PART 3 DISCUSSES CONSUMERS IN THEIR OWN CULTURAL AND SOCIAL MILIEUS

The five chapters in Part III are designed to provide the reader with a detailed picture of the social and cultural dimensions of consumer behavior. Chapters 10 through 14 explain how these factors affect the attitudes and behavior of individuals in the United States and the world beyond, and demonstrate how an in-depth knowledge of social and behavioral concepts enable marketers to achieve their marketing objectives.

chapter**ten**

Reference Groups and Family Influences

With the exception of those very few people who are classified as hermits, most individuals interact with other people on a daily basis, especially with members of their own families.

In the first part of this chapter, we will consider how group involvements and memberships influence our actions as consumers—that is, impact consumers' decision making, shopping activities, and actual consumption. The second part of this chapter deals with how the family influences its members' consumer behavior. For instance, a child learning the uses and value of money is often a "family matter"; so are decisions about a new car, a vacation trip, or whether to go to a local or an out-of-town college. The family commonly provides the opportunity for product exposure and trial and imparts consumption values to its members. As a major consumption group, the family is also a prime target for many products and services.

This chapter begins with a discussion of the basic concepts of group dynamics and how reference groups both directly and indirectly influence consumer behavior. We then examine some basic family concepts. Next we discuss family consumer decision



making and consumption behavior; last we explore the marketing implications of the family life cycle. (The four chapters that follow discuss other social and societal *groupings* that influence consumer buying processes: social class, culture, subculture, and cross-cultural exposure.)

what is a group?

A **group** may be defined as two or more people who interact to accomplish either individual or mutual goals. The broad scope of this definition includes an intimate group of two neighbors who each summer Saturday drive to the local golf course to play a round of golf and a larger, more formal group, such as a local scuba diving club, whose members are mutually interested in scuba equipment, scuba training, and scuba diving trips and vacations. Also, included in this definition, is a kind of "one-sided grouping" in which an individual consumer observes the appearance or actions of others, who unknowingly serve as consumption-related role models.

Sometimes groups are classified by membership status. A group to which a person either belongs or would qualify for membership in is called a *membership group*. For example, the group of men with whom a young executive plays poker weekly would be considered, for him, a membership group. There are also groups in which an individual is not likely to receive membership, despite acting like a member by adopting the group's values, attitudes, and behavior. This is considered a **symbolic group**. For instance, professional tennis players may constitute a symbolic group for an amateur tennis player who identifies with certain players by imitating their behavior whenever possible (e.g., by purchasing a specific brand of tennis racket or tennis sneaker). However, the amateur tennis player does not (and probably never will) qualify for membership as a professional tennis player because she has neither the skills nor the opportunity to compete professionally.

understanding the power of reference groups

Within the context of consumer behavior, the concept of reference groups is an extremely important and powerful idea. A **reference group** is any person or group that serves as a point of comparison (or reference) for an individual in forming either general or specific values, attitudes, or a specific guide for behavior. This basic concept provides a valuable perspective for understanding the impact of other people on an individual's consumption beliefs, attitudes, and behavior. It also provides insight into the methods marketers sometimes use to effect desired changes in consumer behavior.

From a marketing perspective, *reference groups* are groups that serve as *frames of reference* for individuals in their purchase or consumption decisions. The usefulness of this concept is enhanced by the fact that it places no restrictions on group size or membership, nor does it require that consumers identify with a tangible group (i.e., the group can be symbolic such as owners of successful small businesses, leading corporate chief executive officers, country music stars, or baseball celebrities).

Reference groups that influence general or broadly defined values or behavior are called **normative reference groups**. An example of a child's normative reference group is the immediate family, which is likely to play an important role in molding the child's general consumer values and behavior (such as which foods to select for good nutrition, appropriate ways to dress for specific occasions, how and where to shop, or what constitutes "good" value).

Reference groups that serve as benchmarks for specific or narrowly defined attitudes or behavior are called **comparative reference groups**. A comparative reference group might be a neighboring family whose lifestyle appears to be admirable and worthy of imitation (the way they maintain their home, their choice of home furnishings and cars, their taste in clothing, or the number and types of vacations they take).

Both normative and comparative reference groups are important. Normative reference groups influence the development of a basic code of behavior; comparative reference groups influence the expression of specific consumer attitudes and behavior. It is likely that the specific influences of comparative reference groups, to some measure,

depend on the basic values and behavior patterns established early in a person's development by normative reference groups.

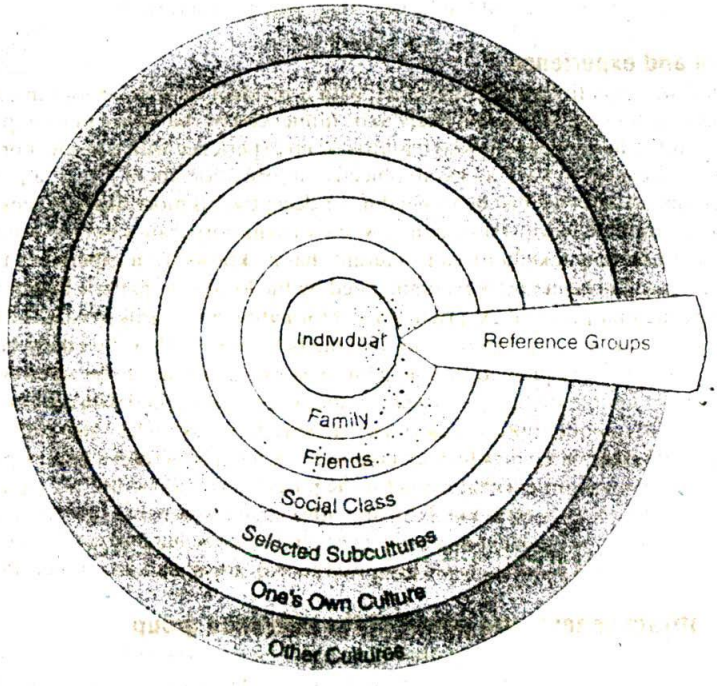
A broadened perspective on reference groups

The meaning of "reference group" has changed over the years. As originally used, reference groups were narrowly defined to include only those groups with which a person interacted on a direct basis (such as family and close friends). However, the concept gradually has broadened to include both direct and indirect and individual or group influences. **Indirect reference groups** consist of those individuals or groups with whom a person does not have direct face-to-face contact, such as movie stars, sports heroes, political leaders, TV personalities, or even well-dressed and interesting-looking people on the street. It is the power of the indirect reference group that helps sell Jimmy Buffet's record albums, T-shirts, mugs, jewelry, and other "parrothead" (i.e., Buffet fans) merchandise (**www.margaritaville. com**).

Referents a person might use in evaluating his or her own general or specific attitudes or behavior vary from one individual to several family members, to a broader kinship or from a voluntary association to a social class, a profession, an ethnic group, a community, an age category, or even a nation or culture. As Figure 10.1 indicates, the major societal groupings that influence an individual's consumer behavior are family, friends, social class, various subcultures, one's own culture, and even other cultures. For instance, within the scope of selected subcultures, we would include various age categories (seniors or young adults) that might serve as a reference group for their own or others' behavior.

Factors that affect reference group influence

The degree of influence that a reference group exerts on an individual's behavior usually depends on the nature of the individual and the product and on specific social factors.



Major Consumer Reference Groups

FIGURE 10.1

TABLE 10.1 Selective Factors That Positively Influence Conformity

CHARACTERISTICS	POSITIVE (+) EFFECT
Task/situational characteristics	Difficulty/complexity
	Ambiguity/subjectivity
Brand characteristics	No information
	Limited choice
	Prior conformity
	Crisis/emergency
Group characteristics	Attractiveness
	Expertise
	Credibility
	Clarity of group goals
	Likely future interaction with group
	Past success
Personal characteristics	Tendency to conform
	Need for affiliation
	Need to be liked
	Desire for control
	Fear of negative evaluation

Source: Based on Dana-Nicoleta Lascu and George Zinkhan, "Consumer Conformity: Review and Applications for Marketing Theory and Practice," *Journal of Marketing Theory and Practice* (Summer 1999): 1–12.

This section discusses how and why some of these factors influence consumer behavior. Table 10.1 presents a broad view of the factors that influence conformity.

Information and experience

An individual who has firsthand experience with a product or service, or can easily obtain full information about it, is less likely to be influenced by the advice or example of others. On the other hand, a person who has little or no experience with a product or service and does not expect to have access to objective information about it (e.g., a person who believes that advertising may be misleading or deceptive) is more likely to seek out the advice or example of others. For instance, when a young corporate sales rep wants to impress his client, he may take her to a restaurant that he knows from experience to be good or to one that has been highly recommended by the local newspaper's Dining Out Guide. If he has neither personal experience nor information he regards as valid, he may seek the advice of a friend or a parent or imitate the behavior of others by taking her to a restaurant he knows is frequented by young business executives whom he admires.

It is important to note that many consumers today feel bombarded with advertising, and feel that it is frequently both intrusive and downright sneaky. They also find fault with guerrilla marketing tactics in which an employee on a manufacturer's payroll poses as a consumer at an event or in a chat room for the purpose of "talking up" the product. As a result, sales of high-tech items like TiVo and other digital video recorders have skyrocketed, as consumers use such devices to zip past commercials, and computer users are purchasing anti-spyware and anti-adware programs to stop sneak attacks on their PCs.[1]

Credibility, attractiveness, and power of the reference group

A reference group that is perceived as credible, attractive, or powerful can induce consumer attitude and behavior change. For example, when consumers are concerned with obtaining accurate information about the performance or quality of a product or service,

they are likely to be persuaded by those whom they consider trustworthy and knowledgeable. That is, they are more likely to be persuaded by sources with *high credibility*.

When consumers are primarily concerned with the acceptance or approval of others they like, with whom they identify, or those who offer them status or other benefits, they are likely to adopt their product, brand, or other behavioral characteristics. When consumers are primarily concerned with the power that a person or group can exert over them, they might choose products or services that conform to the norms of that person or group in order to avoid ridicule or punishment. However, unlike other reference groups that consumers follow because they are credible or because they are attractive, *power groups* are not as likely to cause attitude change. Individuals may conform to the behavior of a powerful person or group but are not as likely to experience a change in their own attitudes.

Different reference groups may influence the beliefs, attitudes, and behavior of an individual at different points in time or under different circumstances. For example, the dress habits of a young staff member working for a conservative law firm may vary, depending on her place and role. She may conform to the dress code of her office by wearing conservative clothing and skirts or dresses that do not end above the knee by day and drastically alter her mode of dress after work by wearing more trendy, flamboyant, revealing styles.

Conspicuousness of the product

The potential influence of a reference group on a purchase decision varies according to how visually or verbally conspicuous the product is to others. A visually *conspicuous product* is one that will stand out and be noticed (such as a luxury item or novelty product); a verbally conspicuous product may be highly interesting, or it may be easily described to others. Products that are especially conspicuous and status revealing (a new automobile, fashion clothing, sleek laptop computer, or home furniture) are most likely to be purchased with an eye to the reactions of relevant others. Privately consumed products that are less conspicuous (shaving cream or bath soap) are less likely to be purchased with a reference group in mind.

Walk down any street in America (and almost anywhere else) and you are likely to see someone wearing a hat, T-shirt, or jacket emblazoned with the logo of a favorite sports team. Similarly, while in a car, just look at the license plates of other cars on the road. It will not be long before you start seeing license plates containing the name and logo of universities, favorite sports teams, environmental groups, and many other institutions and causes. Research has found that among those attending a sporting event (e.g., baseball or basketball game), the more an individual identifies with a particular team, the greater the likelihood that he or she will purchase the products of the companies that sponsor that team (e.g., a particular brand of beer, hot dogs, or newspapers).[2]

Reference groups and consumer conformity

Marketers may have divergent goals with regard to **consumer conformity**. Some marketers, especially market leaders, are interested in the ability of reference groups to change consumer attitudes and behavior by encouraging *conformity*. To be capable of such influence, a reference group must accomplish the following:

1. *Inform or make the individual aware of a specific product or brand*
2. *Provide the individual with the opportunity to compare his or her own thinking with the attitudes and behavior of the group*
3. *Influence the individual to adopt attitudes and behavior that are consistent with the norms of the group*
4. *Legitimize the decision to use the same products as the group*

In contrast, marketers, especially those responsible for a new brand or a brand that is not the market leader, may wish to elect a strategy that asks consumers to strike out and be different and not just *follow the crowd* when making a purchase decision.

In reality the nonconformity appeal can be thought of as a request to shift one's reference (attitudes or behavior) from one grouping (brand A users) to another reference (non–brand A users or brand B users).

selected consumer-related reference groups

As already mentioned, consumers are potentially influenced by a diverse range of people that they come in contact with or observe. We will consider the following five specific reference groups because they give us a kind of cross section of the types of groups that influence consumers' attitudes and behavior: (1) friendship groups, (2) shopping groups, (3) work groups, (4) virtual groups or communities, and (5) consumer-action groups. The family, possibly the most compelling reference group for consumer behavior, will be fully covered in the second part of this chapter.

Friendship groups

Friendship groups are typically classified as **informal groups** because they are usually unstructured and lack specific authority levels. In terms of relative influence, after an individual's family, his or her friends are most likely to influence the individual's purchase decisions.

Seeking and maintaining friendships is a basic drive for most people. Friends fulfill a wide range of needs: They provide companionship, security, and opportunities to discuss problems that an individual may be reluctant to discuss with family members. Friendships are also a sign of maturity and independence, for they represent a breaking away from the family and the forming of social ties with the outside world.

The opinions and preferences of friends are an important influence in determining the products or brands a consumer ultimately selects. Marketers of products such as brand-name clothing, fine jewelry, snack foods, and alcoholic beverages recognize the power of peer group influence and frequently depict friendship situations in their ads.

Shopping groups

Two or more people who shop together, whether for food, clothing, or simply to pass the time, can be called a **shopping group**. Such groups are often offshoots of family or friendship groups and, therefore, they function as what has been referred to as *purchase pals*.[3] The motivations for shopping with a purchase pal range from a primarily social motive (to share time together and enjoy lunch after shopping), to help to reduce the risk when making an important decision (having someone along whose expertise will reduce the chance of making an incorrect purchase). In instances where none of the members of the shopping group knows much about the product under consideration (such as an expensive home entertainment center), a shopping group may form for defensive reasons; members may feel more confident with a collective decision.

A special type of shopping group is the in-home shopping party, which typically consists of a group that gathers together in the home of a friend to attend a "party" devoted to demonstrating and evaluating a specific line of products. The in-home party approach provides marketers with an opportunity to demonstrate the features of their products simultaneously to a group of potential customers. Early purchasers tend to create a bandwagon effect: Undecided guests often overcome a reluctance to buy when they see their friends make positive purchase decisions. Furthermore, some of the guests may feel obliged to buy because they are in the home of the sponsoring host or hostess. Given the spirit and excitement of "consumer gatherings" or "parties," Tupperware, for example, generates 90 percent of its $1 billion in annual sales from such consumer parties.[4]

A customer *referral program* is an element of shopping behavior, which takes into account group dynamics, in that it focuses on member-get-member (MGM) campaigns. More specifically, a current customer is asked to persuade others to become customers (or members). For example, a warehouse membership club (e.g., Costco or Sam's Club)

might offer a reward to a current member who convinces a nonmember to join—or the reward might be divided among the two parties. Such programs may only reward the current customer (member) for finding a new customer, may only reward the new customer, or may reward both parties (either equally or unequally). While both current and potential members were found to prefer campaigns in which they got 100 percent of the reward, current members found a 50/50 distribution to be more appropriate when the "new" member was required to make a substantial financial investment in order to join.[5]

Work groups

The sheer amount of time that people spend at their jobs, frequently more than 35 hours per week, provides ample opportunity for work groups to serve as a major influence on the consumption behavior of members.

Both the formal work group and the informal friendship-work group can influence consumer behavior. The *formal work group* consists of individuals who work together as part of a team and, thus, have a sustained opportunity to influence each other's consumption-related attitudes and actions. Informal friendship-work groups consist of people who have become friends as a result of working for the same firm, whether or not they work together as a team. Members of informal work groups may influence the consumption behavior of other members during coffee or lunch breaks or at after-work meetings.

Recognizing that work groups influence consumers' brand choices and that many women now work outside of their homes, firms that in the past sold their products exclusively through direct calls on women in their homes now are redirecting their sales efforts to offices and plants during lunch-hour visits. For instance, Avon (**www.avon.com**) and Tupperware (**www.tupperware.com**), two leading direct-to-home marketers, encourage their sales representatives to reach working women at their places of employment.

Virtual groups or communities

Thanks to computers and the Internet, we are witnessing the emergence of a new type of group—virtual groups or communities. Both adults and children are turning on their computers, logging onto the Web, and visiting special-interest Web sites, often with chat rooms. If you're an amateur photographer, you can chat online with other amateur photographers; if you're a stamp collector, you can chat online with others who share your interest. Local newspapers everywhere run stories from time to time about singles who met online, typically accompanied by a picture of their wedding. An Internet provider such as America Online even lets its members create *Buddy Lists*,™ so when they sign onto AOL they immediately know which of their friends are currently online and can send and receive instant messages. An elderly person in Minneapolis, for example, might not make it to the local senior citizen center when it's freezing outside and snowing, but he or she can always log on.

Whereas 50 years ago the definition of a community stressed the notion of geographic proximity and face-to-face relationships, today's communities are much more broadly defined as "sets of social relations among people." In this spirit, there is also rather wide-scale access to what is known as "Internet communities" or "virtual communities." These terms refer to Web-based consumer groups (e.g., **www.well.com**, **www.ivillage.com**, and **www.icq.com**). These communities provide their members with access to extensive amounts of information, fellowship, and social interaction covering an extremely wide range of topics and issues (e.g., vegetarianism, cooking, collecting, trading, finance, filmmaking, romance, politics, technology, art, hobbies, spiritualism, age grouping, online game playing, voice-video chats, free e-mail, tech assistance, travel and vacations, educational opportunities, living with illnesses, and a host of lifestyle options). Virtual communities provide an opportunity for a marketer to address consumers with a particular common interest, which can be one of the primary pleasures a consumer has online, and also have the ability to enhance the consumption experience (via discussion with others).

The exchange of knowledge that can take place within a virtual community can help a good product sell faster and a poor product fail faster. Indeed, there are a number of "knowledge exchanges" that permit registered members and others to ask questions of experts on subjects germane to that exchange. And some virtual communities, hosted by a commercial source, are aimed at particular ethnic groups and contain online content targeted to a distinct ethnic community. Startec Global Communications Corporation (**www.startec.com**) already operates virtual communities for Arab, Iranian, Turkish, Indian, and Chinese consumers. Its DragonSurf.com site, for instance, concentrates on the needs and interests of young, educated Chinese Web surfers in China and elsewhere around the world.[6]

When visiting such communities, it does not matter if you are tall or short, thin or fat, handsome or plain-looking. On the Internet, people are free to express their thoughts, to be emotional and intimate with those they do not know and have never met, and even to escape from those they normally interact with by spending time on the Internet. The anonymity of the Web gives its users the freedom to express whatever views they wish and to also benefit from savoring the views of others. Because of this anonymity, Internet users can say things to others that they would not say in face-to-face interactions. Communicating over the Internet permits people to explore the boundaries of their personalities (see the related discussion in Chapter 5) and to shift from one persona to another. For example, investigators have found that there are a surprisingly large number of men who adopt female persona online ("gender swapping").[7] Some community Web sites have attempted to control what is deemed appropriate action by instituting codes of behavior. For example, fans of the canceled TV program *Dr. Quinn, Medicine Woman* are not only part of an e-mail discussion list, but also new members are sent a "conduct code" when they subscribe.[8]

Some researchers have come to the conclusion that the Internet, for many Americans, has become "indispensable," and that it is often the small things that the Internet is used for, on a daily basis, that makes it such an integral part of people's lives (e.g., following a stock portfolio, communicating with friends, shopping online for "stuff"). In the United States, the number of individuals using the Internet grew 50 percent from 2000 to 2003 (to 126 million users in 2003); during this same time frame, for example, the use of online banking went from 24 percent to 60 percent of Internet users, and the gathering of health information rose from 46 percent to 76 percent of Internet users.[9]

Brand communities

The next step in the evolution of interactive marketing, beyond advances in relationship marketing (discussed earlier in Chapter 7), is the establishment of *brand communities*. As one recent newspaper article noted, "There is a definite feeling among marketers that if you want to build up loyalty to your brand, your product has to have an active social life."[10] Examples of such brand communities include a group of runners who get together at the Niketown store in Boston on Wednesday evenings for a run (**www.nike.com**), Saturn automobile reunions and barbeques (**www.saturn.com**), and Harley-Davidson owner groups (**www.harleydavidson.com**). A *brand communiy* has been defined as "a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand . . . it is marked by a shared consciousness, rituals and traditions, and a sense of moral responsibility."[11] It is this sense of community, for example, that causes Saab owners (**www.saabusa.com**) to beep or flash their lights at another Saab on the road (i.e., a greeting ritual).

Consider how Jeep has developed its brand community. The company offers multiple opportunities for Jeep owners to get to know each other, get to know their vehicles, and get to know the company. Jeep (**www.jeep.com**) conducts Jeep Jamborees (regional rallies that concentrate on off-road driving), Camp Jeep (national rallies offering off-road driving and product-related activities), and Jeep 101 (an off-road driving course with product-related activities and displays). At both Camp Jeep and Jeep 101 there are "camp counselors" who provide participants with free beverages, free product information, and free off-road trail recommendations.[12] The result is that Jeep has fostered

involvement in its brand community, so that a bond exists between the Jeep owner and (1) the product, (2) the brand, (3) the company, and (4) other Jeep owners. The brand community is, therefore, "customer centric"; it is the customer experience that provides meaning to the brand community rather than the brand itself. Consider the following comment from a Jeep owner attending Jeep 101:[13]

> *I've been very happy. I get a lot of communications from Jeep, which I've been so impressed with. Usually you buy a car and then you're a forgotten soul. It's kinda like they want you to be part of the family. As soon as I got the invitation for Jeep 101, I registered. I was very excited. But I was nervous. I didn't think I would end up driving. I was very relieved to see someone in the car with you, 'cause it gave you the confidence to do what you're supposed to. Otherwise, I had visions of abandoning the truck on the hill and saying "I can't do it!" I thought I might wimp out, but I didn't.*

Another example of a brand community is one centered around the Apple Newton (a *personal digital assistance* device—PDA) introduced by Apple in 1993 and discontinued in 1998. As an Apple product, the Newton was the product of a company that stressed uniqueness and nonconformity. At the height of its popularity, there were almost 200,000 Apple Newton users, and to this day many have refused to switch to alternatives such as the Palm Pilot (which was introduced in 1996). While no company is writing new software for the Newton and service is hard to obtain, there are still thousands of Apple Newton users who would rather fight than switch. Indeed, some of the new applications and some of the repair servicing is today being performed by diehard Newton users. When reading the comments of the Apple Newton brand community, religious, magical, and even supernatural motifs are common in their narratives, as "are strong elements of survival, the miraculous, and the return of the creator." Consider the following comment by a product user regarding the morale of the Apple Newton community:[14]

> *I think morale is still pretty high . . . I think it's the fact that we are all united. I think the unity is a big thing because the list is so big. The other thing is that whenever people, like someone from the outside, actually see what the Newton can do, they are impressed. Every story that I've ever read that someone [demonstrated] the system to some new person, it's like, "Hey, wow, what's that? You can do this on this? Where can I buy one of those?" . . . So everyone is still amazed that the product has been going for so long.*

Marketers sometime design a specific product or service to create a sense of community or take advantage of a preexisting relationship (e.g., an offer to members of a family and relatives, or friends, or even people doing business with each other). For example, Verizon Wireless has created special programs for "calling communities" that includes calling with the "community" (or "network") at a reduced or even no costs (when calls are made between callers in the program, such as two Verizon wireless customers).

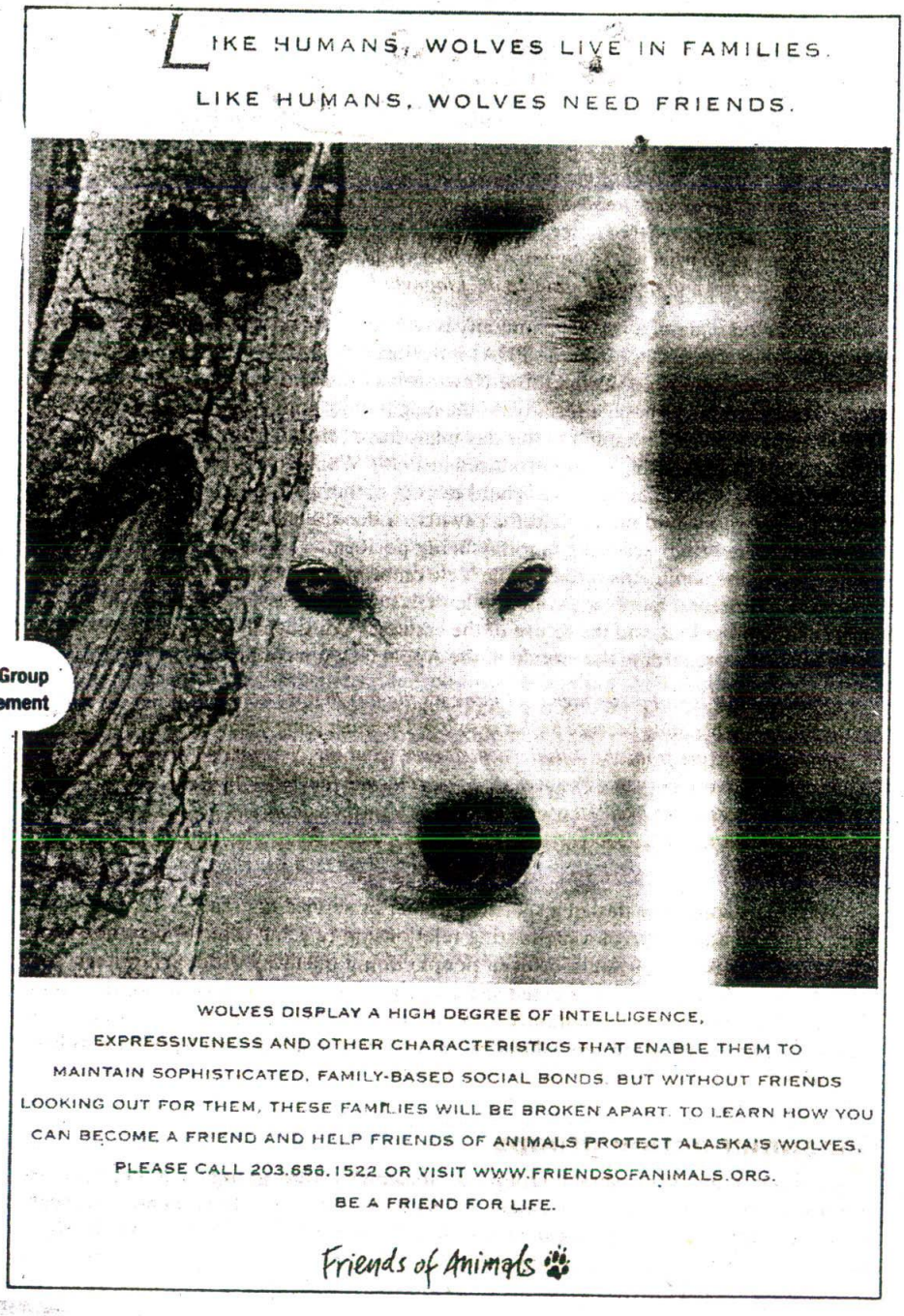
Consumer-action groups

A particular kind of consumer group—a **consumer-action group**—has emerged in response to the consumerist movement. Today there are a very large number of such groups dedicated to providing consumers with assistance in their effort to make the right purchase decisions, consume products and services in a healthy and responsible manner, and generally add to the overall quality of their lives (see Figure 10.2). The following are just a few examples of the diverse range of consumer concerns being addressed by private and public consumer-action groups: neighborhood crime watch, youth development, forests and wildlife concerns, children and advertising, race and ethnicity, community volunteerism, legal assistance, public health, disaster relief, energy conservation, education, smoking, the environment, access to telecommunications, science in the public interest, credit counseling, privacy issues, and children and the Internet.

Consumer-action groups can be divided into two broad categories: (1) those that organize to correct a specific consumer abuse and then disband and (2) those that

FIGURE 10.2

Source: Courtesy of FoA. (www.friendsofanimals.org).



A Consumer Action Group Appealing for Involvement

organize to address broader, more pervasive problem areas and operate over an extended or indefinite period of time. A group of irate parents who band together to protest the opening of an adult X-rated video rental store in their neighborhood or a group of neighbors who attend a meeting of the local highway department to demand that additional stop signs be placed on specific corners in their residential neighborhood are examples of temporary, cause-specific consumer-action groups. An example of an enduring consumer-action group is Mothers Against Drunk Driving (MADD), a group

founded in 1980 and operating today throughout the United States within local community groups. MADD representatives serve on numerous public advisory boards and help establish local task forces to combat drunk driving. Additionally, the organization supports actions to restrict alcoholic beverage advertising and is opposed in general to any advertising and products that may have a negative impact on youth.

- The overriding objective of many consumer-action groups is to bring sufficient pressure to bear on selected members of the business community to make them correct perceived consumer abuses. Examples might include an attempt to ban gas-guzzling SUVs and/or genetically altered foods.[15]

celebrity and other reference group appeals

Appeals by celebrities and other similar reference groups are used very effectively by advertisers to communicate with their markets. Celebrities can be a powerful force in creating interest or actions with regard to purchasing or using selected goods and services. This identification may be based on admiration (of an athlete), on aspiration (of a celebrity or a way of life), on empathy (with a person or a situation), or on recognition (of a person—real or stereotypical—or of a situation). In some cases, the prospective consumer may think, "If she uses it, it must be good. If I use it, I'll be like her." In other cases, the prospective consumer says to himself, "He has the same problems that I have. What worked for him will work for me." Today even mainstream companies are targeting extreme sports (e.g., skateboarding, snowboarding) as a way to reach consumers.[16]

Five major types of reference group appeals in common marketing usage are *celebrity appeals, expert appeals, common-man appeals, executive and employee appeals,* and *trade or spokes-character appeals.* These appeals, as well as less frequently employed appeals, are often operationalized in the form of testimonials or endorsements. In the case of the common man, they may be presented as *slice-of-life* commercials.

Celebrities

Celebrities, particularly movie stars, TV personalities, popular entertainers, and sports icons, provide a very common type of reference group appeal. Indeed, it has been estimated that 25 percent of U.S. commercials include celebrity endorsers.[17] To their loyal followers and to much of the general public, celebrities represent an idealization of life that most people imagine that they would love to live. Advertisers spend enormous sums of money to have celebrities promote their products, with the expectation that the reading or viewing audience will react positively to the celebrity's association with their products. One discussion about celebrity endorsers noted that "famous people hold the viewer's attention," and this is why the TV chef Emeril Lagasse appears in TV commercials for a new Crest toothpaste, Whitening Expressions, and former NFL quarterback Joe Montana is part of an $11 million ad campaign for McCormick's Grill Mates line of spice rubs and marinades.[18]

Michael Jordan has been a particularly powerful product endorser. He has assisted many firms, whose products he promotes, to substantially increase their stock market value. Indeed, as a sign of Michael Jordon celebrity power, he is under contract to Nike until the year 2023.[19] In the same vein, Tiger Woods has a five-year agreement with Buick, estimated at $30 million, and his $40 million deal with Nike is expected to double because he has switched to Nike brand golf balls.[20] Finally, the soccer star David Beckham, who went from Manchester United to play for Real Madrid, has recently signed an agreement with Gillette worth $68 million.[21]

A firm that decides to employ a celebrity to promote its product or service has the choice of using the celebrity to give a **testimonial** or an **endorsement** as an **actor** in a commercial or as a company **spokesperson**. Table 10.2 distinguishes among these different types of celebrity appeals, and Table 10.3 lists the top ten international sponsorship deals with sports personalities, July 2003 to June 2004. Figure 10.3 presents the findings of a study that explored what marketing practitioners in the United Kingdom look for in

TABLE 10.2 Types of Celebrity Appeals

TYPES	DEFINITION
Testimonial	Based on personal usage, a celebrity attests to the quality of the product or service.
Endorsement	Celebrity lends his or her name and appears on behalf of a product or service with which he or she may or may not be an expert.
Actor	Celebrity presents a product or service as part of character endorsement.
Spokesperson	Celebrity represents the brand or company over an extended period of time.

selecting a celebrity endorser. What is apparent is that the importance of certain celebrity characteristics varies depending on whether the product being promoted is technical (e.g., PCs) or nontechnical (e.g., jeans) in nature. Specifically, for a product like a PC the "trustworthiness" of a celebrity is considered to be most important, whereas for a clothing item like jeans the "physical attractiveness" of the celebrity is viewed as most important.

Of all the benefits that a celebrity might contribute to a firm's advertising program—fame, talent, credibility, or charisma—celebrity credibility with the consumer audience is the most important. By **celebrity credibility** we mean the audience's perception of both the celebrity's *expertise* (how much the celebrity knows about the product area) and *trustworthiness* (how honest the celebrity is about what he or she says about the product).[22] To illustrate, when a celebrity endorses only one product, consumers are likely to perceive the product in a highly favorable light and indicate a greater intention to purchase it. In contrast, when a celebrity endorses a variety of products, his or her perceived credibility is reduced because of the apparent economic motivation underlying the celebrity's efforts.[23] Figure 10.4 presents International Soccer Star David Beckham as an endorser for Gillette.

