Africa, China, Greece, Germany etc. Further, this scale has been tested to compare decision style patterns among different consumer segments, for example CSI has been used to compare differences in shopping style between male and female consumers, generation X and generation Y consumers etc. A comprehensive list of such studies has been compiled in Table 1:

Table 1: Reliability coefficients comparisons for previous studies on decision making styles

Year	1986	1992	1993	1994	1996	1996	1996	1996	1996	1996
Country	U.S.	South Korea	New Zealand	U.S.	U.S.	U.S.	New Zealand	Greece	U.S.	India
Authors	Sproles & Kendall	Hafstrom, Chae. & Chung	Darvasula, Lysonski, & Andrews	Mc-Donalds	Shim & Gehrt	Shim	Lysonski, Durvasula. & Zotos			
Sample	High-School	Under-graduate	Under-graduate	Elderly	High School	High School	Under-graduate Students			
Sample Size	482	310	210	593	1846	1954	210	95	108	73
Consumer Styles										
Perfectionist	.74(8)*	.77(7)*	.75(8)	.82(8)	.73(4)	.73(4)	.80(7)	.65(7)	.72(7)	.61(7)
Brand Conscious	.75(7)*	.84(11)*	.58(6)	.81(5)	.72(4)	.72(4)	.59(6)	.68(6)	.63(6)	.71(6)
Novelty-Fashion Conscious	.74(5)	-	.70(5)	.83(4)	.70(4)	.70(4)	.75(4)	.63(4)	.75(4)	.72(4)
Recreational, Hedonistic	.76(5)	.70(6)*	.82(5)	.74(5)	.86(4)	.86(4)	.82(5)	.61(g)	.85(5)	.45(5)
Price & Value Conscious	.48(3)	.31(3)	.50(3)	.74(5)*	.68(4)	.68(4)	-	-	-	-
Impulsive	.48(5)	.54(4)*	.71(5)	.66(4)*	.45(4)	.45(4)	.71(5)	.64(5)	.68(5)	.41(5)
Confused by Over Choice	.55(4)	.54(5)	.66(4)	.76(4)	.62(4)	.62(4)	.66(4)	.55(4)	.69(4)	.64(4)
Habitual, Brand Loyal	.53(4)	.34(3)*	.58(4)	.78(6)	.63(4)	.63(4)	.54(3)	.34(3)	.62(3)	.51(3)
Time-Energy Conserving	-	0.35(3)	-	-	-	-	-	-	-	-
Time Conscious	-	-	-	-	-	-	-	-	-	-
Information Utilization	-	-	-	-	-	-	-	-	-	-
Environment & Health Conscious	-	-	-	-	-	-	-	-	-	-
No. of Items	40	38	40	40	32	32	34	34	34	34
No. of Factors	8	8	8	8	8	8	7	7	7	7
Total Variance	46%	47%	56%	72%	-	-	54.60 %	53.70 %	57.50 %	52.20 %

Table 1 (Cont.): Reliability Coefficients Comparisons for Previous Studies on Decision Making Styles

Year	1998	2001	2001	2006	2009
Country	China	China	Germany	Germany	Turkey
Authors	Fan & Xiao	Hiu, Siu, Wang & Chang	Walsh, Thureau, Mitchell, Wiedmann	Mitchell & Walsh	Yasin
Sample	Under-graduate	Adult	Mixed (Above 18 years)	178 Men [^] & 180 Women ^{^^}	Mixed (18 to 46 years)
Sample Size	271	387 [#]	455	358 ^{##}	280
Consumer Styles					
Perfectionist	0.59(6)*	0.76/.68 (3)	0.75	0.76 (4) [^] / 0.77 (6) ^{^^}	0.77 (6)
Brand Conscious	0.60(8)*	0.45/.37 (2)	0.73	0.76 (6) [^] / 0.79 (4) ^{^^}	0.82 (6)
Novelty-Fashion Conscious	-	0.73/.65 (3)	0.71		0.84 (6)
Recreational, Hedonistic	-	0.70/.72 (3)	0.65		0.85 (6)
Price & Value Conscious	0.59(6)*	0.62/.51 (3)	-		0.72 (5)
Impulsive	-	-	0.7	0.69 (3) [^] / 0.71 (5) ^{^^}	0.70 (4)
Confused by Over Choice	-	0.51/.62 (2)	0.75	0.71 (4) [^] / 0.79 (4) ^{^^}	0.84 (6)
Habitual, Brand Loyal	-	0.34/.40 (3)	-		0.68 (4)
Time-Energy Conserving	-	-	0.53		
Time Conscious	0.62(7)	-	-		
Information Utilization	0.55(4)	-	-		
Environment & Health Conscious	-	-	-	-	0.73 (4)
No. of Items	29	18	-	38	54
No. of Factors	5	7	7	4 (Common), 12 [^] , 11 ^{^^}	9
Total Variance	35%	66%	52%	72.60 % [^] , 67.30% ^{^^}	57%

