THE EFFECTIVENESS OF SINGLE VERSUS MULTIPLE-ITEM MEASURES OF SUBJECTIVE DISCRETIONARY INCOME IN PREDICTING FAMILY PURCHASING BEHAVIOR

Rader, Charles
McNeese State University

Comish, Ray
McNeese State University

Burckel, Daryl
McNeese State University

ABSTRACT
This paper investigates the effectiveness of single versus multiple measures of the concept of Subjective Discretionary Income (SDI). For this research, individual measurement will be compared with multipl item measurements and analyzed to determine their worth as predictors of purchasing behavior. This further investigation of subjective discretionary income will prove most helpful in analyzing the role of perceived income on purchasing behavior.

INTRODUCTION
Income has proven to be most useful as a segmenting variable for many years. Many products and services have been segmented on the basis of income (Kotler & Keller, 2006). Discretionary income, the money left after paying for necessities, has proven useful when analyzing purchases of numerous products such as electronic gear, foreign travel and recreational activities (Perreault & McCarthy, 2005).

While income segmentation is useful, traditional income segmentation has failed to take into account consumers' perceptions. In the field of consumer behavior, it is known that perception is reality, at least in the short-term. Therefore, marketers should consider consumer beliefs and attitudes when analyzing income. One way to accomplish this is to investigate the concept of Subjective Discretionary Income (SDI). Subjective discretionary income is "an estimate by the consumer of the amount of money he or she has available to spend on nonessentials." (Hawkins & Mothersbaugh, 2010)
While economists have previously researched economic well being, Wells, O'Quinn and Horn introduced the subjective discretionary income concept in 1986 (Well, O'Quinn & Horn, 1986). They initially used true-false responses to general lifestyle statement on Financial Satisfaction to generate a measure of SDI. Based on a sample of 3500 individuals, they found that subjective discretionary income was in fact related to purchases of numerous products.

O'Quinn and Wells later expanded this concept by using a 6-point Likert scale to measure consumer

responses to three general lifestyle measures of Financial Satisfaction (Well, & O'Quinn, 1989). By summing the scores, they developed a SDI scale that ranged from 3 to 18. They found this revised measure of subjective discretionary income to be a good predictor of purchasing behavior.

In 1995, Rossiter analyzed subjective discretionary income in terms of its application to countries outside the United States (Rossiter, 1996). In this replication, it was determined that the SDI scale might require further development for international or global use.

In 2006, Comish and Rader analyzed the effectiveness of individual measurements in predicting purchasing behavior (Rader & Comish, 2006). This analysis found that one Lifestyle statement, "Our family income is high enough to satisfy nearly all our important desires.", was the most robust measure of subjective discretionary income.

This paper investigates the effectiveness of single versus multiple measures of the concept of Subjective Discretionary Income (SDI). For this research, individual measurement will be compared with multiple-item measurements and analyzed to determine their worth as predictors of purchasing behavior

METHOD
For this study, three family lifestyle statements dealing with financial satisfaction were used. These statements are known as AIO statements or psychographic research. This research questions individuals as to their activities, interests, and opinions. These three statements measure the subjective discretionary income concept. These AIO statements came from the research conducted by Wells and Tigert (Wells and Tigert, 1971). These general AIO statements have been successfully utilized by numerous other marketing researchers (Burnett, 1981).

If the unit of analysis is changed from the individual to the family, many of the same AIO techniques should be appropriate for conducting sociographic research on the family lifestyle (Wind and Green, 1974). This change in terms of unit of analysis is in line with other behavioral sciences, which have used the lifestyle concept to analyze not only individuals, but also groups such as families (Hawkins, Best and Coney, 2004) The logic behind utilizing the same techniques for the measurement of family lifestyle as an individual's lifestyle is the premise that within the family relationship, individuals tend to develop and maintain a shared perspective of the world (Reiss, 1981). Therefore, rather than considering just an individual's perception of the world, it is possible to consider a family's view of the world. In order to measure the family's view, couple's average lifestyle scores were computed for the AIO items.