A recent study that examined the impact of celebrity athlete endorsers on teens found that such endorsers had a positive influence on favorable word-of-mouth (W-O-M)

TABLE 10.3 Top 10 International Sponsorship Deals with Sports Personalities July 2003–June 2004

RANK	PERSONALITY	SPONSOR	VALUE OF DEAL ($MIL)
1	David Beckham (soccer)	Gillette	$68
2	Serena Williams (tennis)	Nike	$60
3	David Beckham (soccer)	Pepsi	$25.5
4	Tiger Woods (golf)	Accenture	$18
5	Andre Agassi (tennis)	24Hour Fitness	$15
6	Ha Seung-jin (basketball)	Nike	$10+
7	David Beckham (soccer)	Adidas	$10+
8	Yao Ming (basketball)	McDonald's	$10+
9	Francesco Totti (soccer)	Pepsi	$10+
10	Ronaldhino (soccer)	Pepsi	$10+

Source: From Ben Pincus, "Saving Face of Sponsorship," *Brand Strategy* (September 2004): 55. (As cited) *The World Sponsorship Monitor* (includes renewals and new deals).

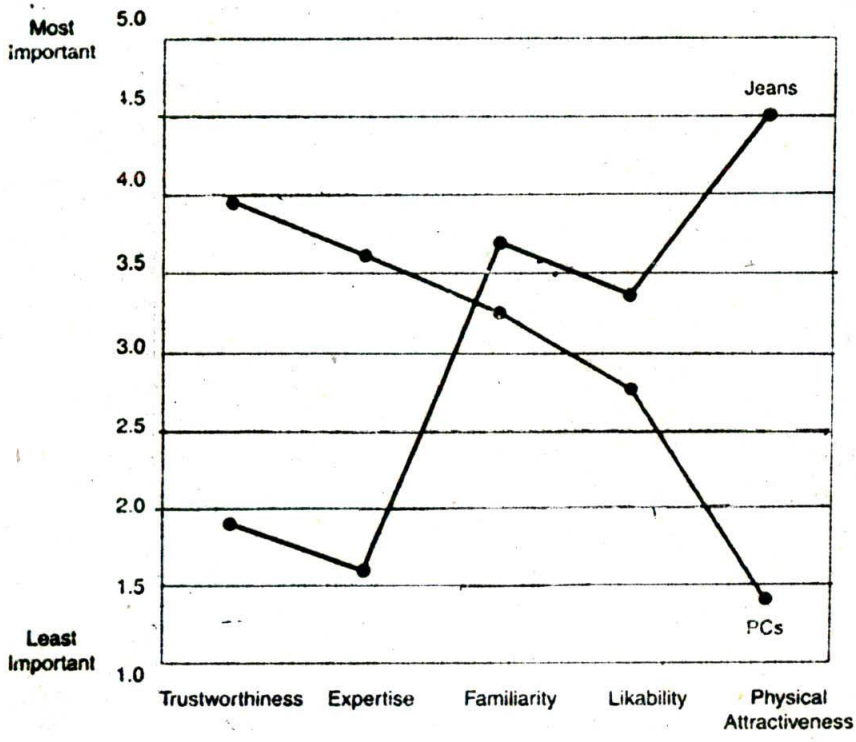


FIGURE 10.3

Importance of Celebrity Characteristics According to Product Types

Source: From "Selecting Celebrity Endorsers: The Practitioner's Perspective," by B. Zafer Erdogan, Michael J. Baker, and Stephen Tagg in Journal of Advertising Research, May–June 2001. Reprinted by permission.

and increase brand loyalty. Moreover, the research found that female teens tended to spread more favorable W-O-M about a product or brand endorsed by their favorite celebrity athlete than did male teens. The females were also more likely to agree that males who had athlete role models had influenced them to purchase certain brands.[24]

Not all companies feel that using celebrity endorsers is the best way to advertise. Some companies avoid celebrities because they fear that if the celebrity gets involved in some undesirable act or event (e.g., an ugly matrimonial problem, a scandal, or a criminal case), the news or press coverage will negatively impact the sale of the endorsed brand. For example, researchers recently compiled a list of 48 undesirable events occurring between 1980 and 1994 that involved celebrity endorsers hired by publicly traded companies. The list included such notables as Mike Tyson, Michael Jackson, and Jennifer Capriati.[25]

The expert

A second type of reference group appeal used by marketers is the *expert*, a person who, because of his or her occupation, special training, or experience, is in a unique position to help the prospective consumer evaluate the product or service that the advertisement promotes. For example, an advertisement for a quality frying pan may feature the endorsement of a chef, an ad for fishing tackle may contain the endorsement of a professional fishing guide, or an ad for an allergy medication may contain the endorsement of a professional golfer.

The "common man"

A reference group appeal that uses the testimonials of satisfied customers is known as the *common-man* approach. The advantage of the common-man appeal is that it demonstrates

FIGURE 10.4



Source: © The Gillette Company. Used with permission. All rights reserved.

to prospective customers that someone just like them uses and is satisfied with the product or service being advertised. The common-man appeal is especially effective in public health announcements (such as antismoking or high blood pressure messages), for most people seem to identify with people like themselves when it comes to such messages.[26]

Many television commercials show a typical person or family solving a problem by using the advertised product or service. These commercials are known as *slice-of-life commercials* because they focus on real-life situations with which the viewer can identify. For example, one commercial focuses on how a laundry detergent can deodorize clothes; another talks about how a certain breakfast cereal provides enough energy to get an individual through a hectic morning. When viewers identify with the situation, they are likely to adopt the solution that worked in the TV commercial.

The executive and employee spokesperson

During the past two decades, an increasing number of firms have used their top executives as spokespersons in consumer ads. The popularity of this type of advertising probably is due to the success and publicity received by a number of executive spokespersons. For instance, early in the history of this type of advertising, Lee Iacocca, former CEO of Chrysler, was a highly effective corporate spokesperson in persuading consumers that Chrysler automobiles were worthy of their purchase consideration. Similarly, Frank Perdue (Perdue chickens) was after many years replaced as the spokesperson for his company and products by his son. Like celebrity spokespersons, executive spokespersons seem to be admired by the general population because of their achievements and the status implicitly conferred on business leaders in the United States. The appearance of a company's chief executive in its advertising seems to imply that someone at the top is watching over the consumers' best interests, and it encourages consumers to have more confidence in the firm's products or services.

To apply a more grass roots approach to such promotional programs, some companies feature employees rather than top executives in selected advertising campaigns. Figure 10.5 shows an example from GM's Mr. Goodwrench advertising program modules that were used to depict employees. The heart of the program is to put a face on Mr. Goodwrench. Mr. Goodwrench is your technician at your local GM dealership.

Trade or spokes-characters

Trade or spokes-characters (e.g., M&M People, Tony the Tiger, or Capt'n Crunch), as well as familiar cartoon characters (Ninja Turtles, Mr. Magoo, Bart Simpson), serve as quasi-celebrity endorsers. These trade spokes-characters present an idealized image and dispense information that can be very important for the product or service that they "work for." Figure 10.6 shows Kellogg's Tony the Tiger trade character promoting his own whole grain cereal, and Table 10.4 presents some of the most frequently identified spokes-characters.

With few exceptions, trade characters serve as exclusive spokespersons for a particular product or service. They sometimes provide a kind of personality for the product or service and make the product appear friendlier (Ronald McDonald). Betty Crocker now even has her own Web site to offer recipes, personalized weekly menus, and household hints (**www.bettycrocker.com**). This Web site is the modern-day extension of the fact that Betty Crocker started answering letters from consumers in the 1920s and got her own toll-free telephone number in 1980. According to the company, the purpose of the Web site "is not to push Betty Crocker, not to sell products, but to provide content that offers ideas and solves problems, so people consider the site a valuable resource."[27]

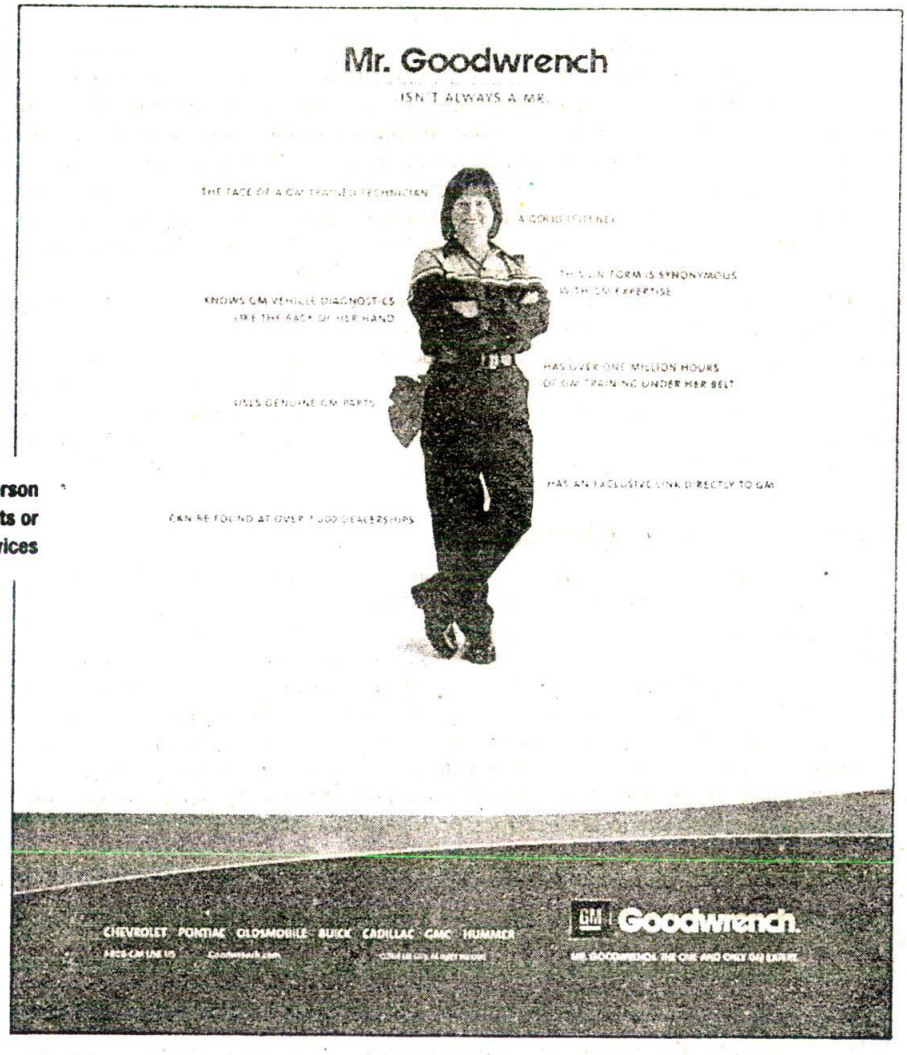
A recent study examined a finding of prior research, that a spokes-character can create a perception of trust. The research found that spokes-character expertise (e.g., Toucan Sam is the expert for Kellogg's Fruit Loops) and spokes-character nostalgia (e.g., some companies have reintroduced spokes-characters from the past) favorably affect spokes-character trust, which, in turn, favorably affects attitude toward the brand. Still further, for consumers with less brand experience, spokes-character features (e.g., expertise and nostalgia) result in more favorable brand attitudes, while for consumers with brand experience, spokes-character features tend to have little effect on brand attitudes.[28]

Other reference group appeals

A variety of other promotional strategies can function creatively as frames of reference for consumers. Respected retailers and the editorial content of selected special-interest magazines can also function as frames of reference that influence consumer attitudes and behavior. For instance, a customer might feel that if a leading fashion-oriented store such as Neiman Marcus depicts Calvin Klein dresses on its Web site (**www.neimanmarcus.com**), then such clothing must be acceptable and in good taste. Similarly, a regular reader of *GQ* might see unstructured and relaxed sport coats as appropriate to wear to work if the magazine were to feature them in office surroundings. In these two instances, the retailer and the magazine are functioning as frames of reference that influence consumer behavior.

FIGURE 10.5

Source: Courtesy of General Motors Corporation.



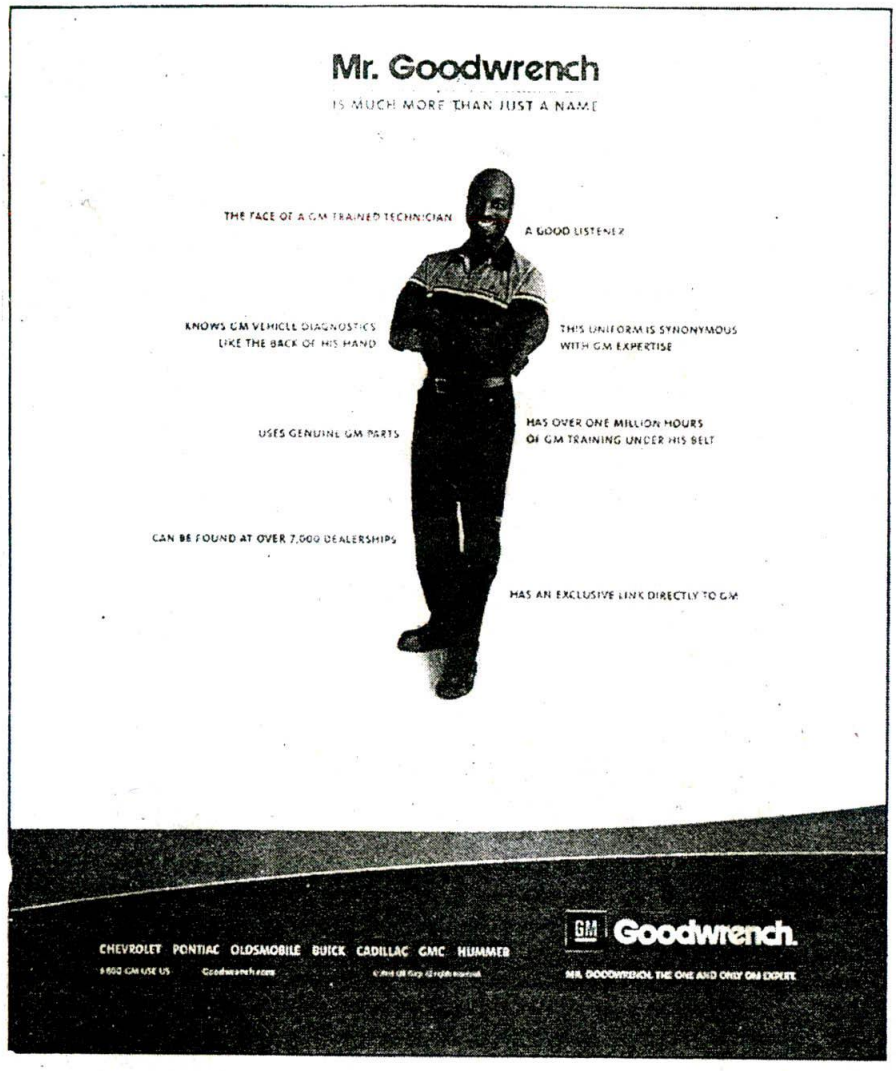
Employees as Spokesperson for a Firm's Products or Services

Finally, *seals of approval* and even objective product ratings can serve as positive endorsements that encourage consumers to act favorably toward certain products. For instance, many parents of young children look for the American Dental Association's seal of approval before selecting a brand of toothpaste. A high rating by an objective rating magazine, such as *Consumer Reports,* can also serve as an endorsement for a brand.

The remainder of this chapter concentrates on the family—arguably the most important group influencing human behavior in general and consumer behavior in particular.

the family is a concept in flux

Although the term **family** is a basic concept, 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. Traditionally, however, *family* is defined as *two or more persons related by blood, marriage, or adoption who reside together.* 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. Today in the United States, 68 percent of the 111.3 million households are families.[29] According to many sources, 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.

Although families sometimes are referred to as household, not all households are families. For example, a household might include individuals who are not related by blood, marriage, or adoption, such as unmarried couples, friends, roommates, or boarders. However, within the context of consumer behavior, households and families usually are treated as synonymous, and we will continue this convention.

In most Western societies, three types of families dominate the married couple, the nuclear family, and the extended family. The simplest type of family, in number of members, is the *married couple*—a husband and a wife. As a household unit, the married couple generally is representative of either new marrieds who have not yet started a family or older couples who have already raised their children.

A husband and wife and one or more children constitute a **nuclear family**. This type of family is still commonplace but has been on the decline. The nuclear family,

FIGURE 10.6

Source: © Kellogg Company. Used with permission. All rights reserved.



A Well Established Trade or Spokes-Character

together with at least one grandparent living within the household, is called an **extended family**. Within the past 30 years the incidence of the extended family has also declined because of the geographic mobility that splits up families. Moreover, because of divorce, separation, and out-of-wedlock births, there has been a rapid increase in the number of **single-parent family** households consisting of one parent and at least one child.

Not surprisingly, the type of family that is most typical can vary considerably from culture to culture. For instance, in an individualistic society such as that in Canada, the nuclear family is most common. In a kinship culture (with extended families), such as that in Thailand, a family would commonly include a head of household, married adult children, and grandchildren.[30]

TABLE 10.4 Most Frequently Identified Spokes-Characters

MOST FREQUENTLY IDENTIFIED SPOKES-CHARACTERS

SPOKES-CHARACTER	ENDORSED BRAND	RESPONDENTS
Poppin Fresh Pillsbury Doughboy	Pillsbury Products	30
Tony the Tiger	Kellogg's Frosted Flakes Cereal	26
Energizer Bunny	Energizer Batteries	17
M&M's Characters	M&M's Chocolate Candy	9
Snuggle Bear	Snuggle Fabric Softener	7
Keebler Elves	Keebler Snacks	6
Mr. Mini-Wheat	Kellogg's Frosted Mini-Wheats Cereal	5
The Geico Gecko	Geico Insurance	4
Toucan Sam	Fruit Loops Cereal	4

Notes: Spokes-characters identified by three respondents or less include: Lucky Charms Leprechaun; Cingular X-Man; Aflac Duck; Joe Camel; Aunt Jemima; Kool-Aid Man; Trix Bunny; Mr. Clean; Chester Cheetah; Snap, Crackle, and Pop; Captain Crunch; Sony's Blue Alien; Honeycomb Cereal Kid; Cheerios Bee; Jack \$\$\$ the Box; Charlie Tuna; Buddy Lee; Morton Salt Girl; Elsie the Cow; Chevron Car; Michelin Man; Mrs Butterworth; Hamburger Helper Glove; and Scrubbing Bubbles.

Source: Judith A. Garretson and Ronald W. Niedrich, "Spokes-Characters: Creating Character Trust and Positive Brand Attitudes," *Journal of Advertising* 33 (Summer 2004).

The changing U.S. family

Important demographic changes reflect the dynamic nature of the family. For example, about 55 percent of career women who are 35 years old are childless, between a third and half of 40-year-old career women have no children, and the number of childless women between the ages of 40 and 44 has doubled during the past 20 years.[31] Moreover, 49 percent of female corporate executives earning $100,000 or more annually are childless (but only 10 percent of high-income male executives have no children).

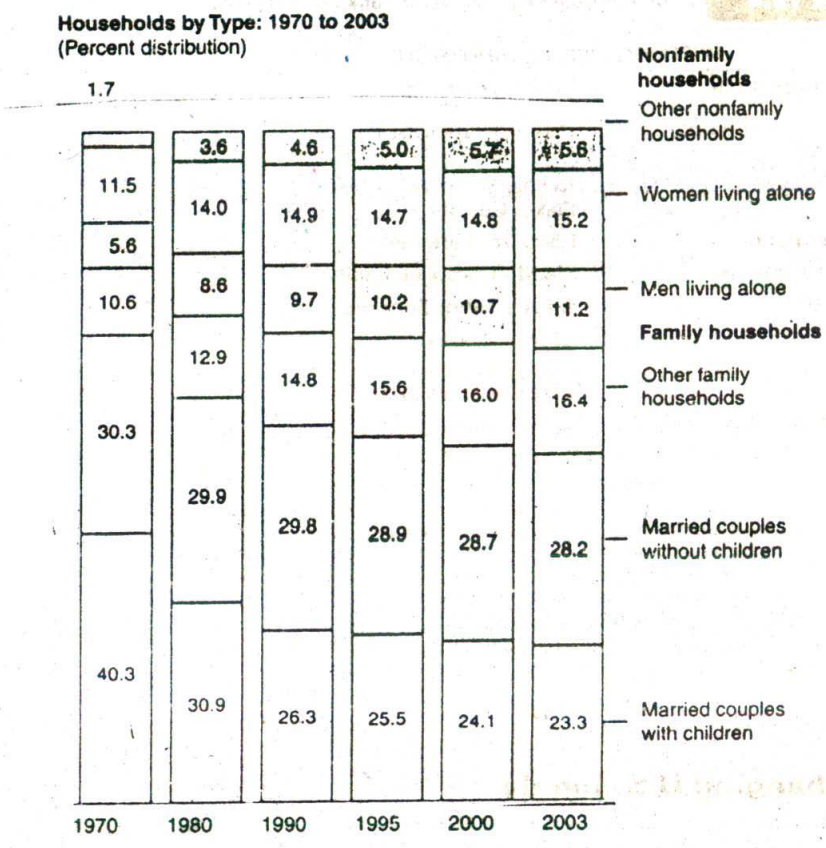
With the huge number of wives and mothers employed outside the home, studies have examined the question of whether an employed wife behaves at home the same as a nonworking wife. Research results indicate that there is little to no difference between working and nonworking wives with respect to their purchases of time-saving goods; indeed, nonworking wives are even more likely to buy time-saving durables (i.e., if they are doing the domestic work themselves, they want to save time). Additionally, a husbands' 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. Evidence also indicates that the more traditional the division of household labor in a household, the higher the marital satisfaction is of the man (husband) and the lower the satisfaction of the woman (wife). Interestingly, though, husbands of working wives make fewer decisions by themselves.[32]

There is no doubt that the "typical" or "traditional" family or household has changed. Although families represented 81 percent of households in 1970, by 2003 this percentage was reduced to 68 percent, and households consisting of married couples with children under 18 went from 40.3 percent in 1970 to just 23.3 percent in 2003, and "not married, no children" households (i.e., nonfamily households) rose from almost 19 percent in 1970 to 32 percent in 2003, making nonfamily households more numerous than married couples with children households (see Figure 10.7). During this same time frame, the percentage of family households with no spouse present rose significantly from 11 to 16 percent, and people living alone grew from 17 percent in 1970 to 26 percent in 2003. Also, while in 1970, 65 percent of men and

FIGURE 10.7

Evidence of the Dynamic Nature of U.S. Households

Source: U.S. Census Bureau, "American's Families and Living Arrangements: 2003," November 2004, 4, accessed at www.census.gov/prod/2004pubs/p20-553.pdf



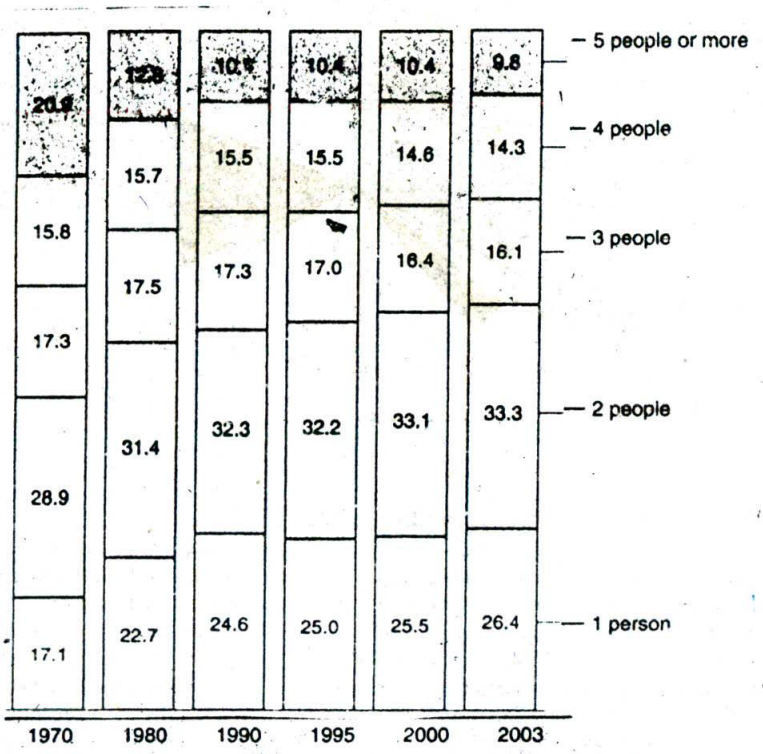
60 percent of women age 15 and older were married, by 2003 these figures were reduced to 55 percent of men and 52 percent of women; during this same time period, the percentage of men and women either separated or divorced almost tripled. Still further, households have decreased in size. The percent of households with five or more people dropped from 21 percent in 1970 to just under 10 percent in 2003, while households with only one or two members grew from 46 percent to 60 percent over the same period of time (see Figure 10.8).[33] Because of these changes in family dynamics, companies such as American Greetings sell Mother's Day cards for single moms, divorced moms, stepmothers, foster mothers, caregivers, guardians, and others who play a maternal role.

Attitudes with respect to children and child-rearing have also been changing. Consider the information presented in Table 10.5, which compares the attitudes toward children of Gen-Xers (those adults born roughly between 1965 and 1978), Baby Boomers (those adults born roughly between 1946 and 1964), and Pre-Boomers (those adults born roughly between 1938 and 1945). The results, for example, show that while 37 percent of Gen-Xers "believe preschool kids suffer if mother works," 46 percent of Baby Boomers and 57 percent of Pre-Boomers share this view.[34]

As yet another example of how family dynamics and child-rearing has been changing, consider the family meal. At one time, family mealtime was an opportunity for parents to interact with their children and to discuss various topics—it was an important part of the socialization process. However, in North America, the importance of family mealtime has decreased, often due to family member schedules. So family mealtime is being replaced with the child eating the meal in a bedroom, family room, or living room—someplace where the child can be in front of a television set, and be influenced by programming and commercials.

FIGURE 10.8

Households by Size: 1970 to 2003



Source: U.S. Census Bureau, "American's Families and Living Arrangements: 2003," November 2004, 5, accessed at www.census.gov/prod/2004pubs/p20–553.pdf

TABLE 10.5 How Different Generations Feel About Children

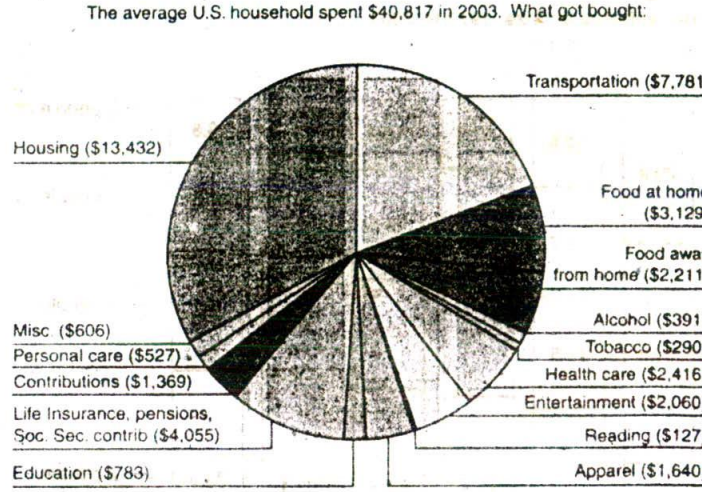
	GEN-XERS	BABY BOOMERS	PRE-BOOMERS
Ideal number of children is two	52%	55%	50%
Ideal number of children is three	27%	21%	30%
Favor spanking to discipline a child	74%	76%	76%
Favor sex ed in public schools	91%	87%	80%
Believe preschool kids suffer if mother works	37%	46%	57%
Believe it's better for the man to work and the woman to tend home	29%	37%	64%
Believe a working mother doesn't hurt children	67%	63%	52%
Believe a wife should help husband put career first	12%	15%	32%
I spend too little time with my kids	45%	46%	25%
Divorce laws should be tougher	50%	52%	59%

Source: Pamela Paul, "Meet the Parents," *American Demographics* (January 2002): 46. Reprinted by permission of Primedia.

FIGURE 10.9

How the "Average" Family Spends Its Money

Source: Reprinted with permission from the February 7, 2005 issue of Advertising Age. © Crain Communications Inc. 2005.



Ever-changing household spending patterns

The past 50 years have witnessed some dramatic changes in how families spend their incomes. While the average American family's spending on goods and services in 2003 was $40,817, food accounted for only 13¢ out of every dollar, down from 32¢ in 1950, while 41 percent of food spending in 2003 went for restaurant dining and takeout food -- up from 21 percent in 1960. At the same time, the amount families spent on apparel and shoes decreased from 12 percent in 1950 to 4 percent in 2003. And in 2004, one in 17 Americans bought a new car, versus one in 25 in 1960.[35] Figure 10.9 presents how the "average" U.S. family spent its money in 2003. The chart reveals that the seven biggest expenditure areas are: housing, transportation, life insurance and related security and saving programs, food at home, health care, food away from home, and entertainment. The total of these seven expenditure areas constitute a major portion of a family's or household's entire annual expenditures.

socialization of family members

The **socialization of family members**, ranging from young children to adults, is a central family function. In the case of young children, this process includes imparting to children the basic values and modes of behavior consistent with the culture. 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. Table 10.6 presents the results of a study by SmartGirl Internette (**www.smartgirl.org**) that looks at the household chores performed by girls 11 to 17 years of age. The findings indicate that nearly 40 percent of the girls in this age category claim to perform all of these household chores.

Other research indicates that Dutch juveniles spend most of their leisure time with their family, whereas older children spend most of their leisure time with peers.[36] The transition period between these two age groups was 13, with 13-year-olds dividing their leisure time between parents, peers, and being alone. The results further indicate that 14- and 15-year-old boys, especially from the higher social classes, were strongly focused on peer groups, whereas girls the same age preferred dyadic friendships.

Parental socialization responsibility seems to be constantly expanding. For instance, parents are often anxious to see their young children possess adequate computer skills,

TABLE 10.6 Household Chores Performed by Girls Age 11 to 17

CHORE	% WHO SAY THEY PERFORM IT
Picking things up in my room	95%
Picking things up around the house	84%
Vacuuming	72%
Washing/drying the dishes	66%
Loading or unloading the dishwasher	65%
Doing laundry	61%
Sweeping	55%
Dusting	55%
Cleaning the bathtub, shower, or sink	54%
Washing the windows or mirrors	48%
Cleaning the kitchen	46%
Cleaning the toilet	41%
Mopping the bathroom or kitchen floor	39%
Ironing	37%

Source: Marketing to Women, January 2002, p. 3. (http://www.smartgirl.org).

almost before they are able to talk or walk—as early as 12 months after their birth. In general, parents' intensive interest in seeing that their young children are learning new skills and preparing for the challenges that they will face in what they see as a "competitive world." To this end, many parents want their young children to learn computer skills, be "reading ready," and are proud parents when their young child can operate the DVD player better than they can. Marketers of educational products and aids seek to provide parents with a flow of products that enable them to assist their children to be better achievers (see Figure 10.10).

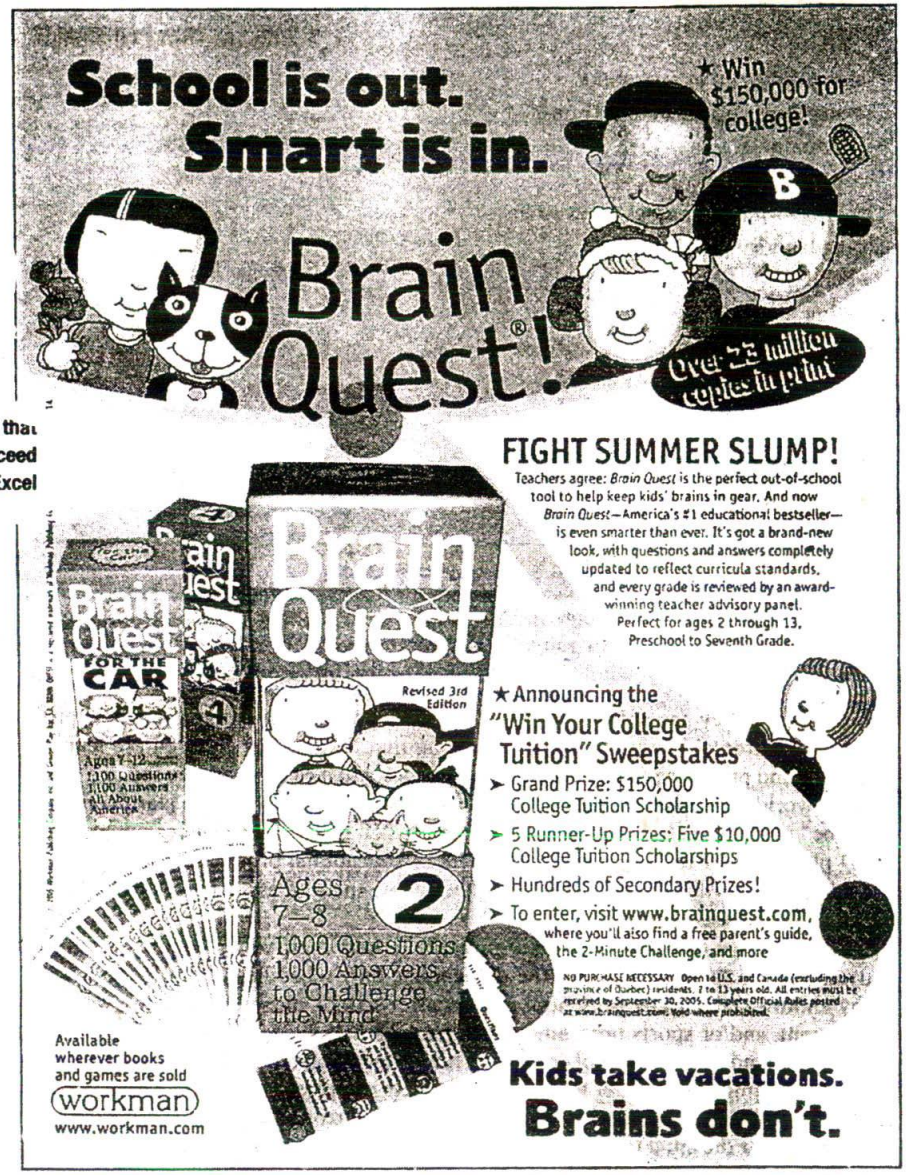
Another sign of parents' constant pressure to help their young children secure an "advantage" or "keep ahead" are the demanding daily schedules that rule the lives of many children (e.g., daily preschool classes, after-school classes, play dates, weekend enrichment, and/or sports programs). Such hectic schedules foster a concentration on competition and results and not on having fun or on being creative. In contrast, as kids their parents might have built forts out of blankets or pillows. However, with the structured activities of today and with the child constantly surrounded by media, there is little opportunity for the child to explore his or her world in such an imaginative fashion.[37]

Marketers frequently target parents looking for assistance in the task of socializing their children. 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. These experiences are reinforced and modified as the child grows into adolescence, the teenage years, and eventually into adulthood.

