

## Psychological or Behavioral Segmentation of Indian Consumers Towards Reference Group Influence via Consumer Conformity: Application of Cluster Analysis

Arun Kaushal Assistant Professor, Institute of Business Management,

GLA University, Mathura (Uttar Pradesh), India.

(Corresponding author: Arun Kaushal) (Received 31 January 2020, Revised 27 March 2020, Accepted 30 March 2020) (Published by Research Trend, Website: www.researchtrend.net)

ABSTRACT: Marketing strategies tailored by marketing professionals are the rigorous outcomes of in-depth analysis related to dynamic market structure. In the diversified market, various marketing initiatives facilitate the companies to accelerate their products or services in cutting edge market. Segmentation of the diversified consumer markets in the developing economies is the fundamental functional area of marketing professionals. However, with the advancement of market structure, marketing segmentation has become the emergent and most acceptable form of modern marketing. Usually in current heterogeneous market structure, marketing teams of the companies facing tremendous problems in terms of segregation of the market for more customized offerings. This issue has been seriously addressed in this study so that with segmentation, marketing experts can feel conformable to addresses the diversified demands into more customized manner. In this study, assessment of the impact of demographic and behavioral variables on consumer conformity has been done by considering these variables for segmenting the consumers with the help of cluster analysis. Further, in the present study, primary data was collected with the help of the survey method. Further convenience sampling was adopted to collect the data from the population of India. Results revealed that out of total eight demographic and geographic variables, variables like (age, education, monthly income, and family residential pattern, geographical region) of the respondents are significantly associated with clusters formed based on respondents' opinions towards consumer conformity. The practical implication of this study will be that the strategies should be framed in such a manner that makes the people familiar with a positive effect of consumer conformity as it can provide support, information, and help for the final purchase of products in today's busy lifestyle of consumers.

Keywords: Segmentation, Marketing strategies, consumer markets, demographic and behavioral variables.

### I. INTRODUCTION

Segmentation of the diversified consumer markets in the developing economies is the fundamental functional area of marketing professionals [4]. Mass marketing is a traditional strategy that is at the saturation stage results in an "alarming situation" for business organizations that compel them to tailor their strategic moves for sustainable growth [10]. Therefore, business organizations strive to customize their operations at the micro level such as market segmentation [5].

The mechanism of segmenting or dividing the consumers into naturally or artificially data-driven groups via similar consumption patterns or similar consumer traits is termed as market segmentation [4]. Since its inception, market segmentation catches the attention of marketing experts due to its application as a constructive tool for dividing the heterogeneous market into homogeneous segments [8]. However, with the advancement of market structure. marketing segmentation has become the emergent and most acceptable form of modern marketing [9]. Martins et al., (2017) found that based on customer profile, customized products and services are always being preferred by customers because this customized approach caters to the privacy of the customers [13].

An effective market segmentation approach depends upon the selection of suitable criteria for recognizing customer or consumer differences for consumption or buying [6]. In this regard, it has been suggested some major segmenting variables can be considered as the backbone for marketing strategies. These variables include psychological or behavioral, demographic, and geographic variables as main categories for classification. In psychographic or behavioral segmentation, consumers are segmented on the basic lifestyle, their social interaction pattern, values systems, and behavior in a group, social image, usage pattern, and personalities as major descriptors. On the other hand, demographic segmentation can be done on the basis of age, gender, income level, occupation, marital status. However, in geographic segmentation, classification can be done based on region, city, and family residence pattern. As in the current study, the researcher has made an attempt to investigate the impact of behavioral attributes and demographic variables on consumer conformity for segmenting the consumer market. The segmentation for social influence in the form of consumer conformity will surely helps the marketing professionals to understand how social influence plays a significant role during buying of products and services by consumers.

### **II. LITERATURE REVIEW**

# A. Understanding social influence with a reference group

The purchase decisions of consumers are significantly influenced by social influence by reference group members [11]. Indeed, social influence acts as an important element for almost all the proposed models of consumer behavior [12]. For example, in a study of individual's behavior by [4] concluded that individual behave and act according to the outlines and guidelines drafted by his reference parameters suggested by the members of the referred group. However, it is commonly observed that individuals, when in a group, often project mutually accepted behavior in different situations. Contrary to the popular belief, some individuals deviate from the majority behavior in recognized groups such as the educational system, social system, and religious system [7]. A fractional explanation of this issue was discussed with the help of concept "reference groups". Reference group recognizes that individuals usually mold their behavior different from membership groups and finally all members of the group behave in a diversified manner which results in the heterogeneity of group norms [2].