For this study, data was randomly gathered from 674 families with children between the ages of 0 to 6. Both the husband and the wife were asked to use a five-point Likert-type scale to indicate their agreement with each of the three lifestyle statements. The three family lifestyle statements which measured the concept of subjective discretionary income were:

SDI_{L13} = Our family income is high enough to satisfy nearly all our important desires.
(1 = strongly agree, 5 = strongly disagree)

SDI_{L21} = No matter how fast our income goes up, we never seem to get ahead.
(5 = strongly agree, 1 = strongly disagree)

SDI_{L32} = I wish we had a lot more money
(5 = strongly agree, 1 = strongly disagree)

For all three SDI statements, a low score indicates the family perceives themselves as having a high amount of subjective family income.

The three multiple-item indexes were:

SDI $_{L13 + L2l}$ = (L13) Our family income is high enough to satisfy nearly all our important desires plus (L21) No matter how fast our income goes up, we never seem to get ahead.

SDI $_{L21 + L32}$ = (L21) No matter how fast our income goes up, we never seem to get ahead plus (L32) = I wish we had a lot more money.

SDI $_{L13 + L2l + L32}$ = (L13) Our family income is high enough to satisfy nearly all our important desires plus (L21) No matter how fast our income goes up, we never seem to get ahead plus (L32) = I wish we had a lot more money.

The couples were also asked questions as to the number of items purchased. The purchase questions answered were:

P01 = Number of new cars purchased in last 24 months.
P02 = Number of used cars purchased in last 24 months.
P03 = Number of residential mobile homes purchased in last 5 years.
P04 = Number of non-mobile residential homes purchased in last 5 years.
P05 = Number of life insurance policies purchased in last 24 months.
P06 = Number of health insurance policies purchased in last 24 months.
P07 = Number of magazine subscriptions sent to home.
P08 = Number of new washing machines purchased in last 5 years.
P09 = Number of new dryers purchased in last 5 years.
P10 = Number of new kitchen ranges purchased in last 5 years.
P11 = Number of new refrigerators purchased in last 5 years.
P12 = Number of new video cassette recorders (VCRs) purchased in last 24 months.
P13 = Number of new microwave ovens purchased in last 24 months.
P14 = Number of new colored television sets purchased in last 24 months.
P15 = Number of pieces of new furniture valued at $200 or more purchased in last 12 months.
P16 = Number of appliances leased in the last 12 months.
P17 = Number of small kitchen appliances purchased in last 6 months.
P18 = Number of family-sized detergent packages purchased in last 2 months.
P19 = Number of times the entire family has eaten outside the home in last 2 weeks.
P20 = Number of times wife and children, without the husband, have eaten outside the home in last 2 weeks.
P21 = Number of times wife and husband, without the children, have eaten outside the home in last 2 weeks.
P22 = Number of over-the-counter drugs purchased in last week.

PEARSON'S CORRELATION COEFFICIENTS FOR INDIVIDUAL AND MULTIPLE-ITEM SUBJECTIVE DISCRETIONARY INCOME MEASURES
In order to determine if these individual and multiple-item measures of subjective discretionary income were related to purchasing, Pearson correlation coefficients were computed. Table 1 shows the Pearson correlation coefficients for the individual and composite subjective discretionary income measures. .All relationships were significant at the (2-tailed) .000 level.

**.TABLE 1: PEARSON'S CORRELATION COEFFICIENTS FOR INDIVIDUAL AND
COMPOSITE SUBJECTIVE DISCRETIONARY INCOME MEASURES**

LIFESTYLE VARIABLES	SDI_{L13} = OUR FAMILY INCOME IS HIGH ENOUGH TO SATISFY NEARLY ALL OUR IMPORTANT DESIRES	SDI_{L21} = NO MATTER HOW FAST OUR INCOME GOES UP, WE NEVER SEEM TO GET AHEAD (reverse scored)	SDI_{L32} = I WISH WE HAD A LOT MORE MONEY (reverse scored)	$SDI_{L13 + L21}$	$SDI_{L21 + L32}$	$SDI_{L13 + L21 + L32}$
SDI_{L13} = OUR FAMILY INCOME IS HIGH ENOUGH TO SATISFY NEARLY ALL OUR IMPORTANT DESIRES	R = 1.0	R = .361	R = .245	R = .834	R = .376	R = .753
SDI_{L21} = NO MATTER HOW FAST OUR INCOME GOES UP, WE NEVER SEEM TO GET AHEAD	R = .361	R = 1.0	R = .333	R = .816	R = .844	R = .775
SDI_{L32} = I WISH WE HAD A LOT MORE MONEY	R = .245	R = .333	R = 1.0	R = .349	R = .787	R = .678
$SDI_{L13 + L21}$	R = .834	R = .816	R = .349	R = 1.0	R = .732	R = .926
$SDI_{L21 and L32)}$	R = .376	R = .844	R = .787	R = .732	R = 1.0	R = .892
$SDI_{L13 + L21 + L32}$	R = .753	R = .775	R = .678	R = .926	R = .892	R = 1.0