Consumer socialization of children

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, attitudes, and experiences necessary to function as consumers.* A variety of studies have focused on how children develop consumption skills. 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

FIGURE 10.10



Source: Excerpted from BRAIN QUEST. Copyright © 2005 by Workman Publishing Co., Inc., New York. All rights reserved.

Parents Seeks Products that Help Their Children Succeed and Excel

consumption learning. In contrast, adolescents and teenagers are likely to look to their friends for models of acceptable consumption behavior.[38] Other research has shown that younger children generally also react positively to advertisements employing a spokesperson who seems to fulfill a parental role, whereas teens often like products for the simple reason that their parents disapprove of them.[39]

Shared shopping experiences (i.e., coshopping when mother and child shop together) also give children the opportunity to acquire in-store shopping skills. Possibly because of their more harried lifestyles, working mothers are more likely to undertake coshopping with their children than are nonworking mothers. Coshopping is a way of spending time with one's children while at the same time accomplishing a necessary task.

Consumer socialization also serves as a tool by which parents influence other aspects of the socialization process. For instance, parents frequently use the promise or reward of material goods as a device to modify or control a child's behavior. A mother may reward her child with a gift when the child does something to please her, or she may withhold or remove it when the child disobeys. Research conducted by one of the authors supports this behavior-controlling function. Specifically, 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).

It is important to mention that consumer socialization of children does not function identically in all cultures. For example, research indicates that American mothers emphasize autonomy more than Japanese mothers and want their children to develop independent consumption skills at an early age. In contrast, Japanese mothers maintain greater control over their children's consumption and, therefore, their offspring's understanding of how advertising works and other consumer-related skills develop at a somewhat later age.[40]

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. For example, parents have been found to be more active in the consumer socialization of their daughters than their sons (e.g., parents coshop more often with their daughters). Still further, wealthier parents appear to engage in more deliberate consumer training than those in lower socioeconomic groups (e.g., coshopping, talking about how buying decisions are made).[41]

Adult consumer socialization

The socialization process is not confined to childhood; rather, it is an ongoing process. It is now accepted that socialization begins in early childhood and extends throughout a person's entire life. For example, when a newly married couple establishes their own household, their adjustment to living and consuming together is part of this continuing process. Similarly, the adjustment of a middle-aged couple who decide to move from Chicago to Miami is also part of the ongoing socialization process. Even a family that is welcoming a pet into their home as a new family member must face the challenge of socializing the pet so that it fits into the family environment. Recent survey research reveals that pet owners commonly treat their pets as full-fledged family members. For instance, 58 percent of those surveyed indicated that they have sent or received a holiday card from their dog or cat; and 78 percent regularly talk in a different voice ("I wov you") to their pets.[42]

Intergenerational socialization

It appears that it is quite common for certain product loyalties or brand preferences to be transferred from one generation to another—*intergenerational brand transfer*—maybe for even three or four generations within the same family.[43] For instance, specific brand preferences for products such as peanut butter, mayonnaise, ketchup, coffee, and canned soup are all product categories that are frequently passed on from one generation to another generation. The following are selected verbatims from research with college-aged consumers as to how they feel about product usage extending over several generations:[44]

> *My mother stills buys almost every brand that her mother did. She is scared to try anything else, for it will not meet the standards, and (she) would feel bad not buying something that has been with her so long. (Respondent is an Italian American male in his early twenties.)*
>
> *I find it hard to break away from the things I've been using since I was little, like Vaseline products, Ivory soap, Lipton tea, and cornflakes. I live on campus so I have to do my own shopping, and when I do I see a lot of my mother in myself. I buy things I'm accustomed to using . . . products my mother buys for the house. (Respondent is West Indian American female.)*

FIGURE 10.11

A Simple Model of the Socialization Process

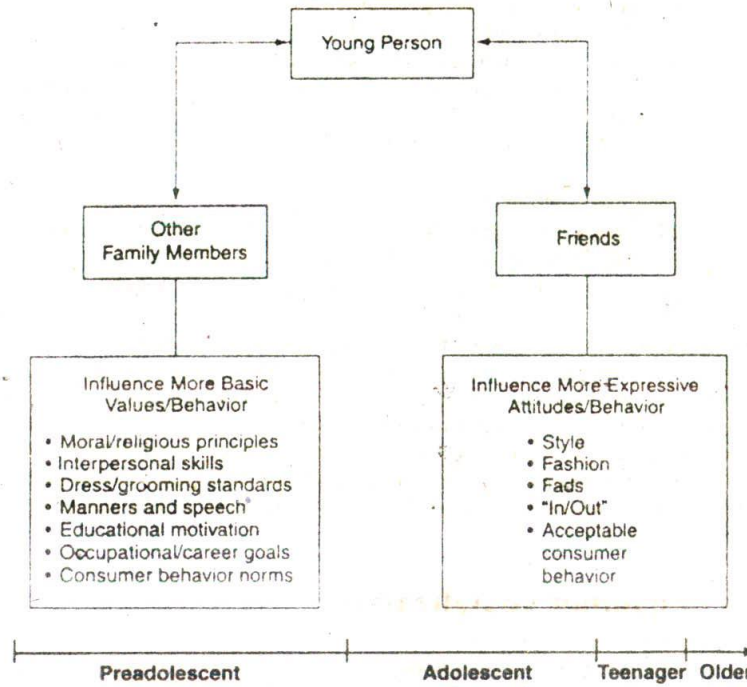


Figure 10.11 presents a simple model of the socialization process that focuses on the socialization of young children but that can be extended to family members of all ages. Note that the arrows run both ways between the young person and other family members and between the young person and his or her friends. This two-directional arrow signifies that socialization is really a "two-way street," one in which the young person is both socialized and influences those who are doing the socializing. Supporting this view is the reality that children of all ages often influence the opinions and behavior of their parents. As an example, research with elementary school-aged children has found that parental warmth relates positively to (1) the extent to which a child's interest in the Internet serves as a catalyst for increased parental Internet interest, (2) how much the child teaches a parent about the Internet, and (3) whether the child acts as the parent's Internet agent (e.g., the child shops for the parent on the Internet).[45] Because children are often more comfortable than their parents with digital and electronic media, they are often the ones in the family who do the teaching. Another research study examined the influence of family on consumer innovativeness, and found that the perceptions of adult children regarding their parent's innovativeness influences their own innovativeness.[46]

other functions of the family

Three other basic functions provided by the family are particularly relevant to a discussion of consumer behavior. These include economic well-being, emotional support, and suitable family lifestyles.

Economic well-being

Although families in the affluent nations of North America, Europe, and Asia are no longer formed primarily for economic security, providing financial means to its dependents is unquestionably a basic family function. How the family divides its responsibilities for providing economic well-being has changed considerably during the past 30 years. No longer are the traditional roles of husband as economic provider and wife as homemaker and child-rearer still valid. For instance, 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. In part, this may be why more than 70 percent of women in the 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.[47] However, the increased contributions of working mothers to the family's total income, according to some sociologists, has had mostly a positive net effect. The positive effects included greater marital stability and greater marital equality.[48]

The economic role of children also has changed. Today, despite the fact that many teenage children work, they rarely assist the family financially. Instead, many 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. It is of interest to note when parents are involved in a college student's acquisition of a credit card, credit card balances tend to be lower.[49]

Emotional support

The provision of emotional nourishment (including love, affection, and intimacy) to its members is an important core function of the contemporary family. In fulfilling this function, the family provides support and encouragement and assists its members in coping with decision making and with personal or social problems. To make it easier for working parents to show their love, affection, and support to their children, greeting card companies have been increasingly creating cards for parents to give to their children (or vice versa).

The *San Francisco Chronicle* asked its younger readers: "What is the key to happiness?" Many responses dealt specifically with the child's family:[50]

> *My key to happiness is to be with my family, because they're the only ones that understand my feelings, and also they're the only ones that care for me.*
> *The key to happiness is when my dad is making me laugh.*
> *The key to my happiness is my family, because they love and trust me.*
> *My family is a very good family. My mom and dad are very nice and listen to me.*
> *My sisters both have babies, so I'm even happier than I was before. Also, my grandpa lives with us. That's my key to happiness.*

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. For instance, in most communities, educational and psychological centers are available that are designed to assist parents who want to help their children improve their learning and communication skills or to generally better adjust to their environments.

Suitable family lifestyles

Another important family function in terms of consumer behavior is the establishment of a suitable *lifestyle* for the family. Upbringing, experience, and the personal and jointly held goals of the spouses determine the importance placed on education or career, on reading, on television viewing, on the learning of computer skills, on the frequency and quality of dining out, and on the selection of other entertainment and recreational activities. Researchers have identified a shift in the nature of family "togetherness." Whereas a family being together once meant doing things together,

FIGURE 10.12

Source: © Brunswick Boat Group. Used with permission. All rights reserved.



An Ad Telling Target Readers of the Importance of Quality Family Time

today it often means being in the same household and each person doing his or her own thing.[51]

Family lifestyle commitments, including the allocation of time, are greatly influencing consumption patterns. For example, a series of diverse pressures on moms has reduced the time that they have available for household chores and has created a market for convenience products and fast-food restaurants. Also, with both parents working, an increased emphasis is being placed on the notion of "quality time" rather than on the "quantity of time" spent with children and other family members. Realizing the importance of quality family time, Bayliner is telling its target audience about how owning a family boat adds to the family's happiness (see Figure 10.12).

family decision making and consumption-related roles

Although many marketers recognize the family as the basic consumer decision-making unit, they most frequently examine the attitudes and behavior of the one family member whom they believe to be the major *decision maker.* In some cases, they also examine the attitudes and behavior of the person most likely to be the primary *user* of the product or service. For instance, in the case of men's underwear, which is frequently purchased by women for their husbands and unmarried sons, it is commonplace to seek the views of both the men who wear the underwear and the women who buy it. By considering both the likely user and the likely purchaser, the marketer obtains a richer picture of the consumption process.

Key family consumption roles

For a family to function as a cohesive unit, tasks such as doing the laundry, preparing meals, setting the dinner table, taking out the garbage, and walking the dog must be carried out by one or more family members. In a dynamic society, family-related duties are constantly changing (such as the greater performance of household tasks by men). However, we can identify eight distinct roles in the *family decision-making process,* as presented in Table 10.7. A look at these roles provides further insight into how family members interact in their various consumption-related roles.

The number and identity of the family members who fill these roles vary from family to family and from product to product. In some cases, a single family member will independently assume a number of roles; in other cases, a single role will be performed jointly by two or more family members. In still other cases, one or more of these basic roles may not be required. For example, a family member may be walking down the cookie aisle at a local supermarket when she picks out an interesting new fat-free cookie. Her selection does not directly involve the influence of other family members. She is the *decider,* the *buyer* and, in a sense, the *gatekeeper;* however, she may or may not be the sole consumer (or user). Products may be consumed by a single family member (deodorant, razor),

TABLE 10.7 The Eight Roles in the Family Decision-Making Process

ROLE	DESCRIPTION
Influencers	Family member(s) who provide information to other members about a product or service
Gatekeepers	Family member(s) who control the flow of information about a product or service into the family
Deciders	Family member(s) with the power to determine unilaterally or jointly whether to shop for, purchase, use, consume, or dispose of a specific product or service
Buyers	Family member(s) who make the actual purchase of a particular product or service
Preparers	Family member(s) who transform the product into a form suitable for consumption by other family members
Users	Family member(s) who use or consume a particular product or service
Maintainers	Family member(s) who service or repair the product so that it will provide continued satisfaction
Disposers	Family member(s) who initiate or carry out the disposal or discontinuation of a particular product or service

consumed or used directly by two or more family members (orange juice, shampoo), or consumed indirectly by the entire family (central air conditioning, HDTV set, or art glass collection).

Dynamics of husband–wife decision making

Marketers are interested in the relative amount of influence that a husband and a wife have when it comes to family consumption choices. The relative influence of husbands and wives can be classified as: **husband dominated, wife dominated, joint** (either equal or syncratic), and **autonomic** (either solitary or unilateral).[52]

The relative influence of a husband and wife on a particular consumer decision depends in part on the product and service category. For instance, during the 1950s, the purchase of a new automobile was strongly husband dominated, whereas food and financial banking decisions more often were wife dominated. Fifty years later, the purchase of the family's principal automobile is still often husband dominated in many households. However, in other contexts or situations (e.g., a car to transport the children around or a car for a working mother), female car buyers are a segment to which many car manufacturers are currently receiving a great deal of marketing attention. Also, in the case of financial decision making, there has been a general trend over the past decade to have the female head of household make financial decisions.[53]

Husband–wife decision making also appears to be related to cultural influence. Research comparing husband–wife decision-making patterns in the People's Republic of China and in the United States reveals that among Chinese there were substantially fewer "joint" decisions and more "husband-dominated" decisions for many household purchases.[54] However, when limiting the comparison to urban and rural Chinese households (i.e., a "within-China" comparison), the research showed that in a larger city such as Beijing, married couples were more likely than rural couples to share equally in purchase decisions. Still further, because of China's "one child" policy and the ensuing custom of treating a single child as a "little emperor," many of the parents' purchase decisions are influenced by the input of their child.[55]

In another recent cross-cultural study, husband–wife decision making was studied among three groups: Asian Indians living in India, Asian Indians living in the United States, and American nationals. Results show a decrease in husband-dominated decisions and an increase in wife-dominated decisions, going from Asian Indians in India, to Asian Indians in the United States, to American nationals. This pattern seems to indicate the impact of assimilation on decision making.[56]

The expanding role of children in family decision making

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. This shift in influence has occurred as a result of families having fewer children (which increases the influence of each child), more dual-income couples who can afford to permit their children to make a greater number of the choices, and the encouragement by the media to allow children to "express themselves." Still further, single-parent households often push their children toward household participation and self-reliance. As one example of children's influence, kids in supermarkets with a parent make an average of 15 requests, of which about half are typically granted.[57] Table 10.8 enumerates some of the tactics employed by children to influence their parents, and Table 10.9 presents the amount of influence children perceive they have with respect to their family's purchasing of a variety of items. As Table 10.9 indicates, children's influence was claimed to be higher when the purchase was for themselves, although many claimed to be influential in the purchase of "family products," such as meals, vacations, and automobiles.

Still other research reveals that children have considerable influence on family decision making with respect to eating. The research found that about 17 percent of

TABLE 10.8 Tactics Used by Children to Influence Their Parents

Pressure tactics	The child makes demands, uses threats, or intimidation to persuade you to comply with his/her request
Upward appeal	The child seeks to persuade you, saying that the request was approved or supported by an older member of the family, a teacher, or even a family friend
Exchange tactics	The child makes an explicit or implicit promise to give you some sort of service such as washing the car, cleaning the house, or taking care of the baby, in return for a favor
Coalition tactics	The child seeks the aid of others to persuade you to comply with his/her request or uses the support of others as an argument for you to agree with him/her
Ingratiating tactics	The child seeks to get you in a good mood or think favorably of him or her before asking you to comply with a request
Rational persuasion	The child uses logical arguments and factual evidence to persuade you to agree with his/her request
Inspirational appeals	The child makes an emotional appeal or proposal that arouses enthusiasm by appealing to your values and ideals
Consultation tactics	The child seeks your involvement in making a decision

Source: "Tactics Used by Children to Influence Their Parents," Jovantha S. Wimalasiri Journal of Consumer Marketing (2004, Vol. 21, No. 4) © MCB UP Limited **http://www.emeraldinsight.com/msq.htm**

the 9- to 12-year-old children studied considered themselves to be the main decision maker with respect to the decision to go to a restaurant, whereas 40 percent thought of themselves as the main decision maker with respect to the choice of restaurants.[58] Interestingly, some 30 percent of the parents of these children felt that their offspring were the main decision makers in deciding to eat out, and almost an equal number, 29 percent, felt that the child (or children) also was the main decision

TABLE 10.9 Items Children Perceive Themselves to Have Influenced the Purchase Of

	%
Casual clothes for me	91
Trainers for me	88
CDs for me	84
Sweets for me	83
Computers for me	83
Soft drinks for me	80
School shoes for me	80
A family trip to the cinema	73
Food for me for lunch at the weekend	73
A holiday I would go on with the family	63
Going out for a family meal	52
A family car	37

Source: Julie Tinson and Clive Nancarrow, *International Journal of Market Research* 47, no. 1 (2005): 22.

TABLE 10.10 Who Makes the Decision to Go to a Restaurant? Children's Perceptions by Family Type

	CHILD	FATHER	MOTHER	TOTAL
Traditional	12.0	52.0	36.0	100%
				75.8
Nontraditional	25.0	12.5	62.5	100%
				24.2
Total	15.2	42.4	42.4	100%
				100%

Source: Reprinted from the Journal of Business Research, 54, JoAnne Labrecque and Line Ricard, Children's Influence on Family Decision Making: A Restaurant Study, © November 2001, p. 175, with permission from Elsevier.

maker with regard to which restaurant was patronized. Additionally, in traditional families, children most often felt that it was the father who makes the decision to go to a restaurant, whereas in nontraditional families it was most often the mother (see Table 10.10). The results also reveal that in nontraditional households a child was twice as likely to make the decision to go to a restaurant than in a traditional household.

There is also research evidence supporting the notion that the extent to which children influence a family's purchases is related to family communication patterns. As might be expected, 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 purchases) and *consensual parents* (i.e., parents who encourage children to seek harmony, but are nevertheless open to the children's veiwpoint on purchases), because such parents allow their children a significantly greater amount of influence than 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).[59]

Still further, there is research that 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 (this is a variation on the *market maven* discussed in Chapter 15). It has been shown that teen Internet mavens contribute significantly to the family's decision making.[60] Specifically, they perceive themselves to be more influential in researching and evaluating family purchases; indeed, their parents tend to concur that they are more influential with regard to family decision making.

Finally, 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. A recent study of the strategies children use to influence their parents' food-purchasing decisions began with the proposed framework that there are four types of influence: individual differences, interpersonal influences, environmental influences, and societal influences that children employ to influence their parents so that food-purchase decisions reflect their choices or preferences. This framework is depicted in Figure 10.13. This research goes on to reveal that ten-year-old French Canadian children (living in Montreal) considered it important to eat foods similar to those eaten by others, to eat in front of the television, to suggest that the family eat foods advertised on TV, and to develop strategies to influence parental food-purchasing decisions. Still further, it was more important for boys than for girls to select foods eaten by others, and boys were more likely to eat in front of the TV and to eat in their bedrooms. The strategies used by children to influence their parents' food-purchasing decisions, included such persuasive strategies as stating their preferences

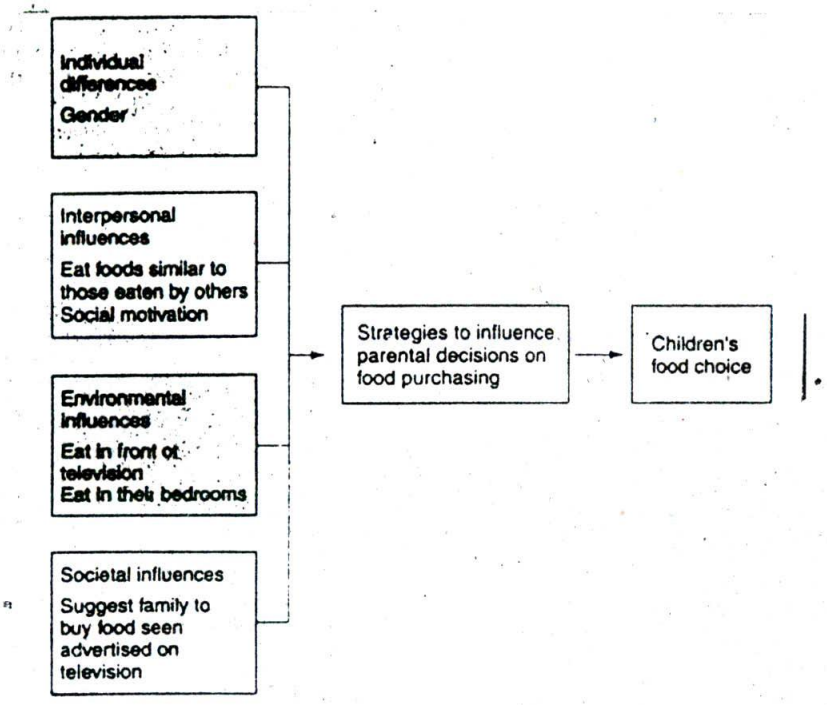


FIGURE 10.13

Conceptual Framework Related to Factors Explaining the Development of Strategies by Ten-Year-Old Children to Influence Parental Decisions on Food Purchasing

Source: Marie Marquis, "Strategies for Influencing Parental Decisions on Food Purchasing," *Journal of Consumer Marketing* 21, no. 2 (2004): 135.

or begging; and emotional strategies, such as asking repetitively for a product (in a way that irritates the parents).[61] An additional point must be made about children and TV viewing—networks today try to promote the branding process because it can change a child from a viewer into a consumer likely to purchase the advertised product. As examples of how this may be accomplished, Nickelodeon has an agreement with Gateway, the computer manufacturer, to offer Rugrats and Blue's Clues editions of its Astro computer, and General Motors has a deal with Nickelodeon that includes using some Nickelodeon programming in its in-vehicle entertainment systems. Still further, research conducted by J.D. Power and Associates found that 78 percent of parents claimed that they had had discussions with their children while shopping for a new vehicle.[62]

the family life cycle

Sociologists and consumer researchers have long been attracted to the concept of the **family life cycle (FLC)** as a means of depicting what was once a rather steady and predictable series of stages through which most families progressed. However, with the advent of many diverse family and lifestyle arrangements, what was the rule has been on the decline. This 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 an increasing divorce rate, the explosive number of out-of-wedlock births, and the 35-year decline in the number of extended families that transpired as many young families moved to advance their job and career opportunities.

The notion of the FLC remains a useful marketing tool when one keeps in mind that there are family and lifestyle arrangements that are not fully accounted for by the traditional representation. FLC analysis enables marketers to segment families in terms of a

series of stages spanning the life course of a family unit. 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. The ages of the parents and the relative amount of disposable income usually are inferred from the stage in the family life cycle.

To reflect the current realities of a wide range of family and lifestyle arrangements, our treatment of the FLC concept is divided into two sections. The first section considers the traditional FLC schema. This model is increasingly being challenged because it fails to account for various important family living arrangements. To rectify these limitations, the second section focuses on alternative FLC stages, including increasingly important nontraditional family structures.

Traditional family life cycle

The **traditional family life cycle** is a progression of stages through which many families pass, starting with bachelorhood, moving on to marriage (and the creation of the basic family unit), then to family growth (with the birth of children), to family contraction (as grown children leave the household), and ending with the dissolution of the basic unit (due to the death of one spouse). Although different researchers have expressed various preferences in terms of the number of FLC stages, the traditional FLC models proposed over the years can be synthesized into just five basic stages, as follows:

Stage I: Bachelorhood—young single adult living apart from parents
Stage II: Honeymooners—young married couple
Stage III: Parenthood—married couple with at least one child living at home
Stage IV: Postparenthood—an older married couple with no children living at home
Stage V: Dissolution—one surviving spouse

The following discussion examines the five stages in detail and shows how they lend themselves to market segmentation strategies.

Stage I: bachelorhood

The first FLC stage consists of young single men and women who have established households apart from their parents. Although most members of this FLC stage are fully employed, many are college or graduate students who have left their parents' homes. 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. Members of the bachelorhood stage frequently have sufficient disposable income to indulge themselves. Marketers target singles for a wide variety of products and services.

In most large cities, there are travel agents, housing developments, health clubs, sports clubs, and other service and product marketers that find this FLC stage a lucrative target niche. *Meeting, dating,* and *mating* are prominent concerns of many young adults who typically are beginning their working lives after recently completing college or some other form of career or job training. It is relatively easy to reach this segment because many special-interest publications target singles. For example, *GQ, Details,* and *Playboy* are directed to a young, sophisticated, single male audience, whereas *Cosmopolitan, Allure,* and *Glamour* are directed to young single females.

It is interesting to note how the perceptions of 18- to 29-year-olds have been changing with respect to marriage. Whereas in 1991, 72 percent of this group felt that a happy marriage is part of the good life, by 1996 the number had risen to 86 percent. This growth in percentage is higher than for any other age group of U.S. adults.[63]

Marriage marks the transition from the bachelorhood stage to the honeymooner stage. Engaged and soon-to-be-married couples tend to have a combined income that is more than the average U.S. household); therefore, they are often the target for many products and services (the bridal industry is more than a $30-billion-a-year market—

FIGURE 10.14

Source: © Bed Bath & Beyond Inc. and it's subsidiaries. Used with permission.



Targeting the "To Be Married" Market

see Figure 10.14). And they want their wedding to be special, which explains the recent trend in wedding sites that are far from home—an exotic Carribean island or a major European capital city.

Stage II: honeymooners

The *honeymoon* stage starts immediately after the marriage vows are taken and generally continues until the arrival of the couple's first child. This FLC stage serves as a period of adjustment to married life. Because many young husbands and wives both work, these couples 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.

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). During this stage, the advice and experience of other married couples are likely to be important to newlyweds. 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

When a couple has its first child, the honeymoon is considered over. The *parenthood* stage (sometimes called the full-nest stage) usually extends over more than a 20-year period. Because of its long duration, this stage can be divided into shorter phases: the preschool phase, the elementary school phase, the high school phase, and the college phase. Throughout these parenthood phases, the interrelationships of family members and the structure of the family gradually change. Furthermore, the financial resources of the family change significantly, as one (or both) parents progress in a career and as child-rearing and educational responsibilities gradually increase and finally decrease as children become self-supporting.

Parents, especially Baby Boomers (born between 1946 and 1964) and Generation X (born between 1965 and 1978) who are parents, make up the majority of parents in U.S. households. These parents tend to be better educated, more affluent, and more socially aware than previous generations of parents. Their children often become the focus of their lives, and they spend money accordingly. Therefore, it is not surprising that affluent parents today believe that *"If you don't buy the good brand for your kid, you're really being an unfit parent,"* and this attitude has created a market for $150 to $400 diaper bags, $1,000 high chairs, and limited-edition, leather-lined baby strollers for $2,000.

Many magazines cater to the information and entertainment needs of parents and children. For example, there are many other special-interest publications, such as *Humpty Dumpty,* designed for the young child just learning to read; *Scholastic Magazine,* for the elementary school pupil; *Boy's Life,* for young boys; and *American Girl, Seventeen,* and *Glamour* for teen and young adult girls interested in fashion. In addition, a relatively new magazine, *Cookie,* is targeting the parents in the more than 22 million U.S. homes, with annual incomes in excess of $75,000, who have children under 10 years of age.[64]

Stage IV: postparenthood

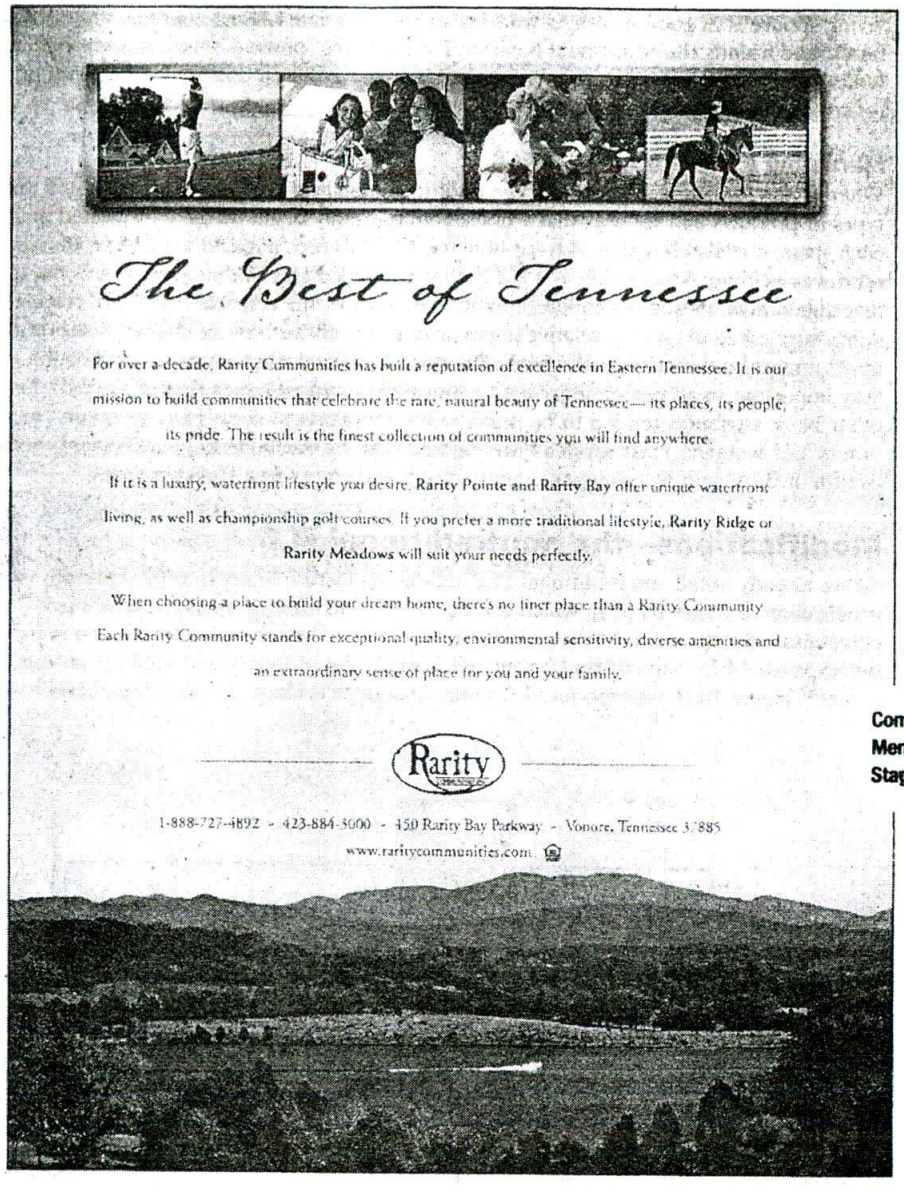
Because parenthood extends over many years, it is only natural to find that *postparenthood,* when all the children have left home, is traumatic for some parents and liberating for others. This so-called *empty-nest stage* signifies for many parents almost a "rebirth," a time for doing all the things they could not do while the children were at home and they had to worry about soaring educational expenses. For the mother, it may be a time to further her education, to enter or reenter the job market, or to seek new interests. For the father, it is a time to indulge in new hobbies. For both, it is the time to travel, to entertain, perhaps to refurnish their home, or to sell it in favor of a new home or condominium.

It is during this stage that married couples tend to be most comfortable financially. Today's empty nesters have more leisure time. They travel more frequently, take extended vacations, and are likely to purchase a second home in a warmer climate. They have higher disposable incomes because of savings and investments, and they have fewer expenses (no mortgage or college tuition bills). They look forward to being involved grandparents. For this reason, families in the postparenthood stage are an important market for luxury goods, new automobiles, expensive furniture, and vacations to faraway places.

Consider Baby Boomers, who make up a large percentage of the 70 million Americans who are grandparents; they are spending about $35 billion annually on their grandchildren, account for 25 percent of all toy purchases, an average spending of $500 a year per grandchild (although one-third spend over $2,400 a year per grandchild).[65]

Many empty nesters retire while they are still in good health. Retirement provides the opportunity to pursue new interests, to travel, and to fulfill unsatisfied needs. Hotels,

FIGURE 10.15



Source: © Rarity Communities, Inc. Used with permission. All rights reserved.

Community Developers Target Members of the Postparenthood Stage of FLC

airlines, and car-leasing companies have responded to this market with discounts to consumers over 60; some airlines have established special travel clubs with unlimited mileage for a flat fee. Adult communities have sprung up in many parts of the nation (see Figure 10.15). Of course, for older retired couples who do not have adequate savings or income, retirement is far different and very restrictive. On the other hand, there are subsegments of older individuals who do *not* wish to retire—they simply love what they do at work too much to think of retiring. Older consumers tend to use television as an important source of information and entertainment. They favor programs that provide the opportunity to "keep up with what's happening," especially news and public affairs programs. In addition, a number of special-interest magazines cater exclusively to this market, such as *Modern Maturity*. (Chapter 13 contains a more detailed discussion of the older consumer as a subcultural market segment.)

