Current practices, challenges, and opportunities for lifestyle-based market segmentation of older consumers in Thailand

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Abstract. Older consumers' consumption patterns differ from those of other customer groups, affecting many business factors and practices, including product development and service delivery. Acquiring, monitoring, and processing lifestyle and other behavior-oriented data become key activities to gain insights about older consumers. While lifestyle patterns have been observed in marketing research for several decades, observing older consumers' lifestyles is still a challenging task and needs further exploration. This study investigates the current practices of marketing researchers and professionals in Thailand in conducting lifestyle-based market segmentation (LMS) as well as related challenges and opportunities. A qualitative in-depth interview approach was employed, with eighteen marketers who have at least ten years of experience. The verbatim data were analyzed by using deductive thematic analysis. As a result, Thai marketers frequently use self-reported questionnaires in offline and online formats, face-to-face interviews with older consumers, telephone surveys, and questionnaires posted on social media sites to collect data for LMS. From the marketers’ perspectives, the LMS of older consumers requires abundant resources. It is still perplexing to access data that directly lead to customer insights into the current practices. Additionally, there is a lack of data collection tools tailored to LMS for the older population. Nevertheless, these issues shed some light on specific opportunities to develop more robust and tailored tools and techniques to conduct LMS faster and more efficiently (i.e., getting valid and reliable data while using fewer resources than the current ones).

Keywords: Market segmentation, Lifestyle-based market segmentation, Qualitative study, Marketing tools, Older adults

1. Introduction

By 2050, the world's population is expected to reach 9.7 billion. It is predicted to exceed 11 billion by the end of the century as fertility rates continue to fall [1]. As the population ages, a new business opportunity known as the “silver economy” emerges, and it is a megatrend that is creating massive opportunities [2, 3]. The silver economy concept emphasizes older people and its opportunities holistically, with initiatives such as lifelong learning, preventative healthcare, and the adoption of new technology [4]. Older adults have distinct consumption patterns. They have unique attitudes, activities, and physical limitations that the company might consider [5]. Koshksaray, Franklin and Hanzae [6] stated that the aging population is both an economic challenge and a business opportunity. Companies need to tailor their marketing strategies to be more inclusive of all ages and not just target their products at the young. Those businesses that adapt to population aging will thrive, while those that keep to the status quo will struggle to survive. Market segmentation enables marketers to examine existing markets and plans future strategies. Kotler and Armstrong [7] indicated that market segmentation considers geographic, demographic, psychographic, and behavioral characteristics of diverse groups of consumers. Among various characteristics, Weinstein and Cahill [8] convinced that lifestyle could be used as a primary measure to classify markets based on personality traits and psychological traits. Andreasen, Kotler, and Parker [9] defined lifestyle as how a person acts in response to their preferred way of life or state of being. However, it is challenging to conduct lifestyle-based market segmentation (LMS) of older consumers. For instance, older participants are unable or reluctant to complete a questionnaire containing lengthy and perplexing questions. There is a possibility of irrelevant items or responses. Older adults also tend to have more fear of disclosing personal information [10, 11]. The lack of data contribution may result in incorrect and invalid
findings of LMS [12]. While studies on the application of LMS in older adults are limited, research on this topic has a potential for further academic investigation as well as practical implications. Particularly, Thailand is considered one of the world's rapid older adults societies based on conventional measures (such as the proportion of older people, the median age, and the old-age dependency ratio) [13]. Thus, identifying current practices and challenges would help Thai marketers develop more robust tools to conduct LMS more efficiently.

The objective of this paper is to investigate the current practices of marketing researchers and professionals in Thailand in conducting LMS and identify issues and opportunities in LMS. The remainder of the paper is structured as follows. Section 2 includes a review of the literature on marketing segmentation of older consumers, lifestyle-based market segmentation, and issues related to LMS of older adults. Section 3 describes the sample selection, data collection, and analysis methods used in this study. Section 4 summarizes the findings. The findings are discussed in Section 5. Section 6 summarizes the study's findings, limitations, and recommendations for future research, followed by Section 7 which concludes the study.