As indicated by Table 1, all seven SDI measures are significantly related. Although all seven relationships are significantly related, there is a sufficient amount of variance between the three statements. Therefore, all seven would seem to measure different elements of subjective discretionary income.

**PEARSON'S CORRELATION COEFFICIENTS FOR INDIVIDUAL AND MULTIPLE-ITEM
SUBJECTIVE DISCRETIONARY INCOME MEASURES VERSUS PURCHASE VARIABLES**
Table 2 shows the Pearson correlation coefficients and the level of significance (2-tailed) for the twenty two purchase variables versus the three individual measures of subjective discretionary income.

TABLE 2: PEARSON'S CORRELATION COEFFICIENTS FOR INDIVIDUAL MEASURES OF SUBJECTIVE DISCRETIONARY INCOME VERSUS PURCHASE VARIABLES

PURCHASE VARIABLES	SDI$_{L13}$ = OUR FAMILY INCOME IS HIGH ENOUGH TO SATISFY NEARLY ALL OUR IMPORTANT DESIRES	SDI$_{L21}$ = NO MATTER HOW FAST OUR INCOME GOES UP, WE NEVER SEEM TO GET AHEAD (reverse scored)	SDI$_{L32}$ = I WISH WE HAD A LOT MORE MONEY (reverse scored)
P01 = NEW CARS	*R = -.174 ** Sig. (2-tailed) = .000*	*R = -.146 ** Sig. (2-tailed) = .000*	R = -.060 Sig. (2-tailed) = .120
P02 = USED CARS	R = +.057 Sig. (2-tailed) = .138	R = +.040 Sig. (2-tailed) = .305	R = +.014 Sig. (2-tailed) = .725
P03 = MOBILE HOMES	R = +.086 Sig. (2-tailed) = .025	*R = +.102 Sig. (2-tailed) = .008*	R = +.014 Sig. (2-tailed) = .715
P04 = HOMES	*R = -.171 ** Sig. (2-tailed) = .000*	R = -.094 Sig. (2-tailed) = .015	**R = -.110 ** Sig. (2-tailed) = .004**
P05 = LIFE INSURANCE	R = -.023 Sig. (2-tailed) = .546	R = +.016 Sig. (2-tailed) = .685	R = +.053 Sig. (2-tailed) = .173
P06 = HEALTH INSURANCE	R = -.054 Sig. (2-tailed) = .160	R = +.002 Sig. (2-tailed) = .967	R = +.083 Sig. (2-tailed) = .032
P07 = MAGAZINE SUBSCRIPTIONS	*R = -.211 ** Sig. (2-tailed) = .000*	*R = -.139 ** Sig. (2-tailed) = .000*	R = -.094 Sig. (2-tailed) = .015
P08 = WASHING MACHINES	R = -.045 Sig. (2-tailed) = .240	R = -.033 Sig. (2-tailed) = .393	R = -.047 Sig. (2-tailed) = .228
P09 = DRYER	R = -.056 Sig. (2-tailed) = .148	R = -.026 Sig. (2-tailed) = .507	R = -.037 Sig. (2-tailed) = .344
P10 = STOVE	R = -.058 Sig. (2-tailed) = .134	R = +.041 Sig. (2-tailed) = .285	R = -.013 Sig. (2-tailed) = .730
P11 = REFRIGERATOR	R = -.021 Sig. (2-tailed) = .594	R = +.054 Sig. (2-tailed) = .159	R = +.006 Sig. (2-tailed) = .870
P12 = VCR	*R = -.108 ** Sig. (2-tailed) = .005*	R = -.008 Sig. (2-tailed) = .829	*R = -.106 ** Sig. (2-tailed) = .006*
P13 = MICROWAVE	R = -.030 Sig. (2-tailed) = .443	R = +.001 Sig. (2-tailed) = .972	R = -.002 Sig. (2-tailed) = .569
P14 = COLOR TV	*R = -.139 ** Sig. (2-tailed) = .000*	R = +.019 Sig. (2-tailed) = .618	R = -.049 Sig. (2-tailed) = .201
P15 = NEW FURNITURE	*R = -.147 ** Sig. (2-tailed) = .000*	R = -.090 Sig. (2-tailed) = .020	R = -.031 Sig. (2-tailed) = .427
P16 = LEASED APPLIANCES	R = +.029 Sig. (2-tailed) = .446	R = +.044 Sig. (2-tailed) = .251	R = -.014 Sig. (2-tailed) = .725
P17 = SMALL KITCHEN	R = +.021 Sig. (2-tailed) = .586	R = -.019 Sig. (2-tailed) = .625	R = -.057 Sig. (2-tailed) = .137
P18 = FAMILY SIZED DETERGENT	R = -.079 Sig. (2-tailed) = .040	R = +.005 Sig. (2-tailed) = .892	R = +.018 Sig. (2-tailed) = .639
P19 = ENTIRE FAMILY HAS EATEN OUT	*R = -.132 ** Sig. (2-tailed) = .001*	**R = -.111 ** Sig. (2-tailed) = .004**	R = -.068 Sig. (2-tailed) = .080
P20 = WIFE AND HUSBAND WITHOUT HUSBAND HAVE EATEN OUT	R = -.078 Sig. (2-tailed) = .042	R = -.026 Sig. (2-tailed) = .508	R = -.009 Sig. (2-tailed) = .811
P21 = HUSBAND AND WIFE, WITHOUT CHILDREN, HAVE EATEN OUT	R = -.088 Sig. (2-tailed) = .023	R = -.078 Sig. (2-tailed) = .044	R = -.027 Sig. (2-tailed) = .479
P22 = OVER THE COUNTER DRUGS	R = -.050 Sig. (2-tailed) = .194	R = +.078 Sig. (2-tailed) = .044	R = +.032 Sig. (2-tailed) = .401