Stage V: dissolution

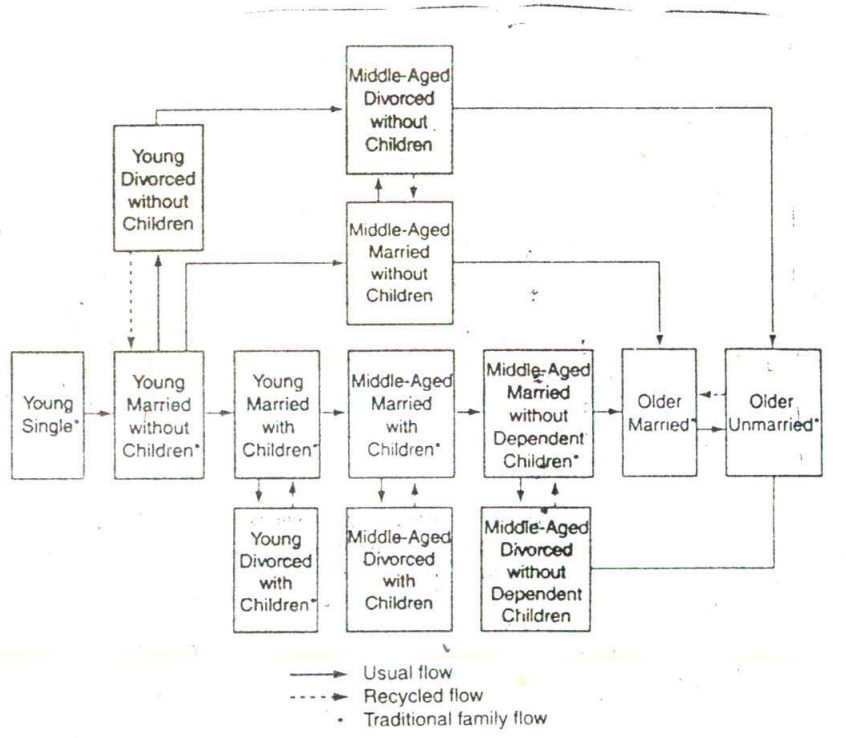
Dissolution of the basic family unit occurs with the death of one spouse. When the surviving spouse is in good health, is working or has adequate savings, and has supportive family and friends, the adjustment is easier. The surviving spouse (usually, the wife) often tends to follow a more economical lifestyle. Many surviving spouses seek each other out for companionship; others enter into second (or third and even fourth) marriages.

Marketing and the traditional FLC

Whereas the foregoing discussion of the traditional family life cycle concept indicated the types of products and services that a household or family might be most interested in at each stage, it is also possible to trace how the FLC concept impacts a single product or service over time. An example is a study that employed an eight-stage FLC schema to investigate how consumers choose a bank.[66] As part of the research, the 3,100 respondents were asked to rate the relative importance of 18 product/service characteristics that might impact on their choice of a bank. The research reveals that a convenient location is very important to all respondents (i.e., it was always ranked either first or second), but other bank attributes tended to be much more important to some FLC segments than others. For instance, "fast service" was ranked fifth by bachelor stage individuals and twelfth or thirteenth by full-nest II, empty-nest I, and empty-nest II respondents.

Modifications—the nontraditional FLC

As we already noted, the traditional FLC model has lost its ability to fully represent the progression of stages through which current family and lifestyle arrangements move. To compensate for these limitations, consumer researchers have been attempting to search out expanded FLC models that better reflect diversity of family and lifestyle arrangements.[67] Figure 10.16 presents an FLC model that depicts along the main horizontal row



An Extended Family Life Cycle Schema Accounts for Alternative Consumer Lifestyle Realities

Source: Patrick E. Murphy and William A. Staples, "A Modern-Sized Family Life Cycle," *Journal of Consumer Research*, 6 June 1979, 17. Reprinted by permission of The University of Chicago Press as publisher.

FIGURE 10.16

the stages of the traditional FLC and above and below the main horizontal row are selected alternative FLC stages that account for some important nontraditional family households that marketers are increasingly targeting. The underlying sociodemographic forces that drive this expanded FLC model include divorce and later marriages, with and without the presence of children. 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 families formed because a single person or single persons adopt a child.

Nontraditional FLC stages

Table 10.11 presents an extensive categorization of nontraditional FLC stages that are derived from the dynamic sociodemographic forces operating during the past 30 years or so. 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. At one time, nonfamily households were so uncommon that it was not really important whether they were considered or not. However, as Table 10.12 reveals, over 30 percent of all households are currently nonfamily households (i.e., men or women living

TABLE 10.11 Noteworthy Nontraditional FLC Stages

ALTERNATIVE FLC STAGES	DEFINITION/COMMENTARY
FAMILY HOUSEHOLDS	
Childless couples	It is increasingly acceptable for married couples to elect not to have children. Contributing forces are more career-oriented married women and delayed marriages.
Couples who marry later in life (in their late 30s or later)	More career-oriented men and women and greater occurrence of couples living together. Likely to have fewer or even no children.
Couples who have first child later in life (in their late 30s or later)	Likely to have fewer children. Stress quality lifestyle: "Only the best is good enough."
Single parents I	High divorce rates (about 50 percent) contribute to a portion of singleparent households.
Single parents II	Young man or woman who has one or more children out of wedlock.
Single parents III	A single person who adopts one or more children.
Extended family	Young single-adult children who return home to avoid the expenses of living alone while establishing their careers. Divorced daughter or son and grandchild(ren) return home to parents. Frail elderly parents who move in with children. Newlyweds living with in-laws.
NONFAMILY HOUSEHOLDS	
Unmarried couples	Increased acceptance of heterosexual and homosexual couples.
Divorced persons (no children)	High divorce rate contributes to dissolution of households before children are born.
Single persons (most are young)	Primarily a result of delaying first marriage; also, men and women who never marry.
Widowed persons (most are elderly)	Longer life expectancy, especially for women, means more over-75 single-person households.

TABLE 10.12 Family and Nonfamily Households

	NUMBER OF HOUSEHOLDS BY TYPE IN 2000 (IN 000S)	DISTRIBUTION OF HOUSEHOLDS BY TYPE
ALL HOUSEHOLDS	**111,278**	**100.0%**
FAMILY HOUSEHOLDS	**75,596**	**67.9%**
Married couples	57,320	51.5%
With own children under 18	27,059	24.3%
Female householder (no husband present)	13,620	12.2%
NONFAMILY HOUSEHOLDS	**35,682**	**32.0%**
Householder living alone	29,377	26.4%
Average household size = 2.57		
Average family size = 3.19		

Source: U.S. Census Bureau (www.census.gov/prod/2004pubs/p20-553.pdf)

alone or with another person as an unmarried couple). The table points out how FLC stages have shifted so that today nonfamily households actually outnumber married couples with children, the once stereotypical family.

Consumption in nontraditional families

When households undergo status changes (divorce, temporary retirement, a new person moving into the household, or the death of a spouse), they often undergo spontaneous changes in consumption-related preferences and, thus, become attractive targets for many marketers. For example, divorce often requires that one (or both) former spouses find a new residence, get new telephones (with new telephone numbers), buy new furniture, and perhaps find a job. These requirements mean that a divorced person might need to contact real estate agents, call the local and long-distance telephone companies, visit furniture stores, and possibly contact a personnel agency or career consultant. There are also the special needs of the children who are experiencing the divorce.

In another sphere, the substantial increase in dual-income households (in which both the husband and wife work) has also tended to muddy the lifestyle assumptions implicit in the traditional FLC. Most dual-income families have children (the majority of those children are between 11 and 20 years of age). The most affluent dual-income segment is, not surprisingly, the "crowded nesters." This dual-income couple, with an adult child living at home, has the advantage of an additional potential source of income to contribute to the general well-being of the household.

The side-by-side existence of traditional and nontraditional FLC stages is another example of our recurring observation that the contemporary marketplace is complex in its diversity, and it is a challenge to segment and serve.

SUMMARY

Almost all individuals regularly interact with other people who directly or indirectly influence their purchase decisions. Thus, the study of groups and their impact on the individual is of great importance to marketers concerned with influencing consumer behavior.

Consumer reference groups are groups that serve as frames of reference for individuals in their purchase decisions. Examples of reference groups include (1) friendship groups, (2) shopping groups, (3) work groups, (4) virtual groups or communities, and (5) consumer-action groups. Reference

groups that influence general values or behavior are called normative reference groups; those that influence specific attitudes are called comparative reference groups. The concept of consumer reference groups has been broadened to include groups with which consumers have no direct face-to-face contact, such as celebrities, political figures, and social classes.

The credibility, attractiveness, and power of the reference group affect the degree of influence it has. Reference group appeals are used very effectively by some advertisers in promoting their goods and services because they subtly induce the prospective consumer to identify with the pictured user of the product.

The five types of reference group appeals most commonly used in marketing are celebrities, experts, the common man, the executive and employee spokesperson, and the trade spokes-character. Celebrities are used to give testimonials or endorsements as actors or as company spokespersons. Experts may be recognized experts in the product category or actors playing the part of experts (e.g., an automobile mechanic). The common-man approach is designed to show that individuals who are just like the prospect are satisfied with the advertised product. Increasingly, firms are using their top executives as spokespersons because their appearance in company advertisements seems to imply that someone at the top is watching over the consumer's interest.

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.

DISCUSSION QUESTIONS

1. As a marketing consultant, you have been asked to evaluate a new promotional campaign for a large retail chain. The campaign strategy is aimed at increasing group shopping. What recommendations would you make?
2. Many celebrities who are considered to be persuasive role models often appear in TV beer commercials. Does the use of such celebrities in beer advertising constitute an unethical marketing practice? Discuss.
3. You are the marketing vice president of a large soft-drink company. Your company's advertising agency is in the process of negotiating a contract to employ a superstar female singer to promote your product. Discuss the reference group factors that you would raise before the celebrity is hired.
4. How does the family influence the consumer socialization of children? What role does television advertising play in consumer socialization?
5. 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?
6. 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.
7. As the marketing manager of a high-quality, fairly expensive line of frozen dinners, how would you use the nonfamily household information listed in Table 10.11 to segment the market and position your product?
8. A domestic airline's frequent-flyer program states that award tickets are transferable only to family members. As the airline executive charged with reevaluating this policy, how would you use the census data listed in Table 10.12 to decide whether or not to change the present policy?

EXERCISES

1. Prepare a list of formal and informal groups to which you belong and give examples of purchases for which each served as a reference group. In which of the groups you listed is the pressure to conform the greatest? Why?
2. With a paper and pencil, spend one hour watching a network television channel during prime time. Record the total number of commercials that aired. For each commercial using a celebrity endorser, record the celebrity's name, the product or service advertised, and whether the celebrity was used in a testimonial, as an endorser, as an actor, or as a spokesperson.
3. 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.
4. Select three product categories and compare the brands you prefer to those your parents prefer. To what extent are the preferences similar? Discuss the similarities in the context of consumer socialization.
5. 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 TV shows.) Classify the traditional group into one stage of the traditional FLC. Classify the nontraditional group into one of the categories described in Table 10.11. Select two characters of the same gender and approximate age, one from each group, and compare their consumption behavior (such as clothes, furniture, or stated or implied attitudes toward spending money).

KEY TERMS

- **actor**
- **autonomic (unilateral) decisions**
- **celebrity credibility**
- **comparative reference groups**
- **consumer-action group**
- **consumer conformity**
- **consumer socialization**
- **endorsement**
- **extended family**
- **family**
- **family life cycle (FLC)**
- **group**
- **husband-dominated decisions**
- **indirect reference groups**
- **informal groups**
- **joint (syncratic) decisions**
- **normative reference groups**
- **nuclear family**
- **reference group**
- **shopping group**
- **single-parent family**
- **socialization of family members**
- **spokesperson**
- **symbolic group**
- **testimonial**
- **traditional family life cycle**
- **wife-dominated decisions**

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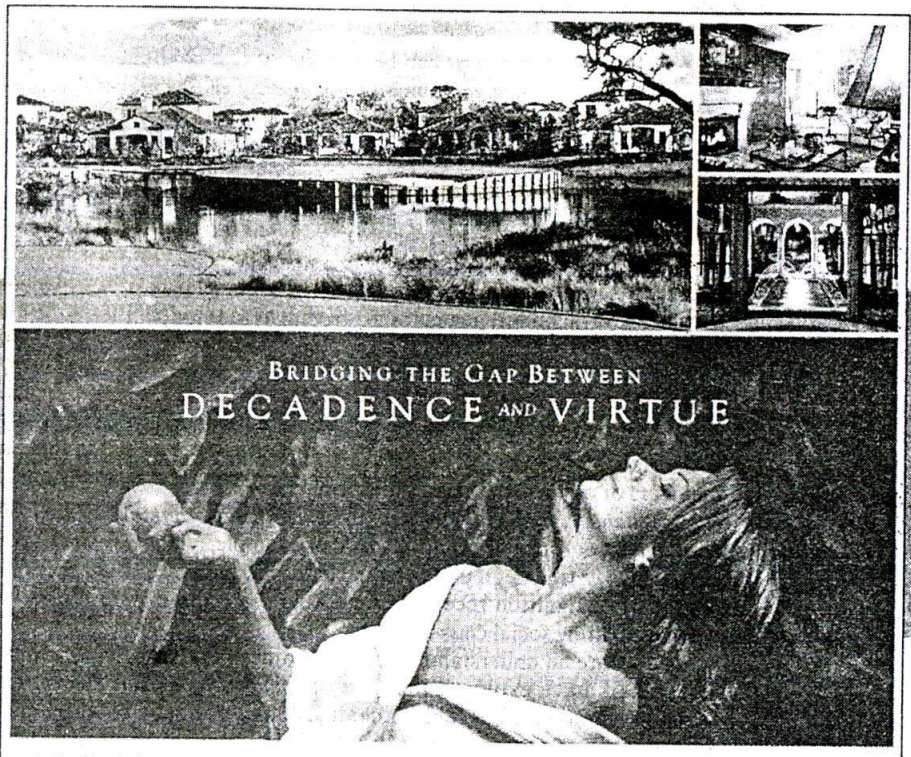
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chapter**eleven**

Social Class and Consumer Behavior

Some form of class structure or social stratification has existed in all societies throughout the history of human existence. In contemporary societies, an indication that social classes exist is the common reality that people who are better educated or have more prestigious occupations such as physicians and lawyers often are more highly valued than those who are truck drivers and farmhands. This is so, even though all four occupations are necessary for a society's well-being. Moreover, as will be discussed later, a wide range of differences in values, attitudes, and behavior exists among members of different social classes.

The major topics that will be explored in this chapter are a definition of social class and how it is measured, lifestyle profiles of the social classes, social-class mobility, geodemographic clustering, the affluent and nonaffluent consumer, the presence of a "techno-class," and how social-class-linked attitudes and behavior influence selected aspects of consumer behavior.



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what is social class?

Although **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 *strata*. Within this framework, the concept of social class is used to assign individuals or families to a social-class category. Consistent with this practice, 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.*

To appreciate more fully the nature and complexity of social class, we will briefly consider several underlying concepts pertinent to this definition.

Social class and social status

Researchers often measure social class in terms of **social status**; that is, they define each social class by the amount of status the members of that class have in comparison with members of other social classes. 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.* For example, relative *wealth* (amount of economic assets), *power* (the degree of personal choice or influence over others), and *prestige* (the degree of recognition received from others) are three status factors frequently used when estimating social class.

To secure an understanding of how status operates within the minds of consumers, researchers have explored the idea of *social comparison theory.* According to this social-psychological concept, individuals quite normally compare their own material possessions with those owned by others in order to determine their relative social standing. This is especially important in a marketing society where status is often associated with consumers' purchasing power (or how much can be purchased). Simply stated, individuals with more purchasing power or a greater ability to make purchases have more status. Those who have more restrictions on what they can or cannot buy have less status. Because visible or conspicuous possessions are easy to spot, they especially serve as markers or indicators of one's own status and the status of others. Not surprisingly, research confirmed that a key ingredient of status is a consumer's possessions compared with others' similar possessions (possibly one's home versus another person's home).[1] In making such a comparison, an individual consumer might decide to compare himself with someone who is worse off (i.e., a downward comparison) in order to bolster his self-esteem; or alternatively, a consumer might elect to *compare upward* with another consumer "with more" or some idealized media image (e.g., a beautiful home in a magazine advertisement), which is likely to make the consumer feel somewhat inferior.

The dynamics of status consumption

A related concept is *status consumption*—which is the process by which consumers endeavor to increase their social standing through conspicuous consumption and possessions.[2] A number of research studies validated a status consumption scale (see Table 11.1). The development of such measures are important, for as the market for luxury or status products continues to grow, there is an even greater need for marketers to identify and understand which consumers especially seek out such status-enhancing possessions, as well as the relationship between status consumption and social class.[3]

It is important to mention that a recent study in Australia examined the two interrelated concepts of status consumption and conspicuous consumption with respect to fashion clothing and sunglasses (both products that are visible or conspicuous to others

TABLE 11.1 A Five-Question Status Consumption Scale[a]

1. I would buy a product just because it has status.
2. I am interested in new products with status.
3. I would pay more for a product if it had status.
4. The status of a product is irrelevant to me (negatively worded).
5. A product is more valuable to me if it has some snob appeal.

[a]Each of the five items is measured on 7-point Likert (agree–disagree) scale.
Source: Jacqueline K. Eastman, Ronald E. Goldsmith, and Leisa Reinecke Flynn, "Status Consumption in Consumer Behavior: Scale Development and Validation," *Journal of Marketing Theory and Practice* (Summer 1999): 44.

and capable of providing the possessor with "status"). The research found that *status consumption* (i.e., gauges the degree to which a consumer is likely to consume for status) and *conspicuous consumption* (i.e., measures the extent to which a consumer is to consume conspicuously) are different consumer measures, yet they are related in that they both are impacted by interpersonal or word-of-mouth communication. The research also revealed that females were more prone than males to conspicuously consume; whereas only status consumption was affected by self-monitoring (i.e., the tendency for consumers to use products as "props").[4]

Although *social comparison theory* and its related activity of *status consumption* (and possibly conspicuous consumption) status 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 convenient demographic (more precisely socioeconomic) variables: *family income, occupational status or prestige,* and *educational attainment.* These socioeconomic variables, as expressions of status, are used by marketing practitioners on a daily basis to measure social class.

Social class is hierarchical and a form of segmentation

Social-class categories usually are ranked in a hierarchy, ranging from low to high status. Thus, members of a specific social class perceive members of other social classes as having either more or less status than they do. To many people, therefore, social-class categories suggest that others are either equal to them (about the same social class), superior to them (higher social class), or inferior to them (lower social class).

Within this context, social-class membership serves consumers as a frame of reference (or a reference group) for the development of their attitudes and behavior. In the context of reference groups, members of a specific social class may be expected to turn most often to other members of the same class for cues (or clues) regarding appropriate behavior. In other cases, members of a particular social class (e.g., upper-lower class) may aspire to advance their social-class standing by emulating the behavior of members of the middle class. To accomplish this goal, they might read middle-class magazines, do "middle-class things" (such as visit museums and advance their education), and hang out at middle-class restaurants so that they can observe middle-class behavior.[5]

The hierarchical aspect of social class is important to marketers. Consumers may purchase certain products because these products are favored by members of either their own or a higher social class (e.g., a high-priced Swiss wristwatch), and consumers may avoid other products because they perceive the products to be "lower-class" products (e.g., a "no-name" brand of sneaker). Thus, the various social-class strata

provide a natural basis for market segmentation for many products and services. In many instances, consumer researchers have been able to relate aspects of product usage to social-class membership. For example, when it comes to the consumption of instant coffee throughout Europe, it appears that for German consumers instant coffee tends to be a particularly upmarket or upscale product; and in contrast, for French consumers instant coffee is a particularly downmarket or downscale product.[6]

The classification of society's members into a small number of social classes has also enabled researchers to note the existence of shared values, attitudes, and behavioral patterns among members within each social class and differing values, attitudes, and behavior *between* social classes. Consumer researchers have been able to relate social-class standing to consumer attitudes concerning specific products and to examine social-class influences on the actual consumption of products.

Social-class categories

Little agreement exists among sociologists on how many distinct class divisions are necessary to adequately describe the class structure of the United States. Most early studies divided the members of specific communities into five or six social-class groups. However, other researchers have found nine-, four-, three-, and even two-class schemas suitable for their purposes. 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. 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. Table 11.2 illustrates the number and diversity of social-class schemas, while Table 11.3 provides a sense of the distribution of the U.S. population according to a five-category subdivision.

TABLE 11.2 Variations in the Number and Types of Social-Class Categories

Two-Category Social-Class Schemas

- *Blue collar, white collar*
- *Lower, upper*
- *Lower, middle*

Three-Category Social-Class Schemas

- *Blue collar, gray collar, white collar*
- *Lower, middle, upper*

Four-Category Social-Class Schemas

- *Lower, lower-middle, upper-middle, upper*

Five-Category Social-Class Schemas

- *Lower, working class, lower-middle, upper-middle, upper*
- *Lower, lower-middle, middle, upper-middle, upper*

Six-Category Social-Class Schemas

- *Lower-lower, upper-lower, lower-middle, upper-middle, lower-upper, upper-upper*

Seven-Category Social-Class Schemas

- *Real lower-lower, a lower group of people but not the lowest, working class, middle class, upper-middle, lower-upper, upper-upper*

Nine-Category Social-Class Schemas

- *Lower-lower, middle-lower, upper-lower, lower-middle, middle-middle, upper-middle, lower-upper, middle-upper, upper-upper*

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

Source: Eugene Sivadas, George Mathew, and David J. Curry, "A Preliminary Examination of the Continued Significance of Social Class to Marketing: A Geodemographic Replication," *Journal of Consumer Marketing* 14, no. 6 (1997): 469. Reprinted by permission.

Table 11.3 also reveals the small size of the upper class, which is the reason why most mass marketers simply ignore it (or combine it with the upper-middle class). On the other hand, its small size and highly cultivated tastes make the upper class a particularly desirable target market for specialty firms with a specific expertise and the ability to cater to the small number of particularly affluent consumers (see Figure 11.1).

the measurement of social class

There is no general agreement on how to measure social class. To a great extent, researchers are uncertain about the underlying dimensions of social-class structure. To attempt to resolve this dilemma, researchers have used a wide range of measurement techniques that they believe give a fair approximation of social class.

Systematic approaches for measuring social class fall into the following broad categories: **subjective measures**, **reputational measures**, and **objective measures** of social class.

Subjective measures

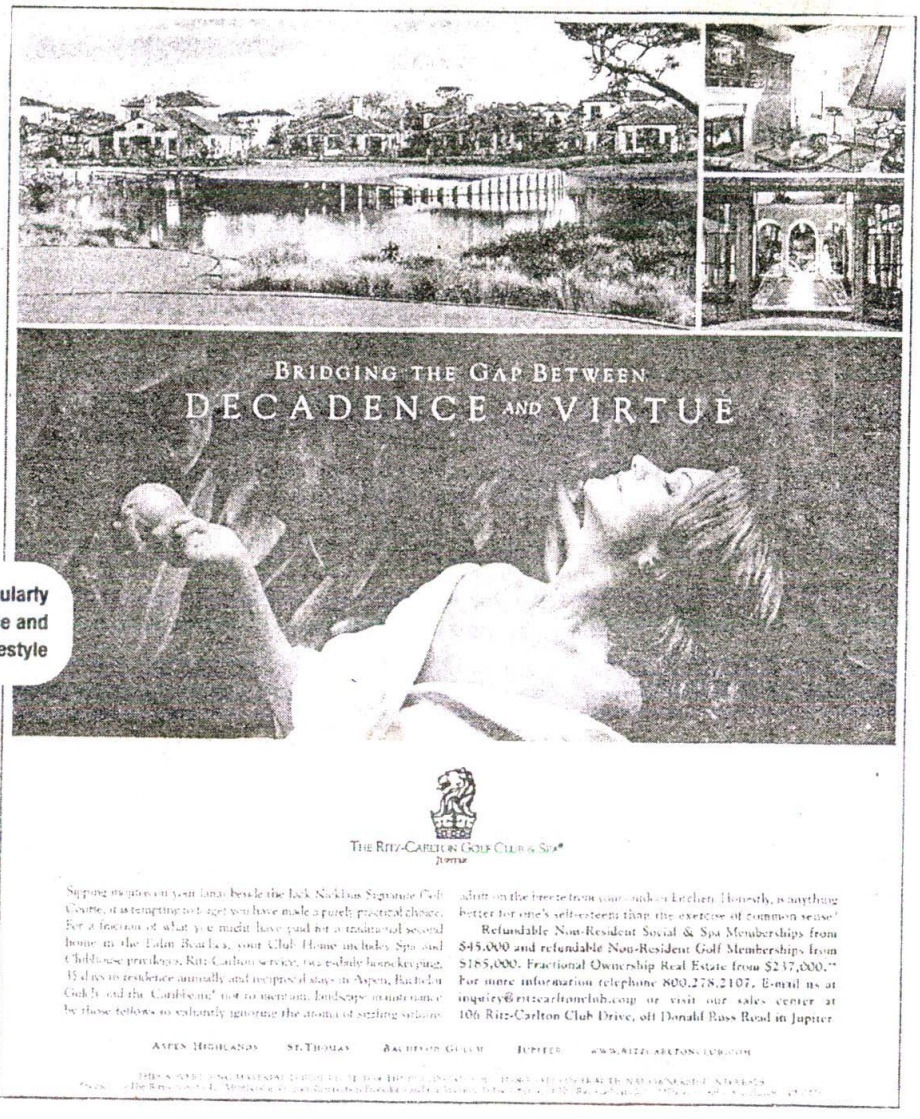
In the *subjective* approach to measuring social class, individuals are asked to estimate their own social-class positions. Typical of this approach is the following question:

Which one of the following four categories best describes your social class: the lower class, the lower-middle class, the upper-middle class, or the upper class?

Lower class [ ]
Lower-middle class [ ]
Upper-middle class [ ]
Upper class [ ]
Do not know/refuse to answer [ ]

The resulting classification of social-class membership is based on the participants' self-perceptions or self-images. Social class is treated as a personal phenomenon, one that reflects an individual's sense of belonging or identification with others. This feeling of social-group membership is often referred to as **class consciousness**.

FIGURE 11.1



Source: © 2005, DC Ranch L.L.C. The DC Ranch & Silverleaf names & related marks are registered trademarks. (www.silverleaf.com)

Subjective measures of social-class membership tend to produce an overabundance of people who classify themselves as middle class (thus, understating the number of people—the "fringe people"—who would, perhaps, be more correctly classified as either lower or upper class).[7] 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 (see Chapter 5). This is not only an American phenomenon. Every year in Japan, a "Life of the Nation" survey asks citizens to place themselves into one of five social-class categories: upper, upper-middle, middle-middle, lower-middle, and lower class. Whereas in the late 1950s over 70 percent of respondents placed themselves into one of the three middle-class categories, by the late 1960s, and

continuing on through today, close to 90 percent categorize themselves as "middle class."[8] Again, this demonstrates the tendency for consumers to report seeing themselves as "middle class."

Reputational measures

The *reputational* approach for measuring social class requires selected community informants to make initial judgments concerning the social-class membership of others within the community. The final task of assigning community members to social-class positions, however, belongs to the trained researcher.

Sociologists have used the reputational approach to obtain a better understanding of the specific class structures of communities under study. Consumer researchers, however, are concerned with the measurement of social class to understand markets and consumption behavior better, not social structure. In keeping with this more focused goal, the reputational approach has proved to be impractical.

Objective measures

In contrast to the subjective and reputational methods, which require people to envision their own class standing or that of other community members, *objective* measures consist of selected demographic or socioeconomic variables concerning the individual(s) under study. These variables are measured through questionnaires that ask respondents several factual questions about themselves, their families, or their places of residence. When selecting objective measures of social class, most researchers favor one or more of the following variables: occupation, amount of income, and education. To these socioeconomic factors they sometimes add geodemographic clustering data in the form of zip code and residence-neighborhood information. These socioeconomic indicators are especially important as a means of locating concentrations of consumers with specific social-class membership.

Socioeconomic measures of social class are of considerable value to marketers concerned with segmenting markets. 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. To reach a desired target market, marketers match the *socioeconomic profiles* of their target audiences to the *audience profiles* of selected advertising media. Socioeconomic audience profiles are regularly developed and routinely made available to potential advertisers by most of the mass media (see Table 11.4). Readers' median income data for a selection of print media are presented in Table 11.5.

Objective measures of social class fall into two basic categories: **single-variable indexes** and **composite-variable indexes**.

Single-variable indexes

A single-variable index uses just one socioeconomic variable to evaluate social-class membership. Some of the variables that are used for this purpose are discussed next.

Occupation Occupation is a widely accepted and probably the best-documented measure of social class because it reflects occupational status.[9] 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?" The response to this question serves as a guide in sizing up (or evaluating and forming opinions of) others.

More important, marketers frequently think in terms of specific occupations when defining a target market for their products (such as "Accountants are our best customers for late Spring—after April 15th—Caribbean Island vacations") or broader occupational categories ("We target our ultra-deluxe 7-day cruises to

TABLE 11.4 Socioeconomic Profile of *GQ* Readers

Subscription:	587,917	72%	
Newsstand:	227,960	28%	
Total Average Paid Circulation:	**815,877**	**100%**	
	AUD (000)	**COMP**	**INDEX**
Total Adults	**4,743**	**100%**	
Men	3,346	71%	147
Women	1,397	29%	57
Age			
18–24	1,009	21%	165
18–34	2,610	55%	175
18–49	4,174	88%	142
25–49	3,165	67%	136
Median Age: 33.5			
Marital Status			
Single	2,982	63%	145
Married	1,761	37%	66
Education			
Attended/Graduated College	3,444	73%	140
Graduated College+	1,536	32%	131
Income			
HHI $50,000+	2,993	63%	123
HHI $100,000+	1,086	23%	129
Median HHI: $65,450			

Source: ABC December 2004; MRI Fall 2004, updated April 2005, see: **http://www.condenastmediakit.com/gq/circulation.cfm**

executives and professionals"). Still further, the likelihood that particular occupations would be receptive to certain products or services often provides the basis for an occupational screener requirement for participation in focus groups or survey research and for marketers to select occupational databases to target with direct-marketing campaigns (e.g., a list of male college professors teaching in the San Francisco, California area).

Figure 11.2 presents findings from a continuing survey undertaken by the Gallup organization that estimates the relative honesty and perceived ethical standards that people assign to a sample of basic occupational titles. Because this ranking is based more on respect or societal prestige (a form of status) than on wealth, it is not surprising that the rankings (i.e., from top to bottom) does *not* seem to suggest that occupations toward the top half of the figure earn higher incomes or require more formal education than those toward the bottom half.

Within the domain of occupational status, there has also been an increasing trend toward self-employment among business and professional people. Specifically, 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.[10] This link between self-employment and higher incomes is consistent with the trend of increasing numbers of business school graduates seeking to work for themselves rather than going to work for a "big business."

TABLE 11.5 Readers' Median Household Income for Selected Publications

NEWSPAPER/MAGAZINE	MEDIAN HOUSEHOLD INCOME
Conde Nast Traveler	$104,984
Wine Spectator	103,785
Delta's SKY Magazine	102,620
Yachting	87,717
Barron's	87,371
Money	86,461
Golf Digest	84,389
Business Week	81,381
Coastal Living	81,178
Motor Boating	78,942
PC Magazine	74,099
Consumer Reports	74,028
O, The Oprah Magazine	68,373
Newsweek	66,234
Sports Illustrated	64,026
Popular Photography & Imaging	60,742
Psychology Today	60,422
American Photo	59,985
Glamour	57,865
Country Living	56,443
Entertainment Weekly	56,006
Modern Bride	54,281
Town & Country	54,120
Family Circle	53,617
AARP The Magazine	48,457
Star	45,171
Scholastic Parent & Child	42,499
Essence	39,448
Soap Opera Weekly	37,706

Source: From *2005 Magazine Audience Estimates* (New York: Mediamark Research, Inc.). Reprinted by permission.

Still further, it is also noteworthy to keep in mind that although the status of a particular occupation may change significantly over time, evidence suggests that when it comes to the status of some 40 occupations (studied between 1976 and 2000) a high degree of *status consistency* was found.[11] Specifically, certain occupations (e.g., U.S. Supreme Court justices and physicians) were consistently ranked high over the many years of the research, whereas other occupations (e.g., farmhands and taxi drivers) were consistently ranked low during the same period of time.

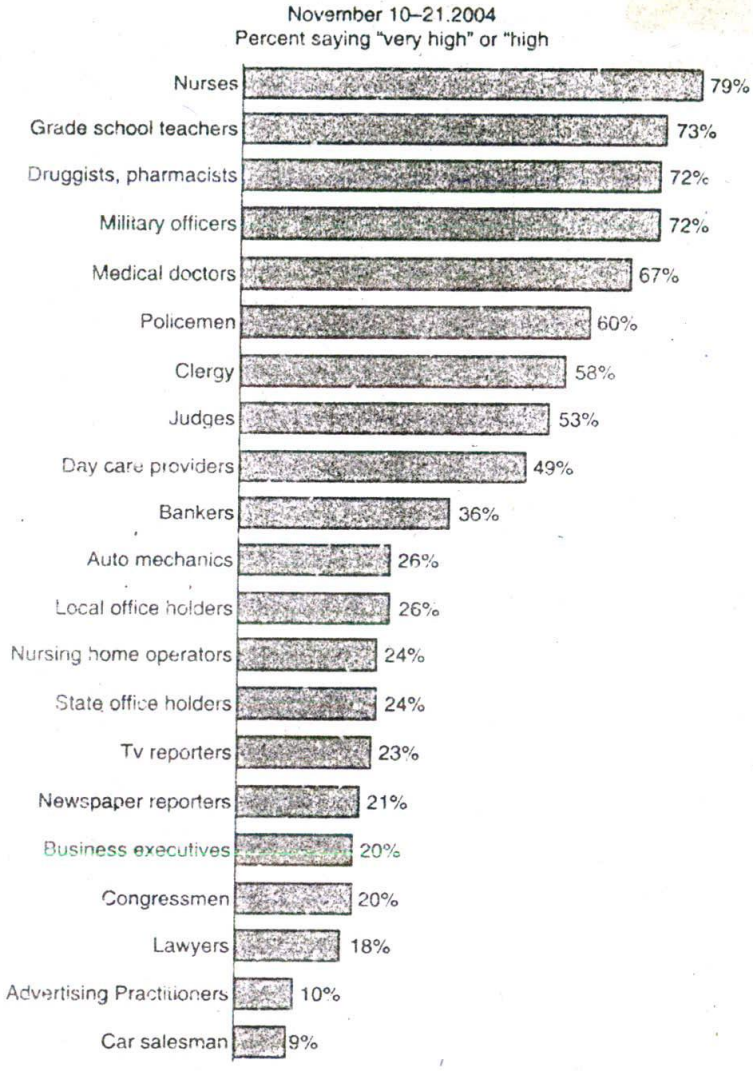
Education The level of a person's formal education is another commonly accepted approximation of social-class standing. Generally speaking, the more education a person has, the more likely it is that the person is well paid (or has a higher income) and has

FIGURE 11.2

Occupational Rankings in Terms of Honesty and Ethical Standards

Question: Please tell me how you would rate the honesty and ethical standards of people in these different fields—very high, high, average, low, or very low?