2. Literature review

2.1 Marketing Segmentation of older adults

According to Kotler and Armstrong [7], “market segmentation is the subdividing of a market into homogeneous sub-sections of customers, where any sub-section may conceivably be selected as a market target to be reached with a distinct marketing mix.” Clifford and Cavanagh [14] stated that customers have specific product requirements. A single product or service will not be able to meet the needs of all consumer groups. Lin [15] and Barnett [16] stated that market segmentation aims to categorize consumers based on their individual needs, enlightening the markets’ overall picture of consumers. Weinstein and Cahill [8] have called segmentation “the key to marketing success.” Some researchers advocated for expanding the concept of lifestyle to include market segmentation. Market segmentation enables businesses to focus their efforts on specific customer segments rather than the general market. However, the current practices of market segmentation work only when segments are clearly defined and distinct from one another. If the segments are too broad and vague, marketers will be challenging to tailor their approach accurately enough [17]. Market segmentation has been adopted to examine older consumers. Sudbury and Simcock [18] conducted a study on a multivariate segmentation model of the older UK consumer market and discovered no single pattern to segment the marketing of older consumers in the UK. As a result, the older consumer market was divided into five segments: solitary skeptics, bargain hunting belongers, self-assured sociables, positive pioneers, and cautious comfortables. Furthermore, Hsu and Chan [19] investigated the differences in consumption patterns among the older adults using cluster analysis to determine the homogeneous characteristics of the older adults as well as demonstrating economic activities and market segmentation within the different characteristics of the older adults, influencing factors of daily life conditions, diet, and health status.

2.2 Lifestyle based market segmentation

A customer segmentation strategy that divides data into specific small sub-groups is known as a lifestyle. These groups are created based on the customer's lifestyle, preferences, way of life, daily habits and interests. Plummer [20] defines a lifestyle as "the overall structure of a person's way of living, spending time, and spending money." Plummer also proposed the widely used popular conceptualizations, which Wells and Tigert [21] pioneered. Two widely used techniques for creating customer psychographic profiles based on consumer lifestyles are VALs (Values and Lifestyles) and AIOs (Activities, Interests, and Opinions) [22]. According to Strategic Business Insights [23], VALs is a proprietary research methodology used to segment psychographic markets to help businesses tailor their products and services to appeal to the most likely buyer. The AIOs framework focuses on what customers like to do, their areas of interest, and their opinions on different matters [20]. Both methods ask numerous questions about leisure activities, preferences, and attitudes. To derive distinct lifestyle segments or latent axes that can be interpreted as lifestyle dimensions, cluster analysis or factor analysis methods are used [22]. It is apparent that AIOs is the preferred method in LMS since it is more flexibility by allowing question items to be customized to fit a specific goal. An AIOs is a lifestyle construct that describes people's "life visions," which are people's perspectives on meaningful life concerns [24]. Marketers and market researchers use three dimensions of AIOs: activities, interests, and opinions, to create an individual's psychographic profile [25]. The AIOs technique is frequently used in lifestyle-based marketing research, which results in a lifestyle classification. Using AIOs principles, marketers and businesses can better target their target customers. Among other things, marketing data can be obtained from a person's lifestyle. Daily routines and hobbies are examples of AIOs items. The researchers extensively use AIOs to categorize the older adults’ LMS re-search. Anantachart [26] discovered attractive marketing markets from lifestyle and communication channels of older adult Thai consumers in Bangkok by using AIOs. Tu, Lin, and Ho [27] used AIOs to investigate the emotional aspects of mobility aids from the perspective of an older adults' lifestyle in Tai-wan. Furthermore, Kim and Kim [28] used AIOs constructs to investigate the lifestyle dimensions of the older adults and whether selected sociodemographic fac-tors cause significant differences and travel motivations among their lifestyles. As an example, Shufeldt, Oates and Vaught [29] claimed they used the LMS concept to define the relationship between lifestyle and factors influencing the older adults' investigate purchase of over-the-counter (OTC) drugs. The aging OTC drug LMS was classified
into five categories: family-oriented, young and secure, active retiree, self-sufficient, and quiet introvert. Another exemplary LMS for older consumers is done by Chang [30] which used the LMS construct to segment the market for older adults in nursing homes in Taiwan by lifestyle, categorizing the lifestyle into five groups: leisure and activities seeker, quiet learner, traditional retiree, independent retiree, and new age retiree.

