CHAPTER 10
The Family and Its Social Class Standing

LEARNING OBJECTIVES

After studying this chapter students should be able to:
1. Understand the changing nature of U.S. families, including their composition and spending patterns.
2. Understand the socialization process and other roles of the family.
3. Understand the dynamics of husband-wife decision making, as well as the influence of children in family consumption decision-making.
4. Understand how traditional and non-traditional family life cycles impact consumer behavior.
5. Understand what social class is and how it relates to consumer behavior.
6. Understand the various measures of social class and their role in consumer behavior.
7. Appreciate the distinctive profiles of specific social class groupings.
8. Understand the “ups and downs” of social class mobility.
9. Understand the relationship between social class and geodemographic clusters.
10. Understand the affluent consumer.
11. Understand the middle-class consumer.
12. Understand the working class and other non-affluent consumers.
13. Understand the nature and influence of the “techno-class.”
14. Understand how social class is used in consumer research studies.

CHAPTER SUMMARY

For many consumers their family is their primary reference group for many attitudes and behaviors. The family is the prime target market for most products and product categories. As the most basic membership group, families are defined as two or more persons related by blood, marriage, or adoption who reside together. There are three types of families: married couples, nuclear families, and extended families. Socialization is a core function of the family. Other functions of the family are the provision of economic and emotional support and the pursuit of a suitable lifestyle for its members.

The members of a family assume specific roles in their everyday functioning; such roles or tasks extend to the realm of consumer purchase decisions. Key consumer-related roles of family members include influencers, gatekeepers, deciders, buyers, preparers, users, maintainers, and disposers. A family’s decision-making style often is influenced by its lifestyle, roles, and cultural factors.

The majority of consumer studies classify family consumption decisions as husband-dominated, wife-dominated, joint, or autonomic decisions. The extent and nature of husband–wife influence
in family decisions depend, in part, on the specific product or service and selected cultural influences.

Classification of families by stage in the family life cycle (FLC) provides valuable insights into family consumption related behavior. The traditional FLC begins with bachelorhood, moves on to marriage, then to an expanding family, to a contracting family, and to an end with the death of a spouse. Dynamic sociodemographic changes in society have resulted in many nontraditional stages that a family or nonfamily household might pass through (such as childless couples, couples marrying later in life, single parents, unmarried couples, or single-person households). These nontraditional stages are becoming increasingly important to marketers in terms of specific market niches.

Social stratification, the division of members of a society into a hierarchy of distinct social classes, exists in all societies and cultures. Social class usually is defined by the amount of status that members of a specific class possess in relation to members of other classes. Social-class membership often serves as a frame of reference (a reference group) for the development of consumer attitudes and behavior.

The measurement of social class is concerned with classifying individuals into social-class groupings. These groupings are of particular value to marketers, who use social classification as an effective means of identifying and segmenting target markets. There are three basic methods for measuring social class: subjective measurement, reputational measurement, and objective measurement. Subjective measures rely on an individual’s self-perception; reputational measures rely on an individual’s perceptions of others; and objective measures use specific socioeconomic measures, either alone (as a single variable index) or in combination with others (as a composite variable index). Composite-variable indexes, such as the Index of Status Characteristics and the Socioeconomic Status Score, combine a number of socioeconomic factors to form one overall measure of social-class standing.

Class structures range from two-class to nine-class systems. A frequently used classification system consists of six classes: upper-upper, lower-upper, upper-middle, lower-middle, upper-lower, and lower-lower classes. Profiles of these classes indicate that the socioeconomic differences among classes are reflected in differences in attitudes, in leisure activities, and in consumption habits. This is why segmentation by social class is of special interest to marketers.

In recent years, some marketers have turned to geodemographic clustering as an alternative to a strict social-class typology. Geodemographic clustering is a technique that combines geographic and socioeconomic factors to locate concentrations of consumers with particular characteristics. Particular attention currently is being directed to affluent consumers, who represent the fastest-growing segment in our population; however, some marketers are finding it extremely profitable to cater to the needs of nonaffluent consumers.

Research has revealed social-class differences in clothing habits, home decoration, and leisure activities, as well as saving, spending, and credit habits. Thus, astute marketers tailor specific product and promotional strategies to each social class target segment.
CHAPTER OUTLINE

INTRODUCTION

1. **Family** is a basic concept, but it is not easy to define because family composition and structure, as well as the roles played by family members, are almost always in transition.
2. Traditionally, family is defined as two or more persons related by blood, marriage, or adoption who reside together.
3. In a more dynamic sense, the individuals who constitute a family might be described as members of the most basic social group who live together and interact to satisfy their personal and mutual needs.
4. According to many, the family remains the central or dominant institution in providing for the welfare of its members and is the major household consumer and consuming unit.

THE CHANGING U.S. FAMILY

1. Although families sometimes are referred to as households, not all households are families.
2. In most Western societies, three types of families dominate: the married couple, the nuclear family, and the extended family. Types include:
   a) The married couple—a husband and wife; is the simplest structure.
   b) The **nuclear family**—a husband and wife and one or more children. This is still commonplace but on the decline.
   c) The **extended family**—a husband, wife, one or more children, and at least one grandparent. At one time this was the norm, but geographic mobility has reduced its presence.
   d) A fourth form, the **single-parent family**—one parent and at least one child—is growing due to divorce, separation, and out-of-wedlock births.
3. The predominant form of the family is largely influenced by the culture within which the families exist.
4. Important demographic changes reflect the dynamic nature of the family.
5. Research results indicate that there is little to no difference between working and non-working wives with respect to the purchases of timesaving durables.
6. A husband’s behavior with respect to household chores remained the same whether the wife was or was not employed, and the ultimate responsibility for household management still belonged to the wife.
7. There is no doubt that the “typical” or “traditional” family household has changed.
8. Attitudes with respect to children and child-rearing have also been changing.
9. Family mealtime has also changed. It is replaced with the child eating away from the parents, leaving less opportunity for interaction with parents.

EVER-CHANGING HOUSEHOLD SPENDING PATTERNS

1. The past 50 years have witnessed some dramatic changes in how families spend their incomes.
2. The average American family’s spending on food was down from 32¢ spent out of every dollar in 1950 to 13¢ in 2005 while 44 percent of food spending in 2005 went for restaurant dining and takeout food – up from 21 percent in 1960.