Table 3 shows the Pearson correlation coefficients and the level of significance (2-tailed) for the twenty two purchase variables versus the three multiple-item measures of subjective discretionary income.

TABLE 3: PEARSON'S CORRELATION COEFFICIENTS FOR COMPOSITE MEASURES OF SUBJECTIVE DISCRETIONARY INCOME VERSUS PURCHASE VARIABLES

PURCHASE VARIABLES	$SDI_{L13+L21}$	$SDI_{L21+L32}$	$SDI_{L13+L21+L32}$
P01 = NEW CARS	*R = -.194* ** *Sig. (2-tailed) = .000*	*R = -.130* ** *Sig. (2-tailed) = .001*	**R = -.176** ** **Sig. (2-tailed) = .000**
P02 = USED CARS	R = +.059 Sig. (2-tailed) = .127	R = +.034 Sig. (2-tailed) = .384	R = +.052 Sig. (2-tailed) = .181
P03 = MOBILE HOMES	**R = +.114….** ** **Sig. (2-tailed) = .003**	*R = +.075* *Sig. (2-tailed) = .052*	R = +.095 * Sig. (2-tailed) = .014
P04 = HOMES	*R = -.162* ** *Sig. (2-tailed) = 000*	**R = -.124** ** **Sig. (2-tailed) = .001**	**R = -.171** ** **Sig. (2-tailed) = .000**
P05 = LIFE INSURANCE	R = -.005 Sig. (2-tailed) = .892	R = +.040 Sig. (2-tailed) = .298	R = +.017 Sig. (2-tailed) = .657
P06 = HEALTH INSURANCE	R = -.033 Sig. (2-tailed) = .397	R = +.048 Sig. (2-tailed) = .214	R = +.008 Sig. (2-tailed) = .843
P07 = MAGAZINE SUBSCRIPTIONS	*R = -.213* ** *Sig. (2-tailed) = .000*	*R = -.144* ** *Sig. (2-tailed) = .000*	**R = -.205** ** **Sig. (2-tailed) = .000**
P08 = WASHING MACHINES	R = -.048 Sig. (2-tailed) = .217	R = -.048 Sig. (2-tailed) = .213	R = -.054 Sig. (2-tailed) = .163
P09 = DRYER	R = -.050 Sig. (2-tailed) = .196	R = -.038 Sig. (2-tailed) = .330	R = -.037 Sig. (2-tailed) = .344
P10 = STOVE	R = -.011 Sig. (2-tailed) = .768	R = +.019 Sig. (2-tailed) = .615	R = -.014 Sig. (2-tailed) = .711
P11 = REFRIGERATOR	R = -.019 Sig. (2-tailed) = .616	R = +.039 Sig. (2-tailed) = .311	R = +.018 Sig. (2-tailed) = .646
P12 = VCR	*R = -.072* *Sig. (2-tailed) = .062*	R = -.066 Sig. (2-tailed) = .089	*R = -.099* * *Sig. (2-tailed) = .010*
P13 = MICROWAVE	R = -.018 Sig. (2-tailed) = .649	R = +.012 Sig. (2-tailed) = .763	R = -.079 Sig. (2-tailed) = .041
P14 = COLOR TV	*R = -.075* *Sig. (2-tailed) = .530*	R = +.016 Sig. (2-tailed) = .687	R = -.079 * Sig. (2-tailed) = .041