Source: The Gallup Poll Monthly, November 2004. Reprinted by permission. At http://www.gallup.com/poll/content/default.aspx?ci=1654



an admired or respected position (high occupational status).[12] Using U.S. census data, Table 11.6 supports the close relationship between educational attainment and amount of household income.

Research has shown that different social classes often approach the notion of a college degree very differently. For example, students at the most selective universities in the country are often the sons and daughters of upper-class Americans, while lower-class children are often encouraged to "get a good job." In a recent series of articles on social class, a 50-year-old man whose father was a factory worker, was quoted as saying: "The whole concept of life was that you should get a good job in the factory . . . if I'd said *I* wanted to go to college, it would have been like saying I wanted to grow gills and breathe underwater."[13] Almost one in three Americans in their mid-20s today is a college dropout (compared to one in five in the late 1960s), and most are members of poor and working-class families. In contrast, the children of the middle and upper-classes more often stay in college until they graduate "because they can hardly imagine doing otherwise."[14]

TABLE 11.6 The Relationship Between Formal Education and Family Income

	TOTAL	LESS THAN 9TH GRADE	SOME HIGH SCHOOL	HIGH SCHOOL GRADUATE	SOME COLLEGE (NO DEGREE)	ASSOCIATES DEGREE	BACHELOR'S DEGREE OR MORE
All Households[a]	100%	100%	100%	100%	100%	100%	100%
Under $15,000	8.8	24.5	19.7	10.2	6.6	5.2	2.9
$15,000 to $24,999	10.9	25.3	20.6	13.7	9.6	6.6	3.7
$25,000 to $34,999	11.7	17.8	18.6	14.3	12.5	10.4	5.2
$35,000 to $49 999	15.6	16.2	17.9	18.8	17.0	17.2	10.0
$50,000 to $74,999	21.1	9.5	14.6	22.9	24.5	25.5	20.3
$75,000 to $99,999	13.6	3.9	4.8	11.2	14.9	18.3	18.8
$100,000 and over	18.3	2.7	3.9	8.9	14.8	16.8	39.1
Number of families (000)	70,722	4,306	6,176	21,769	12,627	5,956	19,887
Median income	$51,407	$25,077	$29,512	$43,870	$53,809	$60,033	$84,836

[a]Persons 25 years old and over

Source: U.S. Census Bureau, Statistical Abstract of the United States: 2004–2005; accessed at **www.census.gov/prod/www/statistical-abstract-04.html**

Income Individual or family income is another socioeconomic variable frequently used to approximate social-class standing. Researchers who favor income as a measure of social class use either *amount* or *source* of income. Table 11.7 illustrates the types of categories used for each of these income variables. Available research suggests that income works best in accounting for leisure consumption when measured in terms of ("engaging in" or "doing or not doing") a particular leisure activity (such as snow skiing, bowling, or playing basketball or golf).[15]

A recent effort to differentiate between "income" and "wealth" points up that: (1) Wealth, not income, is the primary driver to financial freedom—wealth, not income, is a function of savings, so to achieve wealth you have to increase your net worth, and not just your income; (2) Wealth and money are not the same—wealth deals with the creation of resources and money deals more with consumption; (3) For wealth you need to network and build personal alliances, because a great deal of the information needed to create wealth is passed along via such relationships; and (4) You need to find ways to minimize your taxes, because taxes reduce your ability to create wealth.[16]

TABLE 11.7 Typical Categories Used for Assessing Amount or Source of Income

AMOUNT OF INCOME	SOURCE OF INCOME
Under $25,000 per year	Public welfare
$25,000 to $49,999	Private financial assistance
$50,000 to $74,999	Wages (hourly)
$75,000 to $99,999	Salary (yearly)
$100,000 to $124,999	Profits or fees
$125,000 to $149,999	Earned wealth
$150,000 to $174,999	Inherited wealth, interest, dividends, royalties
$175,000 to $199,999	
$200,000 and over	

TABLE 11.8 Distribution of Income Growth to Income Group, 1979–2000

INCOME GROUP (HOUSEHOLDS)	SHARE OF INCOME GROWTH, 1979–2000
Poorest 20%	0.8%
Middle 20%	5.1
Richest 20%	74.0
80–85%	21.5
95–99%	14.1
Richest 1%	38.4

Source: Michael D. Yates, "A Statistical Portrait of the U.S. Working Class," *Monthly Review* 56 (April 2005): 20.

It is important to point out that the distribution of income and net worth in the United States has become more unbalanced over the past few decades. For example, in the year 2001, the richest 1 percent of households possessed almost 34 percent of all net worth, while the bottom 90 percent of all households had 28.5 percent. It is accurate to state that the trend has been that the rich get richer, and the poor get poorer. Table 11.8, which presents the distribution of income growth to income group from 1979 to 2000, clearly shows that while the income of the richest 1 percent of all households grew 38.4 percent during this time period, the income growth for the poorest 20 percent of households was less than 1 percent.[17]

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 electrician and a white-collar administrative assistant may both earn $57,000 a year, yet because of (or as a reflection of) social-class differences, each will spend that income in a different way. How they decide to spend their incomes reflects different values. Within this context, it is the difference in values that is an important discriminant of social class between people, not the amount of income they earn.

Substantiating the importance of consumers' personal values, rather than amount of income, is the observation that affluence may be more a function of attitude or behavior than of income level.[18] These "adaptational affluent" consumers represent a broad segment who do not have the income needed to be considered affluent in today's society, yet they desire to have the best. They buy less but buy better quality, assigning priorities and gradually working their way toward having everything they want.

Researchers have explored the question of how envious the "have-nots" are of what the "haves" possess. As revealed by Figure 11.3, the 18- to 34-year-old age group is most jealous of what their neighbors have and, across all age categories, money was the most coveted item, with "good health or physical appearance" and "physical fitness" ranking a distant second and third.[19]

Other Variables Quality of neighborhood and dollar value of residence are rarely used as sole measures of social class. However, they are used informally to support or verify social-class membership assigned on the basis of occupational status or income.

Finally, possessions have been used by sociologists as an index of social class.[20] The best-known and most elaborate rating scheme for evaluating possessions is **Chapin's Social Status Scale**, which focuses on the presence of certain items of furniture and accessories in the living room (types of floor or floor covering, drapes, fireplace, library table, telephone, or bookcases) and the condition of the room (cleanliness, organization, or general atmosphere).[21] Conclusions are drawn about a family's social class on the basis of such observations. To illustrate how home decorations reflect social-class standing, lower-class families are likely to place their television sets in the living room and bedrooms, whereas middle- and upper-class families usually place their television sets in one or more of the following rooms: bedrooms, family room, or a media room (*but not in*

FIGURE 11.3

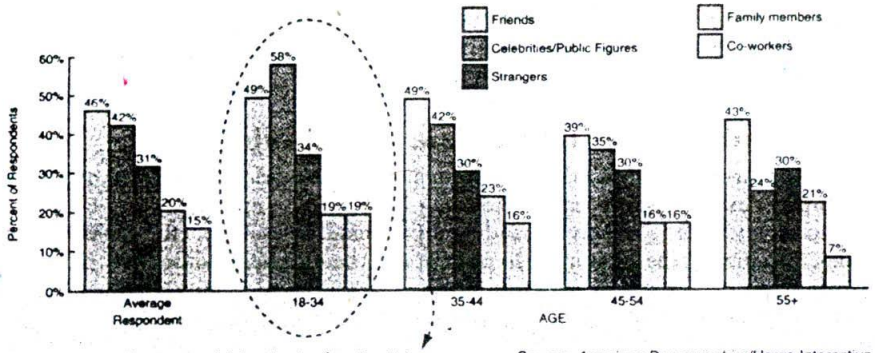
Covert Thy Neighbor's Goods

Source: Christopher Reynolds, "Up on the Envy Meter," *American Demographics*, June 2004, 7.

THE YOUNG AND THE GREEN

Green–with envy,that is. We found that younger people admit to jealousy far more frequently than older folks do. Money is naturally where most of us break the 10th commandment (Thou shalt not covet thy neighbor's, goods). Among most age groups, except younger respondents, friends are most often the primary target of envy. Young adults most want what celebs have.

WHEN YOU HAVE FOUND YOURSELF WANTING POSSESSIONS, PERSONAL TRAITS, OR LIFESTYLES THAT OTHER PEOPLE HAVE, WOULD YOU SAY THAT THE OTHER PEOPLE WERE MOST OFTEN"?



The younger demographic's desire for the things that celebrities and public figures have overshadows any other group's covetous nature.

Source: *American Demographics*/Harris Interactive

the living room). The marketing implications of such insights suggest that advertisements for television sets targeted at lower-class consumers should show the set in a living room, whereas advertisements directed to middle- or upper-class consumers should show the set in a bedroom, a family room, or a media room.

Composite-variable indexes

Composite indexes systematically combine a number of socioeconomic factors to form one overall measure of social-class standing. Such indexes are of interest to consumer researchers because they may better reflect the complexity of social class than single-variable indexes. For instance, research exploring consumers' perceptions of mail and phone order shopping reveals that the *higher* the socioeconomic status (in terms of a composite of income, occupational status, and education), the more positive are the consumers' ratings of mail and phone order buying, relative to in-store shopping.[22] The same research also found that downscale consumers (a composite of lower scores on the three variables) were less positive toward magazine and catalog shopping and more positive toward in-store shopping than more upscale socioeconomic groupings. Armed with such information, retailers such as Kmart, Wal-Mart, and Target that especially target *working-class* consumers would have a real challenge using direct-marketing catalogs and telephone-selling approaches. In contrast, retailers concentrating on upscale consumers, such as Neiman Marcus and Saks, have been especially effective in developing catalog programs targeted to specific segments of affluent or upscale consumers.

Two of the more important composite indexes are the **Index of Status Characteristics** and the **Socioeconomic Status Score**:

1. Index of Status Characteristics. *A classic composite measure of social class is Warner's Index of Status Characteristics (ISC).*[23] *The ISC is a weighted measure of the following socioeconomic variables: occupation, source of income (not amount of income), house type, and dwelling area (quality of neighborhood).*
2. Socioeconomic Status Scores. *The United States Bureau of the Census developed the Socioeconomic Status Score (SES), which combines three basic socioeconomic variables: occupation, family income, and educational attainment.*[24]

lifestyle profiles of the social classes

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 tends to distinguish the members of each class from the members of all other social classes.

To capture the lifestyle composition of the various social-class groupings, Table 11.9 presents a consolidated portrait, pieced together from numerous sources, of the members of the following six social classes: upper-upper class, lower-upper class, upper-middle class, lower-middle class, upper-lower class, and lower-lower class. Each of these profiles is only a generalized picture of the class. People in any class may possess values, attitudes, and behavioral patterns that are a hybrid of two or more classes.

China: pursuing a middle-class lifestyle

In recent years, established marketers from all over the world have singled out China as a highly desirable growth market for their brands. These marketers have been anxious to satisfy China's rapidly expanding urban middle class's appetite for consumer goods. Specifically, the wealthiest 20 percent of urban Chinese households (about 80 million people) constitutes a highly attractive market. These relatively affluent urban Chinese consumers are primarily composed of the two following segments: (1) "little rich"—those 15 percent with annual household income of about $3,200, and (2) "yuppies"—those 5 percent with annual household income of about $9,500.[25] Although household incomes between $3,200 and $9,500, on first glance, do not seem like much, this conclusion can be a real error. With small families and housing and other costs subsidized by the government, an urban Chinese family is able to have a relatively good lifestyle on a relatively small income. The "secret" is that a fairly large amount of a family's income is discretionary income (i.e., income that can be spent on a wide range of nonnecessities).

It is of interest to note that it has only been since the late 1990s that local brands have existed in China. And while multinational companies have targeted China's middle class, local brands have made huge inroads in the past few years with the rest of China's population.. These local brands are often the equal of Western brands in terms of reliability and functionality, and they tend to be far less expensive. With the exception of Proctor & Gamble, large local brands tend to outspend multinationals with respect to consumer advertising.[26]

social-class mobility

Social-class membership in the United States is not as hard and fixed as it is in some other countries and cultures. Although individuals can move either up or down in social-class standing from the class position held by their parents, Americans have primarily thought in terms of **upward mobility** because of the availability of free education and opportunities for self-development and self-advancement. Indeed, the classic Horatio Alger tale of a penniless young orphan who managed to achieve great success in business and in life is depicted over and over again in American novels, movies, and television shows. Today many young men and women with ambition to get ahead dream of going to college and eventually starting their own successful businesses.

Because upward mobility has commonly been attainable in American society, the higher social classes often become reference groups for ambitious men and women of lower social status. Familiar examples of upward mobility are the new management trainee who strives to dress like the boss, the middle manager who aspires to belong to the status country club, or the graduate of a municipal college who wants to send his daughter to Stanford.

TABLE 11.9 Social-Class Profiles

The Upper-Upper Class—Country Club Establishment

- *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*

The Lower-Upper Class—New Wealth

- *Not quite accepted by the upper crust of society*
- *Represent "new money"*
- *Successful business executives*
- *Conspicuous users of their new wealth*

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*

The Lower-Middle Class—Faithful Followers

- *Primarily nonmanagerial 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*

The Upper-Lower Class—Security-Minded Majority

- *The largest social-class segment*
- *Solidly blue collar*
- *Strive for security (sometimes gained from union membership)*
- *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 their leisure time (e.g., TV sets, hunting equipment)*
- *Husbands typically have a strong "macho" self-image*
- *Males are sports fans, heavy smokers, beer drinkers*

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*

Recognizing that individuals often aspire to the lifestyle and possessions enjoyed by members of a higher social class, marketers frequently incorporate the symbols of higher-class membership, both as products and props in advertisements targeted to lower social-class audiences. For example, ads often present or display marketers' products within an upper-class setting.

Sometimes a more direct appeal to consumers' sense of having products that are normally restricted to members of other social classes is an effective message. For instance, if a direct marketer of consumer electronics were to promote a top-of-the-line HDTV set (such as a high-end Hitachi 42-inch plasma set), usually purchased by ultra-wealthy home owners, as "now it's your turn to have what families living in the big houses have enjoyed" (it's been marked down to about 50 percent of the original price), this would be a marketing message that encourages household consumers to have a "dream TV" in their homes.

Another characteristic of social-class mobility is that products and services traditionally within the realm of one social class may filter down to lower social classes. For instance, plastic surgery was once affordable only for movie stars and other wealthy consumers. Today, however, consumers of all economic strata undergo cosmetic procedures.

Some signs of downward mobility

Although the United States is frequently associated with *upward mobility,* because it was the "rule" for much of its history that each generation within a family tended to "do better" than the last generation, there now are signs of some **downward mobility**. Social commentators have suggested that some young adults (such as members of the X-Generation described in Chapter 13) are not only likely to find it difficult to "do better" than their successful parents (e.g., to get better jobs, own homes, have more disposable income, and have more savings) but also may *not* even do as well as their parents.

There is some evidence of such a slide in social-class mobility. Specifically, 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.[27] This regressive pattern holds true, regardless of race, parents' income, and young persons' educational level.

Is horatio alger dead?

While many Americans still believe in the Horatio Alger rags-to-riches story, there is a growing body of evidence that social mobility in America is not what it used to be. For example, income inequality is rising to levels not seen since the 1880s—the Gilded Age, and the gap between the rich and the poor has widened since 1970. While the income of households in the top fifth grew 70 percent between 1979 and 2000, the real income of households in the bottom fifth rose only 6.4 percent. Although most Americans find little wrong with income inequality, as long as there still exists plenty of social mobility, there are signs that social mobility is falling. One recent study examined 2,749 father-and-son pairs and found that few sons ever got to move up the class ladder. Another research effort found that out of over six thousand American families studied, 42 percent of the individuals born into the poorest fifth ended up there, at the bottom, with another 24 percent moving up only slightly, to the next-to-bottom group. Only 10 percent of adult men born into the bottom quarter ever made it to the top quarter. It has been reported that currently, a child born into poverty in Europe or Canada has a better chance at prosperity than one born in the United States, and that "Americans are no more or less likely to rise above or fall below, their parents' economic class than they were 35 years ago."[28] Still further, a recent article commented that:

> *So it appears that while it is easier for a few high achievers to scale the summits of wealth, for many others it has become harder to move up from one economic class to another. Americans are arguably more likely than they were 30 years ago to end up in the class into which they were born.*[29]

geodemographic clustering

In recent years, traditional social-class measures have been enhanced by linking consumer-related geographic and socioeconomic data to create more powerful **geodemographic clusters**. The underlying rationale for geodemographic clustering is that "birds of a feather flock together." This is to say that families of similar socioeconomic backgrounds tend to reside in the same neighborhoods or communities—that is, "they cluster together." Furthermore, throughout a large and diversified country, like the United States, there are dispersed communities made up of similar people with similar geographic profiles. Employing a variety of consumer research methodologies, these communities can be defined, then they can be identified or located in terms of their zip codes and/or postal routes. Still further, they can be "added together" or combined to create a considerably larger "geodemographic cluster" (often given a distinctive name). These larger clusters can then be marketed to (often using direct marketing).

One of the most popular clustering services is **PRIZM NE** (i.e., "new edition") from Claritas (**www.claritas.com**), which identifies a variety of socioeconomic and demographic factors (education, income, occupation, family life cycle, ethnicity, housing, and urbanization) drawn from U.S. census data. This material is combined with survey and panel data on actual consumer behavior (e.g., product purchase and usage, mail-order buying, and media-exposure habits) to locate concentrations of consumers with similar characteristics. Experts point to the benefits of marketing to consumer clusters:

> *America has become a nation of such diversity that the clusters are essential to finding people most interested in your products and services. For consumers, the value of clusters is that they don't have to wade through a lot of junk mail that misses the target. What's the point of an apartment dweller getting a pitch for buying a lawn mower?*[30]

PRIZM NE assigns every one of the microneighborhoods in the United States (zip code + 4 areas) to one of 66 PRIZM NE clusters, which can be further collapsed into 15 groups (U1—Urban Uptown through T4—Rustic Living). Table 11.10 shows eight examples of PRIZM NE cluster segments drawn from specific socioeconomic categories. Marketers can superimpose these geodemographic clusters onto a host of product and service usage data, media-exposure data, and lifestyle data (such as VALS, discussed in Chapter 5) to create a sharp, refined picture of their target markets. To illustrate the usefulness of such information, Table 11.11 presents an overview profile of the "Up-and-Comers" PRIZM NE cluster.

the affluent consumer

Affluent households constitute an especially attractive target segment because its members have incomes that provide them with a disproportionately larger share of all discretionary income—the "extras" that allow the purchase of luxury cruises, foreign sports cars, time-sharing ski-resort condos, fine jewelry, and ready access to home PCs, laptops, and surfing on the Internet. It has also been pointed out there is a strong positive relationship between health and economic status—that is, "the healthiest people are those who are economically advantaged" and "poverty is bad for you."[31] Indeed, higher income and more highly educated people are less likely to die of heart disease, strokes, diabetes, and many types of cancer, and affluent Americans live longer and in better health than middle-class Americans, who live longer and in better health than individuals at the bottom.[32] Conversely, evidence suggests that children of the affluent may have problems with substance abuse, anxiety, and depression, which can be caused by excessive pressures to achieve and isolation from parents (both physically and emotionally).[33]

The wealth of Americans grew dramatically during the 1990s partially due to the longest bull market in U.S. history. By 2004, the total personal wealth of American households was a record $48.5 trillion, a gain of 8.8 percent over 2003.[34] From 2002 to 2004, the number of high net worth individuals (HNWIs) in North America, that is, individuals with a minimum net worth of $1 million, grew by 9.7 percent, for a total

TABLE 11.10 Sample PRIZM Cluster Segments Drawn from All 62 Clusters to Reflect a Range of Socioeconomic Groups

CODES	CLUSTER NUMBER	CLUSTER NICKNAME/ DESCRIPTION	PERCENT OF U.S. HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME	KEY EDUCATION LEVEL	KEY OCCUPATIONAL LEVEL	PREDOMINANT AGE RANGE(S)
S1 Elite Suburbs (Suburban)	01	Upper Crust/ Privileged superrich families	1.51%	$103,735	College grad+	Professional	45+
U1 Urban Uptown (Urban)	04	Young Digerati/ Tech-Savvy singles and couples	1.26%	$79,151	College grad+	Professional	25–44
S2 The Affluentials (Suburban)	15	Pools & Patios/ Mature Empty Nest Couples	1.22%	$66,885	College grad+	Professional and white collar	45+
T2 Country Comfort (Rural)	32	New Homesteaders/ Young, middle-class families	1.73%	$53,627	High school	White collar, blue collar, service	25–44
C2 City Centers (Urban)	27	Middleburg Managers/Empty nesters settled in nesters satellite communities	1.87%	$47,331	High school/ college	Professional and white collar	55+
T3 Middle American (Rural)	43	Heartlanders/ Middle age couples with working class jobs	1.93%	$39,957	High school	Blue collar and farm	45+
C3 Micro-City Blues (Urban)	53	Mobility Blues/ Young singles and single parents in satellite cities	1.29%	$28,173	High school	Blue collar and service	<35
U3 Urban Core	61	City Roots/ Lower income retirees, many Hispanic and African-American	1.2%	$25,639	Elementary/ High school	Blue collar, white collar, service	65+

Source: Claritas, Inc. Accessed at www.claritas.com

TABLE 11.11 A Profile of PRIZM NE Cluster: "Up-and-Comers" (Cluster 24)

SOCIOECONOMIC FACTORS	CHARACTERISTIC OF THE CLUSTER
Percent of U.S. households	1.23%
Predominant age range	<35
Social group	City Centers
Lifestage group	Young Achievers
Ethnic diversity	White, Asian
Family types	Mixed
Education levels	H.S./College
Employment levels	Professional, white-collar
Housing types	Renters
Income	Midscale
Lifestyle Traits	
Use Internet for job search	
Shop at Ann Taylor	
Read *Shape*	
Watch MTV	
Drive a Mitsubishi Eclipse	

Source: Claritas, Inc., accessed at www.clusterbigip1.claritas.com/claritas/Default.jsp?main=3&submenu=seg&subcat=segprizmne

HNWI population of 2.7 million.[35] The affluent market is increasingly attracting marketers. Whirlpool Corporation, for example, the leading home appliance manufacturer in the United States, realizes that as more and more consumers own household appliances, it can no longer rely on volume to increase profits. So the firm now focuses on upscale products that are so profitable they can sell fewer appliances and still make more money. Its Duet line, a $2,200 washer-dryer set, sold so well in the first six months after its introduction that Whirlpool had to double its sales projections.[36]

According to the Census Bureau, one out of every four households in the United States can now be classified as "mass affluent," which is defined as people living in households with annual incomes of at least $75,000. In 1980, this number was one out of every seven households. And "mass affluent" households are different than less- or non-affluent households. For example, as depicted in Figure 11.4, they place more importance on friendships, leisure time, and hobbies, and less importance on money and religion.[37]

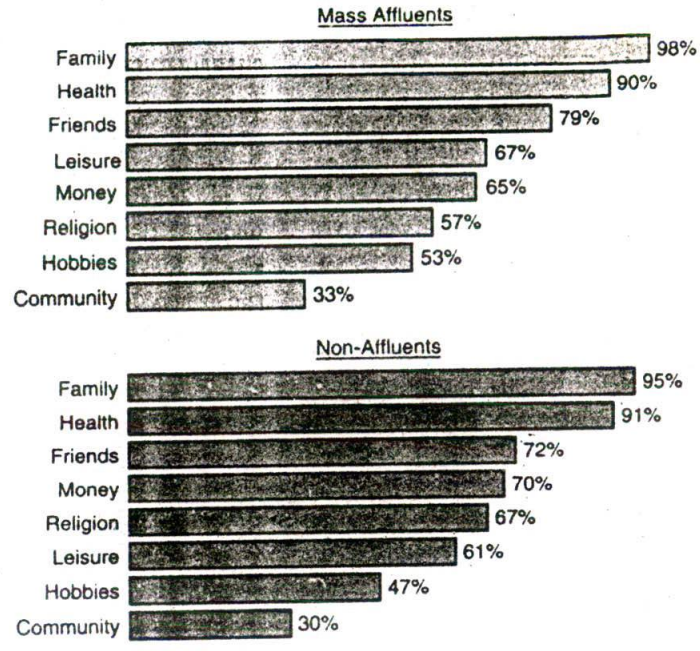
While the affluent market is most often defined by income or net worth, one research study explored this market to examine whether such a definition was sufficient. The study proposed that an operational definition of "affluent" should also include both lifestyle and psychographic factors because the heads of affluent households have a tendency to behave and think affluently. Using a richer mix of factors, researchers have been able to reclassify about one-third of the households, and to create a more useful definition for "affluent consumers."[38]

For over 25 years, Mendelsohn Media Research has conducted an annual study of the **affluent market** (currently defined in terms of three affluent segments: those with household incomes of $75,000 to $99,999 per year—the "least affluent," those with incomes of $100,000 to $199,999 per year—the "medium affluent," and those with incomes of $200,000 or more per year—the "most affluent"). Of the approximately $6.62 trillion in 2004 total household income in the United States, these "affluent households" ($75,000+) account for $4.0 trillion, or about 60 percent. Although it consists of only 26 percent of total

FIGURE 11.4

Importance of Various Aspects of Life Mass Affluents vs. Non-Affluents

Source: Raksha Arora, "Affluent Americans: Priorities of the Prosperous," *Gallup Poll News Service*, February 8, 2005, 2.



U.S. households, this upscale market segment consumed more wine (2.4 drinks per week per adult), took more domestic airline flights (7.1 flights annually per adult), owned more vehicles (2.5 per household), and held more securities ($270,300 per household) than nonaffluent households. The average household income for these consumers is $134,800, and 59 percent of this group are employed in either a professional or managerial capacity.[39] Figure 11.5 presents additional information as to average household expenditures for selected purchases for the three affluent segments. The results reveal that although the first two segments of affluent consumers certainly spend ample amounts purchasing a wide variety of products, in most cases the "most affluent" purchasers spend significantly more. For instance, when it comes to desktop, laptop, and handheld computers, the "least affluent" spent $1,469 and the "medium affluent" spent $1,716, whereas the "most affluent" spent $2,617. Figure 11.6 presents some further insights about this much sought after market segment in terms of a comparison of the sports participation of the three segments of affluent consumers. The results reveal that the "most affluent" are more likely than members of the two other affluent consumer segments to participate in a sampling of sports.[40] An examination of these two figures explains why marketers are so eager to target affluent consumers.

Still further, a growing subcategory of the affluent overall affluent market are the *millionaires*. As already cited, there are currently approximately 2.7 million individuals or families with a net worth that is at least $1 million. Contrary to common stereotypes, these millionaires are quite similar to nonmillionaires. They are typically first-generation wealthy, often working for themselves in "ordinary" nonglamour businesses. They work hard and frequently live in nonpretentious homes, often next door to nonmillionaires.

In the United Kingdom, the affluent are often empty nesters with high disposable incomes and small or paid-off mortgages. They have an abundance of money, but are time poor and are interested in improving the quality of their lives with overseas vacations and sports cars.[41] Moreover, researchers who have examined affluent consumers, in both the United Kingdom and United States, have found that they are likely to focus on

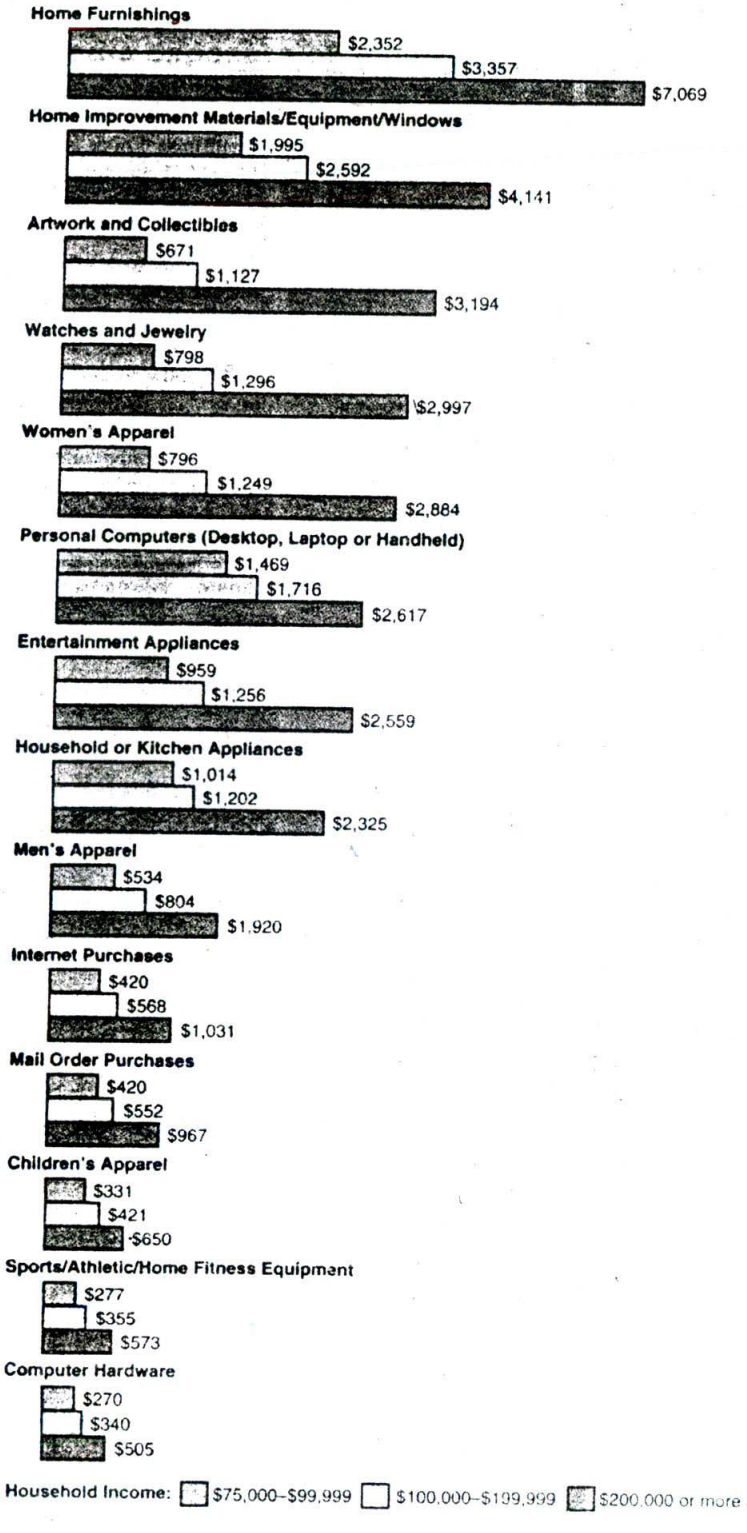


FIGURE 11.5

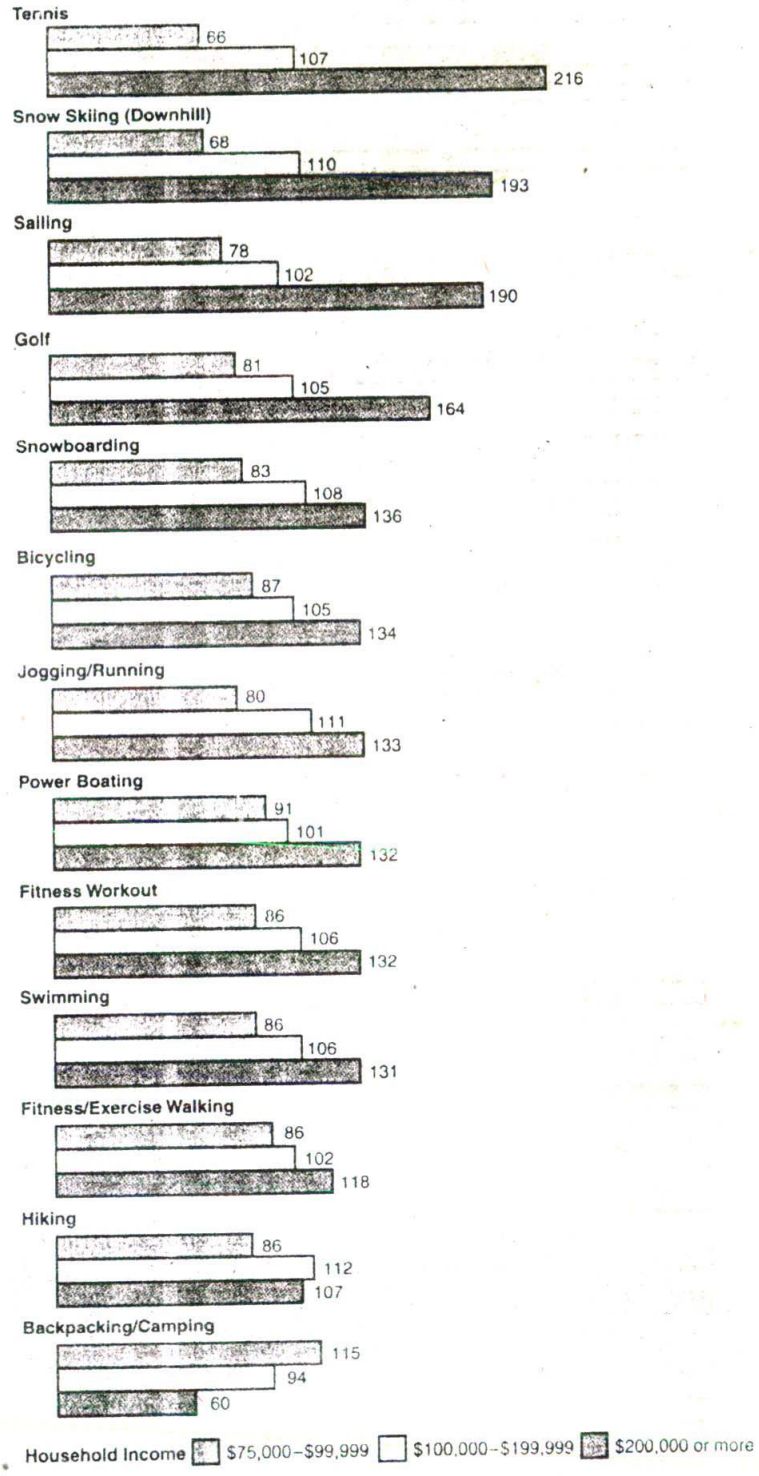
Three Segments of Affluent Consumers' Average Household Expenditures (among purchasing households)

Source: 2004 Mendelsohn Affluent Survey (New York: Mendelsohn Media Research, Inc., 2002), 11.