SOCIALIZATION OF FAMILY MEMBERS

1. The socialization of family members is a central family function.
2. In the case of young children, this process includes imparting to children the basic values and modes of behavior consistent with the culture.
   a) These generally include moral and religious principles, interpersonal skills, dress and grooming standards, appropriate manners and speech, and the selection of suitable educational and occupational or career goals.
3. Parental socialization responsibility seems to be constantly expanding.
4. A sign of parents’ constant pressure to help their young children secure an “advantage” or “keep ahead” are the demanding daily schedules that rule the lives of many children.
5. Marketers frequently target parents who are looking for assistance in the task of socializing their children.
   a) To this end, marketers are sensitive to the fact that the socialization of young children provides an opportunity to establish a foundation on which later experiences continue to build throughout life.

CONSUMER SOCIALIZATION OF CHILDREN

1. The aspect of childhood socialization that is particularly relevant to the study of consumer behavior is consumer socialization, which is defined as the process by which children acquire the skills, knowledge, and attitudes and experiences necessary to function as consumers.
2. A variety of studies have focused on how children develop consumption skills.
a) Many preadolescent children acquire their consumer behavior norms through observation of their parents and older siblings who function as role models and sources of cues for basic consumption learning.
b) In contrast, adolescents and teenagers are likely to look to their friends for models of acceptable consumption behavior.

3. Shared shopping experiences (i.e., co-shopping is when mother and child shop together) also gives children the opportunity to acquire in-store shopping skills.
   a) Co-shopping is a way of spending time with one’s children while at the same time accomplishing a necessary task.

4. Consumer socialization also serves as a tool by which parents influence other aspects of the socialization process.
   a) For instance, parents frequently use the promise or reward of material goods as a device to modify or control a child’s behavior.
   b) According to research, adolescents reported that their parents frequently used the promise of chocolate candy as a means of controlling their behavior (e.g., getting them to complete homework or to clean their rooms).

5. A **socialization agent** is a person or organization involved in the socialization process “because of frequency of contact with the individual and control over the rewards and punishments given to the individual.”

6. Mothers are generally considered to be stronger consumer socialization agents than their husbands, because they tend to be more involved with their children, and are more likely to mediate their children’s exposure to commercial messages.

7. Consumer socialization of children does not function identically in all cultures.

8. There is research evidence to suggest that a child’s age and sex, family size, social class and race are important factors in the consumer socialization process.

**Use Key Terms consumer socialization & socialization agent Here; Use Learning Objective #8 Here; Use Table #10.3 Here**

**Growing Up in a Materialistic World**

1. Children learn to attach importance to worldly possessions at an early age.
2. A recent study conducted with school-aged children in Minnesota found that materialism increases from middle childhood to early adolescence and then declines from early to late adolescence.
3. The research also found an inverse relationship between self-esteem and materialism in children and adolescents.
4. Another aspect of the consumer socialization process, particularly for adolescents, is the development of skepticism toward product and service claims and advertising.

**ADULT CONSUMER SOCIALIZATION**

1. Socialization begins in early childhood and extends throughout a person’s entire life.
INTERGENATIONAL SOCIALIZATION

1. It is common for product or brand loyalty or preference to be passed from one generation to another, sometimes up to three or four generations.

Other basic functions include economic well-being, emotional support, and suitable family lifestyles.

Economic Well-Being

1. Providing financial means to its dependents is unquestionably a basic family function.
2. How the family divides its responsibilities for providing economic well-being has changed considerably during the past 30 years.
   a) No longer are the traditional roles of husband as economic provider and wife as homemaker and child-rearer still valid.
   b) It is very common for married women with children in the United States and other industrial countries to be employed outside the home and for their husbands to share household responsibilities.
   c) More than 70 percent of women in United States who are over the age of 18 claim that it is more difficult to be a mother now than it was 20 or 30 years ago.
3. The economic role of children also has changed.
   a) Today, although many teenage children work, they rarely assist the family financially.
   b) Teenagers are expected to pay for their own amusements; others contribute to the costs of their formal education and prepare themselves to be financially independent.

Emotional Support

1. The provision of emotional nourishment (including love, affection, and intimacy) to its members is an important core function of the contemporary family.
2. The family provides support and encouragement and assists its members in coping with decision making and personal or social problems.
3. If the family cannot provide adequate assistance when it is needed, it may turn to a counselor, psychologist or other helping professional as an alternative.

Suitable Family Lifestyles

1. Another important family function in terms of consumer behavior is the establishment of a suitable lifestyle for the family.
2. Upbringing, experience, and the personal and jointly held goals of the spouses determine the importance placed on education or career, on reading, television viewing, the learning of
computer skills, the frequency and quality of dining out, and on the selection of other entertainment and recreational activities.
3. Family lifestyle commitments, including the allocation of time, are greatly influencing consumption patterns.

**Use Discussion Questions #1 & #2 Here**

**FAMILY DECISION MAKING AND CONSUMPTION-RELATED ROLES**

1. Marketers most frequently examine the attitudes and behavior of the one family member whom they believe to be the major decision maker.
2. Sometimes they also examine the attitudes and behavior of the person most likely to be the primary user of the product or service.

**Use Learning Objective #10.3 Here**

**DYNAMICS OF HUSBAND-WIFE DECISION MAKING**

1. Marketers are interested in the relative amount of influence that a husband and a wife have when it comes to family consumption choices.
2. Family consumption decisions can be classified as:
   a) **Husband dominated**
   b) **Wife dominated**
   c) **Joint**—equal or syncratic
   d) **Autonomic**—solitary or unilateral
3. The relative influence of a husband and wife on a particular consumer decision depends in part on the product and service category.
   a) The relative influence has changed over time.
4. Husband-wife decision-making also appears to be related to cultural influence.
   a) In the People’s Republic of China, there were substantially fewer “joint” decisions and more “husband-dominated” decisions for many household purchases than among Chinese in the United States.

**Use Key Terms husband dominated, wife dominated, joint, and autonomic Here**

**THE EXPANDING ROLE OF CHILDREN IN FAMILY DECISION MAKING**

1. Over the past several decades, there has been a trend toward children playing a more active role in what the family buys, as well as in the family decision-making process.
2. This shift in influence has occurred as a result of families having fewer children, more dual-income couples who can afford to permit their children to make a greater number of the choices, and the encourage of the media to allow children to “express themselves.”
3. Research reveals that children have considerable influence on family decision-making.
4. Research evidence supports the notion that the extent to which children influence a family’s purchases is related to family communications patterns.

