Research Proposal

Lifestyle Segmentation and Identity Changes – A Life Course Perspective

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1. Problem Formulation

Marketing research and management needs to consider shifts in today's demographic structures towards increasingly complex life course trajectories (Cherlin 2010). The tendency to experience transitions between different social roles over time increases. Pearlin and Skaff (1996) acknowledge that forward and backward movements, pauses, and loops characterize a consumer's lifetime. However, few studies in consumer research adopt a longitudinal perspective considering this complexity. Therefore, instead of considering a snap-shot of consumers' lives only (e.g., Bearden and Wilder 2007; Wilkes 1995), consumer research should involve individuals' life course patterns.

Recently, academics have acknowledged the importance of adopting a life course perspective when conducting research (e.g. Moschis 2007). According to Elder (1985, cited in Elder Jr 1994, p. 5), "the life course generally refers to the interweave of age-graded trajectories, such as work careers and family pathways, that are subject to changing conditions and future options, and to short-term transitions ranging from leaving school to retirement".

Researchers and practitioners have developed numerous tools and concepts to account for consumer behavior changes over time, for instance household life cycle segmentation models (e.g. Du and Kamakura 2006; Murphy and Staples 1979; Wells and Gubar 1966) or the investigation of life events and transitions (e.g. Lee et al. 2007; Sørensen and Thomsen 2006).

Transition situations over the life cycle might induce consumers to adapt personal identity structures. Previous consumer research has linked consumption in general and brand consumption specifically to consumers' identities (e.g. Belk 1988). However, empirical evidence investigating this link over a consumer's lifetime is scarce. The present study aims to investigate how transitions and progression through the life cycle affect identity changes and associated consumption experiences.

In contrast to traditional life cycle approaches, this perspective requires longitudinal analyses and appropriate methodological solutions. Consequently, this study aims to advance existing model specifications by proposing an empirically developed life course model.

2. Theoretical background

2.1. Life cycle segmentation

The household life cycle (HLC) classifies families and households respectively according to socioeconomic variables (Redondo-Bellon et al. 2001) and represents a general,

observable segmentation basis (Wedel and Kamakura 1998). Extant HLC literature comprises a high number of different classifications (e.g. Gilly and Enis 1982; Murphy and Staples 1979; Wells and Gubar 1966).

Marketing scholars have criticized life cycle models for (i) not including transition probabilities between single life cycle stages (Du and Kamakura 2006), (ii) using mainly cross-sectional data (Bearden and Wilder 2007; Redondo-Bellon et al. 2001), (iii) failing to classify a considerable part of the population (Wagner 1983; Wilkes 1995), and (iv) not sufficiently considering demographic developments (Danko and Schaninger 1990; Wilkes 1995), cultural differences (Redondo-Bellon et al. 2001), or covariates (e.g. Wilkes 1995).

Extant life cycle models widely ignore the dynamics of individual life paths and changing social and historical influences. However, marketing scholars increasingly realize that patterns of life cycle progression are heterogeneous and that there is no one unique life cycle model (Duvall 1988). Exploring consumers' household structures, life paths, and consumption patterns over time requires empirical development of life cycle models.

2.2. Lifestyle segmentation

Lifestyle research offers an extensive amount of conceptualizations (Beatty et al. 1985; Fournier et al. 1992; Gonzalez and Bello 2002; Harcar and Kaynak 2004; Homer and Kahle 1988; Kahle et al. 1986; Wells and Tigert 1971). Previous empirical research in this field has focused primarily on the identification of cross-sectional lifestyle profiles and their link to consumers' spending patterns. Very little research has additionally focused on linking longitudinal lifestyle profiles and life cycle stages. This study seeks to extend lifestyle research by investigating the longitudinal interrelationship between lifestyle segments and the affiliation to specific stages in the household life cycle. Life events and transition situations occurring over a consumer's lifetime might require a re-definition of his/her self-concept and therefore, entail lifestyle changes (e.g. Elder et al. 2003). Thus, future research should consider the influence of an individual's life cycle progression on the adoption of specific lifestyles.

2.3. Integrating life cycle and lifestyle research

Combining both concepts HLC stage and lifestyle in a segmentation model enables researchers and practitioners to benefit from the advantages of both approaches. Although consumer research has devoted attention to investigating the relationship between lifestyle

and demographic profiles/HLC stage membership, substantial research gaps remain. First, segmentation studies integrating the two concepts HLC and lifestyle should be based on longitudinal panel data. So far, only Du and Kamakura (2006) specified a longitudinal HLC model that is able to track individuals over time. However, only one part of their empirical study (i.e. HLC segmentation) is based on longitudinal data and they operationalize lifestyle in terms of consumer spending on selected products and do not consider psychographic variables.

