

CASE STUDY

1

Cluster Analysis*

Problem

Godrej India Ltd. wants to map the profile of its target customer in terms of lifestyle, attitude, and perceptions. Godrej's marketing managers prepare a set of fifteen statements, which according to the market research team will measure many of the variables of interest. The respondent had to agree or disagree with each statement on a scale of 1 to 5.

1 = Completely Agree

2 = Agree

3 = Neither Agree nor Disagree.

4 = Disagree.

5 = Completely disagree.

The following fifteen statements were prepared by the Godrej marketing team:

1. I feel foreign made products are always superior in quality.
2. I prefer to pay by credit card as a matter of convenience.
3. A computer is a necessity rather than luxury.
4. The liberalisation of the Indian Economy has increased the efficiency of Indian companies.
5. I prefer old Hindi songs than the latest ones.
6. I feel vegetarian food is more nutritious than non-vegetarian food.
7. I enjoy surfing on the net.
8. Television has become an integral part of Indian urban life.
9. Women's education is an important aspect for the overall development of the country.
10. A movie is a major source of entertainment.
11. People are more conscious about quality of product.
12. I believe the economic status of India will improve.
13. I prefer readymade wear to tailored clothes.
14. I prefer to take my food outside every weekend.
15. Basic Computer Education should be included in primary education level.

TABLE 1.1 Input Data

S. No	var 0001	var 0002	var 0003	var 0004	var 0005	var 0006	var 0007	var 0008	var 0009	var 00010	var 00011	var 00012	var 00013	var 00014	var 00015
1	1.00	2.00	3.00	2.00	4.00	1.00	1.00	3.00	2.00	1.00	1.00	1.00	1.00	2.00	3.00
2	2.00	3.00	3.00	2.00	4.00	3.00	2.00	2.00	2.00	4.00	3.00	3.00	3.00	1.00	4.00
3	4.00	4.00	3.00	3.00	3.00	3.00	3.00	5.00	2.00	5.00	4.00	2.00	3.00	1.00	3.00
4	3.00	2.00	2.00	4.00	2.00	3.00	1.00	2.00	3.00	4.00	3.00	2.00	2.00	4.00	2.00
5	1.00	2.00	2.00	3.00	1.00	2.00	2.00	5.00	2.00	3.00	2.00	1.00	2.00	3.00	2.00
6	3.00	2.00	3.00	3.00	1.00	1.00	3.00	2.00	2.00	1.00	1.00	2.00	2.00	3.00	2.00
7	4.00	4.00	3.00	2.00	4.00	5.00	1.00	2.00	5.00	3.00	5.00	3.00	2.00	3.00	4.00
8	2.00	4.00	3.00	2.00	3.00	4.00	2.00	2.00	2.00	2.00	5.00	3.00	1.00	3.00	5.00
9	2.00	4.00	5.00	2.00	4.00	3.00	3.00	2.00	3.00	2.00	4.00	1.00	2.00	3.00	4.00
10	1.00	2.00	3.00	1.00	2.00	2.00	4.00	1.00	2.00	1.00	1.00	2.00	3.00	1.00	2.00
11	3.00	3.00	2.00	1.00	2.00	1.00	3.00	1.00	1.00	3.00	4.00	3.00	1.00	2.00	1.00
12	3.00	2.00	3.00	5.00	4.00	2.00	1.00	3.00	4.00	2.00	1.00	1.00	2.00	2.00	1.00
13	2.00	2.00	2.00	1.00	1.00	3.00	2.00	3.00	4.00	2.00	1.00	3.00	2.00	3.00	3.00
14	2.00	4.00	1.00	2.00	1.00	4.00	2.00	4.00	4.00	2.00	5.00	3.00	2.00	2.00	2.00
15	4.00	4.00	1.00	3.00	5.00	5.00	1.00	5.00	4.00	2.00	5.00	2.00	2.00	2.00	5.00
16	1.00	1.00	5.00	4.00	4.00	3.00	2.00	4.00	3.00	3.00	4.00	3.00	2.00	2.00	4.00
17	2.00	3.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	2.00	4.00	4.00	1.00	1.00	1.00
18	3.00	5.00	1.00	3.00	2.00	4.00	2.00	3.00	3.00	2.00	4.00	4.00	3.00	3.00	5.00
19	1.00	2.00	2.00	2.00	3.00	2.00	1.00	3.00	2.00	1.00	3.00	3.00	1.00	2.00	3.00
20	3.00	2.00	2.00	1.00	3.00	2.00	2.00	2.00	2.00	3.00	2.00	1.00	1.00	2.00	2.00