5. Children’s influence has been found to be highest in families where the parents are pluralistic parents (i.e., parents who encourage children to speak-up and express their individual preferences on purchase) and consensual parents (i.e., parents who encourage children to seek harmony, but are nevertheless open to the children’s viewpoint on purchases), because such parents allow their children a significantly greater amount of influence that do protective parents (i.e., parents who stress that children should not stress their own preferences, but rather go along with the parents judgment on what is to be purchased).

6. Research has explored the notion of the teen Internet maven—teenagers who spend considerable time on the Internet and know how to search for and find information, and respond to requests from others to provide information.

7. Advertisers have long recognized the importance of children’s “pester power” and therefore encourage children to “pester” their parents to purchase what they see in ads.

8. The strategies used by children to influence their parents’ food purchasing decisions included such persuasive strategies as: stating their preferences or begging; and emotional strategies, such as asking repetitively for a product (in a way that irritates the parents).

*****Use Tables #10-4 & #10-5 Here; Use Figure #10-5 Here *****

THE FAMILY LIFE CYCLE

1. The **family life cycle (FLC)** is a progression of stages through which many families pass.

2. The current decline in the percentage of families that progress through a traditional FLC (to be explored shortly) seems to be caused by a host of societal factors including:
   a) Increasing divorce rate
   b) The explosive number of out-of-wedlock births
   c) The 40–plus year decline in the number of extended families as many young families moved to advance their job and career opportunities

3. FLC analysis enables marketers to segment families in terms of a series of stages spanning the life course of a family unit.

4. The FLC is a composite variable created by systematically combining such commonly used demographic variables as marital status, size of family, age of family members (focusing on the age of the oldest or youngest child), and employment status of the head of household.

5. The ages of the parents and the relative amount of disposable income usually are inferred from the stage in the family life cycle.

6. The text divides the treatment of the FLC concept into two sections:
   a) The first section considers the traditional FLC schema.
   b) The alternative FLC stages, including increasingly important nontraditional family structures, are considered separately.

*****Use Key Term family life cycle (FLC) Here; Use Learning Objective #10.4 Here*****
Traditional Family Life Cycle

1. Traditional family life cycle is a progression of stages through which many families pass.
2. The model has five basic stages.
   a) Stage I—Bachelorhood. Young single adult living apart from parents.
   b) Stage II—Honeymooners. Young married couple.
   c) Stage III—Parenthood. Married couple with at least one child living at home.
   d) Stage IV—Postparenthood. An older married couple with no children living at home.
   e) Stage V—Dissolution. One surviving spouse.

*****Use Key Term traditional family life cycle Here*****

Stage I—Bachelorhood

1. The first FLC stage consists of young single men and women who have established households apart from their parents.
2. Most members of this FLC stage are fully employed; many are college or graduate students who have left their parents’ homes.
3. Young single adults are apt to spend their incomes on rent, basic home furnishings, the purchase and maintenance of automobiles, travel and entertainment, and clothing and accessories.
4. Members of the bachelorhood stage frequently have sufficient disposable income to indulge themselves.
5. Marketers target singles for a wide variety of products and services.
6. Marriage marks the transition from the bachelorhood stage to the honeymooner stage.

*****Use Figure #10.6 Here*****

Stage II—Honeymooners

1. The honeymoon stage starts immediately after the marriage vows are taken and generally continues until the arrival of the couple’s first child.
2. This FLC stage serves as a period of adjustment to married life.
3. These couples often have available a combined income that often permits a lifestyle that provides them with the opportunities of more indulgent purchasing of possessions or allows them to save or invest their extra income.
4. Honeymooners have considerable start-up expenses when establishing a new home (major and minor appliances, bedroom and living room furniture, carpeting, drapes, dishes, and a host of utensils and accessory items).
5. During this stage, the advice and experience of other married couples are likely to be important to newlyweds.
   a) Also important as sources of new product information are the so-called shelter magazines, such as Better Homes and Gardens and Metropolitan Home.
Stage III—Parenthood

1. When a couple has its first child, the honeymoon is considered over.
2. The parenthood stage (sometimes called the full-nest stage) usually extends over more than a 20-year period.
   a) Because of its long duration, this stage can be divided into shorter phases.
      i) Preschool phase
      ii) Elementary school phase
      iii) High school phase
      iv) College phase
3. Throughout these parenthood phases, the interrelationships of family members and the structure of the family gradually change and the financial resources of the family change significantly.
4. Many magazines cater to the information and entertainment needs of parents and children.

Stage IV—Postparenthood

1. Postparenthood, when all the children have left home, is traumatic for some parents and liberating for others.
2. This so-called empty-nest stage signifies for many parents almost a “rebirth,” a time for doing all the things they could not do while the children were at home and they had to worry about soaring educational expenses.
3. For both, it is the time to travel, take extended vacations and are likely to purchase a second home in a warmer climate.
4. They have higher disposable incomes.
5. They look forward to being involved grandparents.
6. They are an important market for luxury goods, new automobiles, expensive furniture, and vacations to faraway places.

*****Use Figure #10-7 Here*****

Stage V—Dissolution

1. Dissolution of the basic family unit occurs with the death of one spouse. The surviving spouse (usually the wife) often tends to follow a more economical lifestyle. Many surviving spouses seek each other out for companionship; others enter into second (or third and even fourth) marriages.

*****Use Discussion Question #3 Here*****

Marketing and the Traditional FLC

1. It is possible to trace how the FLC concept impacts a single product or service over time.
MODIFICATIONS – THE NONTRADITIONAL FLC

1. The traditional FLC model has lost some of its ability to represent the current stages a family passes through.
2. The underlying sociodemographic forces that drive this expanded FLC model include divorce and later marriages, with and without the presence of children.
3. Although somewhat greater reality is provided by this modified FLC model, it only recognizes families that started in marriage, ignoring such single-parent households as unwed mothers and single persons who adopt a child.

Nontraditional FLC Stages

1. Nontraditional FLC stages are derived from the dynamic sociodemographic forces operating during the past 30 or so years.
2. These nontraditional stages include not only family households, but also nonfamily households: those consisting of a single individual and those consisting of two or more unrelated individuals.
3. Nearly 30 percent of all households are currently nonfamily households (i.e., men or women living alone or with another person as an unmarried couple).

