



SEGMENTATION BASED ON PERSONAL AND SPIRITUAL LIFE BALANCE DURING COVID-19, AND ITS RELATIONS WITH MATERIALISM, FRUGALITY, WELL-BEING, AND POSITIVE EMOTIONS

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## ABSTRACT

**Purpose:** The objective of this study is to analyze the relationships between material, or frugal, consumption and the congruence between personal and spiritual life, mediated by the search for well-being, generating a segmentation proposal.

**Methodology/approach:** Structural Equation Modeling and regression tests were used for mediation and moderation analysis, complemented by Latent Class Analysis for sample segmentation.

**Originality/Relevance:** The study pioneeringly investigates material, frugal, and wellness consumption relationships, as well as the indirect role of positive emotions with the congruence between personal and spiritual life, to propose a segmentation of consumers in a crisis situation.

**Key findings:** The results indicated that well-being and positive emotions allow for moderate mediation, enabling consumers to reconcile both frugal and material goals with a balanced life, individually and spiritually. The proposed segmentation identified three distinct groups based on congruence between practical and spiritual life.

**Theoretical/methodological contributions:** The study advances the understanding of heterogeneous consumer profiles in crisis situations, proposing to practitioners and policymakers to better know the profile of consumers in a health crisis. Methodologically the study combines structural equation modeling, mediation and moderation analysis, and latent class analysis to reach the study's objective.

**Keywords:** Covid-19; Positive emotions; Well-being; Materialism; Frugality; Spirituality.

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## SEGMENTAÇÃO BASEADA NO EQUILÍBRIO DE VIDA PESSOAL E ESPIRITUAL DURANTE A COVID-19, E SUAS RELAÇÕES COM MATERIALISMO, FRUGALIDADE, BEM-ESTAR E EMOÇÕES POSITIVAS

### RESUMO

**Objetivo:** o objetivo deste estudo é analisar as relações entre consumo material, ou frugal e a congruência entre vida pessoal e espiritual, mediado pela busca de bem-estar, gerando uma proposta de segmentação.

**Metodologia/abordagem:** Modelagem de Equações Estruturais e testes de regressão foram usados para análise de mediação e moderação, complementados pela Análise de Classe Latente para segmentação de amostras.

**Originalidade/Relevância:** O estudo investiga de forma pioneira as relações de consumo material, frugal e de bem-estar, bem como o papel indireto das emoções positivas com a congruência entre a vida pessoal e espiritual, para propor uma segmentação dos consumidores em uma situação de crise.

**Principais conclusões:** Os resultados indicaram que o bem-estar e as emoções positivas permitem uma mediação moderada, permitindo aos consumidores conciliar objetivos frugal e material com uma vida equilibrada, individual e espiritualmente. A segmentação proposta identificou três grupos distintos com base na congruência entre vida prática e espiritual.

**Contribuições teóricas/metodológicas:** O estudo avança a compreensão de perfis heterogêneos de consumidores em situações de crise, propondo aos profissionais e formuladores de políticas conhecer melhor o perfil dos consumidores em uma crise de saúde. Metodologicamente, o estudo combina modelagem de equações estruturais, análise de mediação e moderação e análise de classe latente para atingir o objetivo do estudo.

**Palavras-chave:** Covid-19; Emoções positivas; Bem-estar; Materialismo; Frugalidade; Espiritualidade.

### 1 INTRODUCTION

The COVID-19 pandemic brought several impacts on consumer relations, and since then, its effects on society have been huge, transforming the way of life in several spheres, and consumer relations, from an intrinsic and extrinsic point of view (Sheth, 2020, Svajdova, 2021), limiting the capacity of sharing information and social contact (Balle, Soares de Oliveira & Oliveira, 2022). Organizations suddenly found themselves without the possibility of face-to-face interaction with their customers, needing to act digitally, with its challenges and opportunities (Almeida, Santos & Monteiro, 2020). One of the opportunities that presented themselves to organizations, as a strategic imperative, was the need for a better understanding of the consumer in the face of the pandemic. This was necessary because not only mobility restrictions were established, but also the consumer himself was being transformed throughout the health crisis.

There were changes in the habits, values, and needs of these individuals. A sense of panic gripped people in general at the beginning of the pandemic, bringing many changes in the way of thinking about the world (Keane & Neal, 2021). Suddenly, consumers began to interact digitally, with a drastic reduction in social interactions. In addition to purchasing habits, individuals have begun to reflect on the meaning of the things that make up their lives, their values, and life choices (Zwanka & Buff, 2021).

Moral aspects, of less material dimensions, became part of consumers' concerns. Consumer groups began to reflect on food waste in a world where people perceived themselves to be fragile in the face of disease (Roe, Bender & Qi, 2021). Naturally, this imposition of the pandemic crisis, with the feelings of fear, anguish, and anxiety brings the questioning about choices between personal and spiritual life (Roth-Cohen, Muralidharan & La Ferle, 2022). Consumption is placed in a broader context of balancing aspects of life, in practical daily life, spiritual and emotional issues. In this trajectory, consumers are often caught between the choice of hedonic products, aimed at the feeling of pleasure, and utilitarian ones, guided by a more pragmatic choice of what is necessary. This balance is present because crises stimulate a rethinking of life as a whole in its broad dimensions, and the boundary between the personal and the spiritual becomes blurred. Well-being is what unites the balance between more mundane and more spiritual aspects, being understood as the feeling of satisfaction and joy with one's current life condition (Diener, Inglehart & Tay, 2013). Something that can be present in both the material and spiritual universes is precisely the feeling of well-being (Davvetas, Ulqinaku & Abi, 2022).