### B. Understanding of Consumer Conformity

"Reference group" is termed as an actual or imaginary person or group conceived of having important relevance upon aspirations, evaluations, or final behavior for a consumer [3]. Consumer conformity is mainly directed with the help of reference group norms which facilitates the individuals to process their thoughts and actions [7]. Further, it is suggested that reference group like family members, friends, and colleagues influences the opinions of individuals which finally results into the alteration of altitude towards specific object or person Furthermore, it is significantly said by previous researchers that social interaction among group members is required for effective implementation of consumer conformity. Within a specific social network, the reference group influences individual opinions varies for different cultures [6]. Normally human beings apply a self registrant approach while interacting with others like respecting everyone, politeness, honoring parents, obedience, etc. People are convinced of other's beliefs and behaviors in order to enhance, protect, or safeguard their self-esteem [2]. Consumer conformity can also be defined as mutually accepted agreement among an individual's behavior and a group's standards value system, customs norms or expectations [3].

### C. Association of Market Segmentation Theories with Consumer Conformity

From a marketing perspective, normally it has been found that consumers have different choices, preferences, and consumption behavior in the heterogeneous and diversified market [4]. In order to overcome the problem of heterogeneous market, come market segmentation based on demographic attributes (age, gender, occupation, and income), consumer psychological attributes and product attributes are well-

known bases for effective market segmentation [1]. Various previous researchers had adopted different dimensions to segment the heterogeneous consumer market. For example, Taiwan Bed and breakfast industry were segmented on the basis of consumer motivation [8] New Zealand consumers from the wine industry were segmented on the basis of the lifestyle of the consumers [9]. Additionally, product-specific segmentation, a person's situations, a person's interactions with each other can be treated as significant bases for effective market segmentation [4]. Although previous literature reveals that market segmentation is a significant functional area for marketing experts and professionals in today's competitive era. High disposable income, high purchasing parity, and status consciousness, etc. are the emerging attributes that are basic characteristics' of today's consumers. Even for most of the person purchasing decisions, consumers rely on the opinions of their reference group members due to time constraints, normative influence, or mutually accepted belongingness [11]. There is a scarcity of studies that emphasize the profile mapping of consumers based on demographics, geographic, and psychographics towards consumer conformity. Moreover, the available previous study does not emphasize the role of the demographics. geographic. and psychographics towards the consumer conformity. Several contributions related to the significance of consumer demographic variables on consumer behavior [11, 9, 5, 7]. As in the

studies of traditional communities, demographic

variables of the population have found influence on

consumer purchase decisions but combined influences

of demographic and behavioral variables in conformity

have vacuum space. In the current study, an attempt

has been made to map the respondents profile with

regards to his/her opinions regarding consumer

conformity when they are exposed to their respective

reference group i.e. consumers purchase decisions are

getting influenced by their reference group members

vis-à-vis his/her demographics and psychographics

### III. RESEARCH METHODOLOGY

tendencies.

India is one of the heterogeneous countries having different cultures and core values, this is very much desirable for marketing professionals to understand the behavioral attributes or psychological traits possessed by consumers [1]. Therefore, in the present study primary data was collected with the help of the survey method. Further convenience sampling was adopted to collect the data from the Population of India. In order to reach more and more people across the country, this research utilizes google forms and hard copy also to collect the data from respondents from cities like Amritsar, Chandigarh, New Delhi (NCR), Gwalior, Vadodara, Hyderabad, Bangalore, Agra, Aligarh, Dehradun, Jaipur, Indore, Pune, Mumbai. In order to collect primary data from the targeted sample, a nondisguised guestionnaire has been drafted. Based on the literature, initially, approximately 64 items related to consumer conformity were identified. This initial pool of

items for scale consists of self-generated or modified items for each construct along with the previously available items in past studies [3, 15-18]. Initially, a questionnaire was pre-tested and as a result of pretesting, it was well modified and properly drafted with appropriate revision as per the suggestions by academicians like social psychology experts and marketing experts for its content validity. Constructive inputs suggested by social psychology experts and marketing professionals as well as marketing academicians related to the consumer behavior field provide appropriateness and concrete structure to the questionnaire. The final questionnaire having 47 statements related to consumer conformity was given to 1080 respondents during December 2018- march, 2019. Responses from 34 respondents were not taken into consideration as those questionnaires were incomplete and hence finally responses from 1046 respondents were used for data analysis representing 96.85% of total responses. Finally, considering the identified variables related to consumer conformity as mentioned in the final scale, an attempt has been made in this section of the chapter to understand how opinions differ among consumers. In order to investigate potential differences among the group of consumers or respondents cluster analysis has been used by the researcher.