Notes: 1. Values in parentheses represents the number of items in each factor. 2. * Represents Factorial Complexity (same item loading on two factors). 3. # Represents equal hold out used, factor loading values for two samples have been separated by (/). 4. ## Gender bases study, Factor Loadings for male are shown by [^] and female by ^{^^}, Only common factor loadings considered.

Consumer Decision Making Styles in India

Over a decade, the Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players like Wal-Mart, Amazon, etc. It accounts for over 10 percent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space. India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015 (Boston Consulting Group, 2015), driven by income growth, urbanization and attitudinal shifts. While the overall retail market is expected to grow at 12 percent per annum, modern trade would expand twice as fast at 20 percent per annum and traditional trade at 10 percent (Boston Consulting Group, 2015).

As per Confederation of Indian Industry (CII) and Deloitte Touche Tohmatsu India LLP, India's Business to Business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020 whereas the Business to Consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2020. According to a joint ASSOCHAM-Forrester study paper, online retail is expected to be at par with the physical stores in the next five years. India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets. Indian e-commerce sales are expected to reach US\$ 120 billion by 2020 from US\$ 30 billion in FY2016. Further, as per Bank of America Merrill Lynch report, India's e-commerce market is expected to reach US\$ 220 billion in terms of gross merchandise value (GMV) and 530 million shoppers by 2025, led by faster speeds on reliable telecom networks, faster adoption of online services and better variety as well as convenience.

Thus, as reported in various reports above, e-commerce is expanding steadily in the country. Customers have the ever increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in the retail industry, and this trend would continue in the years to come. Retailers should leverage the digital retail channels (e-commerce), which would enable them to spend less money on real estate while reaching out to more customers in tier-2 and tier-3 cities. Both organized and unorganized retail companies have to work together to ensure better prospects for the overall retail industry, while generating new benefits for their customers. Nevertheless, the long-term outlook for the industry is positive, supported by rising incomes, favorable demographics, entry of foreign players, and increasing urbanization. The number of brand offerings from both national and international players has also seen a significant rise. All these factors have given consumers more choices with varieties of products and brands available in the market place.

Previously, Lysonski et al. (1996) have studied consumer decision making style in India, in their multi-country study using the 40-item CSI as given by Sproles and Kindall (1986). The study was focused on differences in consumer decision making style between developed and developing countries taking US, New Zealand, Greece and India. However, the results of this study had weak construct validity in context to developing countries (India and Greece) and were more applicable in developed countries (U.S. and New Zealand). Therefore, authors concluded that the original 40-item inventory as developed by (Sproles and Kindall, 1986) was not valid in

developing countries like India, and required necessary modifications. They attributed that poor validity of this scale was due to the difference in retail environment present in India and US. Other reasons stated were, small number of people possessing a credit card, consumers shopping clothes etc. only during Indian festivals and few number of stores where consumers could walk freely to choose products (Lysonski et al. 1996). Also, authors considered a very small sample of 73 Indian undergraduate students to test the applicability of 40-item CSI in India, and asked for further valediction of this inventory. Lysonski et al. (1996) stated that, “students may be different from non-students with respect to demographics such as income or social class and other socio-psychological variables (e.g. alienation, dogmatism, conservatism, status consciousness, etc.). Such differences might, in turn, affect decision-making styles and purchase preferences. Hence, it is also necessary that the CSI be tested on samples other than students if the instrument is to be used on the general population.” (pg. 18)

I speculated that poor validity of this scale in prior study by Lysonski et al. (1996) could have been due to the poor retail environment present at that time in India. However, this could also be because of poor sample identification, considering small number of undergraduate students, even though, a large ratio of students were not enrolled for higher education at that point in time (Bosworth and Collins, 2008). After doing elaborate search through relevant academic libraries we were unable to find any other study in which CSI has been used to study consumer decision making style in India. These motivate to reexamine the validity of CSI in India in the present context, with significant changes in the demographic and retail environment, almost fifteen years after the previous study.

Research Methodology

Sample Characteristics

The sample comprised of heterogeneous groups of consumers, representing multiple segments of consumers, included responses from 192 (50.2 percent) males and 186 (49.8 percent) females representing most of the parts of county. Table 2 summarizes the demographic profile of the respondent.