During the pandemic crisis, studies began to observe the intrinsic effects of the pandemic, on the consumer, personality traits, feelings and emotions, such as fear, anguish, and anxiety on the search for hedonic and utilitarian consumption, as consumption responses were more directed to products of necessity or superfluous, reaching statistically significant predictive capacity (Di Crosta et al, 2021, Eger, Komárková, Egerová & Mičík, 2021), based on the search for the sense of security aroused during the pandemic, as a psychological need (Prentice, Quach & Thaichon, 2022) motivating consumption behavior. This set of psychological aspects establishes a challenge in understanding consumer behavior during the COVID-19 pandemic. Even underprivileged consumers were studied during the pandemic, bringing evidence that social capital, and consumer networks, linked to the self of these consumers, can result in consumption (Cucato, Bizarrias, Figueiredo & Strehlau, 2022). The pandemic caused a kind of derogation of consumption patterns.

In addition to aspects related to pandemic impacts, efforts have been conducted to segment consumers in the health crisis to better understand impacts on groups. Sheng, Ketron, and Wan (2022) identified segments of customers apprehensive about the crisis, consumers who felt prepared to cope, and those more resistant to the restrictive measures. Other studies have been looking for ways to segment consumers in the pandemic by considering demographic issues (Jin, Bao & Tang, 2022). At the same time, spiritual and consumption aspects have received little attention from researchers during COVID-19, although this is an issue that consumers reflect upon in times of hardship (Roth-Cohen, Muralidharan & La Ferle, 2022, La Ferle, C, Muralidharan & Roth-Cohen, 2022, Mehta, Saxena & Purohit, 2020).

However, there are still not enough studies in the literature on customer segmentation in the pandemic, particularly those that look at psychological issues and individual values, considering the balance between personal and spiritual life. Even more so having as antecedents of consumption choices, hedonic and utilitarian dimensions, or frugal, as a way of life directed by simplicity (Castilhos, 2009), or materialistic, where possessions have great importance (Richins, 2004). This balance between personal and spiritual life can be called congruence between individual and spiritual life, understood with a balance between the longings of practical life, versus a spiritual dimension, which considers the individual's relationship with beliefs in a supernatural entity of their faith (Cunha, Silva & Relvas, 2014). The objective of this study was twofold: first determine the degree of influence of materialism and frugality, as opposing paths, on personal and

spiritual life congruence, mediated by well-being, moderated by positive feelings, such as joy, to propose a segmentation of customers in the COVID-19 pandemic. Based on these consumption relations, the study determines a segmentation proposal based on the congruence between the personal and spiritual life of these consumers.

## 2 THEORETICAL REFERENCE

### 2.1 Congruence

The concept of congruence has been gaining prominence in research, for example, in justice, psychology, nursing, culture, politics, and other areas that seek a better understanding of this topic. Congruence refers to a state of internal coherence and authenticity, evidenced by the acceptance of feelings, attitudes, and experiences, as well as genuineness in one's relationship with others (Rogers, 1985). Congruence is conceptualized as a state of awareness, openness, and connection across two human dimensions: intrapsychic, interpersonal, and universal-spiritual (Lee, 2002). However, remarkable coherence and consistency are found in Satir's model for three decades unified in his understanding of congruence (Lee, 2002). Congruence is a central construct underlying Satir's proposed multidimensional model of change (Davis, McLendon, Freeman, Hill, Loberg, Lester, and Huber, 1996; Satir & Bitter, 1991). This construct was developed by Lee (2002b) who proposed to evaluate the effectiveness of Satir's Model and to establish a link with other therapy models and constructs, such as well-being, marital satisfaction, and spirituality. Cunha, Silva, and Relvas (2014) adapted and translated the scale for the Portuguese population, which resulted in two factors: the intra/interpersonal and the universal/spiritual with 16 items in the final version, which will be used in this study.

### 2.2 Well-being

Well-being refers to a cognitive judgment process. It is defined as a general evaluation of the individual's quality of life according to his or her criteria of choices (Shin and Johnson, 1978). It is related to the individual's satisfaction with himself and with different areas of life and can be called overall life satisfaction (Casas et al., 2003). For Diener, Napa Scollon, and Lucas (2004) and Veenhoven (1994), well-being involves affective and cognitive processes. It is the result of the influence of other people close to the individual, encompassing both internal aspects and their external interactions (Casas, 2011). The way of measuring well-being adopted by some authors is related to life satisfaction (Campbell, Converse, and Rodgers, 1976). This construct was developed by Diener, Emmons, Larsen, and Griffin (1985) to propose and validate the Satisfaction with Life scale. It is expected that a sense of well-being may lead to a balance between personal and spiritual life (congruence). It is suggested that for there to be a balance between personal and spiritual life, there must first be a sense of overall well-being.