Consumption in Nontraditional Families

1. When households undergo status changes, they become attractive targets for many marketers.

Dual Spousal Work Involvement (DSWI): An Alternative Family/Household Classification System

1. DSWI is a new composite index that uses occupational status and the career commitment of both spouses as a basis for segmentation.
2. The result is an eight-category schema:
   a. Retired couples
   b. Nonworking wife, low husband-occupation status couples
   c. Nonworking wife, high husband-occupation status couples
   d. Dual low occupation status, blue-collar husband couples
   e. Dual low occupation status, low white-collar husband couples
   f. High husband, low wife-occupation status couples
   g. Medium-high wife-occupation status couples
   h. Dual-very high occupation status career couples
3. Empirical research has shown that this model can explain both attitudes/motivations and consumer spending.
WHAT IS SOCIAL CLASS?

1. Some form of class structure or social stratification has existed in all societies throughout the history of human existence.
2. Social class can be thought of as a continuum – a range of social positions on which each member of society can be placed – researchers have preferred to divide the continuum into a small number of specific social classes, or strats.
3. The concept of social class is used to assign individuals or families to a social-class category.
4. Social class is defined as the division of members of a society into a hierarchy of distinct status classes, so that members of each class have relatively the same status and members of all other classes have either more or less status.

SOCIAL CLASS AND SOCIAL STATUS

1. Researchers define each social class by the amount of status (social status) the members of that class have in comparison to members of other social classes.
2. In social class research (sometimes called social stratification), status is frequently thought of as the relative rankings of members of each social class in terms of specific status factors. Examples include:
   a) Relative wealth—amount of economic assets
   b) Power—degree of personal choice
   c) Prestige—the degree of recognition received from others
3. To secure an understanding of how status operates within the minds of consumers, researchers have explored the idea of social comparison theory.
   a) The idea is that individuals quite normally compare their own material possessions with those owned by others in order to determine their relative social standing.
   b) Status is often defined in terms of purchasing power.
4. Although social comparison theory and its related activity of status consumption have the potential of being very enlightening about status and how it operates, consumer and marketing researchers most often approach the actual study of status in terms of one or more of the following demographic variables:
   a) Family income
   b) Occupational status or prestige
   c) Educational attainment
a) The choice of how many separate classes to use depends on the amount of detail that the researcher believes is necessary to explain adequately the attitudes or behavior under study.

2. Marketers are interested in the social class structures of communities that are potential markets for their products and in the specific social class level of their potential customers.

***** Use Table #10.8 Here*****

THE MEASUREMENT OF SOCIAL CLASS

1. There is no general agreement as to how to measure social class.
2. The result is a wide variety of measurement techniques, which may be classified into subjective measures and objective measures of social class.

***** Use Key Terms subjective measures and objective measures Here; Use Learning Objective #10.6 Here*****

SUBJECTIVE MEASURES

1. In the subjective approach to measuring social class, individuals are asked to estimate their own social class positions.
   a) The resulting classification of social class membership is based on the participants’ self-perceptions or self-images.
   b) Social class is treated as a “personal” phenomenon, one that reflects an individual’s sense of belonging or identification with others.
   c) This feeling of social-group membership is often referred to as class consciousness.

2. Subjective measures of social class membership tend to produce an overabundance of people who classify themselves as middle class.
   a) Moreover, it is likely that the subjective perception of one’s social class membership, as a reflection of one’s self-image, is related to product usage and consumption preferences.

***** Use Key Term class consciousness Here*****

OBJECTIVE MEASURES

1. Objective measures consist of selected demographic or socioeconomic variables concerning the individual(s) under study.
   a) These are measured through questionnaires of factual questions.
   b) The most frequently used questions are about occupation, amount of income, and education.
   c) Sometimes geodemographic data in the form of zip codes and residence-neighborhood information is added.
2. Socioeconomic measures of social class are important when segmenting the market. Marketers match the socioeconomic profiles of their target audience with the audience profiles of selected media.

3. Marketing managers who have developed socioeconomic profiles of their target markets can locate these markets (i.e., identify and measure them) by studying the socioeconomic data periodically issued by the United States Bureau of the Census and numerous commercial geodemographic data services.

4. Socioeconomic audience profiles are regularly developed and routinely made available to potential advertisers by most of the mass media.

   a) These objective measures of social class fall into two basic categories, single variable indexes and composite variable indexes.

Single-Variable Indexes

1. A single-variable index uses only one socioeconomic variable to evaluate social class membership. Four examples follow:

   a) **Occupation**—occupation is a widely accepted and probably the best documented measure of social class, because it reflects occupational status.

      i) The importance of occupation as a social class indicator is dramatized by the frequency with which people ask others they meet for the first time, “What do you do for a living?”

      ii) More important, marketers frequently think in terms of specific occupations when defining a target market for their products.

      iii) It appears that business executives and professionals who are self-employed or entrepreneurs are substantially more likely to be very wealthy than their counterparts who work for someone else.

   b) **Education**—the level of a person’s formal education is another commonly accepted approximation of social class standing.

      i) Generally speaking, the more education a person has, the more likely it is that the person is well paid.

      ii) Research has shown that different social classes often approach the notion of a college degree very differently.

   c) **Income**—researchers who favor income as a measure of social class use either amount or source of income.
A recent effort to differentiate between “income” and “wealth,” points that:
   a) Wealth, not income, is the primary driver to financial freedom.
   b) Wealth and money are not the same.
   c) For wealth you need to network and build personal alliances.
   d) You need to find ways to minimize your taxes because taxes reduce your ability to create wealth.

The distribution of income and net worth in the United State has become more unbalanced over the past few decades.

Although income is a popular estimate of social class standing, not all consumer researchers agree that it is an appropriate index of social class.

Some argue that a blue-collar automobile electrician and a white-collar administrative assistant may both earn $77,000 a year, yet because of (or as a reflection of) social class differences, each will spend that income in a different way.

It is the differences in values that is an important discriminate of social class between people, not the amount of income they earn.

Composite-Variable Indexes

1. Composite-indexes systematically combine a number of socioeconomic variables to form one overall measure of social-class standing.
   a) They seem to better reflect social class complexity than single element indicators.

2. Two of the more important composite indexes are:
   a) **Index of Status Characteristics**—the Warner Index of Status Characteristics (ISC)—is a classic composite measure of social class that weighs occupation, source of income, house type, and dwelling area equality of neighborhood.
   b) **Socioeconomic Status Scores**—the United States Bureau of Census developed the Socioeconomic Status Score (SES) that combines the socioeconomic variables of occupation, family income, and educational attainment.