Furthermore, previous research has not sufficiently considered consumers' movements between life cycle stages. However, several authors acknowledge that the complexity of household stages and sequences of passing through these stages might influence consumer behavior (e.g. Cornwell et al. 2008; Lee 2003; Pearlin and Skaff 1996). Based on these insights, the first research question is as follows:

(1) In which way do consumers' progression patterns through life cycle stages account for lifestyle changes?

2.4. Identity and brands

Transition situations that occur after life events, such as changing life cycle stages, make individuals adopt new role identities that might require a redefinition of peoples' self-concepts (Mathur et al. 2003) and identity changes (Burke 2004; Burke 2006). Identities form part of the self (Burke and Tully 1977) and are "sets of meanings people hold for themselves that define "what it means" to be who they are as persons, as role occupants, and as group members" (Burke 2004, p. 5). Consumer behavior literature has shown that consumers tend to use products and brands to signal identity (e.g. Belk 1988; Berger and Heath 2007; Kleine et al. 1995; Sprott et al. 2009). Consumer behavior literature provides studies focusing on consumption within transitions, e.g. the transition to motherhood (Thomsen and Sorensen 2006), the transition from high school to college (Noble and Walker 1997), or the transition through the grief process following the death of a family member (Gentry et al. 1995).

Extant literature does not clearly examine how consumers' brand experiences contribute to identity construction across roles and time. Holbrook and Hirschman (1982, p. 132), define consumption experiences as "primarily subjective state of consciousness with a variety of symbolic meanings, hedonic responses, and esthetic criteria". Sprott et al. (2009) find that individuals have a stable tendency to include brands in the self-concept. Research shows that person-possession relations might evolve across the progression of individuals through specific roles (e.g. Kleine and Laverie 2006) or during transitions (Noble and Walker

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1997). Furthermore, analyses reveal that the amount of life events experienced, which involve identity changes (Elder et al. 2003), influences individuals' consumption and lifestyles (e.g. Andreasen 1984; Mathur et al. 2008).

Based on these insights, this study aims to analyze how consumers' brand experiences contribute to identity construction, depending on consumers' current roles and the sequences of role progression that they experienced over their lifetimes.

2.5. Life course perspective

According to Elder (1985, cited in Elder Jr, 1994, p. 5), the life course refers to age-specific trajectories (e.g. work or family pathways) that are subject to temporal changes. Concepts for structuring the life course are social pathways, trajectories, transitions, and turning points (Elder et al. 2003). Elder at al. (2003) define five principles that guide life course research: the principle of life-span development, the principle of agency, the principle of time and place, the principle of timing, and the principle of linked lives.

Few empirical studies in marketing research directly relate to the life course perspective, barring some notable exceptions (e.g. Benmoyal-Bouzaglo and Moschis 2010; Weaver et al. 2011). However, many studies incorporate part of the concepts inherent in this perspective (e.g. Faber et al. 2009; Hopkins et al. 2006; Lee et al. 2007; Wilkes 1995). However, the way brand experiences contribute to identity construction over the life course has not been researched sufficiently.

This proposal focuses on the development and improvement of extant household HLC models from a life course perspective: Research should use longitudinal panel data to be able to keep track of individuals' switching between HLC stages over time and to enable insights into life course trajectories. While many previously developed HLC models lack time- and context-dependency (Mathur et al. 2006), long-run observations of households foreclose this limitation.

HLC segmentation models have become methodologically advanced over time. While traditional models were partly based on theoretical conceptualizations (Gilly and Enis 1982), the estimation of more recent HLC models is based on advanced methodological approaches, such as hidden Markov models (Du and Kamakura 2006). Using these insights, the present research attempts to develop a life course operationalization and compare it to an empirically derived household life cycle model, based on lifestyle variation. Thus, the second research question is:

(2) Comparing segmentation models based on household life cycle and life course, how does the explanatory value regarding lifestyle variation differ?

Furthermore, this study aims to analyze how consumers' brand experiences contribute to identity construction, depending on consumers' current roles and the sequences of role progression that they experienced over their lifetimes. The objective is to understand the role of brands in the processes of identity change over time (Burke 2006). Thus, the present study uses the life course perspective as a framework to examine brand experiences of consumers in different transitions and brand experiences over the life course. The third research question is: *(3) Using a life course perspective, how do consumers' brand experiences contribute to identity construction?*

3. Research projects

3.1. Paradigmatic background

This research project is paradigmatically grounded on the pragmatist paradigm. Pragmatism is antifundamentalist as it opposes ultimate foundations of theory that advocate time- and history-independent, absolute, or dogmatic knowledge (James and Oehler 2000; Nagl 1998). It allows for openness in terms of ontological and epistemological assumptions and thus prevents the restriction to presuppositions of more fundamentalist paradigms. Furthermore, pluralism characterizes the pragmatist philosophy (Nagl 1998). As James and Oehler (2000) put it, pragmatic thought opposes the conception of a uniform, monolithic reality, but assumes that reality is multifaceted, multiform, and context-dependent. The pragmatist notion of 'truth' makes pragmatists disapprove of any kind of methodological naturalism (James and Oehler 2000).