H1: Well-being has a positive and significant effect on congruence;

### 2.3 Frugality

Frugality is not restricted to privation. Moreover, it is framed as a momentary renunciation of the acquisition of goods and consumption. In his study on the just or frugal lifestyle, Lastovika et al. (1999, p. 88) coined the conceptual definition of frugality as "a unidimensional characteristic of consumer lifestyle, characterized by the degree to which consumers are restricted in the acquisition and use of economic goods and services to achieve long-term goals. Frugality can be understood then, as a restriction in the

acquisition and use of goods and services, and may be tied to personal motivations to self-control and consumer autonomy from social norms of consumption (Goldsmith & Flynn, 2015). In this sense, we propose the following hypotheses.

H2: Frugality has a positive and significant effect on congruence;

H3: Frugality has a positive and significant effect on well-being;

Insofar as well-being is an antecedent of congruence, we further expect that well-being should act as a mediator of the relationship between Frugality and life balance.

H2a: Well-being will play a mediating role in the relationship between frugality and congruence;

## 2.4 Materialism

In previous research, voluntary simplicity has been conceptualized as frugal or anti-materialistic lifestyle (Oliver & Kramarczyk, 2018). Materialism can be defined as the relevance that consumers give to consumer goods and is therefore not a consumer-oriented orientation (Belk, 1985; Richins & Dawson, 1992). In the same vein, Richins and Dawson (1992) describe materialism as a consumer value. Possibly incorporated unconsciously early in life (Richins, 2004). The materialistic consumer can be understood as one who has a more utilitarian interest in consumer goods (Rassuli & Hollander, 1986; Belk, 1988). These consumers place consumer goods at the center of their lives. In more prominent cases, goods come to play a prominent role in a person's life, potentially providing greater satisfaction or dissatisfaction to the person (Belk, 1985; Richins & Dawson, 1992). The impact of digital transformation facilitated consumption through platforms, fostering materialistic consumption of innovative products, turning them more proximal, even if they are seen as luxury or sophisticated (Takamitsu & Gobbo Junior, 2019). The greater the proximity of the products, the greater the probability of purchase.

Regularly, studies examining materialism characterize it as unfavorable or as something predominantly negative. For materialists, happiness is closely tied to the quantity and quality of their possessions, which are seen as essential to their satisfaction and well-being in life. In other words, materialists consider themselves successful according to the capacity in which they can own possessions that project this desired image (Richins & Dawson, 1992, p. 307). Based on this discussion, we establish the fourth and fifth hypotheses of this study.

H4: Materialism will have a positive and significant effect on well-being;

H5: Materialism will have a positive and significant effect on congruence;

In the same way that materialism provides some emotional comfort through the security it provides on the economic side of an individual's life, this comfort is expected to translate into a sense of well-being.

H5a: Well-being has a mediating role in the relationship between materialism and congruence;

## 2.5 Positive emotions

Positive emotions are important regulators of an individual's attitudes and behavior, leading to responses of the same valence when associated with some attitude object. A large part of the studies on emotions within the scope of consumer behavior is related to advertising actions, and the positive feelings elicited by mere exposure to these actions. Positive emotions have a basis in attitude theory, in that in essence an attitude can be understood as a favorable or unfavorable evaluation of something, broken down into a cognitive, affective and conative process (Cohen, Pham & Andrade, 2006).

Emotions are affections, internal states of the individual, and can occur consciously or not. We chose the positive emotion "Joy" for this study, as it is one of the

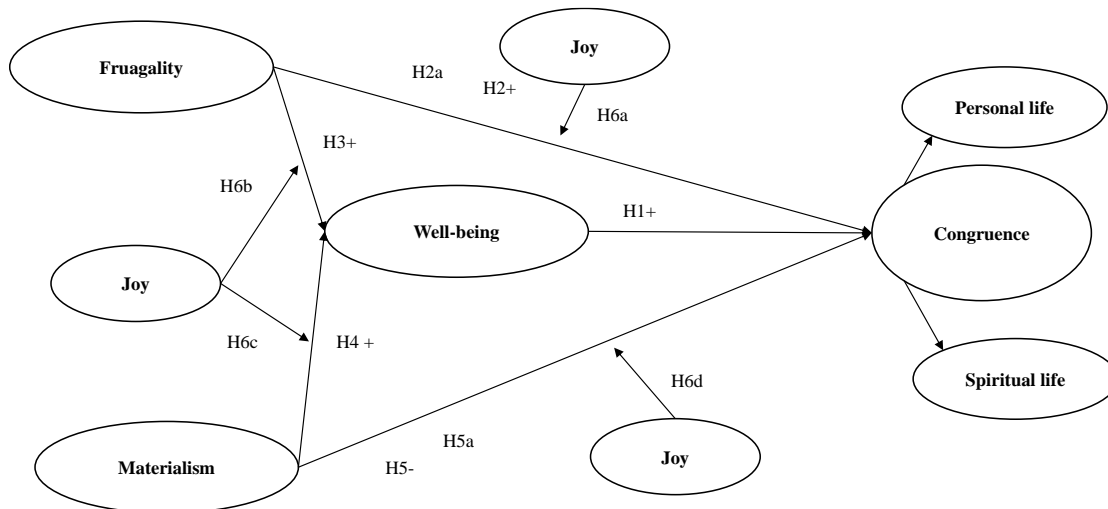


most basic emotions experienced by people, from very early in childhood, and capable of promoting better decisions in individuals (Tornare, Cuisinier, Czajkowski, & Pons, 2017). This regulatory function of positive emotions is a way to encourage people to seek them as a way to adjust their attitudes and lifestyles in times of difficulty.