LIFESTYLE PROFILES OF THE SOCIAL CLASSES

1. Consumer research has found evidence that within each of the social classes, there is a constellation of specific lifestyle factors (shared beliefs, attitudes, activities, and behaviors) that distinguish members of a social class from members of other social classes.

2. People in any class may possess values, attitudes, and behavioral patterns that are a hybrid of two or more classes.
SOCIAL CLASS MOBILITY

1. Individuals can move either up or down in social class standing from the class position held by their parents.
2. Most Americans think of **upward mobility**.
   a) This results in the upper classes being the reference group for many ambitious men and women in America.
   b) Recognizing these aspirations, marketers frequently incorporate higher-class symbols into their advertising.
3. Social class mobility also contributes to products and services filtering down from a higher level to a lower one.

*****Use Key Term upward mobility Here; Use Learning Objective #10.8 Here*****

SOME SIGNS OF DOWNWARD MOBILITY

1. There are signs of some **downward mobility**.
2. Some young adults will find it very difficult to “do better” than their parents, and may not do as well as their mothers and fathers.
3. Researchers have found that the odds that young men’s income will reach middle-class levels by the time they reach their thirtieth birthday have been slowly declining.

*****Use Key Term downward mobility Here*****

IS HORATIO ALGER DEAD?

1. There is a growing body of evidence that social mobility in America is not what it used to be.
2. Income inequality is rising to levels not seen since the 1880s.
3. There are signs that social mobility is falling.
4. Americans are no more or less likely to rise above or fall below, their parents’ economic class than they were 35 years ago.

GEOodemographic clustering

1. Traditional social class measures have been enhanced by the linkage of geographic and socioeconomic consumer data to create more powerful **geodemographic clusters**.
2. The underlying rationale for geodemographic clustering is that “birds of a feather flock together.”
3. One popular clustering service is **PRIZM**.
   a) This service assigns every one of the U.S. micro neighborhoods (zip + 4 areas) to one of 66 PRIZM clusters.
   b) These are collapsed into 14 social groups (that reflect the extent of wealth and a kind of geographic density or “urbanicity” continuum) and also some 11 lifestage groups (that reflect the extent of wealth and life-age stages).
c) Marketers can superimpose these geodemographic clusters onto product and service usage data, media exposure data, and lifestyle data to create a sharply defined picture of their target markets.

THE AFFLUENT CONSUMER

1. Affluent households are attractive target segments because its members have incomes that provide them with a disproportionately larger share of all discretionary income.
2. The wealth of Americans grew dramatically during the 1990s partially due to the longest bull market in U.S. history.
3. While the affluent market is most often defined by income or net worth, on research study explored this market to examine whether such a definition was sufficient.
4. The study proposed than an operational definition of affluent should also include both lifestyle and psychographic factors because the heads of affluent households have a tendency to behave and think affluent.
5. For over 30 years, Ipsos Mendelsohn (formerly Mendelsohn Media Research) has conducted an annual study of the affluent market—currently defined in terms of three affluent segments:
   a) Those with household incomes of $100,000 to $149,000 per year—the “least affluent.”
   b) Those with incomes of $150,000 to $249,000 per year—the “medium affluent.”
   c) Those with incomes of $250,000 or more per year—the “most affluent.”
6. Although the affluent market consists of only 20 percent of all households, this upscale market accounted for over half of all U.S. household income.
7. The first two segments of affluent consumer spend ample amounts purchasing a wide variety of products, but the “most affluent” purchasers spend significantly more.
8. Still further, a growing subcategory of the affluent are millionaires.
   a) Approximately 3 million individuals or families have a net worth of at least $1 million.

THE MEDIA EXPOSURE OF THE AFFLUENT CONSUMER

1. Media habits of the affluent differ from those of the general population
2. Those homes with an income of more than $100,000 a year view less TV than less affluent households.
3. They read 8 different publications, listen to 11.3 hours of weekday radio, and watch 19.5 hours of TV per week.
   a) 95 percent view cable TV.
SEGMENTING THE AFFLUENT MARKET

1. The affluent market is not one single market.
   a) Affluent consumers do not share the same lifestyles.
2. In an effort to isolate distinct segments, Mediamark Research, Inc. has developed the following affluent market-segmentation scheme for the Upper Deck consumers (the top 10 percent of households in terms of incomes):
   a) Well-feathered nests—households that have at least one high-income earner and children present. (37.3 percent of the Upper Deck).
   b) No strings attached—households that have at least one high-income earner and no children. (35.1 percent of the Upper Deck).
   c) Nanny’s in charge—households that have two or more earners, neither earning high incomes, and children present. (8.3 percent of the Upper Deck).
   d) Two careers—households that have two or more earners, neither earning high incomes and no children present. (9.4 percent of the Upper Deck).
   e) The good life—households that have a high degree of affluence with no person employed, or with the head-of-household not employed. (10.0 percent of the Upper Deck)
3. MRI provides its clients with profiles of users of a variety of goods and services frequently targeted to the affluent consumer and specifically to five segments of the upper deck.

MIDDLE-CLASS CONSUMERS

1. It is not easy to define the borders of what is meant by “middle class.”
2. Middle market has been defined as the “middle” 50 percent of household incomes – that is about 57 million households earning between $25,000 and $85,000.
3. For many marketers, “middle class” can be thought of as including households that range from lower-middle to middle-middle class.
4. The dynamic nature of social class in the United States has been working against the middle class.
5. There is mounting evidence that the “middle class” is shrinking in America.
6. This is not true in other countries, where the middle class is increasing.

THE EMERGING CHINESE MIDDLE CLASS

1. Some observers predict that China will become the biggest consumer marketplace on the planet by 2020, other feel that this could occur by 2012.
2. It has been reported that “Chinese consumers are driven more and more by their desire for social status, which is reflected in their buying behaviors, particularly with respect to products positioned as status symbols.

MOVING UP TO “NEAR” LUXURIES

1. Adding to the challenge of defining “middle class” is the reality that luxury and technological products have been becoming more affordable for most consumers and, therefore, more middleclass consumers have access to products and brand that were once considered beyond their reach.
2. Recently there has been an increasing interest n midlevel consumer seeking out more status upscale brands.