Table 2: Demographic profile of respondent

Demographic Variable		Number (Percentage)
Gender	Male	192 (50.8%)
	Female	186 (49.2%)
Age	Below 25 Years	148 (39.15%)
	Between 25 – 40 Years	166 (43.92%)
	Above 40 Years	64 (16.93%)
Education	Graduation	117 (30.95%)
	Post-graduation	225 (59.52%)
	PhD	36 (9.52%)
Income (Annual)	Below USD 5,000	133 (35.19%)
	Between USD 5,001 – USD 10,000	192 (50.79%)
	Above USD 10,000	53 (14.02%)

After confirming the face and content validity of the 40-items CSI scale, the data were collected self-administered questionnaire. A 5-point likert scale, having two end points as “strongly disagree” and “strongly agree” was used to get the responses. A total of 403 responses were collected, out of which only 378 were found to be usable, rest having missing data or apparent inappropriate response patterns.

Factor Analysis

The factor analysis resulted in nine factors explaining 58.5 percent of the total variance (Refer to Table 3). Cronbach alpha values were also found to be above the minimum recommended level of 0.5, ranging between 0.82 and 0.54.

Table 3: Factor structure and loadings

Factors	Factor Loadings
Factor 1- Brand, Status Conscious, "Price Equals Quality" Consumer ($\alpha=0.819$)	
The more expensive brands are usually my choice.	0.734
The well-known brands are best for me.	0.731
The higher the price of a product, the better its quality.	0.698
The most advertised brands are usually very good choices.	0.676
I prefer buying the best-selling brands.	0.614
Specialty and Exclusive brand stores offer me the best products.	0.577
My standards and expectations for products I buy are very high.	0.535
Factor 2- Quality Conscious, Effortful Customer ($\alpha = 0.763$)	
I make special effort to choose the very best quality products.	0.764
I usually try to buy the best overall quality.	0.718
Getting very good quality is very important to me.	0.696
When it comes to purchasing products, I try to get the very best or my perfect choice.	0.630
I take time to shop carefully for best buys.	0.502
Factor 3- Novelty-Fashion Conscious Consumer ($\alpha = 0.813$)	
Fashionable, attractive styling is very important to me.	0.743
I usually have one or more outfits of the very newest style.	0.714
To get variety, I shop different stores and choose different brands.	0.711
I keep my wardrobe (clothes) up-to-date with the changing fashions.	0.679
It's fun to buy something new and exciting.	0.572

Table 3: Factor structure and loadings (Cont'd)

Factor 4- Impulsive, Hedonistic Consumer ($\alpha = 0.753$)	
I am impulsive while purchasing.	0.740
I make frequent shopping trips.	0.708
Shopping is not a pleasant activity to me. [#]	-0.666
Going shopping is one of the enjoyable activities of my life.	0.596
Factor 5- Confused by Over Choice Consumer ($\alpha = 0.732$)	
All the information I get on different products confuses me.	0.797
There are so many brands to choose from that often I feel confused.	0.787
Sometimes it's hard to choose which stores to shop.	0.659
The more I learn about products, the harder it seems to choose the best.	0.642
Factor 6- Habitual, Brand Loyal Consumers ($\alpha = 0.779$)	
I go to the same stores each time I shop.	0.742
Once I find a product or brand I like, I stick with it.	0.689
I have favorite brands which I buy again and again.	0.620
Shopping at unknown stores wastes my time.	0.563
I change brands I buy regularly . [#]	-0.506
Factor 7- Carefree, Hasty Consumers ($\alpha = 0.744$)	
A product doesn't have to be perfect, or the best, to satisfy me.	0.818
I really don't give my purchases much thought or care.	0.760
I shop quickly, buying the first product or brand I find that seems good enough.	0.560
Factor 8- Careless, Dissonant Consumers ($\alpha = 0.733$)	
I should plan my shopping more carefully than I do.	0.774
Often I make careless purchases I later wish I had not.	0.705
I carefully keep a watch how much I spend. [#]	-0.522
Factor 9- Price Conscious, "Value for Money" Consumers ($\alpha = 0.743$)	
I buy as much as possible during sales.	0.754
The lower price products are usually my choice.	0.680
I look carefully to find the best value for the money.	0.619
Note: # refers to the negatively / oppositely worded items. These items were reverse coded for further analysis.	