FIGURE 11.6

Affluent Consumers' Participation in Selected Sports (number of days in past year, indexed to each of the three income segments)

Source: 2004 Mendelsohn Affluent Survey (New York: Mendelsohn Media Research, Inc., 2002).



saving or reducing time and effort and, not unsurprisingly, are willing to pay for many things that provide such convenience.[42]

The media exposure of the affluent consumer

As might be expected, the media habits of the affluent differ from those of the general population.[43] For example, those households earning more than $75,000 a year view *less* TV per day than less affluent households. A profile of the media habits of $75,000-plus affluent adult householders shows they read 5.9 different publications; they listen to 11.9 hours of weekday radio and watch 24.3 hours of TV per week; and 88 percent of them view cable TV. Magazines that cater to the tastes and interests of the affluent include *Architectural Digest, Condé Nast Traveler, Gourmet, Southern Accents,* and *Town & Country.* Table 11.12 presents a selection of magazines and reveals the median household incomes of their readers who have incomes of $75,000 or more. (See Table 11.5 for a more general selection of print media and corresponding median incomes.)

Traditionally, when Nielsen Media Research provided information on TV viewership, the company's highest household income category had been $75,000-plus. Recently, though, Nielsen has begun providing demographic data for households earning $100,000-plus, which permits advertisers and television stations to gain new insights into the TV habits of more affluent Americans.[44]

TABLE 11.12 Mendelsohn Affluent Survey 2004 Audiences: Male and Female Heads of Household

	MEDIAN HOUSEHOLD INCOME
Total	$107,400
Allure	$120,200
Architectural Digest	$128,000
Boating	$115,600
Bon Appétit	$120,700
BusinessWeek	$128,100
Cigar Aficionado	$137,500
Condé Nast Traveler	$131,100
Elle	$115,900
Esquire	$119,200
Fortune	$129,700
Golf Magazine	$119,600
GQ Gentlemen's Quarterly	$121,100
House & Garden	$110,400
Martha Stewart Living	$113,000
National Geographic	$111,800
Newsweek	$116,500
Self	$112,800
Southern Accents	$123,500
Town & Country	$118,300
Travel + Leisure	$124,200
U.S. News & World Report	$115,800
Vanity Fair	$123,500
Vogue	$119,500
W	$119,400

Segmenting the affluent market

In addition to Mendelsohn Media Research's division of the overall affluent consumer market into three subsegments, it is recognized that affluent consumers can be "re-segmented" or further defined in terms of various other factors. That is contrary to popular stereotypes, the wealth in America is not found only behind "the tall, cloistered walls of suburban country clubs, but is spread among niches, including Asian immigrants, single women, and young Cuban Americans, to name a few."[45]

Because not all affluent consumers share the same lifestyles (i.e., activities, interests, and opinions), various marketers have tried to isolate meaningful segments of the affluent market. One scheme, for example, has divided the affluent into two groups—the *upbeat enjoyers* who live for today and the *financial positives* who are conservative and look for value. Still further, it has been commented that "most people who have money are fairly conservative, and have accumulated wealth because they are very good savers."[46]

To assist the many marketers interested in reaching subsegments of the affluent market, Mediamark Research (MRI) has developed an affluent market-segmentation schema that they call the *Upper Deck* consumers (defined as the top 10 percent of households in terms of income).[47] Table 11.13 presents, identifies, and defines each of the five segments that constitute the Upper Deck consumers.

Armed with such affluent lifestyle segments, 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. For instance, when it comes to leisure activities, members of the *Well-feathered nest segment* are more likely to be out flying a kite than members of the other four Upper Deck consumers, the *No strings attached segment* are more interested in going to live theater performances, the *Nanny's in charge segment* would rather attend a country music performance, the *Two career segment* are more likely to engage in model making, and members of the *Good life segment* are most interested in birdwatching.[48] What we have is different segments of the affluent consumer market interested in different leisure activities. This type of information is of considerable interest to marketers who always want to target their marketing messages to the most suitable segment of consumers.

TABLE 11.13 **Upper Deck Consumers Segments—Top 10 Percent of Household in Terms of Income**

SEGMENT NAME	SEGMENT SIZE	SEGMENT DESCRIPTION
Well-feathered nests	38.0% of Upper Deck	*Households that have at least one high-income earner and children present*
No strings attached	34.0% of Upper Deck	*Households that have at least one high-income earner and no children*
Nanny's in charge	07.4% of Upper Deck	*Households that have two or more earners, none earning high incomes, and children present*
Two careers	10.3% of Upper Deck	*Households that have two or more earners, neither earning high incomes, and no children present*
The good life	10.2% of Upper Deck	*Households that have a high degree of affluence with no person employed or with the head of household not employed*

Source: The Upper Deck (Mediamark Research, Inc., 2004).

middle-class consumers

It is not easy to define the boundaries of what is meant by "middle class." Although the U.S. Bureau of the Census does *not* have a definition of middle class, there have nevertheless been many attempts to define it. For instance, "middle market" has been defined as the "middle" 50 percent of household incomes—that is, about 56 million households earning between $22,500 and $80,000.[49] Still another definition of "middle class" envisions households composed of college-educated adults, who in some way use computers to make a living, are involved in their children's education, and are confident that they can maintain the quality of their family's life.[50]

For many marketers "middle class" can be thought of as including households that range from lower-middle to middle-middle class in terms of some acceptable variable or combination of variables (e.g., income, education, and/or occupation). This view of middle class does *not* include the upper-middle class, which over the years has increasingly been treated as a segment of affluent consumers.

A recent article differentiated between the children of middle-class parents and those from working-class and poor families. Working-class families often teach their children, at an early age, to do what they are told and to manage their own free time. In contrast, middle-class parents actively play a role in shaping their kids' activities, want their children to get involved in extracurricular activities that will add to their talents, and encourage them to speak up and negotiate with figures of authority.[51]

The dynamic nature of social class in the United States has been working against the middle class. In particular, there is mounting evidence that the middle-class American is slowly disappearing. It appears that middle-class consumers are increasingly moving upstream to the ranks of the upper-middle class, and another smaller segment is losing ground and slipping backward to the ranks of the working class—creating a distribution that looks like an "hourglass."[52]

Although the middle class has been shrinking in the United States, there has been a fairly rapid increase in the number of middle-class consumers in select Asian and Eastern European countries. For example, within the past few years, Tropicana and other fruit juice companies have been successfully positioning their products to the expanding middle-class Indian consumers who are seeking more health-oriented products.[53] Similarly, American, Japanese, amd Korean automobile manufacturers are now manufacturing cars, trucks, and motorcyles in China, hoping that China's growing middle class will be attracted to purchasing its vehicles.

Moving up to more "near" luxuries

Adding to the challenge of defining "middle class" is the reality that luxury and technological products have been becoming more affordable for more consumers (often because of the introduction of near-luxury models by major luxury-brand firms and/or the downward price trend for many technology products) and, therefore, more middle-class consumers have access to products and brands that were once considered beyond their reach.[54]

Additionally, evidence suggests that some middle-class consumers are willing to pinch pennies on certain purchases in order to splurge on others. For example, a household might buy groceries at Wal-Mart and clothes at Target in order to afford luxury or near-luxury goods that satisfy emotional needs, such as a BMW. The luxury product purchased might even be premium food for their dog. One study found that people generally trade up in two to five categories, but at the same time they trade down in 20. For example, they might want the least expensive airfare they can get for a vacation trip to Hawaii, but they want to stay at a luxury resort hotel when they get there.

Still further, while high-end retailers still consider their primary customer base to be the affluent, they are realizing that middle-class customers have been purchasing more high-style items, often at not-so-high prices. Consequently, traditional marketers of luxury products have been expanding their offerings to more affordable merchandise. For example, this "massification of luxury" includes Tiffany offering sterling silver cuff links for $90, and Coach selling a collection of vintage wristlets in leather and in its signature

fabric for $78. It is believed that a crucial factor in the growth of upscale retailers over the next few years will be how well they cater to middle-class buyers.[55]

However, companies offering "luxury to the masses" must be careful how they position their products. Many loyal Jaguar owners, for example, "went through the roof" when the company introduced the entry-level X-Type, and Jaguar's loyalty rate dove to 38 percent from 85 percent over the past few years. Trying to bring a luxury automobile to the masses appears to have been a flawed strategy for Jaguar.[56] And companies such as Coach, J. Crew, and Godiva, realizing that they have made their offerings more accessible to the less than affluent marketplace, have been introducing high-priced collections in order to pull up their elite images.[57] These firms realize that if one of their products slips into the mass market, they will need a new product to take its place in the luxury market. As an example, Godiva now sells its $100 a pound "G" line only during holiday seasons and only at select stores.[58]

the working class and other nonaffluent consumers

Although many advertisers would prefer to show their products as part of an affluent lifestyle, working-class or blue-collar people represent a vast group of consumers that marketers cannot ignore. In fact, households earning less than $40,000 control somewhere near 30 percent of the total income in the United States. Lower-income or **downscale consumers** (frequently defined as having household incomes of $35,000 or less) may actually be more brand loyal than wealthier consumers, because they cannot afford to make mistakes by switching to unfamiliar brands.

Understanding the importance of speaking to (not *at*) the downscale consumers, companies such as RC Cola, MasterCard, and McDonald's target "average Joes" (and Janes) with ads reflecting the modest lifestyles of some of their customers.[59] For instance, 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. Moreover, food is a particularly important purchase area for low-income consumers because it represents an area of "indulgence." For this reason, they periodically trade-up the foods they purchase—especially favorite ethnic and natural foods—"where taste and authenticity matter."[60] Still further, a British writer, reflecting on a trend toward super-sized fast-food offerings in the United Kingdom noted that "It isn't the wealthy middle classes . . . that are generally obese—it's the under-class . . . with little budget, knowledge of diet . . . that is suffering."[61]

When discussing the lower social classes, it is important to note the plight of those often on the bottom rung of the ladder—illegal immigrants. Over 5 million Mexicans, for example, are currently living in the United States, with over 400,000 more coming here annually. They often take jobs that pay extremely low wages and require a long work week. For example, a recent newspaper article chronicled the experiences of a man who came, illegally, from Mexico to New York City. To earn $600 a week he must work at least 10 hours a day, six days a week, and can be fired at any time and for any reason. He pays $500 a month to rent space in a 9' x 9' room in an apartment that he shares with nine other Mexicans, consisting of three families. While his children were born here and are therefore eligible for medical assistance, he and his wife are not. His biggest obstacle is his illegal status—he is without rights, without security, and without a way to improve his future.[62]

recognizing the "techno-class"

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. Those who are unfamiliar with or lack computer skills are being referred to as "technologically underclassed."[63] Educators, business leaders, and government officials have warned that the inability to adequately use technology is negatively impacting lifestyles and the quality of life of those who are not computer literate.

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. Either based on their positive experiences using computers (or possibly on fears produced as the result of a lack of personal computer experience), parents sense that an understanding of computers is a necessary tool of competitive achievement and success. At the other end of the life and age spectrum, even 55-year-old professionals, who were initially reluctant to "learn computers," are now seeking personal computer training—they no longer want to be left out, nor do they want to be further embarrassed by having to admit that they "don't know computers."

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. In this sense, there is a technological class structure that centers around the amount of computer skills that one possesses. It appears that those without necessary computer skills will increasingly find themselves to be "underclassed" and "disadvantaged."

The geek gets status

The importance of the computer and the prominent role it now plays in our lives has resulted in somewhat of a reversal of fortune, in that the "geek" is now often viewed by his or her peers as "friendly and fun." The increasingly positive image of geeks has made them and their lifestyles the target of marketers' messages designed to appeal to their great appetite for novel technological products (see Figure 11.7).

Indeed, according to a recent British National Opinion Poll (NOP) of 7- to 16-year-olds, "computer geeks are now the coolest kids in class."[64] The poll found that the archetypical geek is most typically a 14- to 16-year-old boy who is the family computer expert, and he is willing to teach his parents, siblings, and teachers about computers. Interestingly, in an environment where children naturally take to computers, it is often the parents who find themselves technologically disenfranchised. To remedy this situation, some schools are offering classes to bring parents up to speed in the use of computers.[65]

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. This section focuses on specific consumer research that relates social class to the development of marketing strategy.

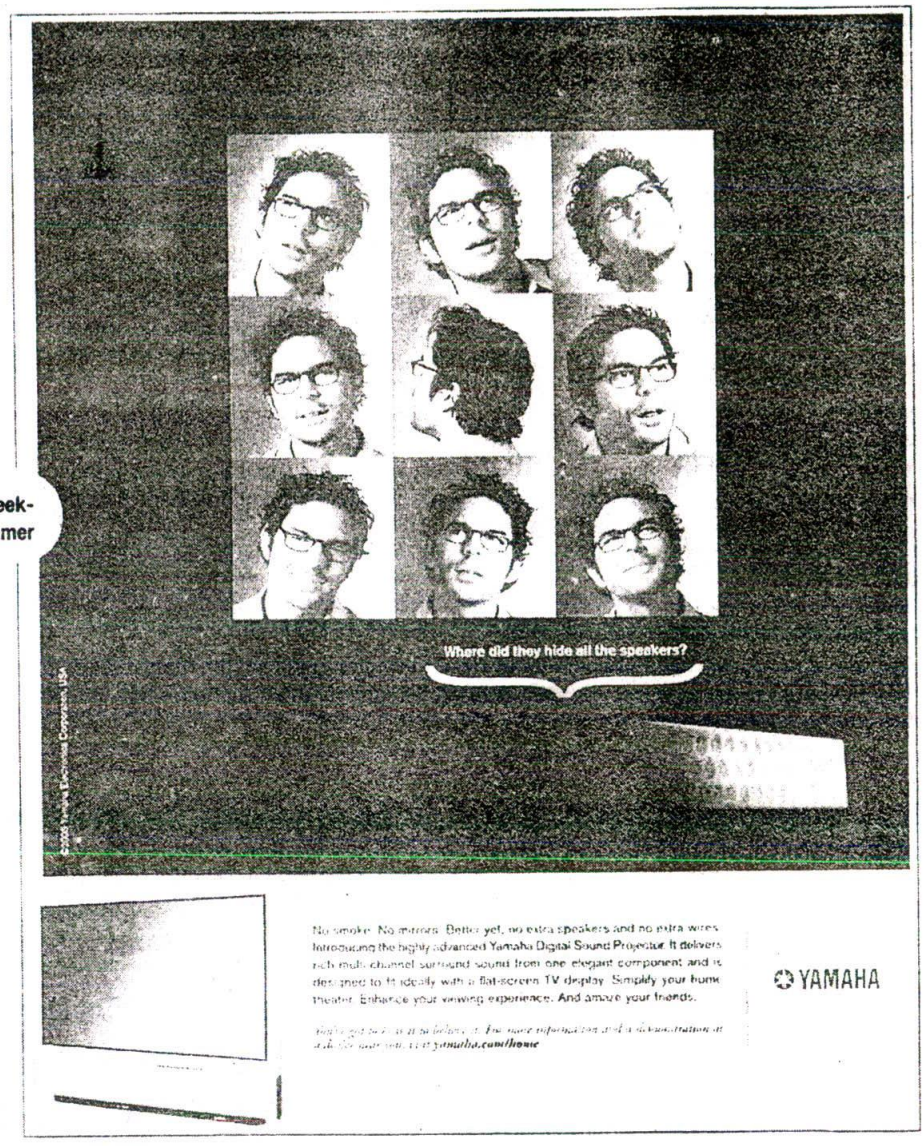
Clothing, fashion, and shopping

A Greek philosopher once said, "Know, first, who you are; and then adorn yourself accordingly."[66] This bit of wisdom is relevant to clothing marketers today, because most people dress to fit their self-image, which includes their perceptions of their own social-class membership. However, for many consumers, the notion of "keeping up with the Joneses" (i.e., trying to be like one's neighbors) has been replaced by looking to more upscale reference groups that they would like to emulate (most often, people earning substantially more than they do).

Members of specific social classes differ in terms of what they consider fashionable or in good taste. For instance, lower-middle-class consumers have a strong preference for T-shirts, caps, and other clothing that offer an *external point of identification*, such as the name of an admired person or group (the Dallas Cowboys), a respected company or brand name (Mustang), or a valued trademark (FUBU). These consumers are prime targets for licensed goods (with well-known logos). In contrast, upper-class consumers are likely to buy clothing that is free from such supporting associations. Upper-class consumers also seek clothing with a more subtle look, such as the kind of sportswear found in an L.L. Bean, Land's End, or Talbots catalog, rather than designer jeans.

Social class is also an important variable in determining where a consumer shops. People tend to avoid stores that have the image of appealing to a social class very different from their own. In the past, some mass merchandisers who tried to appeal to a higher class of consumers

FIGURE 11.7



Source: © Yamaha Electronics Corporation, USA. Used with permission. All rights reserved

Appealing to the Geek-Oriented Consumer

found themselves alienating their traditional customers. This implies that retailers should pay attention to the social class of their customer base and the social class of their store appeal to ensure that they send the appropriate message through advertising. For instance, Gap rolled out the Old Navy clothing stores in an effort to attract working-class families who usually purchased their casual and active wear clothing from general merchandise retailers such as Kmart, Wal-Mart, or Target. For Gap, trading down to the lower-income consumer with Old Navy has resulted in bigger sales, more leverage with suppliers, and increased traffic volume. It let Gap create a "knock-off" of itself before anybody else got the chance.[67] However, in creating a lower-price alternative to itself, Gap has also tended to cannibalize itself—shifting loyal Gap customers to the Old Navy outlets. Different department stores also target different social-class consumers. For example, Neiman Marcus and Nordstrom target upscale consumers, whereas JCPenney and Dillards are appealing to middle-class shoppers, and Kmart and Wal-Mart tend to target more of a working-class customer.

In exploring the social-class image or perception of retailers, researchers have discovered that consumers rate shirts purchased at Nordstrom, for example, to have higher status than shirts sold at Kmart.[68] In another study examining the social-class perceptions of five retail stores among whites, Korean Americans, and African Americans, researchers found that both whites and Koreans perceived JCPenney to be more lower-middle class in its appeal than did African American consumers.[69] Moreover, Korean respondents imagined Dillards, Nordstrom, and Macy's to each be in a lower social-class position than the social-class perceptions of whites and African American consumers. All three subcultural groups, however, had a similar social-class image of Wal-Mart—that is, as a "lower-middle" or "upper-lower" class store.

In a recent study, young Americans from 14 to 30 years of age were asked to indicate which adjective best described their "personal style" (i.e., multiple answers were accepted). While 66 percent of respondents checked-off "natural," males were much more likely to also check "sporty" (36% to 22%), while females were more likely to check "romantic" (30% to 9%) and/or alluring (40% to 21%). Interestingly, some study participants, who were asked to indicate their personal style on more than one occasion, checked different styles on different days, which suggests that some young people frequently try to reinvent themselves.[70] Table 11.14 presents the results of this study.

The pursuit of leisure

Social-class membership is also closely related to the choice of recreational and leisure-time activities. For instance, upper-class consumers are likely to attend the theater and concerts, to play bridge, and to attend college football games. Lower-class consumers tend to be avid television watchers and fishing enthusiasts, and they enjoy drive-in movies and baseball games. Furthermore, the lower-class consumer spends more time on commercial types of activities (bowling, playing pool or billiards, or visiting taverns) and craft activities (model building, painting, and woodworking projects) rather than cerebral activities (reading, visiting museums). In any case, whether we are describing middle-class or working-class consumers, there appears to be a trend toward more spending on "experiences" that bring the family together (family vacations or activities) and less spending on "things."[71]

Over the past decade or so, however, a number of changes are increasingly being observed that point to a further blurring of social-class lines with regard to leisure interests, especially with regard to arts and media preference. More specifically, only with the

TABLE 11.14 Which of the Following Best Defines Your Personal Style?

Sporty (outdoorsy, athetic)	26%	36%	22%	31%	20%	33%
Preppy (monograms, polos, stripes)	25	29	24	32	23	20
Gothic (dark, Medieval)	9	8	9	12	7	8
Trendy (magazine cover)	34	36	33	30	36	38
Natural (easy, casual, comfortable)	66	63	67	71	60	72
Romantic (feminine, soft, flowing)	24	9	30	25	23	25
Dramatic (bold, creative, colorful)	30	24	33	41	28	21
Classic/conservative (tailored, elegant)	29	31	28	27	31	26
Alluring (chic, sexy, edgy)	35	21	40	34	37	33
Other	13	15	13	19	13	5
I don't have a personal style	5	3	6	8	4	3

Note: Look-Look polled 328 respondents ages 14–30, both trendsetting & mainstream. Subjects were asked to choose all answers that apply.

Source: Becky Ebenkamp, "Style: It's a 'Natural' Fact," *Brandweek*, March 7, 2005, 22.

increased numbers of the suburban middle-class viewers could wrestling have become one of cable TV's most popular programming areas. Similarly, the presumedly sophisticated consumers who read magazines such as *The New Yorker* also like to attend theme parks and shoot billiards.[72] Figure 11.8 presents these and other preferences in terms of a perceptual map of 100 arts, media, and leisure pursuits.

Saving, spending, and credit

Saving, spending, and credit card usage all seem to be related to social-class standing. 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. In comparison, lower-class consumers are generally more concerned with immediate gratification; when they do save, they are primarily interested in safety and security. Therefore, it is not surprising that when it comes to bank credit card usage, members of the lower social classes tend to use their bank credit cards for installment purchases, whereas members of the upper social classes pay their credit card bills in full each month. In other words, lower-class purchasers tend to use their credit cards to "buy now and pay later" for things they might not otherwise be able to afford, whereas upper-class purchasers use their credit cards as a convenient substitute for cash.

A recent study examined the role of empowerment and disempowerment as a central phenomenon of social class among working-class and young professionals (25–30 years of age) in Sydney, Australia. The study focused on money management, and financial planning practices and priorities. As shown in Figure 11.9, young professionals perceived themselves to be empowered in the sense that they could achieve whatever they set their minds to, and they were disciplined and results oriented. Working-class participants, in contrast, perceived themselves as being average, were more likely to describe a range of personal weaknesses (e.g., "I can never finish things") and, unlike the young professionals, had a strong uncertainty about the future.[73]

Social class and communication

Social-class groupings differ in terms of their media habits and in how they transmit and receive communications. Knowledge of these differences is invaluable to marketers who segment their markets on the basis of social class.

When it comes to describing their world, lower-class consumers tend to portray it in rather personal and concrete terms, whereas middle-class consumers are able to describe their experiences from a number of different perspectives. A simple example illustrates that members of different social classes tend to see the world differently. The following responses to a question asking where the respondent usually purchases gasoline were received:

Upper-middle-class answer: At Mobil or Shell.
Lower-middle-class answer: At the station on Main and Fifth Street.
Lower-class answer: At Ed's.

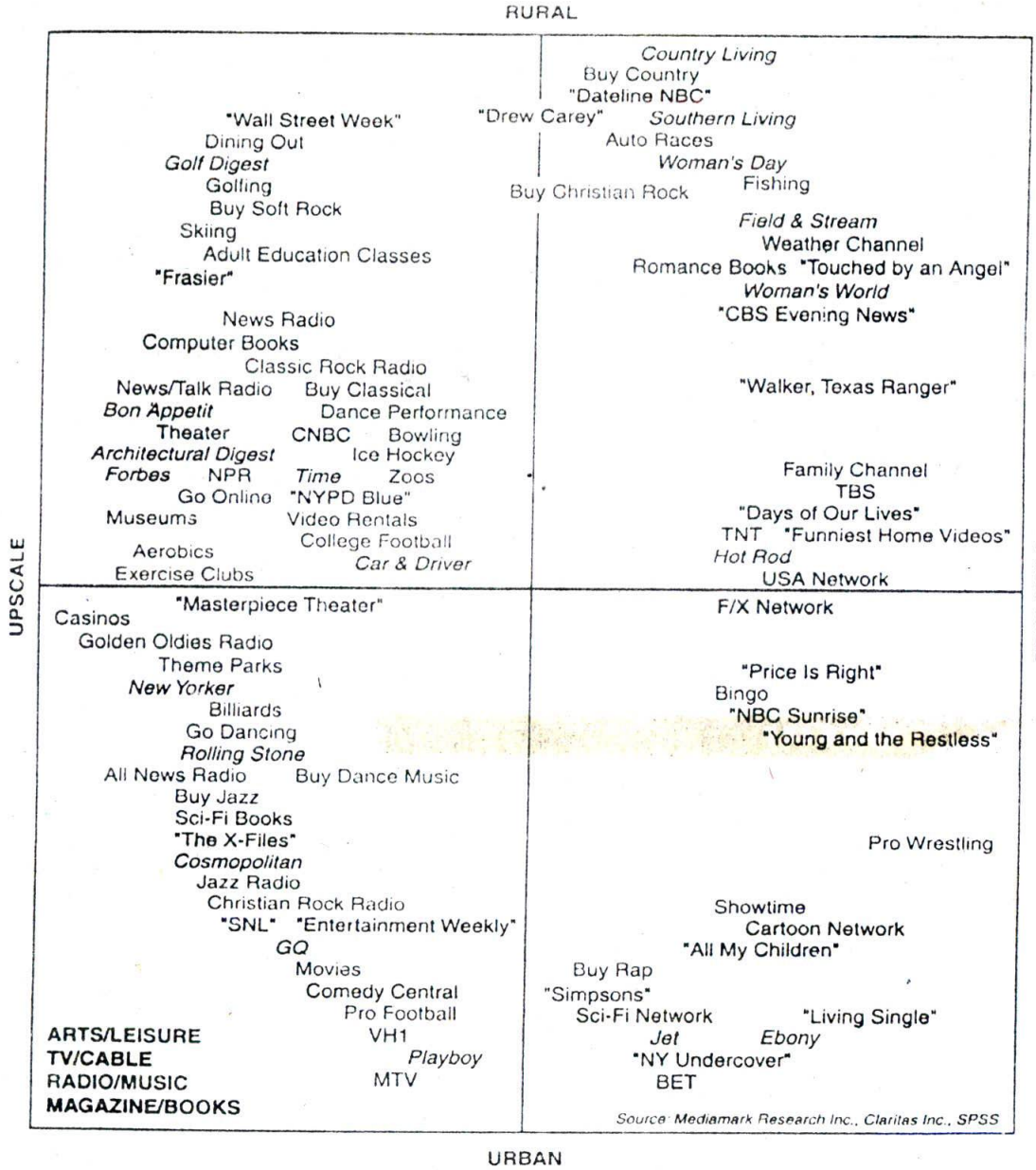
Such variations in response indicate that middle-class consumers have a broader or more general view of the world, while lower-class consumers tend to have a narrow or personal view—seeing the world through their own immediate experiences.

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. Therefore, in creating messages targeted to the lower classes, marketers try to word advertisements to reflect particular regional preferences that exist (e.g., the children's game hopscotch is called "potsy" in Manhattan and "blue sky" in Chicago).

Selective exposure to various types of mass media differs by social class. In the selection of specific television programs and program types, higher-social-class members tend to prefer current events and drama, whereas lower-class individuals tend to prefer soap operas, quiz shows, and situation comedies. Higher-class consumers tend to have greater exposure to magazines and newspapers than do their lower-class counterparts. Lower-class consumers are likely to have greater exposure to publications that dramatize romance and the

Source: Michael J. Weiss, Morris B. Holbrook, and John Habich, "Death of the Arts Snob?" *American Demographics*, June 2001, 44. All rights reserved. Reprinted by permission.

FIGURE 11.8



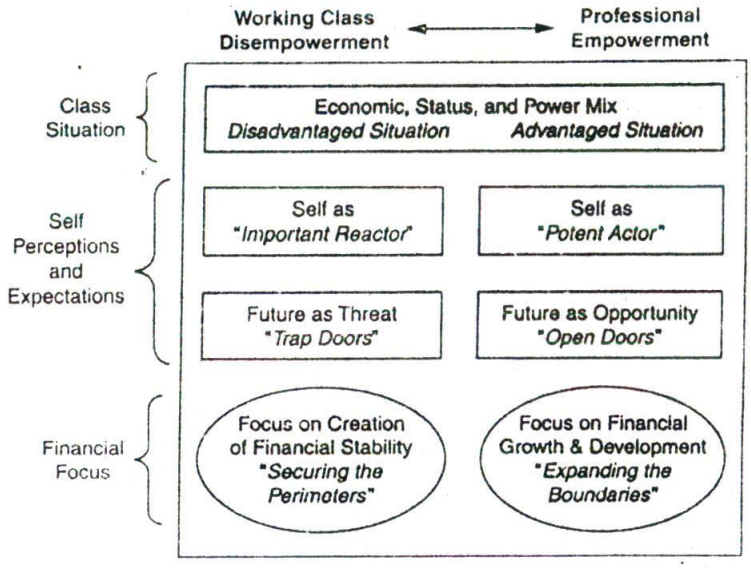
The computer-generated preference space above, based on the preferences of Americans for 100 arts, media, and leisure pursuits, reveals omnivorous culture buffs among consumers who are upscale, downscale, urban, or rural.

Preferences of Americans for 100 Arts, Media, and Leisure Pursuits

FIGURE 11.9

Class Situations, Self-Perceptions, and Financial Orientations

Source: Paul C. Henry, "Social Class, Market Situation, and Consumers' Metaphors of (Dis)Empowerment," *Journal of Consumer Research* 31 (March 2005): 769



lifestyles of movie and television celebrities. For example, magazines such as *True Story* appeal heavily to blue-collar or working-class women, who enjoy reading about the problems, fame, and fortunes of others. Middle-class consumers are more likely to read a newspaper and to prefer movies and late-night programs than their lower-class counterparts.[74]

SUMMARY

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.

DISCUSSION QUESTIONS

1. 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?
2. 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?
3. Describe the correlation between social status (or prestige) and income. Which is a more useful segmentation variable? Discuss.
4. 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?
5. Consider the Rolex watch, which has a retail price range starting at about $2,000 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?
6. How would you use the research evidence on affluent households presented in this chapter to segment the market for (a) home exercise equipment, (b) vacations, and (c) banking services?
7. How can a marketer use knowledge of consumer behavior to develop financial services for affluent consumers? For downscale consumers?
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 communications style used in the ads, and (d) payment policies?

EXERCISES

1. Copy the list of occupations in Figure 11.2 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.
2. Find three print ads in one of the publications listed in Table 11.5. Using the social-class characteristics listed in Table 11.9, identify the social class targeted by each ad and evaluate the effectiveness of the advertising appeals used.
3. 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.

KEY TERMS

- **affluent market**
- **chapin's social status scale**
- **class consciousness**
- **composite-variable indexes**
- **downscale consumers**
- **downward mobility**
- **geodemographic clusters**
- **index of status characteristics**
- **objective measures**
- **PRIZM NE**
- **reputational measures**
- **single-variable index**
- **social class**
- **social status**
- **socioeconomic status score**
- **subjective measures**
- **upward mobility**

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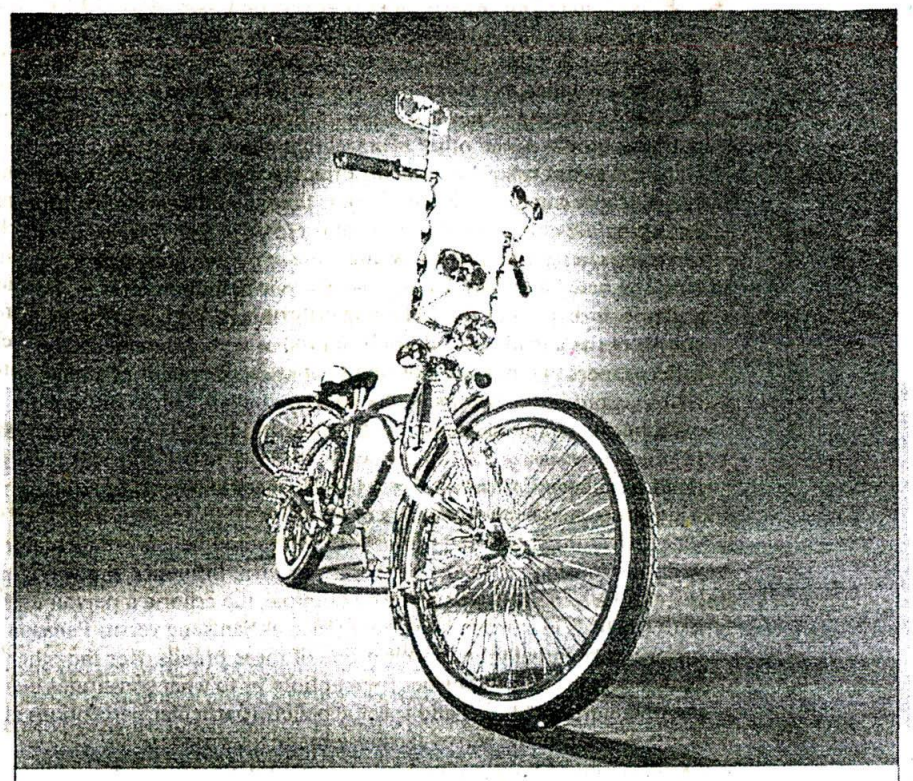
chapter**twelve**

The Influence of Culture on Consumer Behaviour

The study of culture is a challenging undertaking because its primary focus is on the broadest component of social behavior—*an entire society*. In contrast to the psychologist, who is principally concerned with the study of individual behavior, or the sociologist, who is concerned with the study of groups, the anthropologist is primarily interested in identifying the very fabric of society itself.