H6a,b,c,d: Joy will have a positive moderating role in the relationships between frugality, well-being, and materialism with congruence.

## 2.6 Conceptual model of the hypotheses

Based on the hypotheses formulated, we can elaborate on the structural model tested in this study, seen in Figure 1, which aims to facilitate the understanding of this research.



**Figure 1.** Structural model tested  
**Fonte:** The authors

The study aims to determine the degree of influence of two different, but not mutually exclusive ways of dealing with the material issues entailed by consumption, frugality, and materialism, and their relation to life balance, from a perspective of the individual's issues and their relation to spirituality. This is evaluated by the moderate mediation of well-being and joy, respectively.

In this moment of pandemic and social isolation, it is expected that people reflect critically about their lifestyle, partly due to an economic imposition, such as the possibility of losing income and job, and in another philosophical perspective, which considers that what matters in life is not related to consumption issues per se, although they can be a source of well-being and personal satisfaction. In this sense, we hypothesize that a general sense of well-being and positive emotions should allow a greater balance in life, even if the individual, in his role as a consumer opts at some point for simplicity or material satisfaction.

## 3. METHOD

### 3.1 Measures

To study the phenomenon, we sought to measure Congruence or balance of personal and spiritual life based on the study by Cunha, Silva, and Relvas (2014), already adapted to Portuguese. We used a materialism scale developed by Richins (2004) and adapted by Ponchio and Aranha (2008). To measure Frugality, the study by (Castilhos, 2009) was used. The positive emotion of Joy was measured based on Richins (2004). Well-being was measured based on Tellini, Urdan, Monken, Bizarrias, and Brandão

(2019) and Diener, Inglehart, and Tay (2013). These other scales already had observed factor structure, so that it was not necessary to use some method of reduction and factor analysis, exploratory or principal component analysis, for their application in the Brazilian context, seeking directly their validation through a Structural Equation Modeling (Lee & Hooley, 2005). However, the scales underwent translation and face validation by 3 doctoral judges in administration with a research line in marketing, and all items were considered adequate (Hardesty & Bearden, 2004). The collection instrument was further composed of demographic questions, and research items on the relationship with the pandemic. An online collection instrument was then prepared and sent to students at 4 higher education institutions in the states of São Paulo and Minas Gerais, who were also encouraged to share the questionnaire with their contacts. In this sense, the study qualifies as descriptive as to its objectives, of a quantitative nature, with a convenience sample approach.

### 3.2 Analysis Techniques

The structural model went through a series of adjustments until the final version following the steps recommended by Ringle, Silva, and Bido (2014), seeking the convergent and discriminant validity and internal consistency of the scales (Hair et al., 2009). For the structural model testing and analysis step, the SmartPLS 2.0 software (Hair, Hult, Ringle & Sastedt, 2014) was used. Structural Equation Modeling determines relationships between variables chosen to explain the dependent variable. PLS was the technique to minimize the variance and is better suited to prediction objectives. Additional mediation and moderation tests were performed based on hierarchical regressions as proposed by Hayes (2013), and using macros 1 to test simple moderation, macro 4 for simple mediation, and macro 7 to assess moderate mediation, from the PROCESS® package of SPSS v27. Mediating mechanisms represents an interaction between the antecedent, and the mediating variable to influence the dependent variable, the transferring effect altogether. For the segmentation of consumers regarding congruence between personal and spiritual life, after the evaluation of the structural model, a Latent Class Analysis (LCA) was performed following the procedures established by Wang, Yang, Song, and Sia (2014). This choice was made due to the better suitability of this technique to the objective of the study, as it allows the observation of the percentage of participation of each individual in the heterogeneous class determined, according to a cross-tabulation matrix.

Data were obtained through a survey, with an online questionnaire sent to those individuals who wanted to participate in the research. These individuals were approached by researchers trained to obtain the data, without knowing the purposes of the study. Those researchers were teachers of graduate and post-graduate courses. Respondents were explained that the purposes of the research were to understand behavior during the COVID-19 pandemic, and asked whether or not they would like to join the research. We also stimulate a snowball approach to expand the data set.

The research is characterized as a quantitative, descriptive, deductive-hypothetical study, as we made assumptions based on theory, to construct and test our hypotheses.

## 4. ANALYSIS AND DISCUSSION OF THE RESULTS

### 4.1 Sample

The study sample was composed of 274 valid responses, obtained between March and May 2021, with individuals from the state of São Paulo and Minas Gerais, distributed among the interior, capital, and coast, all adults. This distribution aimed to obtain a

diverse and more representative profile of the universe of impacted people. Of the total, 95% (n=262) live in a household with more than one person, 43% (n=119) have at least one person aged 60 or older, the risk group most impacted by COVID-19, 76% are married (n=209), 34% are female. None of the respondents declared to have a case of contamination in their homes.