Majority of factors found in the study were similar to the eight factor model found in the Sproles and Kendall's (1986) study. However, there were some items which loaded on different factor, when compared to Sproles and Kendall's (1986) study. These items made justifiable factor structure with strong factor loading, thus confirming their relevance to the Indian consumer decision making style. For example item measuring impulse buy, which was part of "Impulsive, Careless Consumer" in Sproles and Kendall's (1986) with a factor score of 0.530, loaded on "Impulsive, Hedonistic Consumer", factor 4, with a strong factor loading of 0.740. Also, for the factor 1, few items were found to be different from the original inventory, emphasizing on the status which consumer associate with shopping expensive and well-advertised goods, apart from adorning themselves with perceived strong, well known brands and supreme quality.

Two new factors (factor 7, factor 8) were formed with Cronbach Alpha values of 0.64 and 0.63 respectively, otherwise being part of another factor in the original study (Sproles and Kendall, 1986). These factors suggestively indicated that some specific unique traits were present in a particular segment present among Indian consumers, reflecting to carefree, and hasty buying behavior (factor 7) and post purchase dissonance with urge to spend money (factor 8). Fortunately, when compared with results of similar study done by Lysonski et al. (1996) in their multi-country study including India, the factor structure was found to be more concrete with items representing the underlying factor more rationally. Also in their study only 65 per cent of items in the Indian sample loaded on the Sproles and Kendall (1986) specified factors, with five items of the considered 34-item inventory having factor loadings less than 0.40. Lysonski et al. (1996) tested the CSI considering a student sample in New Zealand, Greece, India and U.S. and concluded that the CSI was more applicable to the developed countries (New Zealand and U.S.) than to the developing countries (India and Greece). The authors proposed that the differences in the retail environment in India and Greece could explain why the inventory could not be applied to the two countries without modification of the instrument.

From the previous studies (Lysonski et al. 1996; Mitchell and Bates, 1998), it appeared that CSI in its original form cannot be generalized to different countries without some amount of modification. However, Walsh and Hennig (2001) suggest that a study this needs to be replicated at least fifteen times before results can be generalized, indicating that additional work on the CSI is necessary. As discussed above, whether if this 40-item inventory is applicable to countries other than U.S., especially the developing countries, we apparently found it valid in the Indian context. This was also supported by other studies (Fan and Xiao, 1998; Hiu et al. 2001; Radder et al. 2006; Hanzae and Aghasibeig, 2008; Yasin, 2009) done in context with other developing countries like China, Iran, South Africa etc. Interestingly, one new factor found (Factor 7- Care free, hasty consumer) in our study was very much similar to the factor 'time conscious, energy saving' in a similar study done in China (Fan and Xiao, 1998). A list of these factors with brief description of specific consumers falling under these decision making styles is provided in Table 4.

Table 4: Identified decision making style and description of consumers

Factor 1- Brand, Status Conscious, and “Price Equals Quality” Consumer: These consumers believe that heavily advertised and expensive products are best. They are likely to pay more for quality products, buying best-selling brands from specialty and exclusive stores, which enhances their perceived status.
Factor 2- Quality Conscious, Effortful Customer: To these consumers quality is of prime importance. They give effort and time to choose products of their choice, which offer them best quality.
Factor 3- Novelty-Fashion Conscious Consumer: Such consumers are inclined towards the latest fads, buying products of the newest style. They gain excitement in shopping new things, including wardrobe and love to go for variety.
Factor 4- Impulsive, Hedonistic Consumer: These consumers love shopping and excessively indulge in it. They are more impulsive while shopping and find shopping an important aspect of their life.
Factor 5- Confused by Over Choice Consumer: These consumers are prone to get confused by excessive information provided to them and find it difficult to choose the right store or brand, from wide array of choices.
Factor 6- Habitual, Brand Loyal Consumer: These consumers do not switch between stores and brands frequently. Once they find appropriate brand they are more likely to stay with it, and feel that shopping at unknown stores wastes time.
Factor 7- Carefree, Hasty Consumer: These consumers do not expect much from products and give less importance to them, buying quickly what seems good enough
Factor 8- Careless, Dissonant Consumers: These consumers are predominantly poor money managers, admitting they make careless purchase and should buy products more carefully, indicating post purchase dissonance.
Factor 9- Price Conscious, "Value for Money" Consumer: These consumers are sensitive to price and feel products with less price offer them best value for money. They often buy during sales.