Based on the pragmatist view, the use of research designs including qualitative and quantitative methods has been proposed (e.g. Davies 2003; Rossman and Wilson 1984; Srnka and Koeszegi 2007). The pragmatic approach allows investigating this multi-faceted, multi-level phenomenon from different perspectives that are based on different ontological assumptions – Realism on the one hand and Constructivism on the other. Attempting to combine the strengths of both perspectives, this research is based upon both quantitative methods (in particular hidden Markov model, latent class analysis, and MANOVA) and qualitative methods (narrative interviews and consumer diaries). This cumulative dissertation will comprise a number of published and unpublished papers on consumer behavior over the life course.

a) The project **"Longitudinal analysis of the effect of life course trajectories (timing effects) on consumers' lifestyles"** serves to answer the first research question focusing on analyzing the link between individuals' life course trajectories and related lifestyle changes. Based on a realist ontology (Hunt 2005), this project aims to identify individuals' life cycle stages using a hidden Markov model (Rabiner and Juang 1986) and to explain consumers' lifestyle differences. The project is going to be based on panel data.

b) The second research question concentrates on the relationship and comparison of the life cycle concept to the life course. Two projects **"The Life Cycle Concept in Marketing Research"** and **"Development of a life cycle model"** can be assigned to this question. The former project attempts to provide a comprehensive overview of the life cycle concept from its beginnings in the early twentieth century to its current position in marketing research. Furthermore, we outline potential future developments of the concept: (1) the need for empirical models based on longitudinal data and (2) synchronization of individual and family life course trajectories. Based on the insights of this review, the latter project aims to provide suggestions to empirically estimate a life course model using latent class analysis (Lazarsfeld and Henry 1968) and to compare it to life cycle models. This project is also based on a realist ontology (Hunt 2005). The German Institute for Economic Research provides the SOEP panel data used in this project.

c) The third part of this dissertation focuses on differences in the process of identity construction in different transitions and over the life course. Two projects on **"Consumer-defined luxuries"** and the project **"Identity construction using brands during transitions in the life cycle"** belong to this part of the thesis. All projects focus on the context of luxury experience. The former project consists of two studies that attempt to re-conceptualize luxury and offers a consumer-centered, experiential perspective on luxury. The key insights of this project are that luxury represents a context-dependent, individually interpreted, and fluctuating phenomenon. The second project builds on these insights and attempts to analyze (1) the experience of luxury over a consumer's life course, and (2) how consumers use luxury for identity construction in different transitions. Assuming that consumers construct luxury, these projects are based on a constructivist view (Guba and Lincoln 2005). The latter project consists of four separate studies. Both projects use qualitative methods, such as consumer diaries (Bolger et al. 2003) and narrative interviews (e.g. Shankar et al. 2001).

4. Research contributions

4.1. Theoretical contributions

The theoretical contributions of the proposed doctoral dissertation are twofold. On the one hand, the effects of individuals' life course trajectories on the adoption of a specific lifestyle should be explained. On the other hand, the interrelationship between identity changes over the life course and brand consumption can be better understood. Due to the limited consideration in previous studies, investigating consumer behavior over the life course will potentially open up new perspectives for future research.

4.2. Contributions for marketing practice

Segmentation based to household life cycle stages can be useful for marketers using life events as segmentation criteria. This study is particularly relevant for marketers of products that are relevant to consumers in specific HLC stages or products/brands consumed across life stages. Advancing HLC segmentation models enables the prediction of lifestyle/consumption variables. The findings of the present research should facilitate targeting consumers, planning communication measures, and positioning processes. Furthermore, this study should raise marketers' awareness and understanding of the influence of the individual life course and past experiences of consumers on current consumer behavior.

4.3. Limitations

Using lifestyle as dependent variable, the first project "Longitudinal analysis of the effect of life course trajectories (timing effects) on consumers' lifestyles" only considers one influencing factor on consumer behavior. Future studies might include additional aspects, such as consumers' personality or the influence of situational context. The comparison of a HLC and a life course model in the project "Development of a life cycle model" also reveals limitations in that the models are compared on the basis of lifestyle variation only. Extending the number of dependent variables might increase validity of the findings.

The projects "Consumer-defined luxuries" and the project "Identity construction using brands during transitions in the life cycle" consider only one specific context (i.e. consumers' luxury experiences). To enable generalization of the findings, further studies investigating how consumer experiences in different contexts contribute to consumer identity are necessary.

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