# IV. DATA ANALYSIS AND RESULTS OF CLUSTER ANALYSIS

Cluster analysis is a popular technique normally used to classify the cases or objects into relatively homogeneous groups which are likely to be similar to each other and dissimilar to objects in other group or cluster [19]. In the present study, cluster analysis has been adopted by the researcher to group the respondents on the basis of various variables (statements) mentioned in the final scale of consumer conformity. Although there is two popular two types of method to perform cluster analysis i.e. (Ward.s method) Hierarchical clustering and K-means clustering approach [19, 20]. But K-means clustering has been widely adopted due to its simplicity, high efficiency, and acceptable results [21]. Tong *et al.*, (2011) developed an algorithm fork-means cluster analysis for effective and more accurate results of this technique. K-means algorithm work by portioning the data into a userspecified number of clusters and then iteratively reassigning the observations to clusters until some numerical criteria are met [21]. K-means clustering provide more stable clusters as the test does multiple passes through the data as compared to the single-pass hierarchical procedure [22].

The similarity between data points is measured with the help of Euclidean distance in K-means clustering. The larger distance between the clusters specifies the less similarity. If the distance between clusters is less they are merged into a single one [21].

H0: There is no significant variation between the responses of the respondents belonging to different groups regarding the statements pertaining to consumer conformity.

It has been found from the Table 1, that there are two final clusters formed for the final objects (respondents) in this current analysis based on the psychographic or behavioral attributes as mentioned in the final scale of consumer conformity. In order to form the final two clusters, 9 respondents were removed from the datasheet as their responses were not clear and create destruction for the final results of cluster analysis. Further, variation among two clusters for means of the variables in each of the clusters has been assessed with the help of ANOVA statistic for testing the null hypothesis.

### Table 1: Final Cluster Centers.

	Final Cluster Centers								
S. No.	Statements								
1.	Approval from my friends is very important for my latest purchase of fashion clothes	4.6	3.1						
2.	I feel very happy when by group members likes the products that I purchase	4.4	3.4						
3.	My approach during my purchase decisions more reply on this fact that almost all my group members will	4.2	4.2						
	approve the final purchase decisions								
4.	Normally I purchase those branded products which my group members expect from me to buy	4.1	3.7						
5.	I am very much keen to know what kind of products and branded items creates impressive image among my	3.4	3.0						
	group members								
6.	I feel sense of belongingness by buying similar kind of products that my friends purchase for themselves	3.9	3.1						
7.	Whenever I am interested to be like my group members, usually I strive to buy same products as they buy.	4.6	3.0						
8.	I usually feel honored and identified with group members while purchasing similar products as they buy	4.8	3						
9.	In order to authenticate my purchase decision, Often I notice what products are being purchased and used	3.7	2						
	my group members.								
10.	Usually I took opinions from my group members to select or purchase products for my consumption	3.5	4						
11.	I normally assume that if my reference group members behave similar in group for purchasing, it means that	3.6	3						
	is the most relevant manner to behave.								
12.	In certain situations where I feel I should take certain clues from my group members to behave in most	4.1	3.4						
	acceptable manner among others.								
13.	I am very conscious about reactions of others towards my behavior when I am in my group in order to being	3.7	2.7						
	acceptable among them								
14.	Usually I tried to adopt the mutually acceptable words and expressions as part of my vocabulary when	3.9	3.2						
	interacting with my group members								
15.	I normally behave very tentatively understand the purchasing patterns of others.	3.5	3.3						

Kaushal

International Journal on Emerging Technologies 11(3): 114-121(2020)