This chapter explores the basic concepts of culture, with particular emphasis on the role that culture plays in influencing consumer behavior. We will first consider the specific dimensions of culture that make it a powerful force in regulating human behavior. After reviewing several measurement approaches that researchers use to understand the impact of culture on consumption behavior, we will show how a variety of core American cultural values influence consumer behavior.

This chapter is concerned with the general aspects of culture; the following two chapters focus on subculture and on cross-culture and show how marketers can use such knowledge to shape and modify their marketing strategies.



LIKE TO CUSTOMIZE?

Do a different kind of combo meal. Do Wendy's® Combo Choices.

Pick any combo and choose from any of five delicious sides at no extra cost. **Do what tastes right.™**



what is culture?

Given the broad and pervasive nature of **culture**, its study generally requires a detailed examination of the character of the total society, including such factors as language, knowledge, laws, religions, food customs, music, art, technology, work patterns, products, and other artifacts that give a society its distinctive flavor. In a sense, culture is a society's personality. For this reason, it is not easy to define its boundaries.

Because our objective is to understand the influence of culture on consumer behavior, we define culture as the *sum total of learned beliefs, values, and customs that serve to direct the consumer behavior of members of a particular society.*

The *belief* and *value* components of our definition refer to the accumulated feelings and priorities that individuals have about "things" and possessions. More precisely, *beliefs* consist of the very large number of mental or verbal statements (i.e., "I believe . . . ") that reflect a person's particular knowledge and assessment of something (another person, a store, a product, a brand). *Values* also are beliefs. Values differ from other beliefs, however, because they meet the following criteria: (1) They are relatively few in number; (2) they serve as a guide for culturally appropriate behavior; (3) they are enduring or difficult to change; (4) they are not tied to specific objects or situations; and (5) they are widely accepted by the members of a society.

Therefore, in a broad sense, both values and beliefs are mental images that affect a wide range of specific attitudes that, in turn, influence the way a person is likely to respond in a specific situation. For example, the criteria a person uses to evaluate alternative brands in a product category (such as Samsung versus Panasonic HDTV sets), or his or her eventual preference for one of these brands over the other, are influenced by both a person's general values (perceptions as to what constitutes quality and the meaning of country of origin) and specific beliefs (particular perceptions about the quality of South Korean-made versus Japanese-made televisions).

In contrast to beliefs and values, customs are *overt modes of behavior that constitute culturally approved or acceptable ways of behaving in specific situations.* Customs consist of everyday or routine behavior. For example, a consumer's routine behavior, such as adding a diet sweetener to coffee, putting ketchup on scrambled eggs, putting mustard on frankfurters, and having a pasta dish *before* rather than *with* the main course of a meal, are customs. Thus, whereas beliefs and values are guides for behavior, customs are *usual and acceptable ways of behaving.*

By our definition, it is easy to see how an understanding of various cultures of a society helps marketers predict consumer acceptance of their products.

the invisible hand of culture

The impact of culture is so natural and automatic that its influence on behavior is usually taken for granted. For instance, when consumer researchers ask people why they do certain things, they frequently answer, "Because it's the right thing to do." This seemingly superficial response partially reflects the ingrained influence of culture on our behavior. Often it is only when we are exposed to people with different cultural values or customs (as when visiting a different region or a different country) that we become aware of how culture has molded our own behavior. Thus, a true appreciation of the influence that culture has on our daily life requires some knowledge of at least one other society with different cultural characteristics. For example, to understand that brushing our teeth twice a day with flavored toothpaste is a cultural phenomenon requires some awareness that members of another society either do not brush their teeth at all or do so in a distinctly different manner than our own society.

Perhaps the following statement expresses it best:

> *Consumers both view themselves in the context of their culture and react to their environment based upon the cultural framework that they bring to that experience. Each individual perceives the world through his own cultural lens.*[1]

Culture can exist and sometimes reveal itself at different perceived or subjective levels.[2] For those of us interested in consumer behavior, we would be most concerned with three "levels" of subjective culture that are especially revelvant to the exploration of consumer behavior and formation of marketing strategy. The first-level can be thought of as the *supranational level;* it reflects the underlying dimensions of culture that impact multiple cultures or different societies (i.e., cross-national or cross-cultural boundaries). For instance, it might reflect regional character (e.g., people living in several nations in a particular region of Europe), or racial and religious similarities or differences, or shared or different languages (mostly the concern of Chapter 14). The second level is concerned with *national level* factors, such as shared core values, customs, personalities, and predispositional factors that tend to capture the essence of the "national character" of the citizens of a particular country (mostly the content of this chapter). Finally, *group level* factors are concerned with various subdivisions of a country or society. They might include subcultures' difference (see Chapter 13), and membership and reference group differences (see Chapter 10). Table 12.1 summarizes this discussion, whereas Figure 12.1 presents a model depicting the role that subjective culture (on the left side of the model) plays in determining our beliefs, practices, and values, which in turn impact our social norms, attitudes, behavioral intentions, and, ultimately, our behavior (see the discussion of such attitude models in Chapter 8).

culture satisfies needs

Culture exists to satisfy the needs of the people within a society. It offers order, direction, and guidance in all phases of human problem solving by providing "tried-and-true" methods of satisfying physiological, personal, and social needs. For example, culture provides standards and "rules" about when to eat ("not between meals"); where to eat ("in a busy restaurant, because the food is likely to be good"); what is appropriate to eat for breakfast (eggs and toast), lunch (a sandwich), dinner ("something hot and good and healthy"), and snacks ("something with quick energy, but not too many calories"); and what to serve to guests at a dinner party ("a formal sit-down meal"), at a picnic (barbecued "franks and hamburgers"), or at a wedding (champagne). Culture is also associated with what a

TABLE 12.1 Three Levels of Subjective Culture—Supranational, National, and Groups

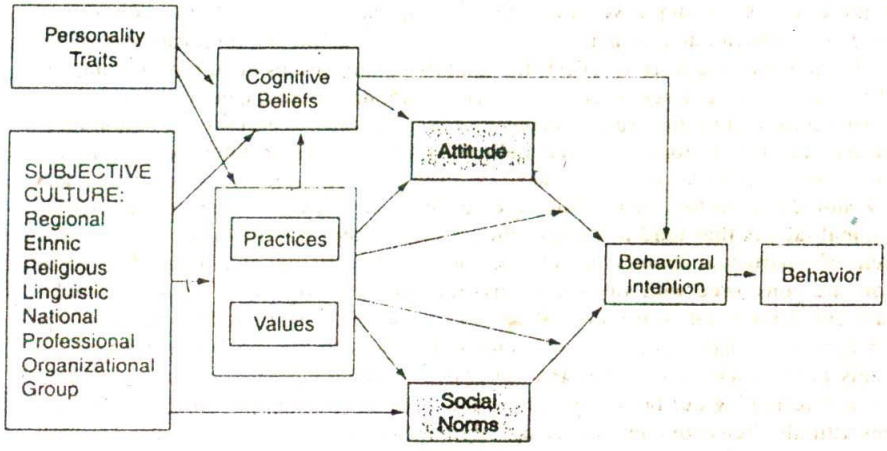
LEVELS	DEFINITION/DIMENSIONS
Level 1: Supranational	Subjective cultural differences that cross national boundaries or can be seen to be present in more than one country
	Composed of the following consumer behavior relevant factors: regional makeup, ethnic-racial composition of population, language and symbolisms meaning
Level 2: National	Shared cultural characters (national character or identity) that uniquely or specifically define the citizens of particular countries
Level 3: Group	Cultural divisions or grouping (especially subcultures) that contain various collections of individuals (e.g., families, work groups, shopping groups, friendship groups)

Inspired and adapted from: Elena Karahanna, J. Roberto Evaristo, and Mark Srite, "Levels of Culture and Individual Behavior: An Integrative Perspective," *Journal of Global Information Management* 13 (April–June 2005): 5.

FIGURE 12.1

A Theoretical Model of Culture's Influence on Behavior

Source: Elena Karahanna, J. Roberto Evaristo, and Mark Strite, "Levels of Culture and Individual Behavior: An Integrative Perspective," *Journal of Global Information Management* 13 (April–June 2005): 8.



society's members consider to be a necessity and what they view as a luxury. For instance, 55 percent of American adults consider a microwave to be a necessity, and 36 percent consider a remote control for a TV or VCR to be a necessity.[3]

Similarly, culture also provides insights as to suitable dress for specific occasions (such as what to wear around the house, what to wear to school, to work, to church, at a fast-food restaurant, or to a movie theater). Dress codes have shifted dramatically; people are dressing more casually most of the time. Today, only a few big-city restaurants and clubs have business dress requirements. With the relaxed dress code in the corporate work environment, fewer men are wearing dress shirts, ties, and business suits, and fewer women are wearing dresses, suits, and panty hose. In their place casual slacks, sports shirts and blouses, jeans, and the emerging category of "dress casual" have been increasing in sales.

Soft-drink companies would prefer that consumers received their morning "jolt" of caffeine from one of their products rather than from coffee. Because most Americans do not consider soda a suitable breakfast beverage, the real challenge for soft-drink companies is to overcome culture, not competition. Indeed, coffee has been challenged on all fronts by juices, milk, teas (hot and iced), a host of different types of soft drinks, and now even caffeinated waters. Not resting on their "cultural advantage" as a breakfast drink and the namesake of the "coffee break," coffee marketers have been fighting back by targeting gourmet and specialty coffees (e.g., espresso, cappuccino, and café mocha) to young adults (those 18 to 24 years of age). These efforts have been paying off as young adults (an important segment of the soft-drink market) have been responding positively to gourmet coffees.

Cultural beliefs, values, and customs continue to be followed as long as they yield satisfaction. When a specific standard no longer satisfies the members of a society, however, it is modified or replaced, so that the resulting standard is more in line with current needs and desires. For instance, it was once considered a sign of a fine hotel that it provided down or goose feather pillows in rooms. Today, with so many guests allergic to such materials, synthetic polyfill pillows are becoming more the rule. Thus, culture gradually but continually evolves to meet the needs of society.

culture is learned

Unlike innate biological characteristics (e.g., sex, skin, hair color, or intelligence), culture is learned. At an early age, we begin to acquire from our social environment a set of beliefs, values, and customs that make up our culture. For children, the learning of these

acceptable cultural values and customs is reinforced by the process of playing with their toys. As children play, they act out and rehearse important cultural lessons and situations. This cultural learning prepares them for later real-life circumstances.

How culture is learned

Anthropologists have identified three distinct forms of cultural learning: *formal learning*, in which adults and older siblings teach a young family member "how to behave"; *informal learning*, in which a child learns primarily by imitating the behavior of selected others, such as family, friends, or TV heroes; and *technical learning*, in which teachers instruct the child in an educational environment about what should be done, how it should be done, and why it should be done. Although a firm's advertising can influence all three types of cultural learning, it is likely that many product advertisements enhance informal cultural learning by providing the audience with a model of behavior to imitate. This is especially true for visible or conspicuous products that are evaluated in public settings (such as designer clothing, cell phones, or status golf clubs), where peer influence is likely to play an important role. Additionally, "not only are cultural values cited in advertising copy, they also are often coded in the visual imagery, colors, movements, music, and other nonverbal elements of an advertisement."[4]

The repetition of advertising messages creates and reinforces cultural beliefs and values. For example, many advertisers continually stress the same selected benefits of their products or services. Ads for wireless phone service often stress the clarity of their connection, or the nationwide coverage of their service, or the free long distance calling, as well as the flexibility of their pricing plans. It is difficult to say whether wireless phone subscribers *inherently* desire these benefits from their wireless service providers or whether, after several years of cumulative exposure to advertising appeals stressing these benefits, they have been taught by marketers to desire them. In a sense, although specific product advertising may reinforce the benefits that consumers want from the product (as determined by consumer behavior research), such advertising also "teaches" future generations of consumers to expect the same benefits from the product category.

Figure 12.2 shows that cultural meaning moves from the culturally constituted world to consumer goods and from there to the individual consumer by means of various *consumption-related vehicles* (e.g., advertising or observing or imitating others' behavior). Imagine the ever-popular T-shirt and how it can furnish cultural meaning and identity for wearers. T-shirts can function as *trophies* (as proof of participation in sports or travel) or as self-proclaimed labels of *belonging to a cultural category* ("World Series Attendee"). T-shirts can also be used as a means of *self-expression*, which may provide wearers with the additional benefit of serving as a "topic" initiating social dialogue with others. Still further, although we might expect that a New York T-shirt would be worn by a person who has been to New York (or has received it as a gift from someone else who has visited New York), this is not necessarily so. In such a world of "virtual identities," consumers can now just buy a New York T-shirt at a local retailer and create the impression that they have been there.

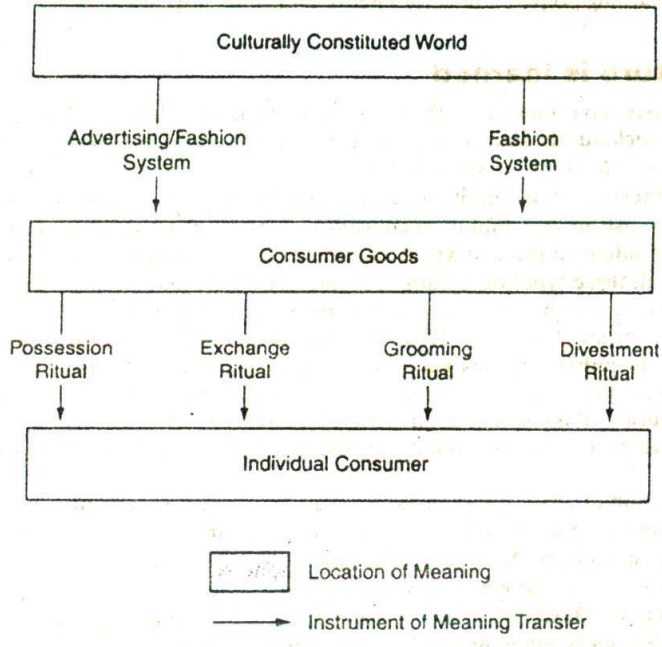
Enculturation and acculturation

When discussing the acquisition of culture, anthropologists often distinguish between the learning of one's own, or native, culture and the learning of some "new" (other) culture. The learning of one's own culture is known as **enculturation**. The learning of a new or foreign culture is known as **acculturation**. In Chapter 14, we will see that acculturation is an important concept for marketers who plan to sell their products in foreign or multinational markets. In such cases, marketers must study the specific culture(s) of their potential target markets to determine whether their products will be acceptable to its members and, if so, how they can best communicate the characteristics of their products to persuade the target market to buy.

FIGURE 12.2

The Movement of Cultural Meaning

Source: Grant McCracken, "Culture and Consumption: A Theoretical Account of the Structure and Movement of the Cultural Meaning of Consumer Goods," *Journal of Consumer Research*, 13 (June 1986): 72. Reprinted by permission of The University of Chicago Press as publishers.



Language and symbols

To acquire a common culture, the members of a society must be able to communicate with each other through a common language. Without a common language, shared meaning could not exist and true communication would not take place (see Chapter 9).

To communicate effectively with their audiences, marketers must use appropriate **symbols** to convey desired product images or characteristics. These symbols can be verbal or nonverbal. Verbal symbols may include a television announcement or an advertisement in a magazine. Nonverbal communication includes the use of such symbols as figures, colors, shapes, and even textures to lend additional meaning to print or broadcast advertisements, to trademarks, and to packaging or product designs (see Figure 12.3).

Basically, the symbolic nature of human language sets it apart from all other animal communication. A symbol is anything that stands for something else. Any word is a symbol. The word *razor* calls forth a specific image related to an individual's own knowledge and experience (possibly either a shaving-related image or a Motorola cell phone-related image). The word *tsunami* calls forth the notion of waves and water and also has the power to stir us emotionally, arousing feelings of danger and the need for protection and safety. Similarly, the word *mercedes* has symbolic meaning: To some it suggests a fine luxury automobile; to others it implies wealth and status; to still others it reminds them of a woman named Mercedes.

Because the human mind can process symbols, it is possible, for example, for a person to "experience" cognitively a visualization for a product, like the advertisement for a skin moisturizing gel, which contrasts two scenes—one of a parched desert without the gel and one of a rich green landscape with the gel. Such a comparison presents the idea that a skin-moisturizing gel will transform a person's dry skin to a comfortable moist state. The capacity to learn symbolically is primarily a human phenomenon; most other animals learn by direct experience. Clearly, the ability of humans to understand symbolically how a product, service, or idea can satisfy their needs makes it easier for marketers to sell the features and benefits of their offerings. Through a shared language and culture, individuals already know what the image means; thus, an association can be made without actively thinking about it.

FIGURE 12.3



Source: © Wm. Wrigley Jr. Company. Used with permission. All rights reserved.

Ad Using Visual Imagery as a Symbol

A symbol may have several, even contradictory, meanings, so the advertiser must ascertain exactly what the symbol is communicating to its intended audience. For example, the advertiser who uses a trademark depicting an old craftsman to symbolize careful workmanship may instead be communicating an image of outmoded methods and lack of style. The marketer who uses slang in an advertisement to attract a teenage audience must do so with great care; slang that is misused or outdated will symbolically date the marketer's firm and product.

Price and channels of distribution also are significant symbols of the marketer and the marketer's product. For example, price often implies quality to potential buyers. For certain products (such as clothing), the type of store in which the product is sold also is an important symbol of quality. In fact, all the elements of the marketing mix—the product,

its promotion, price, and the stores at which it is available—are symbols that communicate ranges of quality to potential buyers.

Ritual

In addition to language and symbols, culture includes various ritualized experiences and behaviors that until recently have been largely neglected by consumer researchers. A **ritual** is a type of symbolic activity consisting of a series of steps (multiple behaviors) occurring in a fixed sequence and repeated over time.[5]

In practice, rituals extend over the human life cycle from birth to death, including a host of intermediate events (such as confirmation, graduations, and marriage). These rituals can be very public, elaborate, religious, or civil ceremonies, or they can be as mundane as an individual's grooming behavior or flossing. Ritualized behavior is typically rather formal and often is scripted behavior (as a religious service requiring a prayer book or the code of proper conduct in a court of law). It is also likely to occur repeatedly over time (such as singing the national anthem before a basketball game).

Most important from the standpoint of marketers is the fact that rituals tend to be replete with ritual artifacts (products) that are associated with or somehow enhance the performance of the ritual. For instance, turkey, stuffing, and other various food items are linked to the ritual of a Thanksgiving Day, New Year's Day, or other holiday celebrations; other rituals (such as a graduation, a wedding or wedding anniversary, a Tuesday night card game, or a Saturday morning visit to the hair salon) have their own specific artifacts associated with them. For special occasions, such as wedding anniversaries, some types of artifacts are perceived as more appropriate as gifts than others, for example, jewelry rather than everyday household items (Table 12.2).

In addition to a ritual, which is the way that something is traditionally done, there is also *ritualistic behavior*, which can be defined as any behavior that is made into a ritual. For example, a tennis player may bounce the ball a few times or swing the arm holding the tennis racket in a big arc once or twice before every serve. Table 12.3 describes a young woman's ritualistic behavior with respect to facial beauty care.

TABLE 12.2 Selected Rituals and Associated Artifacts

SELECTED RITUALS	TYPICAL ARTIFACTS
Wedding	White gown (something old, something new, something borrowed, something blue)
Birth of child	U.S. savings bond, silver baby spoon
Birthday	Card, present, cake with candles
50th wedding anniversary	Catered party, card and gift, display of photos of the couple's life together
Graduation	Pen, U.S. savings bond, card, wristwatch
Valentine's Day	Candy, card, flowers
New Year's Eve	Champagne, party, fancy dress
Thanksgiving	Prepare a turkey meal for family and friends
Going to the gym	Towel, exercise clothes, water, portable tape player
Sunday football	Beer, potato chips, pretzels
Super Bowl party	Same as Sunday football (just more)
Starting a new job	Get a haircut, buy some new clothing
Getting a job promotion	Taken out to lunch by coworkers, receive token gift
Retirement	Company party, watch, plaque
Death	Send a card, give to charity in the name of the deceased

TABLE 12.3 Facial Beauty Ritual of a Young TV Advertising Sales Representative

1. I pull my hair back with a headband.
2. I take all my makeup off with L'Oréal eye makeup remover.
3. Next, I use a Q-tip with some moisturizer around my eyes to make sure all eye makeup is removed.
4. I wash my face with Noxzema facial wash.
5. I apply Clinique Dramatically Different Lotion to my face, neck, and throat.
6. If I have a blemish, I apply Clearasil Treatment to the area to dry it out.
7. Twice weekly (or as necessary) I use Aapri Facial Scrub to remove dry and dead skin.
8. Once a week I apply Clinique Clarifying Lotion 2 with a cotton ball to my face and throat to remove deep-down dirt and oils.
9. Once every three months I get a professional salon facial to deep-clean my pores.

Culture is shared

To be considered a cultural characteristic, a particular belief, value, or practice must be shared by a significant portion of the society. Thus, culture frequently is viewed as group *customs* that link together the members of a society. Of course, common language is the critical cultural component that makes it possible for people to share values, experiences, and customs.

Various social institutions within a society transmit the elements of culture and make the sharing of culture a reality. Chief among such institutions is the *family*, which serves as the primary agent for enculturation—the passing along of basic cultural beliefs, values, and customs to society's newest members. A vital part of the enculturation role of the family is the consumer socialization of the young (see Chapter 10). This includes teaching such basic consumer-related values and skills as the meaning of money; the relationship between price and quality; the establishment of product tastes, preferences, and habits; and appropriate methods of response to various promotional messages.

In addition to the family, two other institutions traditionally share much of the responsibility for the transfer of selected aspects of culture: *educational institutions* and *houses of worship*. Educational institutions specifically are charged with imparting basic learning skills, history, patriotism, citizenship, and the technical training needed to prepare people for significant roles within society. Religious institutions provide and perpetuate religious consciousness, spiritual guidance, and moral training. Although the young receive much of their consumer training within the family setting, the educational and religious systems reinforce this training by teaching economic and ethical concepts.

A fourth, frequently overlooked, social institution that plays a major role in the transfer of culture throughout society is the mass media. Given the extensive exposure of the American population to both print and broadcast media, as well as the easily ingested, entertaining format in which the contents of such media usually are presented, it is not surprising that the mass media are powerful vehicles for imparting a wide range of cultural values.

We are exposed daily to advertising, an important component of the media. Advertising not only underwrites, or makes economically feasible, the editorial or programming contents of the media, but it also transmits much about our culture. Without advertising, it would be almost impossible to disseminate information about products, ideas, and causes.

Consumers receive important cultural information from advertising. For example, it has been hypothesized that one of the roles of advertising in sophisticated magazines such as *Vogue* (**www.vogue.com**), *Bon Appetit* (**www. epicurious.com/bonappetit**), and

Architectural Digest (**www.architecturaldigest.com**) is to instruct readers how to dress, how to decorate their homes, and what foods and wines to serve guests, or in other words, what types of behavior are most appropriate to their particular social class. Thus, although the scope of advertising is often considered to be limited to influencing the demand for specific products or services, in a cultural context, advertising has the expanded mission of reinforcing established cultural values and aiding in the dissemination of new tastes, habits, and customs. In planning their advertising, marketers should recognize that advertising is an important agent for social change in our society.

culture is dynamic

To fulfill its need-gratifying role, culture continually must evolve if it is to function in the best interests of a society. For this reason, the marketer must carefully monitor the sociocultural environment in order to market an existing product more effectively or to develop promising new products.

This is not an easy task because many factors are likely to produce cultural changes within a given society (new technology, population shifts, resource shortages, wars, changing values, and customs borrowed from other cultures). For example, major ongoing cultural changes in American society reflect the expanded career options open to women. Today, most women work outside the home, frequently in careers that once were considered exclusively male oriented. These career women are increasingly not waiting for marriage or a man to buy them luxury items—such as fur coats, expensive wristwatches, and diamond rings. More and more such women are saying, "I earn a good living, why wait? I will buy it for myself."

The changing nature of culture means that marketers have to consistently reconsider *why* consumers are now doing what they do, *who* the purchasers and the users of their products are (males only, females only, or both), *when* they do their shopping, *how* and *where* they can be reached by the media, and *what* new product and service needs are emerging. Marketers who monitor cultural changes also often find new opportunities to increase corporate profitability. For example, marketers of such products and services as life insurance, financial and investment advice, casual clothing, toy electric trains, and cigars are among those who have attempted to take advantage of shifts in what is feminine and how to communicate with female consumers. As yet another example, "design has (re)emerged as a major force in American consumers' lives." Since today even basic consumer goods deliver on their promises of performance, design has become a way for a company to differentiate its products.[6] If all MP3 players, for example, sound great, then why not purchase the one that looks the "coolest," which is probably the iPod. One writer has recently described the period we are now living in "as the age of aesthetics," wherein the way things look, feel, and smell have come to matter—not just among the upper-middle classes but among all consumers.[7]

A recently longitudinal study of how women have been depicted in *Fortune* magazine serves as yet another example of how culture is dynamic. The study employed content analysis (discussed later in this chapter) as its methodology, and concluded that the changes in advertising tended to reflect the changing role of women during the decade starting in 1990.[8] In particular, the research reveals a fourfold increase in the number of women as the "figure" (i.e., presented in the foreground of the print advertisement) compared to men. Women were also substantially more likely to be portrayed as being a "professional."

Insights about cultural change are also secured from lists that trend observers create as to "what's hot" and "what's not." Table 12.4 presents an example of such a comparison. Specifically, this one tells potential vistors to France that small, lesser-known cities are "in," whereas Paris is "out"; similarly, expensive or upscale hotels are also "out," while small inns are "in." Such lists often reflect the dynamic nature of a particular society or culture.

TABLE 12.4 What Is IN and What Is OUT When Visiting France

IN	OUT
Lesser-known cities	Paris
Languedoc	Provence
Recreational travel	Luxury travel
Small inns	Upscale hotels
Living in France	Visiting France
Driving	Riding the rails
Bringing your cell phone	Using a phone card
Packing light	Packing heavy

Source: Kery Carr, "France Travel Trends-- What's In & What's Out for 2005," accessed at http://gofrance.about.com/odissuesnewsshottopics/a/inandout.htm

the measurement of culture

A wide range of measurement techniques are used in the study of culture. Some of these techniques were described in Chapter 2. For example, the projective tests used by psychologists to study motivation and personality and the attitude measurement techniques used by social psychologists and sociologists are relatively popular tools in the study of culture.

In addition, *content analysis, consumer fieldwork,* and *value measurement instruments* are three research approaches that are frequently used to examine culture and to spot cultural trends. There are also several commercial services that track emerging values and social trends for businesses and governmental agencies.

Content analysis

Conclusions about a society, or specific aspects of a society, or a comparison of two or more societies sometimes can be drawn from examining the content of particular messages. **Content analysis**, as the name implies, focuses on the content of verbal, written, and pictorial communications (such as the copy and art composition of an ad).

Content analysis can be used as a relatively objective means of determining what social and cultural changes have occurred in a specific society or as a way of contrasting aspects of two different societies. A content analysis of more than 250 ads appearing in eight issues of *Seventeen* magazine, four Japanese issues, and four American issues, found that teenage girls are portrayed differently. The research concluded that these "differences correspond to each country's central concepts of self and society." Whereas American teen girls are often associated with images of "independence and determination," Japanese teen girls are most often portrayed with a "happy, playful, childlike girlish image."[9] In another content analysis study—this one comparing American and Chinese television commercials targeted to children—the research revealed that 82 percent of the Chinese ads aimed at children were for food products, whereas 56 percent of the ads directed at American children were for toys.[10]

Content analysis is useful to both marketers and public policymakers interested in comparing the advertising claims of competitors within a specific industry, as well as for evaluating the nature of advertising claims targeted to specific audiences (e.g., women, the elderly, or children).

Consumer fieldwork

When examining a specific society, anthropologists frequently immerse themselves in the environment under study through **consumer fieldwork**. As trained researchers, they are likely to select a small sample of people from a particular society and carefully observe

their behavior. Based on their observations, researchers draw conclusions about the values, beliefs, and customs of the society under investigation. For example, if researchers were interested in how men select neckties, they might position trained observers in department and clothing stores and note how neckties are selected (solid versus patterned, striped versus paisley, and so on). The researchers also may be interested in the degree of search that accompanies the choice, that is, how often consumers tend to take a necktie off the display, examine it, compare it to other neckties in the store, and place it back again before selecting the necktie that they finally purchase.

The distinct characteristics of **field observation** are that (1) it takes place within a natural environment; (2) it is performed sometimes without the subject's awareness; and (3) it focuses on observation of behavior. Because the emphasis is on a natural environment and observable behavior, field observation concerned with consumer behavior often focuses on in-store shopping behavior and, less frequently, on in-home preparation and consumption.

In some cases, instead of just observing behavior, researchers become **participant-observers** (i.e., they become active members of the environment that they are studying). For example, if researchers were interested in examining how consumers select computer software, they might take a sales position in a computer superstore to observe directly and even to interact with customers in the transaction process.

Today, there are consumer research firms that specialize in studying consumer rituals and values. These firms often videotape subjects at work, at home, in their cars, and in public places. For instance, researchers might ask a teenager why he's buying a certain backpack, and you might not get a useful response. Rather, watching a teenager as he shops for that backpack, and you might "learn a few things." This type of research, used by Nissan in the 1990s when it was designing its line of Infinity automobiles, discovered that the Japanese notion of luxury was very different than the American version—whereas the Japanese crave simplicity, Americans crave visible opulence.[11]

Both field observation and participant-observer research require highly skilled researchers who can separate their own preferences and emotions from what they actually observe in their professional roles. Both techniques provide valuable insight that might not easily be obtained through survey research that simply asks consumers questions about their behavior.

In addition to fieldwork methods, depth interviews and focus-group sessions (see Chapter 2) are also often used by marketers to get a "first look" at an emerging social or cultural change. In the relatively informal atmosphere of focus group discussions, consumers are apt to reveal attitudes or behavior that may signal a shift in values that, in turn, may affect the long-run market acceptance of a product or service. For instance, focus group studies can be used to identify marketing programs that reinforce established customer loyalty and goodwill (or relationship marketing). A common thread running throughout these studies showed that established customers, especially for services (such as investment and banking services), want to have their loyalty acknowledged in the form of *personalized services*. These observations have led various service and product companies to refine or establish loyalty programs that are more personalized in the way that they treat their established customers (e.g., by recognizing the individuality of such core customers). This is just one of numerous examples showing how focus groups and depth interviews are used to spot social trends.

Value measurement survey instruments

Anthropologists have traditionally observed the behavior of members of a specific society and inferred from such behavior the dominant or underlying values of the society. In recent years, however, there has been a gradual shift to measuring values directly by means of survey (questionnaire) research. Researchers use data collection instruments called *value instruments* to ask people how they feel about such basic personal and social concepts as freedom, comfort, national security, and peace.

A variety of popular value instruments have been used in consumer behavior studies, including the **Rokeach Value Survey**, the *List of Values (LOV)*, and the *Values and Lifestyles—VALS* (discussed in Chapter 3). The widely used Rokeach Value Survey is a self-administered value inventory that is divided into two parts, each part measuring different

TABLE 12.5 The Rokeach Value Survey Instrument

TERMINAL VALUES	INSTRUMENTAL VALUES
A Comfortable Life (a prosperous life)	Ambitious (hardworking, aspiring)
An Exciting Life (a stimulating, active life)	Broad-Minded (open-minded)
A World at Peace (free of war and conflict)	Capable (competent, effective)
Equality (brotherhood, equal opportunity for all)	Cheerful (lighthearted, joyful)
Freedom (independence and free choice)	Clean (neat, tidy)
Happiness (contentedness)	Courageous (standing up for your beliefs)
National Security (protection from attack)	Forgiving (willing to pardon others)
Pleasure (an enjoyable life)	Helpful (working for the welfare of others)
Salvation (saved, eternal life)	Honest (sincere, truthful)
Social Recognition (respect and admiration)	Imaginative (daring, creative)
True Friendship (close companionship)	Independent (self-reliant, self-sufficient)
Wisdom (a mature understanding of life)	Intellectual (intelligent, reflective)
A World of Beauty (beauty of nature and the arts)	Logical (consistent, rational)
Family Security (taking care of loved ones)	Loving (affectionate, tender)
Mature Love (sexual and spiritual intimacy)	Obedient (dutiful, respectful)
Self-Respect (self-esteem)	Polite (courteous, well-mannered)
A Sense of Accomplishment (lasting contribution)	Responsible (dependable, reliable)
Inner Harmony (freedom from inner conflict)	Self-Controlled (restrained, self-disciplined)

Source: Modified and reproduced by special permission of the publisher, Consulting Psychologists Press, Inc., Palo Alto, CA 94303 from *Rokeach Value Survey* by Milton Research. Copyright 1983 by Milton Rokeach. All rights reserved. Further reproduction is prohibited without the publisher's written consent.

but complementary types of personal values (see Table 12.5). The first part consists of 18 *terminal value* items, which are designed to measure the relative importance of end states of existence (or personal goals). The second part consists of 18 *instrumental value* items, which measure basic approaches an individual might take to reach end-state values. Thus, the first half of the measurement instrument deals with ends, and the second half considers means.

Using the Rokeach Value Survey, adult Brazilians were categorized into six distinctive value segments.[12] For example, Segment A (representing 13 percent of the sample) was most concerned with "world peace," followed by "inner harmony" and "true friendship." Members of this segment were found to be especially involved in domestic-oriented activities (such as gardening, reading, and going out with the family to visit relatives). Because of their less materialistic and nonhedonistic orientation, this segment also may be the least prone to experiment with new products. In contrast, Segment B (representing 9 percent of the sample) was most concerned with self-centered values such as self-respect, a comfortable life, pleasure, an exciting life, a sense of accomplishment, and social recognition. They were least concerned with values related to the family, such as friendship, love, and equality. These self-centered, achievement-oriented pleasure seekers were expected to prefer provocative clothes in the latest fashion, to enjoy an active lifestyle, and be more likely to try new products.