Cluster Analysis

As, identifying of different consumer decision making styles only was of limited use for practical purpose, cluster analysis was also performed. The orientation of particular set of consumer is different from the others, and in most cases it is not viable for marketer to cater to all types of consumers, effort needs to be laid on identify and serving market segments which have maximum potential. Therefore it is important to identify segment which has servable size and most attractive attributes, in sync with the product characteristics. Also, as behavior of individual is intemperately influenced by demographic characteristics like gender, age, education, income, etc. and it is most convenient to identify consumers based on this basis, it is necessary to trace consumers having and similar and prominent demographic characteristics within a segment. Identifying such segments and prominent consumers within that segment would serve as a blue print for marketers. Through this they can identify which mix of decision making style is most beneficial to them, in which segment is this trait most significant and to what demographic profile does maximum number of consumer belong.

To serve the above purpose it is required to divide these heterogeneous consumers into segments which are relatively homogeneous within themselves. To operationalize this at cluster analysis was performed taking nine identified factors as input variables. Study used two-step hierarchical clustering, as it is capable of handling large dataset

and has large array of output options, including variable importance plots which was used to determine the relative importance of factors present in different clusters. The clusters were formed on the basis of nine factors identified using the exploratory factor analysis. To avoid any error which may arise due to unequal number of items per factors, the mean values for every factor was used as input variables for clustering.

The five-cluster solution had groups of different sizes minimum being for cluster 3 (Respondents = 32) and maximum being for cluster 2 (Respondents = 120). Cluster 2 and cluster 3 were found to be most important, representing almost sixty percent of the total sample (See, Table 4). For the five-cluster solution, cluster wise factors importance plots (including all 9 factors) were generated using Benferroni Adjustment, at .05 percent significance level. As desired, all factors were not found significant at this level, for every cluster, and had relatively different importance. As it was important to see which demographic factors were more dominating within a cluster, Chi-square test was used to identify if there was significant difference in number of respondents in a particular clusters, considering the demographic factors. It was found that there was a significant difference ($P < 0.05$) in frequency distribution for all demographics factors for the five-cluster solution. To identify which group had more (less) number of respondents representing a particular demographic trait, cross tabulation for all the five clusters and five demographic factors were computed. A cluster wise breakup of demographic factors which were found to be differentiator is given below. I have considered elaborating breakup of only three major clusters, as for other two smaller clusters, cluster 3 (N= 32) and cluster 5 (N=35), such analysis may not have reflected true picture.

Table 5: Cluster Number and Size

		Cluster Distribution		
		N	% of Combined	% of Total
Cluster	1	88	23.3%	23.3%
	2	120	31.7%	31.7%
	3	32	8.5%	8.5%
	4	103	27.2%	27.2%
	5	35	9.3%	9.3%
	Combined	378	100.0%	100.0%
Total		378		100.0%

Cluster 1, was the next major segment consisting of almost 23 percent (N = 88) of total respondents. Here, factor 4 (Impulsive, Hedonistic Consumer) was found to be most important with factor 9 (Price Conscious, 'Value for Money'), factor 1 (Brand, Status Conscious and 'Price Equals Quality' Consumers) and factor 3 (Novelty and Fashion Conscious Consumers) having moderate importance. Factor 7 (Carefree and Dissonant Consumers) and factor 5 (Confused by Over Choice) were also found to be considerably important but with lower values. Initially, this cluster appeared to be similar cluster 4, however on closely observing the factors relationships and their level of importance this cluster was found quite different. In this cluster factor 4 was of maximum importance, which had relatively lesser importance in Cluster 4. Also the second factor which had high level of importance for this cluster had much lower significance in cluster 4 and factor 6 which was present in cluster 4 was not significant in this cluster. This cluster indicated towards groups of consumers to

whom shopping was a hedonistic activity but they were also price conscious, searching for value for money and often buying at sale price. To these consumers brand name, and novelty was of moderate importance and they often got confused (factor 5) as to which brands or stores was best for them. The segment consisted of almost equal proportion of men and women, being a little higher for women, while representation was relatively more from second (25 to 40 years= 42%) and first category (Below 25 years = 37.5%) of age groups. Considering income and education, it was found that majority of people (54.5%) in the second category (3 to 6 Lakh), under this cluster belonged to this group and for education it was almost equally represented by both graduates and post graduates.

Cluster 2, which had maximum number of respondents (N = 120), factor 7 (Carefree, Hasty Consumers) was found to be the most important one (See, Figure 1). The second most important factor, factor 2 (Quality conscious and effortful consumer), reflected that though consumes were carefree they were still quality conscious.