## 4.2 Structural model

The proposed model was evaluated using Structural Equation Modeling, initially seeking the convergent and discriminant validity of the constructs, its internal consistency, and general adjustment to allow the hypotheses analysis and other statistical tests. The initial tests showed VIF (Variance Inflation Factor) below 5 (Hair et al. 2014), and then proceeded to convergent and discriminant validity according to the criteria pointed out earlier in the method, as model fit indices. Table 1 shows initial indicators of convergent and discriminant validity, complemented by higher cross-loads on the respective variables

**Table 1** – Convergent and discriminant validity

Construct	AVE	R <sup>2</sup>	Cronbach's Alpha	1	2	3	4	5
1. Well-being	0.620	0.100	0.700	<b>0.787*</b>				
2. Frugality	0.662	0.000	0.751	0.312	<b>0.813*</b>			
3. Materialism	0.540	0.000	0.754	-0.151	-0.337	<b>0.735*</b>		
4. Personal life	0.649	0.218	0.735	0.349	0.188	-0.325	<b>0.806*</b>	
5. Spiritual life	0.754	0.930	0.935	0.328	0.111	-0.067	0.216	<b>0.868*</b>

Source: The authors (2022), \* square root of the AVE

Table 2 also presents the correlation between the constructs, complement and the discriminant validity analysis.

**Table 2** - Discriminant validity and correlations

Construct	1	2	3	4	5	6	7
1. Congruence	1						
2. Personal life	0.619	1					
3. Spiritual life	0.895	0.205	1				
4. Frugality	0.169	0.182	<b>0.108*</b>	1			
5. Materialism	-0.177	-0.317	<b>-0.041*</b>	-0.350	1		
6. Well-being	0.415	0.346	0.321	0.279	<b>-0.102*</b>	1	
7. Positive emotions	0.188	0.186	0.129	<b>0.051*</b>	<b>-0.025*</b>	0.158	1

Source: The authors (2022)

Table 3 indicates accuracy adjustments (Q<sup>2</sup>) and the predictive effect of the constructs in the model (f<sup>2</sup>). These results indicate that Positive Emotions, Congruence, and Frugality are constructs with the greatest predictive effect in the model (f<sup>2</sup>).

**Table 3** - Accuracy, effect, mean and standard deviation (SD) of the constructs

Construct	Q <sup>2</sup>	f <sup>2</sup>	Mean	sd
Congruence	0.067	0.416	3.770	0.828
Personal life	0.151	-	2.887	1.130
Spiritual life	0.713	-	4.211	0.996
Frugality	-	0.338	3.619	0.942
Materialism	-	0.257	2.842	0.938
Well-being	0.060	0.255	3.215	0.862
Positive emotions	-	0.511	2.995	1.107

Source: The authors (2022)



### 4.3 Hypothesis Testing

After ascertaining the model's fit parameters, we sought to test the hypotheses raised. Table 4 presents all the structural relations proposed in the study. This test was done based on resampling or bootstrapping (Hair et al., 2014). This analysis was also complemented by determining the effect of mediation and moderated mediation, observing the existence or not of zero in the confidence interval for the analyzed effect (Hayes, 2013), as proposed by Hayes (2013).

**Table 4 - Hypothesis testing**

Structural relations	$\Gamma$	Mean	sd	t-test	p-value	Status
Well-being $\rightarrow$ Congruence	0.378	0.377	0.066	5.724	0,001	Supported
Congruence $\rightarrow$ Personal life	0.467	0.465	0.072	6.516	0,001	-
Congruence $\rightarrow$ Spiritual life	0.964	0.965	0.009	110.603	0,001	-
Frugality $\rightarrow$ Well-being	0.294	0.293	0.068	4.320	0,001	Supported
Frugality $\rightarrow$ Congruence	0.004	0.003	0.068	0.053	0,958	Not Supported
Materialism $\rightarrow$ Well-being	-0.052	-0.071	0.093	0.563	0,574	Not Supported
Materialism $\rightarrow$ Congruence	-0.090	-0.096	0.069	1.306	0,193	Not Supported
Mediation: Well-being* Materialism $\rightarrow$ Congruence	-0.036				CI [-0.104; 0.007]	Not Supported
Moderated mediation: Well-being *Positive emotions* Materialism $\rightarrow$ Congruence	-0.121				CI [-0.232;-0.010]	Supported
Mediation: Well-being *Frugality $\rightarrow$ Congruence	0.098				CI [0.046;0.163]	Supported
Moderated mediation: Well-being * Positive emotions * Frugality $\rightarrow$ Congruence	0.027				CI [-0.073; 0.127]	Not Supported

Source: The authors (2022)

It is observed that half of the hypotheses were confirmed if reaching 16.3% explanation of Congruence, or balance of personal and spiritual life. Hypothesis 1, for the relationship between Well-Being and Congruence, was confirmed ( $\Gamma=0.378$ ,  $t_{273}=5.724$ ,  $p<0.05$ ), indicating that the greater the positive feeling that everything goes well in life in general, the greater the Congruence between personal and spiritual life, and even about these two dimensions ( $r =0.346$  and  $r=0.321$ ,  $p<0.05$ , respectively).