THE WORKING CLASS AND OTHER NONAFFLUENT CONSUMERS

1. Although many marketers go after the affluent, the size and income of the working-class or blue-collar group make them an important target market.
2. Lower-income, or downscale consumers are households earning $35,000 or less.
3. Downscale consumers are more brand loyal than wealthier consumers because they can less afford to make mistakes in switching to unfamiliar brands.
4. Marketers need to be sensitive to the reality that downscale consumers often spend a higher percentage of their available incomes on food than do their middle-class counterparts.
   a) Food is an important purchase area for low-income consumers because it represent an are of “indulgence.”

RECOGNIZING THE "TECHNO-CLASS"

1. The degree of literacy, familiarity, and competency with technology, especially computers and the Internet, appears to be a new basis for a kind of “class standing,” or status or prestige.
2. Those who are unfamiliar or lack computer skills are being referred to as “technological underclassed.”
3. Not wanting to see their children left out of the “sweep of computer technology,” parents in all social-class groupings are seeking out early computer exposure for their children.
4. Consumers throughout the world have come to believe that it is critical to acquire a functional understanding of computers in order to ensure that they do not become obsolete or hinder themselves socially or professionally.
5. It appears that those without necessary computer skills will increasingly find themselves to be “underclassed” and “disadvantaged.”
THE GEEK GET STATUS

1. “Geek” is now often viewed by peers as “friendly and fun.”
2. The increasingly positive image of geeks has made them and their lifestyles the target of marketers’ messages designed to appeal to their appetite for novel technological products.

SELECTED CONSUMER BEHAVIOR APPLICATIONS OF SOCIAL CLASS

Social-class profiles provide a broad picture of the values, attitudes, and behavior that distinguish the members of various social classes.

CLOTHING, FASHION, AND SHOPPING

1. Most people dress to fit their self-images, which include their perceptions of their own social class membership.
2. Members of specific social classes differ in terms of what they consider fashionable or in good taste.
   a) Lower middle-class consumers have a strong preference for T-shirts, caps, and other clothing that offer an external point of identification.
   b) Upper-class consumers are likely to buy clothing that is free from such supporting associations.
      i) Upper-class consumers also seek clothing with a more subtle look.
3. Social class is also an important variable in determining where a consumer shops.

THE PURSUIT OF LEISURE

1. Social class membership is also closely related to the choice of recreational and leisure-time activities.
   a) Upper-class consumers are likely to attend the theater and concerts, to play bridge, and to attend college football games.
   b) Lower-class consumers tend to be avid television watchers and fishing enthusiasts, and they enjoy drive-in movies and baseball games.
2. There appears to be a trend toward more spending on “experiences” that bring the family together and less spending on “things.”

SAVING, SPENDING, AND CREDIT

1. Saving, spending, and credit card usage all seem to be related to social class standing.
2. Upper-class consumers are more future-oriented and confident of their financial acumen; they are more willing to invest in insurance, stocks, and real estate.
3. In comparison, lower-class consumers are generally more concerned with immediate gratification; when they do save, they are primarily interested in safety and security.

SOCIAL CLASS AND COMMUNICATION

1. Social class groupings differ in terms of their media habits and in how they transmit and receive communications.
2. When it comes to describing their world, lower-class consumers tend to portray it in rather personal and concrete terms, although middle-class consumers are able to describe their experiences from a number of different perspectives.
3. Such variations in response indicate that middle-class consumers have a broader or more general view of the world, although lower-class consumers tend to have a narrow or personal view, seeing the world through their own immediate experiences.
4. Regional differences in terminology, choice of words and phrases, and patterns of usage also tend to increase as we move down the social class ladder.
5. Selective exposure to various types of mass media differs by social class.
   a) Higher social class members tend to prefer current events and drama, although lower-class individuals tend to prefer soap operas, quiz shows, and situation comedies.
   b) Higher-class consumers tend to have greater exposure to magazines and newspapers than do their lower-class counterparts.
   c) Lower-class consumers are likely to have greater exposure to publications that dramatize romance and the lifestyles of movie and television celebrities.

DISCUSSION QUESTIONS

1. How does the family influence the consumer socialization of children? What role does television play in consumer socialization?

The family influences the consumer socialization of its children by imparting values, beliefs, attitudes and modes of behavior that relate to consumption through either direct instruction of children, or indirectly as children imitate the behavior of other family members. It was found that TV commercials have great influence on children. Thus, television advertising conveys consumption-related values and is part of the consumer socialization of children. This role of TV is important to both marketers and legislators because of the sometimes rather fine distinction between what constitutes effective marketing and potentially harmful influence on children.
2. As a marketing consultant, you were retained by the Walt Disney Company to design a study investigating how families make vacation decisions. Whom, within the family, would you interview? What kind of questions would you ask? How would you assess the relative power of each family member in making vacation-related decisions?

As Disney’s marketing consultant, you must identify the distinct roles in the family decision-making process regarding vacations. You should identify and interview both the influencers and deciders regarding vacation decisions. It is likely that you would have to interview both parents and children. The questions asked should be designed to reveal the relative influence of the various family members regarding the many factors involved in a typical family’s decision to visit Disney World. These factors include; the time of year during which the vacation is taken; the length of the vacation; the amount of money to be spent.

3. Which of the five stages of the traditional family life cycle constitute the most lucrative segment(s) for the following products and services: (a) telephone party lines, (b) a Club Med vacation, (c) Domino’s pizza, (d) compact disc players, (e) mutual funds, and (f) motor homes? Explain your answers.

Students should segment the markets for these products in the context of the information presented on the five basic stages of the FLC, and propose appropriate strategies to market these products to the chosen target markets. For each stage of the FLC, the students should evaluate the purchase likelihood of each of the six products and services by applying a ranking scale ranging from 1 = very low purchase probability, to 5 = very high probability.

4. Marketing researchers generally use the objective method to measure social class rather than the subjective or reputational methods. Why is the objective method preferred by researchers?

The objective method is often preferred because: a) The objective approach is based on consumers’ responses to one or more factual questions about socioeconomic items (e.g., occupation, income, education), which can be easily included in most self-administrated marketing research questionnaires. b) Most media have socioeconomic profiles of their audiences; therefore, objective measures are useful for matching media audiences and target markets. c) Because the subjective method relies on self-perception, it tends to produce an overabundance of people who classify themselves as “middle class” or “don’t know.” d) The reputational method relies on an informed participant to make judgments concerning the social class membership of others and, therefore, it is limited to small community studies. On the other hand, a marketing research study that utilizes a sample drawn from a large population is generally required to yield the kind of findings needed for formulating marketing strategies.

