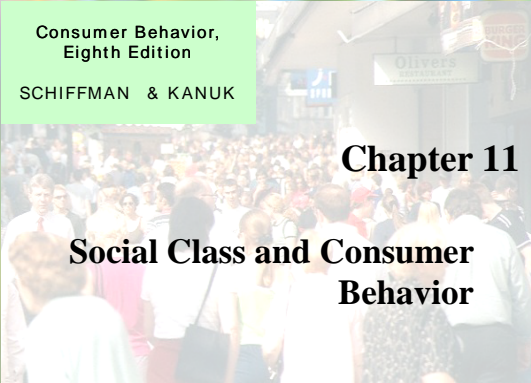


Consumer Behavior,
Eighth Edition
SCHIFFMAN & KANUK



Chapter 11
Social Class and Consumer Behavior

11-1

Social Class

The division of members of a society into a hierarchy of distinct status classes, so that members of each class have either higher or lower status than members of other classes.

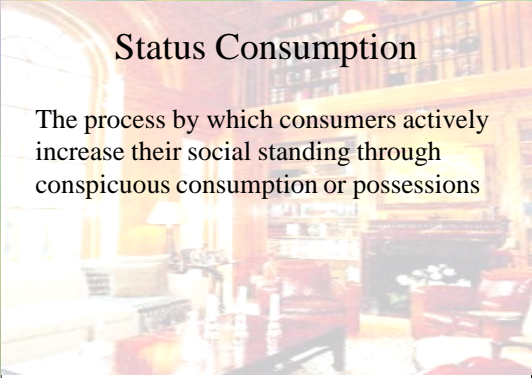
11-2

Social Class and Social Status

- Status is frequently thought of as the relative rankings of members of each social class
 - wealth
 - power
 - prestige

Social Comparison Theory states that individuals compare their own possessions against those of others to determine their relative social standing.

11-3



Status Consumption

The process by which consumers actively increase their social standing through conspicuous consumption or possessions

11-4

Convenient Approaches to Social Class

- Social status is usually defined in terms of one or more of the following socioeconomic variables:
 - Family Income
 - Occupational Status
 - Educational Attainment

11-5




Figure 11.1 Targeting Upscale Customers

11-6

Table 11.3 Percent Distribution of Five-Category Social-Class Measure

SOCIAL CLASSES	PERCENTAGE
Upper	4.3
Upper-middle	13.8
Middle	32.8
Working	32.3
Lower	16.8
Total percentage	100.0

11-7

Social Class Measurement

- **Subjective Measures:** individuals are asked to estimate their own social-class positions
- **Reputational Measures:** informants make judgments concerning the social-class membership of others within the community
- **Objective Measures:** individuals answer specific socioeconomic questions and then are categorized according to answers

11-8

Objective Measures

- **Single-variable indexes**
 - Occupation
 - Education
 - Income
 - Other Variables
- **Composite-variable indexes**
 - Index of Status Characteristics
 - Socioeconomic Status Score

11-9

<p>Index of Status Characteristics (ISC)</p>	<p>A composite measure of social class that combines occupation, source of income (not amount), house type / dwelling area into a single weighted index of social class standing.</p>
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11-13

<p>Socioeconomic Status Score (SES)</p>	<p>A multivariable social class measure used by the United States Bureau of the Census that combines occupational status, family income, and educational attainment into a single measure of social class standing.</p>
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11-14

<p>Table 11.9 Social-Class Profiles</p>	
<p>THE UPPER-UPPER CLASS--COUNTRY CLUB</p> <ul style="list-style-type: none"> •Small number of well-established families •Belong to best country clubs and sponsor major charity events •Serve as trustees for local colleges and hospitals •Prominent physicians and lawyers •May be heads of major financial institutions, owners of major long-established firms •Accustomed to wealth, so do not spend money conspicuously 	
<p>THE LOWER-UPPER CLASS--NEW WEALTH</p> <ul style="list-style-type: none"> •Not quite accepted by the upper crust of society •Represent "new money" •Successful business executive •Conspicuous users of their new wealth 	