P15 = NEW FURNITURE	*R = -.144* ** *Sig. (2-tailed) = .000*	R = -.076 * Sig. (2-tailed) = .049	**R = -.125** ** **Sig. (2-tailed) = .001**
P16 = LEASED APPLIANCES	R = +.044 Sig. (2-tailed) = .249	R = +.021 Sig. (2-tailed) = .582	R = -.029 Sig. (2-tailed) = .446
P17 = SMALL KITCHEN	R = +.002 Sig. (2-tailed) = .961	R = -.045 Sig. (2-tailed) = .243	R = -.022 Sig. (2-tailed) = .574
P18 = FAMILY SIZED DETERGENT	R = -.046 Sig. (2-tailed) = .234	R = +.014 Sig. (2-tailed) = .722	R = -.029 Sig. (2-tailed) = .457
P19 = ENTIRE FAMILY HAS EATEN OUT	*R = -.148* ** *Sig. (2-tailed) = .000*	**R = -.111** ** **Sig. (2-tailed) = .004**	**R = -.143** ** **Sig. (2-tailed) = .000**
P20 = WIFE AND HUSBAND WITHOUT HUSBAND HAVE EATEN OUT	R = -.064 Sig. (2-tailed) = .099	R = -.022 Sig. (2-tailed) = .569	R = -.054 Sig. (2-tailed) = .164
P21 = HUSBAND AND WIFE, WITHOUT CHILDREN, HAVE EATEN OUT	**R = -.100** ** **Sig. (2-tailed) = .009**	R = -.066 Sig. (2-tailed) = .086	R = -.090 * Sig. (2-tailed) = .020
P22 = OVER THE COUNTER DRUGS	R = -.015 Sig. (2-tailed) = .671	R = +.069 Sig. (2-tailed) = .073	R = +.026 Sig. (2-tailed) = .523

PURCHASES VERSUS SDI_{L13}: OUR FAMILY INCOME IS HIGH ENOUGH TO SATISFY NEARLY ALL OUR IMPORTANT DESIRES

Table 2 shows that there are seven significant relationships between SDI_{L13}, "Our family income is high

enough to satisfy nearly all our important desires", and the twenty two purchasing variables. To determine if SDI_{L13} was the best predictor of purchasing behavior versus the other single and composite measures of SDI, step-wise regression analysis for variables L13, L21, L32, L13+L21, L21 + L32, and SDI_{L13} was completed for each of the 22 purchasing variables. The four items that were better predicted by the single measure of SDI_{L13} are:

> P04 = Number of <u>non-mobile</u> residential homes purchased in last 5 years.
> P12 = Number of new video cassette recorders (VCRs) purchased in last 24 months.
> P14 = Number of new colored television sets purchased in last 24 months.
> P15 = Number of pieces of new furniture valued at $200 or more purchased in last
> 12 months.