16.	In certain situations, where I found unacceptable gestures from my group members immediately I try to later			
	my approach to behave.			
17.	I am very much interested to be with my group members.	3.2	3.5	
18.	My interactions normally depends the acceptable behavior of mine with others	3.8	3.2	
19.	Usually behavior of my group members acts as source of guidance for my in few situations	4.5	3.5	
20.	Purchasing and wearing of my clothes for me usually depend upon clothing style of my group members.	4.9	3.8	
21.	I feel in crowd situation , it is better to follow the group members behavior rather than striving for managing individually	4.7	3.8	
22.	I feel that I am important member of my reference group	3.5	3.0	
23.	My approach to cooperate with my group members is admired by my group members	4.4	3.7	
24.	In any situation, I don't feel that I am not useful participant for my reference group.	3.8	2.9	
25.	I usually feel blessed to have such a happy group as my reference group	3.5	3.1	
26.	Normally I feel very happy to become the part of my reference group.	3.8	3.1	
27.	Taken as whole, I habitually experience that my reference group is very worthy for me.	3.7	3.3	
28.	I enjoyed harmonious and peaceful environment to be with my reference group members	4.1	3.7	
29.	As whole, my reference group is admired by my others friends or neighbors.	4.2	2.9	
30.	My other known people assumes that my reference group is much better than others reference group to whom they know	4.4	2.9	
31.	Generally, my other known people shows regards to my reference group.	4.7	3.0	
32.	Normally, my other known people feel that my group is very useful.	4.0	3.3	
33.	Usually, my group members consider me in positive sense while I seek information from them	4.1	3.7	
34.	Group members always become supportive to give their constructive opinions for me for my purchase decisions	4.2	3.6	
35.	Group members motivate me to ask as much as I can ask from them.	4.2	3.8	
36.	Group members appreciate my efforts for information seeking approach posses my me	4.5	3.7	
37.	Group members share knowledgeable information in very supportive manner	4.84 .7	3.0	
38.	It is important for me to feel that all my known people in group approve my opinions for my final purchase decisions	4.8	3.4	
39.	It gives me sense of honor while my reference group members consider me as significant member of group	4.7	3.5	
40.	I am expected to have group member's opinions for my purchase decisions.	4.8	3.4	
41.	It is expected by all social group members to have cohesiveness for better group members.	4.9	3.4	
42.	I ask for others opinion as it gives me a sense of security	4.5	3.6	
43.	I feel a sense of belongingness when I ask others for their opinions	4.5	2.9	
44.	I like to maintain warm relationship with others that's why I asks for their opinions	4.5	3.2	
45.	It is fun when I purchase the product with my friends or relatives	4.7	4.1	
46.	I enjoy purchasing the products with my friends or family	4.4	3.2	
47.	It gives me a feeling of excitement when I buy products with my friends or family	4.4	3.4	
	Number of respondents	562	475	

Initially, in order to make the decision about how many cluster should be formulated in the present study, an attempt has been made to assess dendrogram which is the graphical representation (tree graph) of the initial results of a hierarchical procedure [21]. It provides a rescaled distance measure between various clusters combined at various stages [22] and finally suggest a clear picture about number of cluster should be taken into consideration for final decision. Above mentioned table 6.1 reveals the final information about two clusters formulated in present study. It has been found from the table, mean values of responses by respondents are being mentioned which are calculated by considering likert scale ranging from 1 (Strongly disagree) to 5 (strongly agree) is used to define the agreement and disagreement for the formed clusters for all the cluster variates of consumer conformity. Further, in order to define final clusters, corresponding distance between two clusters were taken in to consideration.

**Cluster 1:** Table 1 shows that 562 respondents out of total 1037 belong to first cluster in analysis. This group of respondents has very positive orientation towards consumer conformity as they assume that group interaction and influence facilitates them to make better decisions for their final purchase of products and services. These customers believe in collectivism approach and feels that social influences by reference group for them provide more relevant and accurate

information related to products and services. They are more social oriented person and have positive mindset for mutual cooperation and coordination for any type of decisions in their real life. They feel that group members always become supportive to give their constructive opinions for them for their purchase decisions. Additionally, these types of consumers always feel enjoyment and sense of belongingness if they consult other people in their reference group for making final selection of products and services. Cluster 1 in the above mentioned table provide the mean values of for all the behavioral variables of consumer conformity and it is found that mean values ranges from 3.2 to 4.9 which significantly shows the acceptance by the respondents about consumer conformity and they are willing to take help from their social groups for any type of purchase decision for consumption of products and services. It is implied from the mean values that respondents in this cluster have no any negative altitude for consumer conformity.

**Cluster 2:** This cluster consists of 475 respondents who are expressing their moderate altitude towards consumer conformity as their responses are between neutrality and agreement. It is clear from the mean values corresponding to different behavioral or psychological variables related to consumer conformity. The respondents in this cluster have neutral opinions as they are feel that something they take advice from their

Kaushal

International Journal on Emerging Technologies 11(3): 114-121(2020)

reference group members for purchasing products and services but in case where they are in hurry in that situation they only they immediate decision for purchasing. Although, these consumers take impulsive decision in certain situation but even then they take suggestions from family members and close friends. Hence they have given their neutral opinions for consumer conformity. Basic reason for showing willingness to take suggestions from reference group members by respondents belongs to this cluster is they feel they will get reorganization from other inn society. The mean value of for all the behavioral variables of consumer conformity and it is found that mean values ranges from 2.9 to 3.8 which significantly shows the moderate acceptance by the respondents about consumer conformity. They thought that when they are uncertain how to act in a social situation, I look to the behavior of others for cues. These cues facilitate them to behave in social acceptable manner which provide appreciation from others.