11-15

Table 11.9 continued

THE UPPER-MIDDLE CLASS--ACHIEVING PROFESSIONALS

- Have neither family status nor unusual wealth
- Career oriented
- Young, successful professionals, corporate managers, and business owners
- Most are college graduates, many with advanced degrees
- Active in professional, community, and social activities
- Have a keen interest in obtaining the "better things in life"
- Their homes serve as symbols of their achievements
- Consumption is often conspicuous
- Very child oriented

11-16

Table 11.9 continued

THE LOWER-MIDDLE CLASS--FAITHFUL FOLLOWERS

- Primary non-managerial white-collar workers and highly paid blue-collar workers
- Want to achieve "respectability" and be accepted as good citizens
- Want their children to be well behaved
- Tend to be churchgoers and are often involved in church-sponsored activities
- Prefer a neat and clean appearance and tend to avoid faddish or highly-styled clothing
- Constitute a major market for do-it-yourself products

11-17

Table 11.9 continued

THE UPPER-LOWER CLASS--SECURITY-MINDED MAJORITY

- The largest social-class segment
- Solidly blue-collar
- Strive for security
- View work as a means to "buy" enjoyment
- Want children to behave properly
- High wage earners in this group may spend impulsively
- Interested in items that enhance leisure time (e.g., TV sets)
- Husbands typically have a strong "macho" self-image
- Males are sports fans, heavy smokers, beer drinkers

11-18

Table 11.9 continued

THE LOWER-LOWER CLASS--ROCK BOTTOM

- Poorly educated, unskilled laborers
- Often out of work
- Children are often poorly treated
- Tend to live a day-to-day existence

11-19

**Figure 11.3
Appealing to
Upward
Mobility**



11-20

**Geodemographic
Clusters**



A composite segmentation strategy that uses both geographic variables (zip codes, neighborhoods) and demographic variables (e.g., income, occupation) to identify target markets.

11-21

<p style="text-align: center;">PRIZM (Potential Rating Index by Zip Market)</p>	<p>A composite index of geographic and socioeconomic factors expressed in residential zip code neighborhoods from which geodemographic consumer segments are formed.</p>
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11-22

Table 11.13 A Profile of PRIZM Cluster: "Urban Gold Coast" (Cluster 06)	
SOCIOECONOMIC FACTORS:	
Percent of U.S. households	0.60%
Predominant age range	Mixed
Socioeconomic group	Affluent
Demographic caption	Professional urban singles and couples
Education	College graduates
Occupation	White collar
Race/Ethnicity	White, Asian
LIFESTYLE:	
Use WebTV online	
Listen to Oldie Goldies	
Read <i>New York Magazine</i>	
Watch <i>Politically Incorrect</i>	

11-23

Table 11.14 Affluent Readers' (\$70,000+ Median Household Income) for Selected Publications	
NEWSPAPER/MAGAZINE	MEDIAN HOUSEHOLD INCOME (\$)
<i>Allure</i>	115,400
<i>Architectural Digest</i>	125,400
<i>Art & Antiques</i>	103,200
<i>Better Homes and Gardens</i>	96,600
<i>Boating</i>	101,400
<i>Bon Appetit</i>	119,200
<i>Business Week</i>	121,500
<i>Cigar Aficionado</i>	115,100
<i>Conde Nast Traveler</i>	123,500
<i>Elle</i>	119,900
<i>Esquire</i>	108,200
<i>Fortune</i>	121,900
<i>Golf Magazine</i>	102,200

11-24

MRI Affluent Market-Segmentation Schema

- Affluent Segments
 - Well-feathered Nests
 - No Strings Attached
 - Nanny's In Charge
 - Two Careers
 - The Good Life
- Rural Affluent Segments
 - Suburban Transplants
 - Equity-rich Suburban Expatriates
 - City Folks with Country Homes
 - Wealthy Landowners

11-25

What is Middle Class?

- The "middle" 50% of household incomes - households earning between \$25,000 and \$85,000
- Households made up of college-educated adults who use computers, and are involved in children's education
- Lower-middle to middle-middle based on income, education, and occupation (this view does NOT include upper-middle which is considered affluent)

11-26

What is Working Class?

- Households earning \$34,000 or less control more than 30% of the total income in the U.S.
- These consumers tend to be more brand loyal than wealthier consumers



11-27

**Consumer Behavior and
Social Class**

- Clothing, Fashion, and Shopping
- The Pursuit of Leisure
- Saving, Spending, and Credit
- Social Class and Communication

11-28