2.3 The issue of collecting older adults' data

While there are numerous studies on LMS of older consumers in many settings. Collecting data from this population group have been reportedly challenging. Herzog and Rodgers [10] discovered that the elderly respondents' questionnaire response rate was lower than ones of other groups. Other studies [11], [31] discovered limitations of collecting survey data from older populations, especially when the question sets are considered by respondents as tedious and difficult-to-understand. In addition, open questions that needed to be commented and questions related to financial status or personal information tend to have low completion rates. These limitations lead to incomplete information which become one of key challenges for LMS of older consumers.

3. Methods

3.1 Data and participants

A qualitative approach was used in this study to observe the current practices, opportunities, and challenges of older adults' LMS among 18 marketers in Thailand. Interviewees in this study consisted of marketers from 18 companies in Thailand, diversified by age, experience, and industry. Institutional Review Board (IRB) approval was obtained from the Office of the Research Ethics Review Committee for Research Involving Human Subjects, The Second Allied Academic Group in Social Sciences, Humanities and Fine and Applied Arts of Chulalongkorn University (Approval No.109/63). Marketing firms in Thailand were contacted to identify suitable participants who may volunteer to participate in the study were interviewed by using semi-structured questions conducted via volunteering participants face-to-face communication, telephone, or Zoom application. Interview questions were categorized into three areas: 1) current practices, 2) opportunities, and 3) challenges for older adults' LMS. Each interview lasted approximately 45 minutes to one hour.

3.2 Data analysis

The researchers reviewed the transcripts. Keywords and codes were developed by using a deductive process by initially building categories and then matching the codes with topics derived from the reviewed literature. NVivo software version 12 was used in this study. The coding scheme was initially created based on the interviewees' open coding to identify topic areas and conceptual themes. The coding scheme was refined iteratively with three reviewers of additional interviewees, and all disagreements in coding were reconciled through consensus.

4. Results

4.1 Findings and Analysis

The key findings from semi-structured qualitative interviews are presented in this section. The demographic characteristics of the participants are summarized in table 1.

<table>
<thead>
<tr>
<th>Group</th>
<th>Code</th>
<th>Role</th>
<th>Business</th>
<th>Experience (years)</th>
<th>Education</th>
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<td>Marketer</td>
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<td>Marketing and product development</td>
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<td>Master's degree</td>
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All participants were marketing professionals who worked in consumer product businesses (6 participants), private banks (5 participants), media planner agencies (3 participants), tech startup companies (2 participants) and market research (1 participants). Thirteen participants held a master’s degree, while five participants held a
doctorate degree. All participants had more than ten years of experience in marketing and market research.

4.2 The current practices
Lifestyle-based market segmentation tools Understanding the consumer's lifestyle was the basis of lifestyle segmentation. Marketers needed tools that provided detailed information about potential customers. According to the participant interviews, the tools and/or methods for LMS deployed by participants are provided as follows:

4.2.1 In-depth interview
An "empathy interview" is a qualitative data collection method. Interactions with a single person are used to elicit stories about specific features that enable unacknowledged needs to be identified. A protocol interview allows the interview to discover better narratives than a regular interview. Three interviewees suggested in-depth interviews as a useful tool for discussing older adults, citing the following example: "The older adults told us about their life experiences in in-depth or empathy interviews. This method could collect information on their lifestyle, unmet needs, pain points, and gestures. Their emotional and verbal language was also well understood." (MA14)

4.2.2 Traditional and online surveys
The surveys and online surveys are widely used to gather information about older adults’ lifestyles. The LMS has been examined by using such a factor as analysis and cluster analysis. According to four interviewees, the surveys have been frequently used to collect data on ageing. Consider the following example: "The surveys also gathered data on older adults’ lifestyles. Statistical processing, factor analysis, and cluster analysis were used to analyze data both offline and online." (MA4)