5. Under what circumstances would you expect income to be a better predictor of consumer behavior than a composite measure of social class (e.g., based on income, education, and occupation)? When would you expect the composite social class measure to be superior?
Whether income alone or a composite measure of social class is a better predictor of consumer behavior is likely to depend on what dimension of consumer behavior is being predicted. For acquisitive behavior (i.e., buying or not buying a product), income alone has been found to be a better predictor. For more expressive behavior (i.e., frequency of use, how the product is used), however, composite variable indexes have been found to be better predictors.

6. Which status related variable—occupation, education or income—is the most appropriate segmentation base for: (a) expensive vacations, (b) opera subscriptions, (c) People magazine subscriptions, (d) fat-free foods, (e) personal computers, (f) pocket-size cellular telephones, and (g) health clubs?

Occupation is the most appropriate segmentation base for personal computers and cellular telephones because these products reflect a person’s career and profession. Education should be used to segment markets for opera and magazine subscriptions and for products and services that are related to physical health (e.g., fat-free foods, health clubs) because such purchases reflect a person’s educational attainment. Expensive vacations (e.g., flying to Europe on the Concord or winter weekend trips to an island with a warm climate) are non-necessity, luxurious activities that only individuals with very high incomes can afford.

7. Consider the Rolex watch, which has a retail price range starting at about $4,000 for a stainless steel model to thousands of dollars for a solid gold model. How might the Rolex company use geodemographic clustering in its marketing efforts?

First, Rolex should identify the socioeconomic characteristics of the buyers of its product line. A service such as PRIZM could be used to pinpoint the geographic areas in the United States where such individuals reside. The firm should then make sure that its products are sold by retailers in those areas, and advertise them in the local media and national periodicals that offer local editions to the selected areas.

8. You are the owner of two furniture stores: one catering to upper-middle class consumers and the other to lower class consumers. How do social class differences influence each store’s: (a) product lines and styles, (b) advertising media selection, (c) the copy and communication style used in the ads, and (d) payment policies?

(a) The furniture directed at the upper-middle class should be distinctive, highly styled, modern, and with an artistic quality. The furniture directed at the lower-class should be traditional, sturdy, comfortable, and highly utilitarian. (b) Upper-middle-class consumers regard their homes as symbols of achievements and sources of status and prestige. They place symbolic value on furniture, and advertising directed at them should stress a total home environment as a means of self-expression. Lower-class consumers seek respectability and conformity to norms, and promotion directed at them should focus on the practical and utilitarian aspects of furniture. (c) Social classes vary in terms of how they transmit and receive communications. Thus, lower-class members portray their world in rather personal
and concrete terms, and the advertising copy directed at them should be simple, straightforward and should describe immediate experiences. Upper-middle-class people generally describe their experiences from a number of different perspectives, and the promotion directed at them should be designed to create a “total” experience, atmosphere, or feel. (d) Because some lower-class consumers may not have the total sum required for a purchase, the store should offer deposit lay-away and installment payment plans. The retailer should also recognize that members of the lower social classes tend to use their credit cards for installment payments, although members of higher social classes pay their credit card bills in full each month. Thus, an in-store sales appeal of “buy now and pay later” is likely to lure lower-class consumers into buying. In the case of upper-middle-class patrons, an in-store offer of a lower price for payment with cash or personal check rather that a credit card (made possible by the fact that the merchant does not have to pay credit card company fees during such purchases) is an effective payment policy.

EXERCISES

1. Think of a recent major purchase your family has made. Analyze the roles performed by the various family members in terms of the following consumption roles: influencers, gatekeepers, deciders, buyers, preparers, users, maintainers, and disposers.

Instructor’s Discussion

This exercise will illustrate the wide variation of roles that family members play in the family consumption decision-making process.

2. Identify one traditional family and one nontraditional family (or household) featured in a TV sitcom or series. (The two families/households can be featured in the same or in different television shows). Classify the traditional group into one stage of the traditional FLC. Classify the nontraditional group into one of the categories described in Table 10-6. Select two characters of the same gender and approximate age, one from each group, and compare their consumption behavior (such as clothes, furniture, stated or implied attitudes toward spending money).

Instructor’s Discussion

Many TV sitcoms depict nontraditional families or households; the contrast between the two characters selected by the student will illustrate the diversity of American households and families.

3. Copy the list of occupations in Table 10-9 and ask students majoring in areas other than marketing (both business and nonbusiness) to rank the relative prestige of these occupations. Are any differences in the rankings related to the students’ majors? Explain.
Instructor’s Discussion

Table 10-9 presents findings from a continuing survey that estimates the relative honesty and perceived ethical standards that people assign to many basic occupational titles. Because this ranking is based more on perceived societal prestige than on status or wealth, not all of the occupations toward the top half of the table earn greater incomes and/or require more formal education than those toward the bottom half. In reality, however, a close association exists between occupational status, income, and education. This exercise is designed to illustrate that different members of the same society, who share similar values, may still rank various occupations differently, especially when such rating is based on honesty and ethical standards.

4. Select two households featured in two different TV series or sitcoms. Classify each household into one of the social classes discussed in the text, and analyze its lifestyle and consumption behavior.

Instructor’s Discussion

This exercise is designed to show that TV programs often target specific social classes. The instructor should choose the programs. It might even be best if you videotaped the program and showed it in class.

S.T.A.R. PROJECTS

Ethical Issues in Consumer Behavior

S.T.A.R. Project #1
The opening ad to this chapter features one of Dannon yogurt’s new products—Danimals. For a complete look at this new line see www.dannon.com. Notice the headline provided in the chapter opening ad—“Get them started on the road to healthy snacking.” Do you see any ethical difficulties with this approach? What if the Danimals container showed the character saying “Buy me, please. I want to go home with you”? Consider the ethics involved in both of the above questions and write a brief policy statement for Dannon that would give the company direction with respect to its communication contact and responsibility to its customers and their children.