Hypothesis 2 of the study was not confirmed, in that there was no significant effect of Frugality on Congruence ( $\Gamma=0.004$ ,  $t_{273}=0.053$ ,  $p>0.05$ ), although there seems to be a relationship, even if weak, with the dimension Personal life ( $r=0.182$ ,  $p< 0.05$ ), and there is not with the other dimension, Spiritual life ( $\Gamma =0.108$ ,  $p> 0.05$ ). These results suggest that although frugality is associated with feelings of calm and tranquility, a simpler lifestyle, does not necessarily lead to life balance. The third hypothesis of the study pointed to the influence of Frugality on Well-Being, as an advancement of the role of these constructs tested in the previous hypotheses, with influencing factors on Congruence.

This hypothesis was confirmed ( $\Gamma=0.294$ ,  $t_{273}=4.320$ ,  $p<0.05$ ), as reinforced by the correlation between the constructs themselves ( $r=0.279$ ,  $p<0.05$ ). This points to a possible mediation of well-being for the relationship between Frugality and Congruence. On the other hand, the mediation of well-being for the relationship between Frugality and Life

Balance was confirmed (effect=0.098, CI [0.046;0.163],  $p < 0.05$ ). That is, Frugality only affects Life Balance if mediated by Well-Being, and more so, without the influence of the positive emotional level, because the moderation of positive emotions, Joy, for the relationship between Frugality and Well-Being was not identified (effect=0.027, CI [-0.073; 0.127],  $p > 0.05$ ), nor even the moderation of Joy as a positive emotion for the relationship between Frugality and Congruence (effect=-0.047, CI [-0.134; 0.041],  $p > 0.05$ ).

In this sense, the finding that Well-being alone acts as an indirect actor in the relationship between Frugality and Congruence is strengthened. Taken together these results indicate that Life Balance is affected by Well-Being primarily, as previously observed ( $\Gamma = 0.378$ ,  $t = 5.724$ ,  $p < 0.05$ ), and by Frugality indirectly through Well-Being.

Hypothesis 4 sought to explore whether it could be determined whether the same mediating role of well-being for Frugality would work with Materialism if testing the relationship between Materialism and Well-Being first, in that a search for a sense of personal and spiritual life balance as a function of Materialism was not confirmed in hypothesis 5, MaterialismCongruence ( $\Gamma = -0.090$ ,  $t_{273} = 1.306$ ,  $p > 0.05$ ), raising that intermediate mechanism might establish this relationship.

Although neither the relationship between Materialism and Congruence was observed and confirmed, and even the moderation of positive emotions for this relationship, positive emotions could moderate the mediation between Materialism and Congruence to the extent that it moderated the relationship between Materialism and Well-Being. In other words, Materialism does not directly affect Life Balance ( $\Gamma = -0.090$ ,  $t = 1.306$ ,  $p > 0.05$ ), and not even mediated by Wellbeing (effect= -0.036, CI [-0.104; 0.007]), or moderated by positive emotions (effect=0.037, CI [-0.052; 0.125],  $p > 0.05$ ).

This prompted reflection that some other mechanism might interfere with the relationship between these constructs. Additional tests showed that positive Emotion assists in establishing the relationship between Materialism and Life Balance, when mediated by Well-Being. At low and medium positive emotional states (Johnson-Neyman point  $\leq 2.800$ , CI [-0.232; -0.010],  $p < 0.05$ ) well-being is affected by materialism, allowing for an indirect relationship with life balance (Congruence)

That is, there is mediation of well-being (effect=2.000, CI [-0.379; -0.072],  $p < 0.05$ ) for the relationship between Materialism and Life Balance when moderated by positive Emotion joy (effect=0.130, CI [0.027; 0.233],  $p < 0.05$ ). In practice, as the pursuit of materialism grows at this time of the pandemic, well-being is reduced, and personal and spiritual life balance is brought into focus.

This inverse relationship between materialism and well-being can be mitigated by positive emotions. And this entails the mediation of Well-Being for the relationship between Materialism and Life Balance, Convergence (moderate mediation index = 0.050, CI [0.005;0.093]). In sum, the results suggest that reconciling frugal and material lifestyles, not as mutually exclusive styles, but as equitable and coexisting paths, should be mediated by well-being and moderated by positive emotions for the pursuit of a personal/spiritual life balance. Otherwise, the consumer depends if a general feeling that everything in life is fine.

Even if at some point in life the consumer seeks a simpler way of life (frugality), it is essential to have a state of mind and a feeling that everything is going well. The same occurs if the consumer seeks in consumption a means to balance his/her personal/spiritual life, however, in this option table is not directly feasible. The consumer depends on achieving a reasonably positive, but not high emotional state (Johnson-Neyman point = 2.80).

Excess of this positive emotional charge is also not ideal for mitigating the negative

effects of materialism on well-being. We suppose that high positive emotional loads are related to exacerbated euphoria, which is not compatible with the current moment of isolation and concern about the pandemic, which inspires care and reflection on the general way of life, and even more on the role of consumption in the individual's life, represented by materialism. Much has been argued about the lifestyle of people after isolation, in that at the time of this study there was no cure or indication of effective treatment for COVID-19. The new normal at this point in the study is still an expectation.

The results of this study suggest a preponderance of positive sensations at a time of isolation and pandemic threat. These positive sensations are general Well-Being and positive emotions, in this study, Joy.