4.2.3 Call center
Using a call center to gather information on the lifestyles of the older adults allows for new insights. In direct sales, older customers prefer to communicate with employees through the system. The call center contacts the older adults and conducts in-depth investigations into their needs and pain points. Using the following as an example: "When an older adults called to buy something, the call center captured their interests, needs, pain points, and lifestyle data. Listening provided new insights that would help develop the marketing strategies." (MA11)

4.2.4 social media
Organizations have changed the way they collect lifestyle data because the older adults are accustomed to using social media applications such as Line and Facebook Live. As an example, consider the following:

"Previously, staff collected client data, but now the organization uses online questionnaires like Google Forms. After that, customers answered surveys less frequently. Line application was employed because the older customer was familiar with it." (MA15)

4.3 Opportunities
According to in-depth interviews with marketing participants, the requirements of marketers can be divided into three categories. Interviews yielded some of the experience's essence, such as follows:

4.3.1 Developing more robust instruments.
In today's business world, speed is crucial. Quick data collection and processing tools are required. The maker needs a tool that includes a method for validating data and adjusting the questions. It must be a reliable store with accurate process data tools. It would be fun and not be burdened when the customer responds to surveys. The tools would also be simple, uncomplicated, and easy to use, requiring only a small amount of work to answer questions, citing the following examples: “This tool should be used for both online and offline data collection. It should gather information without bothering customers. It should be enjoyable for the participants while also assisting them in completing surveys. The output of the tools must also ensure data extraction.” (MA2)

4.3.2 Getting customer insights from challenging data sources
Marketers are interested in tools that collect data on older adults’ lifestyles who do not want others to know too much about their identity, making it difficult to keep psychological information private. This data benefits greatly from having access to this information, as do the brands. Seven participants, as shown below, stated that they needed tools to access customer insight data for marketing research. "If psychology segmentation data could be gathered, that data would be more valuable. It could assess a customer's lifestyle and develop products to meet their requirements." (MA2)

4.3.3 More efficient tools and methods
Marketers need a tool that allows them to collect and process data faster than traditional methods. The tools that help make better decisions must be available at a lower cost than traditional methods. Three participants stated that marketing research was underfunded, citing examples such as: "The tools I want should let me conduct marketing research rapidly and affordably, and they should be superior to the ones I now use. Any marketing action, for instance, might be targeted to a specific demographic." (MA10)
4.4 Challenges
The challenges of using traditional marketing tools to conduct marketing research can be classified into three types based on this information:

4.4.1 Accessing customer data requires an excessive amount of resources

Nine participants said surveys and in-depth interviews are costly and time-consuming. It also takes a lot of time and skill from the interviewer, as shown in the examples below:

“A primary data collection process, such as a focus group, required three hours to complete. All focus group discussions must be recorded by a third person. Word processing software was used to transcribe the conversation. Then you can extract data from them. This will be a lengthy process. A substantial budget will also be used.” (MA2)

4.4.2 Current tools/methods do not facilitate the access to in-depth customer insights

Traditional tools, according to eight participants, are incapable of capturing customer insight. The research participants do not answer truthfully, which is a typical problem in qualitative research. Participants frequently lie, are biased, and break group rules.

“The focus group method had a common flaw in that research participants did not answer questions honestly, did not follow group leaders, as well as not conducting surveys. Participant bias could occur even with self-evaluation methods.” (MA6)

4.4.3 Market research practices were bounded by data collection tools available

Another issue is determining how to select the most suitable research participants. The marketers only required the most basic personal information to obtain research participants. Marketers are eager to learn about the behavior of the participants. The sample group is anonymous so that no one can determine who is in the sample group that does not meet the needs of actual market research. Another issue is locating research participants who meet the study’s eligibility requirements. The marketer will only have access to the participant’s basic personal information. Regardless, no behavioral data will be discovered. As a result, the sample group that does not meet the requirements of actual market research and cannot be identified as such will be anonymous, as illustrated in the following examples:

“The current data collection tools for segmentation are based on customer psychology. Keeping or collecting customer information is usually difficult or impossible because people frequently ignore taking surveys. Some clients prefer that no one knows too much about them.” (MA2)

5. Discussion

The primary goal of this study is to identify the current practices, opportunities, and challenges of marketing researchers and professionals in Thailand in conducting LMS. According to the findings, most interviewees have used some tools used to conduct LMS studies. As an opportunity, needs for effective tools to assist in the capture of LMS data were also raised by several participants. Moreover, the challenges and limitations of current LMS data collection tools are also explored.