All relationships are negative which indicates that the higher the subjective income (low score on the statement) Our family income is high enough to satisfy nearly all our important desires, the higher the probability an item will be purchased. Table 4 shows the highest and second highest correlation coefficients for these four variables.

TABLE 4: PEARSON'S CORRELATION COEFFICIENTS FOR THE HIGHEST AND SECOND HIGHEST CORRELATION COEFFICIENTS FOR THE FOUR VARIABLES WHICH WERE ENTERED FIRST IN THE STEPWISE REGRESSION ANALYSIS

PURCHASE VARIABLES	HIGHEST CORRELATION MEASURE	SECOND HIGHEST CORRELATION MEASURE
P04 = HOMES	SDI_{L13}: R = -.171	$SDI_{L13+L21+L32}$: R = -170
P12 = VCR	SDI_{L13}: R = -.108	SDI_{L32}: R = -.106
P14 = COLOR TV	SDI_{L13}: R = -139	$SDI_{L13+L21+L32}$: R = -.079
P15 = NEW FURNITURE	SDI_{L13}: R = -.147	$SDI_{L13+L21}$: R = -144

PURCHASES VERSUS SDI_{L21}, NO MATTER HOW FAST OUR INCOME GOES UP, WE NEVER SEEM TO GET AHEAD (REVERSE SCORED)
There are four significant relationships between SDI_{L21}, "No matter how fast our income goes up, we never seem to get ahead", and the twenty two purchasing variables. To determine if SDI_{L21} was the best single predictor of purchasing behavior versus the other single and composite measures of SDI, step-wise regression analysis for variables L13, L21, L32, L13&L21, L21 & L32and SDI_{L21} was completed for each of the 22 purchasing variables. For the 22 purchase variables, SDI_{L21} was not the first stepwise variable chosen (the value of R was always higher for one of the other measures) and was therefore not considered as good a measure of subjective discretionary income.

PURCHASES VERSUS SDI_{L32}, I WISH WE HAD A LOT MORE MONEY (REVERSE SCORED)
There are only two significant relationships between SDI_{L32}, "I wish we had a lot more money", and the twenty two purchasing variables. Again, to determine if SDI_{L32} was the best predictor of purchasing behavior versus the other single and composite measures of SDI, step-wise regression analysis for variables L13, L21, L32, L13&L21, L21 & L32and SDI_{L32} was completed for each of the 22 purchasing variables. For the 22 purchase variables, SDI_{L32} was never the first stepwise variable chosen and was therefore not considered as a good measure of subjective discretionary income.

PURCHASES VERSUS $SDI_{L13+L21}$ AS A COMPOSITE MEASURE OF SDI
There were seven significant relationships between $SDI_{L13+L32}$ and the twenty two purchasing variables. Step-wise regression analysis was again used to determine if the combination of $SDI_{L13+L21}$ was the best single predictor of purchasing behavior versus the other single and composite measures of SDI. When using an alpha-to-enter of .01, the composite measure of $SDI_{L13+L21}$ was the only variable entered for

P01, P03, P07, P19 and P21. The four items that were better predicted by the composite measure of $SDI_{L13+L21}$ are:

P01 = Number of <u>new</u> cars purchased in last 24 months.

P03 = Number of <u>residential</u> mobile homes purchased in last 5 years.

P07 = Number of magazine subscriptions sent to home.

P19 = Number of times the entire family has eaten outside the home in last 2 weeks.

P21 = Number of times wife and husband, without the children, have eaten outside the home in last 2 weeks.

All relationships are negative except for number of mobile home purchased. This indicates that the higher the subjective income the higher the probability that a family will: purchase new cars, purchase magazine subscriptions, eats out with the entire family and eats out without the children. For mobile homes, lower the subjective discretionary income increases the probability of purchasing a mobile home. Table 5 shows the highest and second highest correlation coefficients for these five purchase variables.