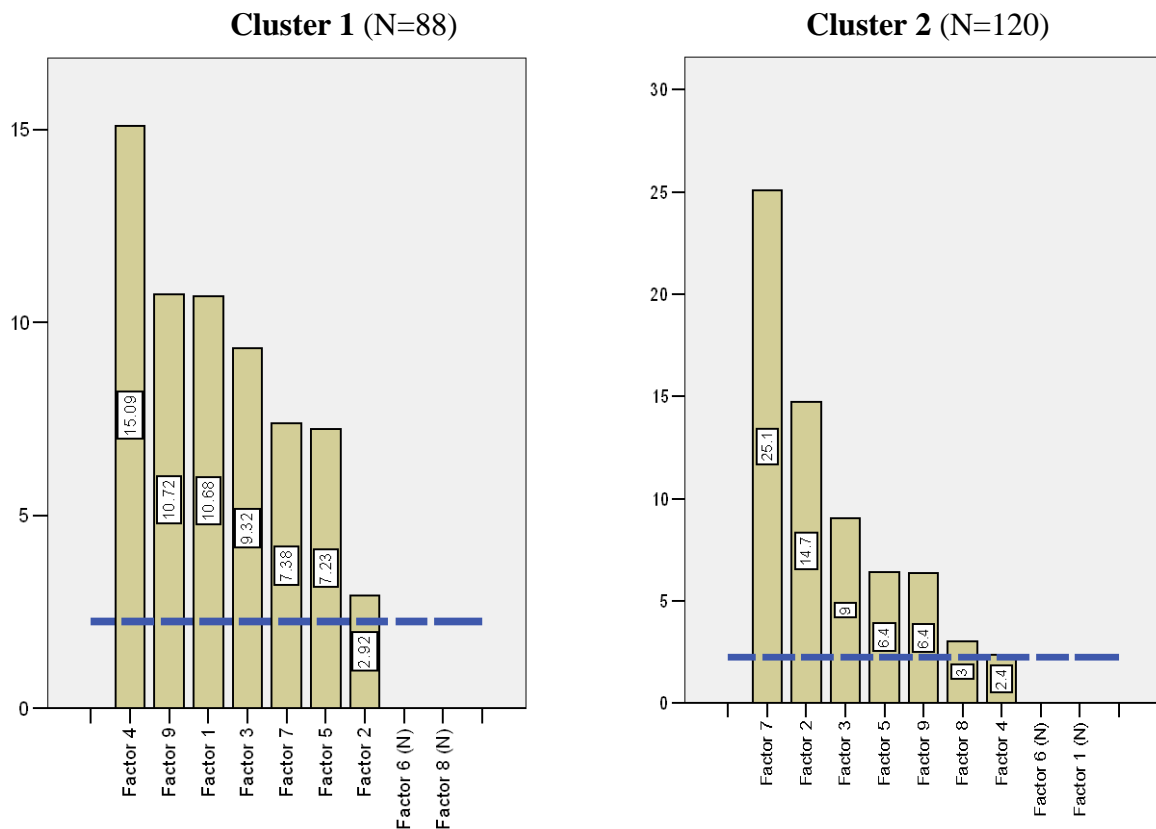


Figure 1: Cluster-Factor Membership Plots

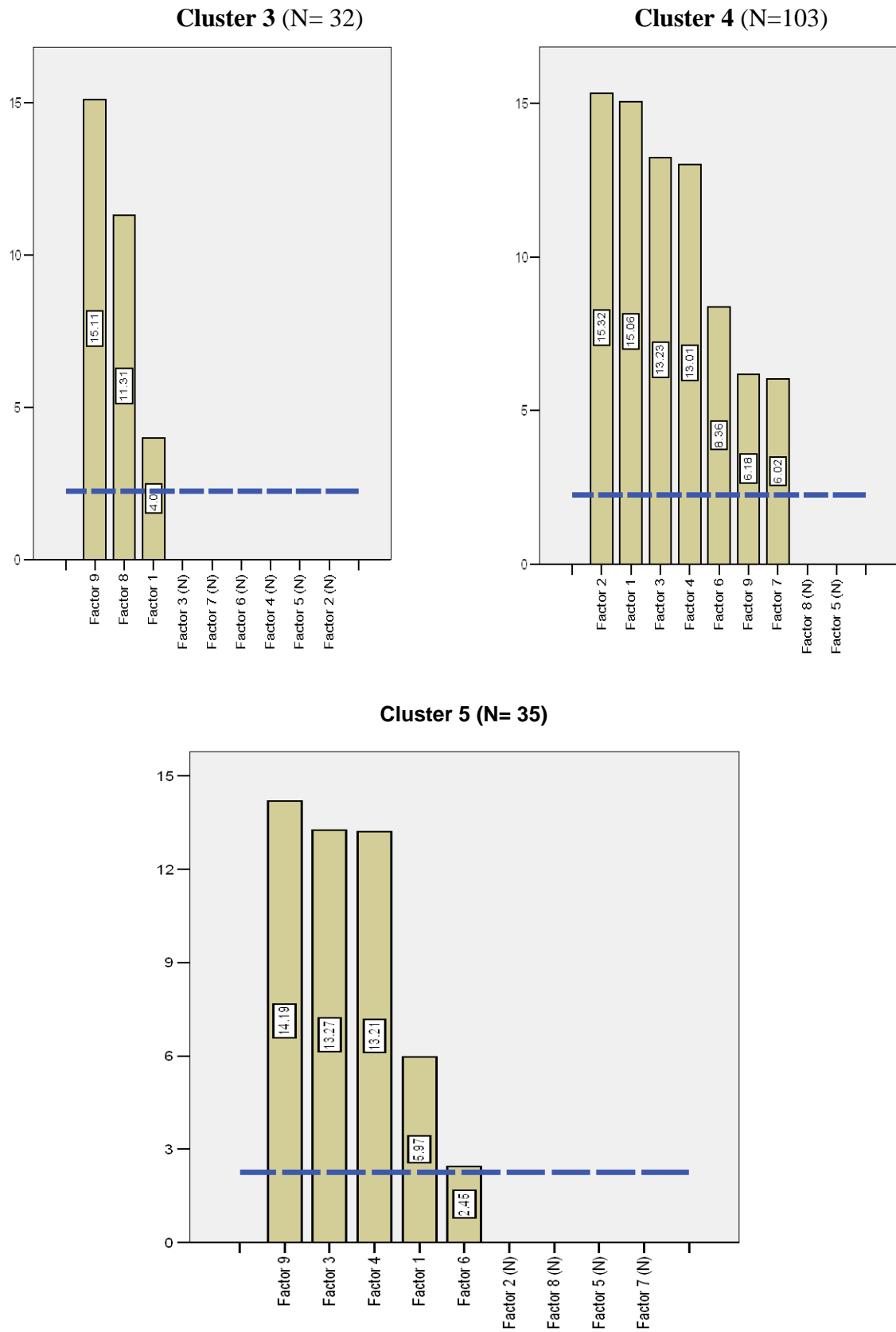


Figure 1: Cluster-Factor Membership Plots (Cont'd)

The cluster represented 35%, and 28% percent, of total females and males in the study respectively. 40% respondents were below the age of 25 years and 30% were between being 25 to 40 years of age. This segment was dominated by people having total family income between 3 to 6 lakhs (57.5%) and below 3 lakhs (24%). Majority of people were post graduates (75%) and 42.5% were of North Indian origin. Next cluster which had maximum representation was cluster 4 (N = 103), having number of considerably significant factors. Factor 2 (Quality Conscious, Effortful Consumers), Factor 1 (Brand, Status Conscious, 'Price-Equals Quality' Consumer), Factor 3 (Novelty, Fashion Conscious Consumer) and Factor 4 (Impulsive, Hedonistic Consumer) were found to be important with no acute variation in level of importance. These factors were considerably coherent with each other, depicting these consumers were quality conscious, were willing to pay for established brands, indulged in impulsive purchases and considered shopping a pleasurable activity. This segment had higher proportion of males (62%), with about 50% of the consumers aged between 25 to 40 years. Consumers having family income between 3 to 6 lakhs formed the majority (45%), and 60 percent were found to be post-graduates. Interestingly, 40% and 30% of the consumers in this segment were from North and East India respectively.

For cluster 3 (N=32), only three factors were found to be more significant, out of which two were more important, factor 9 (Price Conscious, Value for Money Consumer) and factor 8 (Careless, Dissonant Consumer). This cluster reflected traits that people always looked for cheaper, value for money goods and indulging mostly in sales. However, they also had post purchase dissonance; even though they knew that they at times they buy careless. Though the cluster size was very small, it was observed that this cluster represented maximum people from west, who were graduates and below, aged between 25 to 40 years. Majority of this cluster (60%) represented female respondents.

Similarly for cluster 5, there were only 35 respondents, representing only 9.3% of the total sample. For this cluster it was observed that three factors were most important, being factor 9 (Price Conscious, Value for Money Consumer), factor 3 (Novelty and Fashion Conscious Consumers) and factor 4 (Impulsive, Hedonistic Consumer). This indicated that this segment of consumer was price conscious but looked forward to fashionable and novelty goods. Also, they enjoyed shopping, made frequent visits and even did impulse purchases. On the demographic side, only income could be considered as a differentiating factor as representation from the highest income category was much less as expected (8.6%).