The intensity of acceptable by these customers for consumer conformity is not so high because "perceived self esteem "creates confusion in their mindset hand they wishes to be agree to accept all the relevant and logical information from reference group members. Finally, it is implied from the mean values that respondents in this cluster have more neutral opinions for consumer conformity.

Table 2 reveals the distances between the final cluster centers. These distances explained that the pairs of clusters are well separated from each other. It has been normally found that well separated and distinct clusters are more desirable for effective understanding of differentiated characteristics of objects [21]. In present analysis, an attempt has been made by the researcher to identified two clusters with the help of k-means method and these clusters are significant from each other.

<b>Table 2: Distances</b>	between Final	Cluster Centers.
---------------------------	---------------	------------------

Cluster	1	2
1		6.748
2	6.748	

The above mentioned table depicts that there is distance of 6.748 between final identified cluster centers which indicated that both clusters related to consumer conformity are significantly distinct from each other in terms of opinions of respondents towards consumer conformity. Further, in order to variations among the two identified clusters for mean value of each variable in two clusters, ANOVA statistic has been employed by researcher.

	ANOVA							
		Cluster	r	Error				
S. No.		Mean Square	df	Mean Square	Df	F	Sig.	
1.	Approval from my friends is very important for my latest purchase of fashion clothes	718.514	1	.535	1037	1342.4 93	.000	
2.	I feel very happy when by group members likes the products that I purchase	127.311	1	1.175	1037	108.36 3	.000	
3.	My approach during my purchase decisions more reply on this fact that almost all my group members will approve the final purchase decisions	22.223	1	.568	1037	39.113	.000	
4.	Normally I purchase those branded products which my group members expect from me to buy	3.756	1	.831	1037	4.519	.034	
5.	I am very much keen to know what kind of products and branded items creates impressive image among my group members	63.100	1	1.001	1037	63.062	.000	
6.	I feel sense of belongingness by buying similar kind of products that my friends purchase for themselves	46.481	1	1.042	1037	44.628	.000	
7.	Whenever I am interested to be like my group members, usually I strive to buy same products as they buy.	16.366	1	1.038	1037	15.762	.000	
8.	I usually feel honored and identified with group members while purchasing similar products as they buy	58.784	1	1.065	1037	55.177	.000	
9.	In order to authenticate my purchase decision, Often I notice what products are being purchased and used my group members.	16.365	1	.950	1037	17.221	.000	
10.	Usually I took opinions from my group members to select or purchase products for my consumption	94.278	1	1.318	1037	71.511	.000	
11.	I normally assume that if my reference group members behave similar in group for purchasing, it means that is the most relevant manner to behave.	28.654	1	1.316	1037	21.770	.000	
12.	In certain situations where I feel I should take certain clues from my group members to behave in most acceptable manner among others.	72.570	1	1.113	1037	65.230	.000	
13.	I am very conscious about reactions of others towards my behavior when I am in my group in order to being acceptable among them	134.088	1	1.076	1037	124.64 9	.000	
14.	Usually I tried to adopt the mutually acceptable words and expressions as part of my vocabulary when interacting with my group members	59.130	1	1.145	1037	51.626	.000	
15.	I normally behave very tentatively understand the purchasing patterns of others.	7.075	1	1.189	1037	5.950	.015	
16.	In certain situations, where I found unacceptable gestures from my group members immediately I try to later my approach to behave.	22.446	1	1.167	1037	19.226	.000	

shal International Journal on Emerging Technologies 11(3): 114-121(2020)