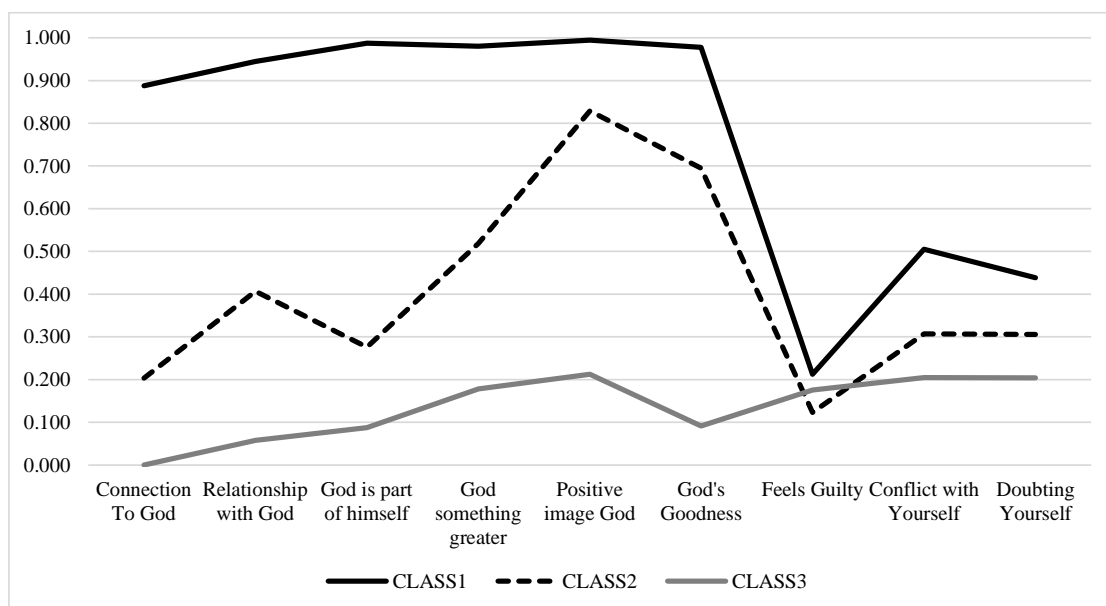
These constructs were able to reconcile the combined frugal and materialistic lifestyle in search of a balance between personal and spiritual life, in such a difficult moment, when besides the radical lifestyle change, due to the restrictions imposed on circulation, and especially the health concern, several internal questionings are brought about by the very moment of a more solitary experience of each individual, even if in groups.

Isolation brings the individual to introspection. In this journey into himself, and at the same time, the individual needs to consume for his subsistence, but also his search for identity expression, hedonic pleasure, or mere day-to-day functionality. The individual has been urged to reflect on himself, his choices, his way of life, and his worldview.

Consumption, as one of these dimensions of reflection, was investigated in this study through two coexisting lifestyles, the search for simplicity, represented by frugality, and materialism, as a dimension of symbolic and functional consumption. Consumption is related to both a search for the satisfaction of needs and more expressive desires.

#### 4.4 Proposed Segmentation

Figure 2 presents the classes and profiles achieved and on the vertical axis the degree of agreement with the item on the horizontal axis represents the variation from spiritual interests (on the left), and personal interests dimensions (on the right).



**Figure 2.** Classes identified

**Source:** The authors

The latent class analysis revealed the existence of three heterogeneous classes, respectively named "Spiritual Insecure" (class 1, n = 179), "Intermediate" (class 2, n = 58) and "Insecure Unbelievers" (class 3, n = 34). These groups were so-called because in have profiled more directed toward spiritual belief (class 1), through a profile averagely directed toward spiritual belief (class 2), to a profile with almost no spiritual belief (class 3). However, about the aspects of individual life, all three classes have a low agreement with this dimension. Mainly, the classes disagree about feeling guilt frequently, in the realm of individual interests. As for the spiritual aspects, the differences are even greater.

This view allows more precise observation of consumer characteristics within the variable Congruence between spiritual and individual life. Thus, it is observed that there is an opportunity to segment consumers based on aspects related to a pragmatic and spiritual vision. After this step, the differences between classes were evaluated concerning the study variables, Frugality, Materialism, Well-being, and Joy. These multiple comparisons are shown in Table 5.

**Table 5** – Multiple comparisons

Dependent variable	Class 1 and mean	Class 2 and mean	p-value	Mean difference	Standard test statistic	Lower limit	Upper limit
Materialism	1 (2.793)	2 (2.944)	0.538	-0.151	0.142	-0.485	0.184
		3 (2.889)	0.847	-0.096	0.176	-0.510	0.318
	2 (2.944)		0.961	0,054	0.203	-0.424	0.532
Well-being	1 (3.363)	2 (2.833)	0.001	0.630*	0.123	0.340	0.920
		3 (2.843)	0.001	-0.620*	0.152	0.261	0.980
	2 (2.833)		0.998	-0.010	0.176	-0.424	0.405
Frugality	1 (3.728)	2 (3.264)	0.003	0.463*	0.140	0.134	0.794
		3 (3.598)	0.734	0,130	0.173	-0.278	0.539
	2 (3.654)		0.220	-0.334	0.200	-0.805	0.138
Joy	1 (3.063)	2 (2.948)	0.767	0.115	0.166	-0.275	0.505
		3 (2.715)	0.209	0.348	0.205	-0.136	0.831
	2 (2.948)		0.589	0.233	0.237	-0.325	0.791

Source: The authors

The classes have significant differences in the dimensions of Well-Being and Frugality, more precisely between Class 1, of the Spirited and the other classes. In general, Class 1 is less consumption-oriented, and has a higher sense of well-being (M=3.363), a more simplified view of life, through frugality (M=3.728) and joy (M=3.063), and less materialism-oriented (M=2.793), than the other classes.