5.1 The current practices

The findings indicate that most interviewees consider traditional tools such as in-depth interviews and surveys in both online and offline settings to be vital in conducting LMS. Many marketing researchers and professionals gather data for the LMS through call centers and social media. The selection of tools that are deemed suitable for the purpose of business and the behavior of the clients was influenced by technology and social media. These findings are similar to results in previous studies. For instance, Sudbury and Simcock [20] studied attitudes, values, and behavior of elderly consumers in England in a multivariate segmentation using a self-administrator survey to collect the elderly data. Furthermore, Hsu and Chan [21] investigated the lifestyle, physical and mental health, and potential consumption of the elderly by collecting data from the traditional survey. The findings discovered new lifestyle-based market segmentation tools like call centers and social media. Using a call center to collect information from older adults was an effective tool for direct sales. Listening provided new insights that would aid in the development of direct sale marketing strategies. In addition, social media can be even more beneficial to the marketers. Some marketers gathered elderly data from them because the elderly customer was already familiar with social media platforms.

5.2 Opportunities and implications

The results provided several opportunities for the development of LMS tools that are suitable for older adults. For instance, an in-depth interview is the marketer’s preferred method of collecting LMS data. It is an excellent tool for gathering detailed information about the elderly. Because older adults prefer conversations to surveys. The interviewer can narrow down the topics they want to learn more about. The interviewer can obtain the needs or unmet needs of the interviewee from verbal and non-verbal languages, although it can take a long time to complete all the processes, including transcription and data analysis. Additionally, older adults presently are more familiar with technology, particularly social media platforms. Many businesses have started to collect more information about the elderly’s lifestyles via social media. As a result, the use of technology for the elderly remains a promising approach. Gamification, for example, is one of the wide-adopting approach to motivate challenging users to contribute to the data collection. Nonetheless, the results also highlight certain recommendations for desirable LMS methods and tools for older adults,
indicating that the tools and methods should be simple to use, enjoyable, efficient, and providing in-depth and accurate insights. Furthermore, the tools should be developed based on technologies that older consumers are familiar with.

5.3 Challenges
The challenges found in this study were similar to those found in previous research [10, 11, 31] which showed that older adults tend to respond to surveys at a lower rate, comparing to ones of other age groups. The critical limitation was the inability to ingest information from participants, which resulted in a failure to correctly process information. This is consistent with the research findings.

6. Conclusion
The purpose of this study is to discover the concept of LMS of older customers and inform the marketers about current practices, challenges, and opportunities. The contribution of this study is making better understandings and using older adults consumers lifestyle to conduct market segmentation in Thailand. Additionally, the findings indicate that many interviewees collect data for LMS purposes, and Thai marketers frequently use self-reported questionnaires in both offline and online formats, in-person interviews with older consumers, telephone surveys, and questionnaires posted on social media sites. LMS for older consumers require a significant investment of resources. With current practices, gaining access to data that directly correlates to customer insights remains challenging. Furthermore, there is a scarcity of data collection instruments specifically designed for LMS in an older population. Nonetheless, these concerns shine light on certain prospects for building more powerful and specialized tools and approaches for conducting LMS in a more efficient and timely manner (i.e., getting valid and reliable data while using less resources than the current ones). However, there are several limitations to this study that require further research. Firstly, only the qualitative method is used in this study. For future research, the results of this study can be used to develop a questionnaire to confirm current practices, challenges, and opportunities for lifestyle-based market segmentation of elderly consumers in Thailand. It could also be used as guidance for marketers to design appropriate mechanisms for collecting LMS data from aging customers. Secondly, the sample was drawn from elderly in Thailand. Therefore, a study on other samples such as workforces or students may produce alternative results, given that different idea in the marketing tools be likely to influence more effective marketing tools in the future. Finally, data collection in Thailand has been restricted, and the generalization of results should be analyzed with discretion. As a result, various cultural characteristics may influence elderly’ perceptions and more studies should be done to collect and compare data from other countries.

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