17.	I am very much interested to be with my group members.		1	1.210	1037	13.790	.000		
18.	My interactions normally depends the acceptable behavior of mine with others	51.405	1	1.121	1037	45.859	.000		
19.	Usually behavior of my group members acts as source of guidance for my in few situations	120.389	1	.704	1037	171.06 0	.000		
20.	Purchasing and wearing of my clothes for me usually depend upon clothing style of my group members.	112.410	1	1.155	1037	97.354	.000		
21.	I feel in crowd situation , it is better to follow the group members behavior rather than striving for managing individually	137.682	1	1.112	1037	123.76 8	.000		
22.	I feel that I am important member of my reference group	35.279	1	1.314	1037	26.843	.000		
23.	My approach to cooperate with my group members is admired by my group members	10.283	1	1.219	1037	8.432	.004		
24.	In any situation, I don't feel that I am not useful participant for my reference group.	97.211	1	1.065	1037	91.251	.000		
25.	I usually feel blessed to have such a happy group as my reference group	62.100	1	1.005	1037	54.062	.000		
26.	Normally I feel very happy to become the part of my reference group.	47.481	1	1.045	1037	42.628	.000		
27.	Taken as whole, I habitually experience that my reference group is very worthy for me.	18.366	1	1.037	1037	14.762	.000		
28.	I enjoyed harmonious and peaceful environment to be with my reference group members	59.784	1	1.067	1037	58.177	.000		
29.	As whole, my reference group is admired by my others friends or neighbors.	19.365	1	.978	1037	28.221	.000		
30.	My other known people assumes that my reference group is much better than others reference group to whom they know	94.278	1	1.318	1037	71.511	.000		
31.	Generally, my other known people shows regards to my reference group.	28.654	1	1.316	1037	21.770	.000		
32.	Normally, my other known people feel that my group is very useful.	72.570	1	1.113	1037	65.230	.000		
33.	Usually , my group members consider me in positive sense while I seek information from them	134.088	1	1.076	1037	124.64 9	.000		
34.	Group members always become supportive to give their constructive opinions for me for my purchase decisions	59.130	1	1.145	1037	51.626	.000		
35.	Group members motivate me to ask as much as I can ask from them.	35.279	1	1.314	1037	26.843	.000		
36.	Group members appreciate my efforts for information seeking approach posses my me	10.283	1	1.219	1037	8.432	.004		
37.	Group members share knowledgeable information in very supportive manner	97.211	1	1.065	1037	91.251	.000		
38.	It is important for me to feel that all my known people in group approve my opinions for my final purchase decisions	63.100	1	1.001	1037	63.062	.000		
39.	It gives me sense of honor while my reference group members consider me as significant member of group	46.481	1	1.042	1037	44.628	.000		
40.	I am expected to have group member's opinions for my purchase decisions.	16.366	1	1.038	1037	15.762	.000		
41.	It is expected by all social group members to have cohesiveness for better group members.	58.784	1	1.065	1037	55.177	.000		
42.	I ask for others opinion as it gives me a sense of security	16.365	1	.950	1037	17.221	.000		
43.	I feel a sense of belongingness when I ask others for their opinions	94.278	1	1.318	1037	71.511	.000		
44.	I like to maintain warm relationship with others that's why I asks for their opinions	16.687	1	1.210	1037	13.790	.000		
45.	It is fun when I purchase the product with my friends or relatives	51.405	1	1.121	1037	45.859	.000		
46.	I enjoy purchasing the products with my friends or family	120.389	1	.704	1037	171.06 0	.000		
47.	It gives me a feeling of excitement when I buy products with my friends or family	49.481	1	1.057	1037	48.628	.000		
	I he H tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests								

of the hypothesis that the cluster means are equal.

Table 3 represents the ANOVA statistics calculated in regards to each variable for purpose of assessing variations among the two identified clusters through k-means clustering method. The main purpose of ANOVA statistics is to test the null hypothesis. Further results reveal that there is significant difference among all the variables of consumer conformity. Along this, p-values in all the variables are less than 0.05. Therefore, for all the variables of consumer conformity, null hypothesis is rejected. Finally it can be stated that all the variables

used are significant contributors for clustering the respondents in to two clusters.

### Demographic and geographic profile of the clusters with regards to respondents opinions towards consumer conformity

The process of splitting or dividing the heterogeneous market in to homogenous by considering personality traits such as gender, age, marital status, occupation etc. in form of similarities and dissimilarities is termed as demographic profiling [23].

The table given below shows the demographic and geographic segmentation of respondents in the respective cluster. Chi- square test was applied to see if

the cluster membership is associated with any of the demographic or geographic variables.