TABLE 5: PEARSON'S CORRELATION COEFFICIENTS FOR THE HIGHEST AND SECOND HIGHEST CORRELATION COEFFICIENTS FOR THE FOUR VARIABLES WHICH WERE ENTERED FIRST IN THE STEPWISE REGRESSION ANALYSIS

PURCHASE VARIABLES	HIGHEST CORRELATION MEASURE	SECOND HIGHEST CORRELATION MEASURE
P01 = NEW CAR	$SDI_{L13+L21}$: R = -.194	$SDI_{L13+L21+L32}$: R = -.176
P03 = MOBILE HOMES	$SDI_{L13+L21}$: R = +.114	SDI_{L21}: R = +.102
P07 = MAGAZINE SUBSCRIPTIONS	$SDI_{L13+L21}$: R = -.213	SDI_{L13}: R = -.211
P19 = ENTIRE FAMILY EATS OUT	$SDI_{L13+L21}$: R = -.148	$SDI_{L13+L21+L32}$: R = -.143
P21 = EAT OUT WITHOUT CHILDREN	$SDI_{L13+L21}$: R = -.100	$SDI_{L13+L21+L32}$: R = -.090

PURCHASES VERSUS $SDI_{L21+L32}$ AS A COMPOSITE MEASURE OF SDI

There were four significant relationships between $SDI_{L13+L32}$ and the twenty two purchasing variable. Step-wise regression analysis was again used to determine if the combination of $SDI_{L21+L32}$ was the best single predictor of purchasing behavior versus the other single and composite measures of SDI. For the 22 purchase variables, $SDI_{L21+L32}$ was not the first stepwise variable chosen (the value of R was always higher for one of the other measures) and was therefore not considered as good a measure of subjective discretionary income.

PURCHASES VERSUS $SDI_{L13+L21+L32}$ AS A COMPOSITE MEASURE OF SDI

There were six significant relationships between $SDI_{L13+L13+L32}$ and the twenty two purchasing variable. Step-wise regression analysis was again used to determine if **$SDI_{L13+L21+L32}$** was the best single predictor of purchasing behavior versus the other single and composite measures of SDI. For the 22 purchase variables, **$SDI_{L13+L21+L32}$** was not the first stepwise variable chosen (the value of R was always higher for one of the other measures) and was therefore not considered as good a measure of subjective discretionary income.

SUMMARY

Of the twenty two purchase variables investigated, four had a stronger relationship with SDI_{L13},"Our family income is high enough to satisfy nearly all our important desires. When L21," No matter how fast our income goes up, we never seem to get ahead.", was added to L13, five purchase variables were better predicted by **$SDI_{L13+L21}$**, the composite measurement. Therefore, SDI_{L13} seems to be the most robust measure of subjective discretionary income in terms of certain items purchased. For the other five items,

the composite measure of $\mathbf{SDI_{L13+L21}}$ is a better predictor.

REFERENCES

Hawkins, Best, & Coney. (2004). *Consumer Behavior: Building Marketing Strategy*. 117.

Hawkins & Mothersbaugh. (2010). *Consumer Behavior: Building Marketing Strategy*. 122.

Burnett, J. (1981). Psychographic and Demographic Characteristics of Blood Donors. *Journal of Consumer Research,* 8, 62-66.

Kotler & Keller. (2006). *Marketing Management: Twelfth Edition*. 251.

Perreault & McCarthy. (2005).*Basic Marketing: A Global-Managerial Approach*, 141-142.

Rader & Comish. (2006). Subjective Discretionary Income: Further Investigations. *American Society of Business and Behavioral Science Proceedings. 14.*

Reiss, D. 1981. *The Family's Construction of Reality*.

Rossiter. (1995). Spending Power and the Subjective Discretionary Income Scale. *Advances in Consumer Research*, 22, 236-240.

Wells & O'Quinn. (1989). Subjective Discretionary Income. *Journal of Marketing Research*, 32-41.

Wells, O'Quinn & Horn. (1986). The Micawber Connection: Subjective Discretionary Income. *Advances in Consumer Research,* 13, 349-353.

Wells, & Tigert. (1971) Activities, Interest, and Opinions. *Journal of Advertising Research*, 11, 27-35.

Wind, J. and Green, P. (1974). Some Conceptual, Measurement, and Analytic Problems in Life Style Research, in *Life Style and Psychographics*, ed., Wells, 99-126.