## 5 CONCLUDING REMARKS

The objective of this study was to determine the degree of influence of materialism and frugality on personal and spiritual life balance, mediated by well-being, moderated by positive feelings, such as joy, to propose a segmentation of customers in the COVID-19 pandemic. This objective was achieved, with an explanation of the congruence between personal and spiritual life, using the proposed relations, and the segmentation was achieved, with adequate adjustment of the proposed model, in its psychometric properties.

The mediating and moderating role of Well-Being and Joy, respectively, was observed as intervening constructs in the study. Both Well-Being and the positive feeling of Joy played their indirect role in the search for a personal and spiritual life balance. In the current moment of isolation and restrictions in mobility and even in consumption choices, this study has contributed to conciliate a theoretical explanation to investigate

the duality of reflections on the more pragmatic life and its beliefs and spiritual orientation, which the individual goes through in his role as a consumer. Well-being acts as a mechanism to balance life between a frugal or materialistic view of consumption, for congruence between practical and spiritual life. This adjustment is further stimulated through positive situations, such as joy and its positive moderation.

The relationship between materialism and congruence between personal and spiritual life was only possible through the interaction between the mediating role of well-being and positive moderation of joy (moderated mediation). The relationship between frugality and congruence, which was also not directly confirmed, was made possible by the mediation of well-being, and further enhanced by the moderation of joy.

These results point to the importance of positive feelings during times of crisis, such as the COVID-19 pandemic, in the sense of life balance, an important aspect of consumer relations (El Hedhli, Zourrig & Chebat, 2016, Kang, Martinez & Johnson, 2021). The study further advances the knowledge of customer profiles during crises, particularly the recent pandemic. The existing literature is insufficient on consumer segmentation in the COVID-19 health crisis. This study proposes a novel way of understanding heterogeneous profiles not observed in consumer groups. The identification of three consumer profiles based on personal and spiritual life congruence offers a new alternative for organizations and policymakers.

Moments of crisis are fortuitous events, but with which little is known about how to deal in terms of consumption. The profiles identified, "Spiritual Insecure" (class 1,  $n = 179$ ), "Intermediate" (class 2,  $n = 58$ ), and "Disbelieving Insecure" (class 3,  $n = 34$ ), indicate a high degree of spirituality in the sample of individuals (6 items), less related personal aspects (3 items). This suggests evidence of the importance of spiritual issues in the view of life balance (congruence) in the sample, and as a basis for consumer segmentation in crises, such as the COVID-19 pandemic. The study contributes conceptually by proposing a theoretical explanation for a possible phenomenon in a unique context in humanity, consumption, and individual introspection amid a pandemic.

The study advances the knowledge on well-being and its antecedents and consequences when consumption plays a significant role. Extant literature on well-being was also silent on crisis administration. This study sheds light on a specific context and its developments in terms of consumption. It also contributes to the macro-marketing literature, with a perspective that reconciles consumption and individual well-being, adding the mediating and moderating role of positive emotions.

The perspective of micromarketing deals with the understanding of how marketing relates to social aspects of everyday life. In this sense, the study suggests that even in moments of despair or extreme difficulties, people could balance their needs, aspirations, limitations, and so forth to accommodate also preoccupations regarding well-being when it is caused by material aspects of life, symbolized by personal belongings.

The study also combines the role of faith during a crisis and its controversial relationship with the balance between a simpler lifestyle (frugality) and the tempting promises of consumption (materialism). In short, the study reflects an interconnected set of mixed sensations, thoughts, and aspects upon which an individual reflects as the crisis evolves. The reflection about congruence between personal affairs and spiritual ones are at odds with materialism, and maybe frugality may mirror a search for life with less concerns. In this sense, positive feelings aspects such as joy may function as an important mechanism to reduce the burden of a crisis and the conflicting choices between materialism and simplicity.

The methodological contribution of the study is precisely in analyzing indirect mediating and moderating mechanisms for life balance and consumption, and the way to



develop segmentation, based on Latent Class Analysis. Managerially, this study contributes by presenting managers with a greater understanding of consumer behavior, considering not only consumption dimensions, such as well-being and happiness. Companies could also develop strategies to handle a mix of contradictions in consumer cognition. From one side they want to search for sources of material happiness, or otherwise, more spiritual happiness. The strategy may not be to explore this fragility to sell more, but, on the contrary, to develop deeper relationships.

As limitations, this study could have proposed other intervening mechanisms, such as other positive emotions, and a future perspective, such as hope. Future studies could evaluate this same model after the pandemic. Whether the pandemic will certainly come to an end is not known at this point, but the history of humanity indicates that it will. However, this study suggests that the individual's relationship with consumption and his life balance must change.

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