	Category (Demographics)	Cluster		Chi square	P value	Sig.
		1	2			
	Male	62.1	60.1			
Gender	Female	37.9	39.9	0.349	0.555	p>0.05
	Below 18 Years	30.8	29.7			
	19-34 years	36.8	39.5		0.00	
	35-44 years	17.1	16.2			
	45-54 years	12.6	11.5	153.94		p<0.05
Age	55 above	2.8	3.1			
	Less than Graduation	24.2	22.9		-	
	Graduation	32.8	38.7	20.2 5	0.00	m .0.0F
Education	Post-Graduate & above	43.0	38.4	- 302.5	0.00	p<0.05
	Businessman	27.1	27.9	3.057	0.548	
	Service men	10.0	11.0			
O a sum attice	Professional	7.4	9.2			p>0.05
Occupation	Student	53.0	50.1			
	Retired	1.1	1.2			
	Housewife	1.4	0.6			
	Below Rs.20, 000	33.0	67.4		0.00	
	Between Rs 20,001 to 35,000	42.7	5.8			
	Between Rs.35, 001-50,000	13.7	15.0	18 298		n~0.05
	Between Rs.50, 001 to 75000	8.3	5.2	10.200		p<0.00
Monthly Income	Rs.75001 & Above	2.3	6.6			
	Unmarried	36.9	39.9			
Marital Status	Married	60.1	58.1	0.375	0.548	p>0.05
	Divorced	3.0	2.00			
	North region	56.4	40.8			
Region from	East region	37.3	11.4	101 627	0.00	n <0.05
with India	South region	4.3	46.0	191.037	0.00	p<0.05
	West region	2.0	1.8			
Family	Joint Family	68.1	62.0			
Residential Pattern	Nuclear Family	31.9	38.0	133.5	0.00	p<0.05

The results of chi-square indicate that demographic variables like (age, education, monthly income and family residential pattern) of the respondents are significantly associated with clusters formed on the basis of respondents' opinions towards consumer conformity. Along this geographical region (region to belongs) also have significant association with clusters formation. Further it is observed that respondents of cluster 1, who have strong acceptance towards consumer conformity, are of age group (19-34 years), having educational qualification like Post-Graduate& above, posses monthly income in the range (Rs 20,001 to 35,000). Additionally, these respondents of cluster 1 mostly belongs to north region of the India and having joint family as their family residential pattern.

On the other hand, the respondents of cluster 2, who have moderate or neutral acceptable towards consumer conformity again are of age group (19-34 years), having educational qualification like Graduation, posses monthly income range (Rs. 35, 001-Rs.50, 000). Another significant observation in context of geographic variable for respondents belongs to cluster 2 is they are the residents of south India and having joint families as their residential pattern.

#### **V. CONCLUSION AND MANAGERIAL IMPLICATIONS**

In nutshell, is can be concluded that an understanding of consumer profile provides essential understanding of the way the Indian consumers can be segmented and targeted by marketing professionals . As in the current section an attempt has been made by the researchers to study the influence or impact of demographic as well as behavioral variables on consumer conformity. It has been done by application of cluster analysis for drafting the cluster for effective segmentation of heterogeneous market into homogenous market. Effective profiling of the respondents with the help of behavioral and demographic variables provide clear picture as far as its impact is concern for consumer conformity because it facilitates the marketing professionals to tailored their promotional strategies.

As in current study consumers demographic as well as behavioral variables are used to analyze is the cluster is associated with any of the demographic variables. Results revealed that out of total eight demographic and geographic variables only five are associated with clusters formed on the basis of respondents' opinions towards consumer conformity. As consumer conformity is "social influence" among services. Therefore study of consumers' opinions towards conformity helps the marketers to know they should asses the opinions by individuals while they are going to draft the various marketing strategies for this "customized preferred products" by consumers. This chapter of the analysis in this study clearly grouped and profiles the respondents in two set based on the behavioral tendencies and their demographics. The marketers have to design their "influencing strategies" in advertising in such as manner so that it can projects the collective esteem and mutual accepted buying decisions as effective method as message among moderate influenced customers for conformity. In order to change the mindset of the customers towards consumer conformity, the marketers have to target those customers who has profile of graduates or having income between (Rs.35, 001-Rs.50, 000) and residing in southern part of India. The strategies should be framed in such a manner which makes the people familiar with positive effect of consumer conformity as it can provide support, information and help for final purchase of products in today busy life style of consumers.

### VI. FUTURE SCOPE OF THE STUDY

The current study has investigated the impact of behavioral traits of consumers on conformity via segmentation but apart from situations factors of social setup are significantly important for conformity as explained by literatures which are not being explored in this study. This limitation of study provides an opportunity for future research that assessment of social influence in a particular situation like impulsive buying has to be investigated.

### REFERENCES

[1]. Backman, S. J. (1994). Using a person-situation approach to market segmentation. *Journal of Park and Recreation Administration, 12*(1), 1-16.