Though there were overlaps among factors and demographics were was not largely different in every cluster, which reflects the complexity of human behavior, there was some degree of heterogeneity present even in one kind of consumers, based on behavior and shopping habits. Out of the five clusters solution considered above, we were able to distinguish at least three major segments of consumers, which had largely different shopping orientation. However, academically this study's primary contribution is not in providing conclusive evidence on how Indian consumers are classified across various segments, as making that claim would require more research with considerably large sample size and even more appropriate representation from each sector. However, the study does contribute to the ongoing development of making possible segments in markets, and this study has been the first one which has

considered to segment consumers, based on their demographic profile and shopping decision making orientation. Managers can draw inferences from this study; however scope of this study, and other factors which may be important on case to case basis should be given equal importance, if not more. Also we have not named the cluster, but on the basis on import factors, and demographic profiles this clusters could have been given a suitable name.

Conclusion

A heterogeneous sample, comprising of different segment of consumers in terms of age, income, gender, education and origin was considered. Using principle component analysis with varimax rotation, nine unique factors of consumer decision style were identified. Majority of these factors where similar to the original inventory as developed by Sproles and Kendall (1986), however two different factors were formed. These indicated towards some specific decision making traits present in Indian consumers.

In the second part of the study we clustered all the respondents on the basis of factor scores identified for the nine different decision making styles (orientation). A five-cluster solution was identified to be best with three major segments of consumer. Post this, we plotted relative importance of these nine factors on all the five clusters, and some were found to be significantly important for a particular cluster. However, as this could only tell us how these segments were different based on the decision orientation, but we could not know whether if these different segments had different demographic traits. This was our prime concern as we need to identify a particular consumer and likely chances of him/her of being into a particular segment. To reach this objective we cross tabbed cluster and demographic data to identify which demographic profiles were more dominating within a particular cluster. The results found were very much reflective and were different based on the decision making orientation.

Directions for Future Research

Repeated testing of this inventory shows that, consumer decision making style has eight unique mental orientation of consumer behavior for shopping in both developed and developing county. However, there may be many more of such decision making styles, especially in the changed market scenario. CSI cannot be treated as a time constant inventory, with similar applicability over a period of time. Thus, its result over a long period of time may vary and it may not be able to present all consumer decision making styles. In the current context, more factors to consumer decision making style can be considered to make this scale more parsimonious. These may include items which deals with consumer's attitude towards environment friendly or 'green products', healthy products, including items which are able to incorporate decision making styles with respect to online purchases etc. Also, the role of consumer decision making style may differ for different product types, i.e. convenience goods, specialty goods and shopping goods and some research in this direction has been initiated. However, more research is required to see how a decision making style varies from product to product to make these more appreciable and useful in practice. Similarly, though this inventory is largely applicable to products,

and other inventories on decision making style for services may be present; more research can help extend the use of this inventory to find our consumer decision making styles with respect to services also, with relevant changes.

Implications for Business Marketing Practice

Identification of specific consumer decision style traits present in consumers can be of great use to marketing practitioners in a number of ways. By finding such information on consumers' decision making styles, corporations targeting consumers in Indian can more clearly identify their potential consumers. Also, as more and more multinational companies are interested in emerging consumer markets like India, understating of such consumer decision making style would be of great help. By using this inventory, marketers can be aware of specific consumer decision making orientation present in a particular individual or group of consumers. This would enable marketers to easily identify the qualifiers which would motivate particular type of consumers to buy specific product categories. Also, consumer can be grouped into similar segments to make marketing effort more efficient. For example, a pleasing and friendly environment can be provided to consumers who are found to be "Recreational and Hedonistic" in their shopping orientation. Similarly, providing robust and specific information to shoppers which tend to get confused may be of great use. Also, based on these factors consumer database can be used more effectively, by profiling consumers into homogeneous groups based their shopping decision style orientation. Further, for specific categories of products like fashion or high quality products, prospective consumers can be easily identified. Further, as consumer decision style varies with demographic characteristics and consumers can be grouped on basis of these, different segments of consumers can be identified and targeted in the best possible way. By incorporating decision making styles with demographic, psychographic and lifestyle factors, advertisers can strategically plan communication which is more specific, thus being more efficient and effective, saving on redundant advertising.

CSI can also be affectively used in consumer education and family financial counseling, though, yet new to India. Further, educators, policy makers and counselors may also use this method to help individuals meet their goals as consumers by making them aware of their present decision making style are orienting them towards a more constructive decision making style, if in case consumers are not satisfied with their shopping habits.

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