Instructor’s Discussion

The Dannon issue is not an easy one. In the first case, even though promoting snacks or disguising snacks under the cloak of health may be questionable, nothing has been done wrong ethically. At least that would be the view of the company. In the second case, a different issue arises. Having cartoon characters ask children (or their parents) to buy them and take them home creates ethical difficulties. Why? Children are endeared to cartoon characters and, thereby, are heavily influenced by them. All may not feel this way. Promote a discussion. Read the best policy statements to the class.
S.T.A.R. Project #2
The National Beverage Company (see www.nationalbeverage.com) makes the popular Shasta and Faygo drinks. The company also produces water products, juices, and specialty drinks such as VooDoo Rain (similar to Mountain Dew). The company has provided low cost alternatives to store brands and more heavily advertised national brands (such as Coca-Cola and Pepsi-Cola) for a number of years. The Shasta brand is especially popular with cost-conscious moms. Assume that National Beverage is considering a product line expansion to include a wine cooler product. The product will be named Shasta Cooler—“Shasta with a punch!” The rationale behind the move is to capitalize on the popular Shasta name, expand into the rapidly growing wine cooler field, and to increase profits. Assume the company believes that this spin-off brand will also be popular with cost conscious consumers. Evaluate the possibility of this line expansion from an ethical perspective. Considering what you have learned about groups and the family, make a decision for the company. Be sure to explain your position and describe any modifications that you might feel are necessary.

Instructor’s Discussion

Students should see that, although adding the wine cooler product might be an opportunity for the company, confusion with the popular family-oriented product is bound to occur. Is this right or wrong? Will the product’s name and slogan be the main issue? Have students discuss and comment. Be sure to discuss the responsibilities that companies owe to their customers.

Small Group Projects

S.T.A.R. Project #3
The modern grocery store has undergone some dramatic changes that have mirrored the demographic changes that have occurred in our society over the last ten to fifteen years. Family units, singles, and relationships between couples have changed and are continuing to change. Your group assignment is to go to a local grocery store and observe the product categories on the grocery shelves. Consider product line mixes and any perceived changes from a few years ago. For example, which is more dominant—single-serving items or multiple-serving items? Assess what you see. Next, interview a store manager and get his or her impressions on the changing grocery customer. Match this material to the information provided in the chapter. Write a short paper that summarizes your observations, your interview, and your discoveries.

Instructor’s Discussion

This is a good project to help the group master observation and assessment. The group will find that many changes have occurred in the grocery store. How does information technology assist the grocery store in tracking changes (e.g., bar codes)? Read the best of the papers to the class and discuss the perceived changes. Do the changes match the information provided in the chapter?
S.T.A.R. Project #4
As indicated in the chapter, thanks to computers and the Internet, we are witnessing the emergence of a new type of group—virtual groups or communities. A popular form of this type of group or community is one where knowledge is exchanged. The knowledge community or chat room may soon be the primary clearinghouse for information on the Web. Your group’s assignment is to investigate online knowledge communities by visiting the following Web site that provide tools for knowledge community construction: (a) PeopleLink at www.peoplelink. PeopleLink will set up, host, and manage online forums. Your group should write a short evaluation paper that outlines the activities of this site, list primary features and costs of service, and evaluate what you perceive to be the future of knowledge communities as groups (use whatever resources necessary to make this evaluation).

Instructor’s Discussion
The knowledge community is truly a unique form of virtual group. Experts believe it is a group format that will receive increasing attention. Students should have fun exploring this issue. Be sure that groups report their evaluations and findings. For additional knowledge community Web sites see SiteScape at www.sitescape.com, Coolboard at www.coolboard.com and eRoom Technology at www.eroom.com.

Using the Internet to Study Consumer Behavior
S.T.A.R. Project #5
Ask any bride what the major problem with holding her wedding was and she will probably respond, “the planning and all the tension it brought.” As experts in human behavior studied this problem, a simple solution was derived—have someone else do the planning and bear the tension. Today, this is all possible (with a minimal cost) by using the Internet. Many brides-to-be have been thrilled to discover that such Web sites as Bride.com (www.bride.com) and the Wedding Channel (www.weddingchannel.com) take the burden off of their beautiful shoulders and place it where it should be—with the experts. Does the process work? Your assignment is to see. In other words, plan your own wedding using the sites above. Once you have made the attempt, write a short evaluation paper that describes your experience. What connections did the merchants involved attempt to make with you as a potential consumer? What do you perceive to be the principle value of such sites? What problems did you encounter? What other services besides wedding planning could such sites undertake?

Instructor’s Discussion
Yes, even males find this assignment interesting. Students can begin the assignment by listing all the advantages to using such services. Follow with disadvantages. How do the two lists compare? Do such services have a role to play in other events? Could funerals, moving, child birthing, choosing a college, picking a mate, or other tension events be aided through such sites? Students normally have fun discussing this subject. As I have discovered, it is not unusual for a bride-to-be to plan her whole wedding in such a manner. Would there be a cultural stigma associated with such a bold move? Think about it.
S.T.A.R. Project #6

One of the most important reference groups that we all encounter is the friendship group. This was especially true when we were children. One Web site that specializes fostering the friendship group is the PBS Kids site (see www.pbskids.org). This colorful Web site has games, adventures, information, and mechanisms by which even the most distant child may be made to feel part of a larger group. PBS programming stresses the global child. Their Web site does the same thing. Your assignment is to visit the PBS Kids Web site and evaluate it as a reference group mechanism or vehicle for enhancing the friendship group. How would this site influence children? How does the Web site aid the child in making choices? Does the Web site avoid commercialism that is so common to other child-oriented Web sites? If so, how? Be sure to be specific with your comments.

Instructor’s Discussion

The PBS Kids Web site is an excellent site to compare against other child sites such as Disney, Sesame Street, or Warner Bros. Even though the students are no longer children, have them evaluate the Web site with respect to the services provided for children and friendship groups. How does the Web site appeal to this unique reference group? What responsibilities must the site shoulder? How good of a job is it doing? Discussion should follow.

CASE COMMENTS

Case One: Keeping Up with the Joneses

This is a classic example of reference group influence. As the chapter notes, such influence is especially strong when the product is conspicuous, and there are few consumer goods as conspicuous as the car a person drives. Still further, there is a concept (not specifically referred to in the text) called the “next-door neighbor effect;” that is, “birds of a feather flock together.”

Case Two: Social Class in China

As the case suggests there are four key social classes in China. From the perspective of a car manufacturer however, given that the product is either produced overseas and imported into China, or that it is part manufactured and assembled in China, the product cost determines the actual target markets. The nouveau riche and the yuppies are the two social groups that are most likely to be able to afford the products offered by Honda. The nouveau riche is the primary target and although this group only accounts for some 0.10 per cent of the population, it is not an insignificant market. They are the group most receptive to foreign products and the one group that may have sufficient funds to afford them. The second group, the yuppies may aspire to owning foreign products but may lack the income to achieve this goal.