[2]. Banerjee, S. (2008). Dimensions of Indian culture, core cultural values and marketing implications. Cross Cultural Management: *An International Journal*, *15*(4), 367-378.

[3]. Bearden, W. O., & Etzel, M. J. (1982). Reference group influence on product and brand purchase decisions. *Journal of consumer research, 9*(2), 183-194.

[4]. Bruwer, J. (2017). Domain-specific market segmentation: a wine-related lifestyle (WRL) approach. *Asia Pacific J. of Marketing and Logistics, 29*(1), 4-26.

[5]. Bruwer, J., & Li, E. (2017). Domain-specific market segmentation using a latent class mixture modelling approach and wine-related lifestyle (WRL) algorithm. *European Journal of Marketing*, *51*(9-10), 15552-1576.

[6]. Bruwer, J., Roediger, B., & Herbst, F. (2017). Domain-specific market segmentation: a wine-related lifestyle (WRL) approach. *Asia Pacific Journal of Marketing and Logistics, 29*(1), 4-26.

[7]. Cha, Y. U., & Park, M. J. (2019). Consumer preference and market segmentation strategy in the fast moving consumer goods industry: The case of women's

reference group members for purchasing products and disposable sanitary pads. *Sustainable Production and Consumption, 19*, 130-140.

[8]. Chen, L.-C., Lin, S. P., & Kuo, C. M. (2013). Rural tourism: Marketing strategies for the bed and breakfast industry in Taiwan. *International Journal of Hospitality Management, 32*, 278-286.

[9]. Dibb, S., & Simkin, L. (2016). Market segmentation and segment strategy. Marketing theory: *A student text*, 251-279.

[10]. Dolnicar, S., Grün, B., & Leisch, F. (2018). Market segmentation analysis Market Segmentation Analysis (pp. 11-22): Springer.

[11]. Kropp, F., Lavack, A. M., & Silvera, D. H. (2005). Values and collective self esteem as predictors of consumer susceptibility to interpersonal influence among university students. *International Marketing Review*, 1-48.

[12]. Laroche, M., Mourali, M., & Pons, F. (2005). Individualistic orientation and consumer susceptibility to interpersonal influence. *Journal of Services Marketing*, *19*(3), 164-173.

[13]. Martins, J. M., Yusuf, F., Brooks, G., & Swanson, D. A. (2017). Demographics and market segmentation: China and India. The Frontiers of applied demography (pp. 3-19), Springer.

[14]. Simpson, K., & Bretherton, P. (2004). Market segmentation by consumer lifestyle in a wine tourism setting. Paper presented at the Proceedings of the New Zealand Tourism and Hospitality Research Conference.

[15]. Schwartz, S. (2006). A theory of cultural value orientations: Explication and applications. *Comparative sociology*, *5*(2-3), 137-182.

[16]. Rokeach, M. (1973). *The nature of human values*. Free press.

[17]. Tajfel, H. (1982). Social psychology of intergroup relations. *Annual review of psychology*, *33*(1), 1-39.

[18]. Luhtanen, R., & Crocker, J. (1992). A collective self-esteem scale: Self-evaluation of one's social identity. *Personality and social psychology bulletin*, *18*(3), 302-318.

[19]. Ahuja, S., Malhotra, P. K., Bhatia, V. K., & Parsad, R. (2008). Statistical package for agricultural research (SPAR 2.0).

[20]. Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (1998). *Multivariate data analysis*, *5*(3), 207-219. Upper Saddle River, NJ: Prentice hall.

[21]. Yi, T., Zhu, L., Peng, W. L., He, X. C., Chen, H. L., Li, J., & Chen, H. B. (2015). Comparison of ten major constituents in seven types of processed tea using HPLC-DAD-MS followed by principal component and hierarchical cluster analysis. *LWT-Food Science and Technology*, *62*(1), 194-201.

[22]. Guilamet, M. C. V., Bernauer, M., Micek, S. T., & Kollef, M. H. (2019). Cluster analysis to define distinct clinical phenotypes among septic patients with bloodstream infections. *Medicine*, *98*(16), 1-8.

[23]. Wang, X., & Lee, K. M. (2020). The paradox of technology innovativeness and risk perceptions–A profile of Asian smartphone users. *Telematics and Informatics*, 101415.

**How to cite this article:** Kaushal, A. (2020). Psychological or Behavioral Segmentation of Indian Consumers Towards Reference Group Influence via Consumer Conformity: Application of Cluster Analysis. *International Journal on Emerging Technologies*, *11*(3): 114–121.