The LOV scale is a related measurement instrument that is also designed to be used in surveying consumers' personal values. The LOV scale asks consumers to identify their

two most important values from a nine-value list (such as "warm relationships with others," "a sense of belonging," or "a sense of accomplishment") that is based on the terminal values of the Rokeach Value Survey.[13]

american core values

What is the American culture? In this section, we identify a number of **core values** that both affect and reflect the character of American society. This is a difficult undertaking for several reasons. First, the United States is a diverse country, consisting of a good number of **subcultures** (religious, ethnic, regional, racial, and economic groups), each of which interprets and responds to society's basic beliefs and values in its own specific way. Second, America is a dynamic society that has undergone an almost constant change in response to the development of new technology. This element of rapid change makes it especially difficult to monitor changes in cultural values. Finally, the existence of contradictory values in American society is somewhat confusing. For instance, Americans traditionally embrace freedom of choice and individualism, yet simultaneously they show great tendencies to conform (in dress, in furnishings, and in fads) to the rest of society. In the context of consumer behavior, Americans like to have a wide choice of products and prefer those that uniquely express what they envison to be their personal lifestyles. Yet, there is often a considerable amount of implicit pressure to conform to the values of family members, friends, and other socially important groups. It is difficult to reconcile these seemingly inconsistent values; their existence, however, demonstrates that America is a complex society with numerous paradoxes.

When selecting the specific core values to be examined, we were guided by three criteria:

1. The value must be pervasive. *A significant portion of the American people must accept the value and use it as a guide for their attitudes and actions.*
2. The value must be enduring. *The specific value must have influenced the actions of the American people over an extended period of time (as distinguished from a short-run trend).*
3. The value must be consumer related. *The specific value must provide insights that help us to understand the consumption actions of the American people.*

Meeting these criteria are a number of basic values that expert observers of the American scene consider the "building blocks" of that rather elusive concept called the "American character."

Achievement and success

In a broad cultural context, achievement is a major American value, with historical roots that can be traced to the traditional religious belief in the Protestant work ethic, which considers hard work to be wholesome, spiritually rewarding, and an appropriate end in itself. Indeed, substantial research evidence shows that the achievement orientation is closely associated with the technical development and general economic growth of American society.[14]

Individuals who consider a "sense of accomplishment" an important personal value tend to be achievers who strive hard for success. Although historically associated with men, especially male business executives, today *achievement* is very important for women, who are increasingly enrolled in undergraduate and graduate business programs and are more commonly seeking top-level business careers.

A recent study that examined the interplay between the Internet and personal values found that those individuals scoring high in "sense of accomplishment" were more likely to use the Internet for learning or gathering information, making reservations or researching travel, work/business, buying goods or services, looking up stock quotes, and participating in online auctions by buying or selling products. Conversely, Internet activities not associated with a high "sense of accomplishment" included surfing the Web, communication with others in chat rooms, and gathering product or retail store information.[15]

Success is a closely related American cultural theme. However, achievement and success do differ. Specifically, achievement is its own direct reward (it is implicitly satisfying to the individual achiever), whereas success implies an extrinsic reward (such as luxury possessions, financial compensation, or status improvement). Moreover, it is the widespread embracing of achievement and success that has led to the great success and progress of the United States.[16] A recent study examining what influences college students' choice of major found that the most important influence for incoming freshmen was interest in the subject. However, while for female students the next most influential factor was aptitude in the subject, for male students it was "the major's potential for career advancement, and job opportunites and the level of compensation in the field."[17]

Both achievement and success influence consumption. They often serve as social and moral justification for the acquisition of goods and services. For example, "You owe it to yourself," "You worked for it," and "You deserve it" are popular achievement themes used by advertisers to coax consumers into purchasing their products. Regardless of gender, achievement-oriented people often enjoy conspicuous consumption because it allows them to display symbols of their personal achievement. When it comes to personal development and preparation for future careers, the themes of achievement and success are also especially appropriate.

Activity

Americans attach an extraordinary amount of importance to being *active* or *involved.* Keeping busy is widely accepted as a healthy and even necessary part of the American lifestyle. The hectic nature of American life is attested to by foreign visitors, who frequently comment that they cannot understand why Americans are always "on the run" and seemingly unable to relax. It is easy to identify ads in the mass media for products and services that are designed to assist consumers in dealing with their hectic or "overful" lives (see Figure 12.4).

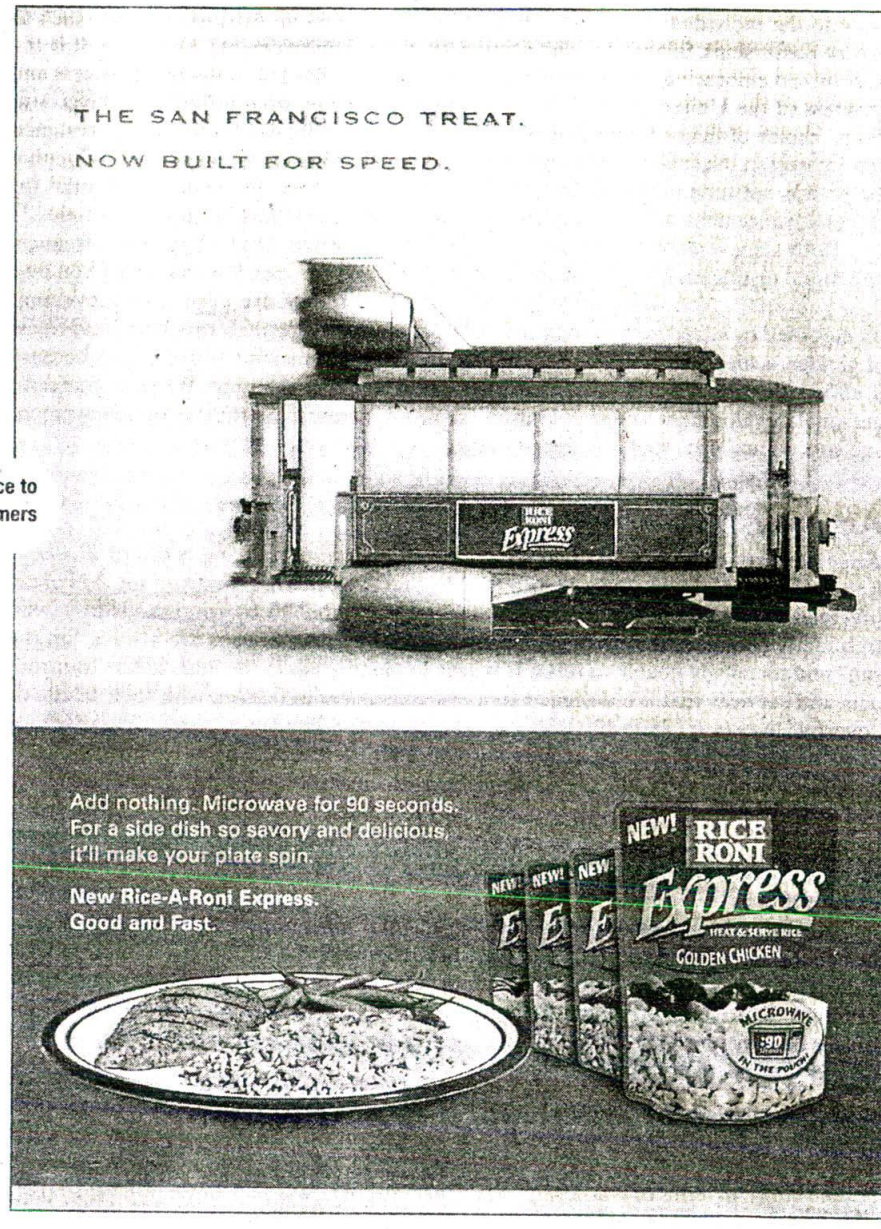
The premium placed on activity has had both positive and negative effects on the popularity of various products. For example, a principal reason for the enormous growth of fast-food chains, such as McDonald's and Kentucky Fried Chicken, is that so many people want quick, prepared meals when they are away from the house. Americans rarely eat a full breakfast because they usually are too rushed in the morning to prepare and consume a traditional morning meal.

Research suggests that "being busy," in and of itself, is not enough and not necessarily healthy. For example, some researchers have reported that although it is important for elderly people to "keep busy," it is important that the activities they engage in be fulfilling. Similarly, it is being questioned whether keeping young children busy all the time is healthy for them—it's been suggested that kids need time to relax![18]

Efficiency and practicality

With a basic philosophy of down-to-earth pragmatism, Americans pride themselves on being efficient and practical. When it comes to *efficiency,* they admire anything that saves time and effort. In terms of *practicality,* they generally are receptive to any new product that makes tasks easier and can help solve problems. For example, today it is possible for manufacturers of many product categories to offer the public a wide range of interchangeable components. Thus, a consumer can design his or her own customized wall unit from such standard components as compatible metals and woods, legs, door facings, and style panels at a cost not much higher than a completely standardized unit. The capacity of manufacturers to create mass-produced components offers consumers the practical option of a customized product at a reasonable price. If you are unfamiliar with such furniture, just browse through an IKEA catalog or the "virtual catalog" on the IKEA Web site (**www.ikea.com**). As another example, if you go to the Dell Computer Web site (**www.dell.com**) you can observe the myriad of ways in which almost any model of a Dell computer can be customized by the purchaser (e.g., memory upgrades, video card upgrades, hard drive size upgrades, software upgrades, etc.).

FIGURE 12.4



Source: © The Golden Grain Company. Used with permission. All rights reserved.

Ad Offering Assistance to Busy-Active Consumers

Another illustration of Americans' attentiveness to efficiency and practicality is the extreme importance attached to *time*. Americans seem to be convinced that "time waits for no one," which is reflected in their habitual attention to being prompt. Another sign of America's preoccupation with time is the belief that time is in increasingly short supply. Americans place a great deal of importance on getting there first, on the value of time itself, on the notion that time is money, on the importance of not wasting time, and on identifying "more" time. In our attempt to get more and more out of each day, one author has concluded that we may become trapped in a vicious circle in which we feel as if we are getting less and less out of each day.[19]

The frequency with which Americans look at their watches and the importance attached to having an accurate timepiece tend to support the American value of *punctuality*.

Progress

Progress is another watchword of American society. Americans respond favorably to the promise of progress. Receptivity to progress appears to be closely linked to the other core values already examined (*achievement, success, efficiency,* and *practicality*) and to the central belief that people can always improve themselves, that tomorrow should be better than today. In a consumption-oriented society, such as that of the United States, progress often means the acceptance of change, new products, or services designed to fulfill previously undersatisfied or unsatisfied needs. A new type of counselor, the "life coach" or "personal coach," works with individuals in order to help them improve themselves and seek "fulfillment and balance in careers, family, health, and hobbies." The coach tracks the client's progress and tries to keep the client heading in the direction of his or her fulfillment. Ideally, the coach makes the client excited about prospects for the future.

In the name of progress, Americans appear to be receptive to product claims that stress "new," "improved," "longer-lasting," "speedier," "quicker," "smoother and closer," and "increased strength" (see Figure 12.5).

Material comfort

For most Americans (even young children), *material comfort* signifies the attainment of "the good life," a life that may include a new car, a dishwasher, an air conditioner, a hot tub, and an almost infinite variety of other convenience-oriented and pleasure-providing goods and services. It appears that consumers' idea of material comfort is largely a *relative* view; that is, consumers tend to define their own satisfaction with the amount of material goods they have in terms of a comparison of what they have to what others have. If a comparison suggests that they have more than others do, then they are more likely to be satisfied.[20] On the other hand, as many popular songs point out, the ownership of material goods does not always lead to happiness. For instance, many people, especially affluent people, might be willing to trade money for more free time to spend with family and friends.

Vivre (**www.vivre.com**) offers a mail-order and online catalog aimed at "connecting luxury brands with affluent shoppers that is dedicated to providing material comfort for its customers." Consider how the company responds to the question "What is Vivre?" (taken from its Web site):

> *One might consider Vivre to be a revival of the classic "first floor" of a department store, which traditionally displayed only the best of the best to a discriminating clientele. Likewise, Vivre presents only that which is deemed to be relevant, inspiring and exquisitely crafted. With a modern sensibility, the resulting treasure trove is delivered to doorsteps in the form of a glossy catalog . . . and to desktops via a full-service e-commerce website. Therein shoppers will find the best of the world at their fingertips.*
>
> *By presenting each season's collection in a lifestyle context, we create an emotional connection with our customers, who rely upon us to offer an edited collection of the very best of each season. By interspersing our selections with editorial and advice, we create an inspirational shopping experience—one where Vivre is considered to be a trusted advisor to "A Beautiful Life."*[21]

Material comfort has often been associated with "bigger quantities of things" or "more of something." Recently, however, there has been a noticeable shift away from such a "more is better" viewpoint to a "better is better" vision—one that stresses better quality and better design. Americans today increasingly want *better,* and *better looking,* products. Such a state of affairs has been referred to as "the design economy"—that is, an economy that is based on the interaction of four elements: sustained prosperity, ongoing technology, a culture open to change, and marketing expertise.[22] Consider, for example, how the famous designer, Michael Graves, has helped Target (mass-merchandise retailer) accomplish its goal of being a standout provider of finely designed products at mass-market prices.

FIGURE 12.5

Source: © Church & Dwight Co., Inc. Use of Arm & Hammer–"The new Look of Clean" is with the express written permission of Church & Dwight Co., Inc., Princeton, New Jersey.

Progress Is a Popular and Winning Appeal



Individualism

Americans value "being themselves." Self-reliance, self-interest, self-confidence, self-esteem, and self-fulfillment are all exceedingly popular expressions of *individualism.* Striving for individualism seems to be linked to the rejection of dependency; that is, it is better to rely on oneself than on others. American "rugged individualism" is a form of individualism. It is based on the notion of self-reliance with competition (i.e., we try to meet our needs through personal effort, and in a way that outperforms our peers). Still further, solo performance, to the rugged individualist, is more important than teamwork—tasks should be accomplished alone, and victory should be earned alone.[23] Table 12.6 presents an interesting elaboration of the concept of "rugged individualism." Please examine it.

In terms of consumer behavior, an appeal to individualism frequently takes the form of reinforcing the consumer's sense of identity with products or services that both

TABLE 12.6 An Elaboration of the Cultural Dynamics of the "Rugged Individual"

LABEL	DEFINITION	IMAGERY
Competition against self/Competition against others	Sees both self-weakness and others' strengths as foes to overcome.	Transforming self from a weakling to a warrior.
Manual labor/ Purchased labor	The choice to make or buy competitive equipment.	Becoming completely self-sufficient.
Solo performance/ Team work	Accomplishing goals by self or as a team.	The solo performer as the ideal.
Technology and machines/Aesthetics and fashion	Exaltation to utility, denigration of beauty.	Aesthetics as a seductive siren.
Instrumentalism/ Anthropomorphism	The extended self as alive, nonself as target or tool.	Dog as partner, deer as prey.
Nature/Culture	Culture as inadequate for testing manhood; nature as both refuge and providing ground.	The wilderness as heaven and hell.
Individual freedom/ Rule of law	Any form of government is restrictive of personal freedom and therefore undesirable.	The warrior as the quintessence of selfhood, the embodiment of freedom, and the exemplar of natural law.

Source: Elizabeth C. Hirschman, "Men, Dogs, Guns, and Cars: The Semiotics of Rugged Individualism," *Journal of Advertising* 32 (Spring 2003): 11.

reflect and emphasize that identity. For example, advertisements for high-style clothing and cosmetics usually promise that their products will enhance the consumer's exclusive or distinctive character and set him or her apart from others.

Freedom

Freedom is another very strong American value, with historical roots in such democratic ideals as freedom of speech, freedom of the press, and freedom of worship. As an outgrowth of these beliefs in freedom, Americans have a strong preference for *freedom of choice,* the opportunity to choose from a wide range of alternatives. This preference is reflected in the large number of competitive brands and product variations that can be found on the shelves of the modern supermarket or department store. For many products, consumers can select from a wide variety of sizes, colors, flavors, features, styles, and even special ingredients. It also explains why many companies offer consumers many choices (see Figure 12.6).

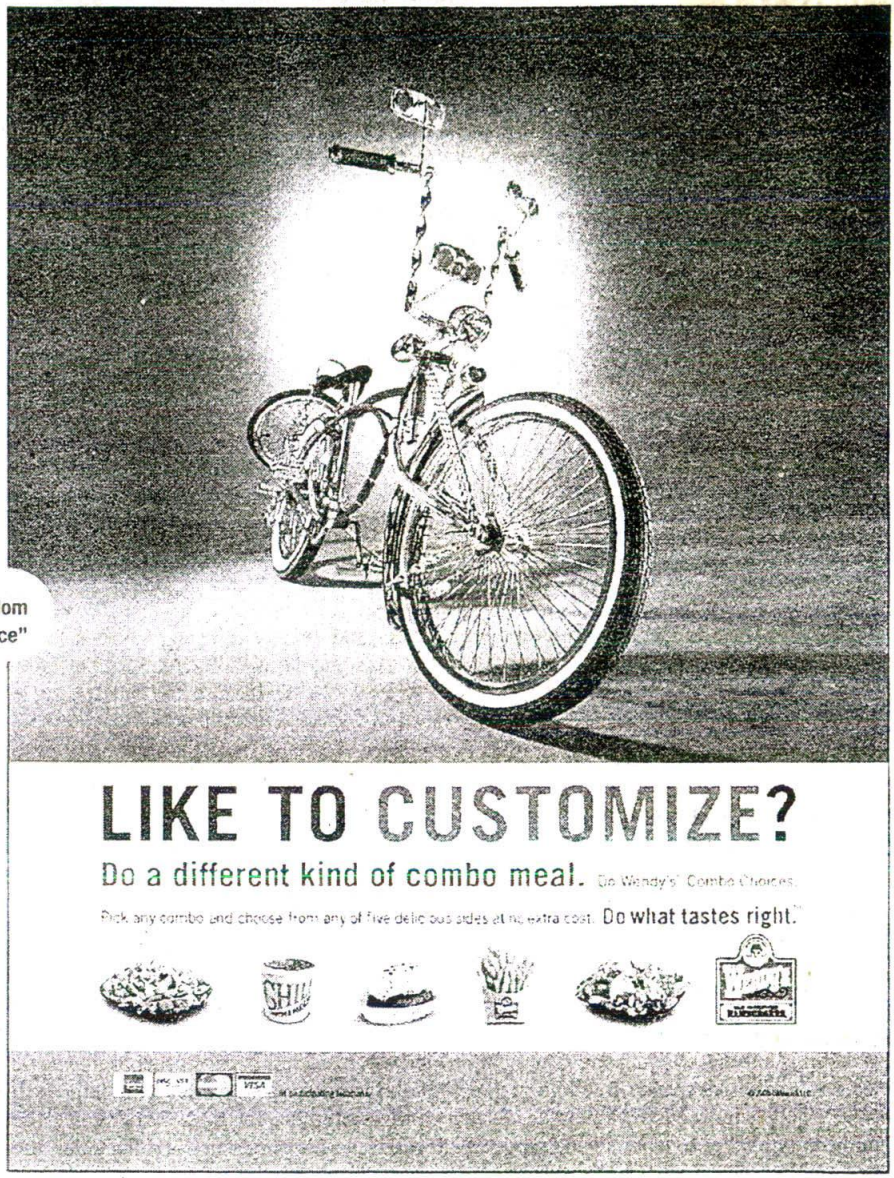
However, there are decision-making situations when consumers are faced with too many choices. In such cases they may feel overwhelmed by the shear number of choices and respond by running away from the stressful situation (see Chapter 16). Research with English consumers found that many of the respondents reported feeling bewildered and irritated by the fact that they were being offered "too much choice."[24]

External conformity

Although Americans deeply embrace freedom of choice and individualism, they nevertheless accept the reality of conformity. *External conformity* is a necessary process by which the individual adapts to society.

FIGURE 12.6

Source: Courtesy of Wendy's International, Inc.



Ad Featuring the "Freedom of Choice"

In the realm of consumer behavior, conformity (or uniformity) takes the form of standardized goods and services. Standardized products have been made possible by mass production. The availability of a wide choice of standardized products places the consumer in the unique position of being *individualistic* (by selecting specific products that close friends do not have) or of *conforming* (by purchasing a similar or identical product). In this context, individualism and conformity exist side by side as choices for the consumer.

An interesting example of the "Ping-Pong" relationship between seeking individualism and accepting conformity is the widespread acceptance of more casual dressing in the workplace. For instance, male and female executives are conforming less to workplace dress codes (i.e., there are more "total" dress options open to business executives). For instance, some male executives are wearing casual slacks and sport shirts to work; others are wearing blazers and slacks rather than business suits. Greater personal confidence and

an emphasis on comfort appear to be the reasons that many executives are wearing less traditional business attire. Nevertheless, in some companies the appearance of male executives in blue blazers and gray slacks does seem like a "business uniform" (which is a kind of conformity). Consumer research examining the types of clothing that men and women wear to the office suggests that the majority of American workers are wearing some type of casual clothing to work.[25] For men, it is commonly "everyday casual" (jeans, shorts, T-shirts, etc.); for women it is "casual" (casual pants with or without a jacket, sweaters, separates, and pantsuits). Moreover, more than 50 percent of workers surveyed feel that it increases their productivity to wear casual clothing to work.

Humanitarianism

Americans are often generous when it comes to giving to those in need. They support with a passion many humane and charitable causes, and they sympathize with the underdog who must overcome adversity to get ahead. They also tend to be charitable and willing to come to the aid of people who are less fortunate than they are. To make the study of charitable giving more fruitful, consumer researchers have validated two scales that deal with *attitudes toward helping others* (AHO) and *attitudes toward charitable organizations* (ACO).[26] Table 12.7 presents the nine-item scale used to measure AHO and ACO.

Within the context of making charitable decisions, the Web site of the Planned Giving Design Center (**www.pgdc.net**) assists charities in their efforts to establish and cultivate relationships with professionals who advise clients in a position to make charitable contributions (e.g., lawyers, financial planners, trust officers).[27] Other Web sites are designed to provide individual givers with assistance in donating to specific charities (e.g., **www.charityguide.org**, **www.guidestar.org**, and **www.charitynavigator.org**).

Beyond charitable giving, other social issues have an impact on both what consumers buy and where they invest. For example, some investors prefer mutual funds that screen companies for such social concerns as military contracts, pollution problems, and equal opportunity employment. Investments in socially conscious mutual funds are now

TABLE 12.7 **A Scale to Measure Attitude Toward Helping Others (AHO) and Attitude Toward Charitable Organizations (ACO)**

SCALE ITEM
Attitude Toward Helping Others (AHO)
People should be willing to help others who are less fortunate.
Helping troubled people with their problems is very important to me.
People should be more charitable toward others in society.
People in need should receive support from others.
Attitude Toward Charitable Organizations (ACO)
The money given to charities goes to good causes.
Much of the money donated to charity is wasted. (R)
My image of charitable organizations is positive.
Charitable organizations have been quite successful in helping the needy.
Charity organizations perform a useful function for society.

Note: (R) = reverse scored.

Sources: Deborah J. Webb, Corliss L. Green, and Thomas G. Brashear, "Development and Validation of Scales to Measure Attitudes Influencing Monetary Donations to Charitable Organizations," *Journal of the Academy of Marketing Science* 28, no. 12 (Spring 2000): 299–309. Reprinted by permission of the publisher.

Elizabeth C. Hirschman, "Men, Dogs, Guns, and Cars: The Semiotics of Rugged Individualism," *Journal of Advertising* 32 (Spring 2003): 9–22.

quite commonplace. Many companies try to appeal to consumers by emphasizing their concern for environmental or social issues.

Youthfulness

Americans tend to place an almost sacred value on *youthfulness.* This emphasis is a reflection of America's rapid technological development. In an atmosphere where "new" is constantly stressed, "old" is often equated with being outdated. This is in contrast to traditional European, African, and Asian societies, in which the elderly are revered for having the wisdom of experience that comes with age.

Youthfulness should not be confused with youth, which describes an age grouping. Americans are preoccupied with *looking* and *acting* young, regardless of their chronological age. For Americans, youthfulness is a state of mind and a state of being, sometimes expressed as being "young at heart," "young in spirit," or "young in appearance."

A great deal of advertising is directed to creating a sense of urgency about retaining one's youth and fearing aging.[28] Hand-cream ads talk about "young hands"; skin-treatment ads state "I dreaded turning $30^1/_4$"; fragrance and makeup ads stress looking "sexy and young" or "denying your age"; detergent ads ask the reader, "Can you match their hands with their ages?" These advertising themes, which promise the consumer the benefits of youthfulness, reflect the high premium Americans place on appearing and acting young.

Fitness and health

Americans' preoccupation with *fitness* and *health* has emerged as a core value. This value has manifested itself in a number of ways, including tennis, racquetball, and jogging, and the continued increases in sales of vitamins. Added to these trends is an enhanced consciousness on the part of Americans that "You are what you eat." It has been suggested that the fitness boom of the 1980s was a result of a perceived lack of social control in America—people just felt anxious, insecure, and had self-doubts. A person feeling a lack of external self-control turns inward—if you can't control the world, you can control and change your own body through exercise.[29]

Fitness and health have increasingly become lifestyle choices for many consumers. Therefore, it is not suprising to find an almost constant stream of new products and services designed to assist health-focused consumers to achieve a healthier lifestyle (see Figure 12.7). This trend has stimulated Reebok to open a series of exercise–retail complexes that seek to build a cultural connection with consumers that goes beyond the normal marketing approach. Traditional food manufacturers have begun modifying their ingredients to cater to the health conscious consumer. Frozen dinners have become more nutritious in recent years, and manufacturers of traditional "junk food" are trying to make it more healthful. "Light" or "fat-free" versions of snack chips or pretzels, along with "low-sodium," "no-cholesterol," "no-preservative" snack products, are an attempt to provide consumers with tasty and healthy options. There are even Web sites for the fitness-minded consumer (see **www.fitnessonline.com**) offering workout tips, nutritional information, and fitness-related products and services. And the *Wall Street Journal* has reported that 100 million Americans sought health information over the Internet in the year 2000—up 30 million from the prior year.

Although there is no denying the "fitness and healthy living" trend in American society, there is evidence that consumers find it difficult "to be good" in terms of their personal health. For instance, people miss their desserts. Research suggests that more than 75 percent of American consumers think about dessert between one and eight times a day. The main activities that seem to put people in the mood for desserts are exercise, working, entertainment, eating, and studying.[30] Also, many Americans are unwilling to compromise on flavor for health benefits, with the result being a kind of reverse trend toward full-flavored, rich foods. This countertrend reveals the diversity of preferences that exist side by side within the marketplace.[31] It points out that low-fat, low-cholesterol, and low-carb food products are not for everyone. Moreover, it suggests that there is an important market segment whose members seek to indulge their taste buds

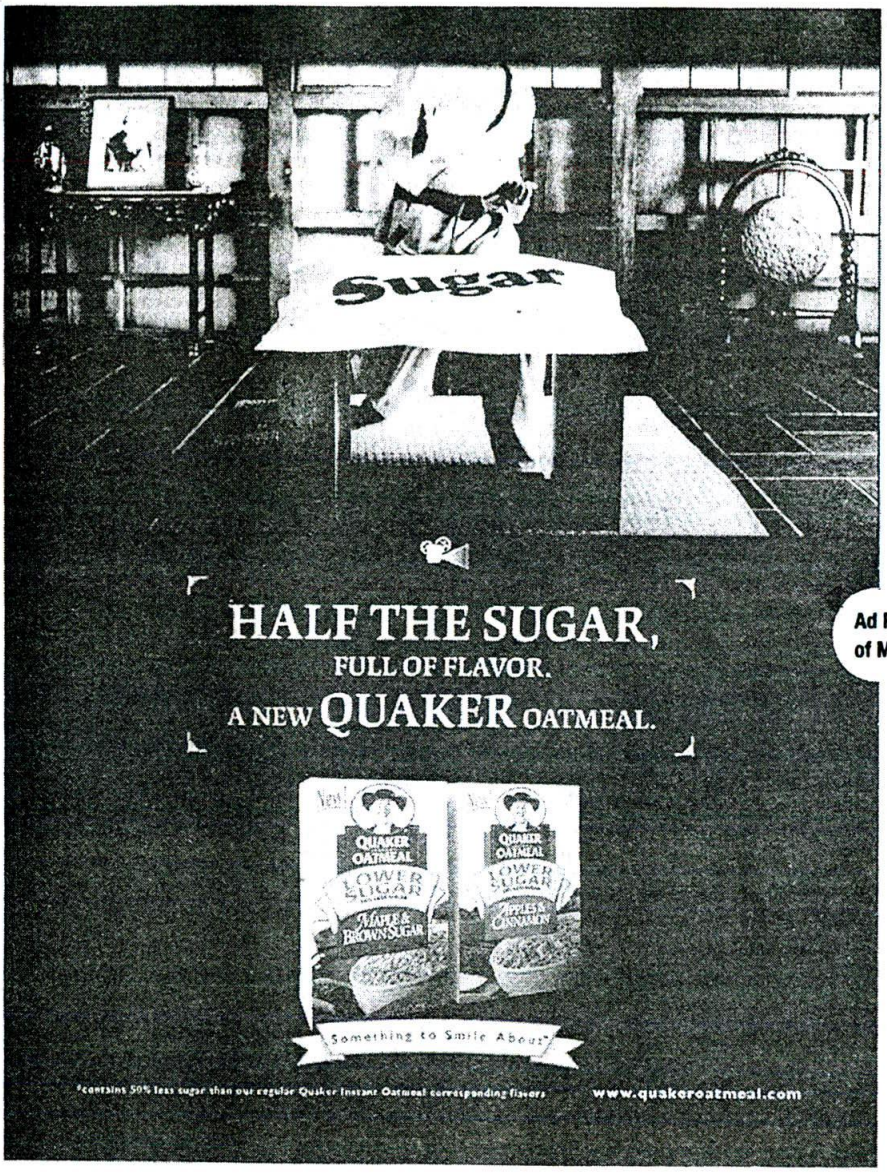


FIGURE 12.7

Source: © The Quaker Oats Company. Used with permission. All rights reserved.

Ad Pointing Up the Importance of Making "Healthy Choices"

and their waistlines. Indeed, the World Health Organization has released a report stating that obesity is an increasing problem in both developed and developing countries.[32]

Core values are not only an american phenomenon

The cultural values just examined are not all uniquely or originally American. Some may have originally been borrowed, particularly from European society, as people emigrated to the United States. Some values that originated in America are now part of the fabric of other societies. For example, there is evidence that the good life may be nearly a universal notion and that global brands are used as an external sign of attaining the good life.[33]

In addition, not all Americans necessarily accept each of these values. However, as a whole, these values do account for much of the American character. Table 12.8 summarizes a number of American core values and indicates their relevance to consumer behavior.

TABLE 12.8 Summary of American Core Values

VALUE	GENERAL FEATURES	RELEVANCE TO CONSUMER BEHAVIOR
Achievement and Success Activity	Hard work is good: success flows from hard work. Keeping busy is healthy and natural.	Acts as a justification for acquisition of goods ("You deserve it"). Stimulates interest in products that are time-savers and enhance leisure time.
Efficiency and Practicality	Admiration of things that solve problems (e.g., saves time and effort). People can improve themselves; tomorrow should be better than today.	Stimulates purchase of products that function well and save time. Stimulates desire for new products that fulfill unsatisfied needs; ready acceptance of products that claim to be "new and improved."
Material Comfort	"The good life."	Fosters acceptance of convenience and luxury products that make life more comfortable and enjoyable.
Individualism	Being oneself (e.g., self-reliance, self-interest, self-esteem).	Stimulates acceptance of customized or unique products that enable a person to "express his or her own personality."
Freedom	Freedom of choice.	Fosters interest in wide product lines and differentiated products.
External Conformity	Uniformity of observable behavior; desire for acceptance.	Stimulates interest in products that are used or owned by others in the same social group.
Humanitarianism	Caring for others, particularly the underdog.	Stimulates patronage of firms that compete with market leaders.
Youthfulness	A state of mind that stresses being "young at heart" and having a youthful appearance.	Stimulates acceptance of products that provide the illusion of maintaining or fostering youthfulness.
Fitness and Health	Caring about one's body, including the desire to be physically fit and healthy.	Stimulates acceptance of food products, activities, and equipment perceived to maintain or increase physical fitness.

toward a shopping culture

It appears that the role that shopping plays in the American life has been elevated to the point that the American culture has become a *shopping culture* (which is a parallel perspective to the commonly held view that America's culture is a *consumer culture*). One authority has even noted that shopping has remade our culture and now defines the way we understand the world around us—"shopping is what we do to create value in our lives."[34] Making this possible is the reality that great shopping experiences are no longer just for the rich, as consumers from all walks of life can enjoy the low prices found in discount stores. Still further, shopping "has become an increasingly acceptable and popular pastime even for younger, single guys." Specifically, men between 25 and 49 years of age now account for over half of all male buying power, and this market is expected to grow to $6.7 trillion by 2009, an

increase of almost 25 percent. A recent study found that one in four men under age 40 claim to shop frequently, compared to less than 20 percent of men in their 40s and 50s.[35]

Much of this "shop to you drop" mentality has propelled shopping to the "all American" pastime, an obsession that is driving an increasing number of Americans to be in credit card debt. It appears that consumers' credit card usage is more and more defining the meaning of a *consumption lifestyle*, one that unfortunately fosters consumers' attainment through their consumption of unfulfilling possessions and burdensome debt.[36]

SUMMARY

The study of culture is the study of all aspects of a society. It is the language, knowledge, laws, and customs that give that society its distinctive character and personality. In the context of consumer behavior, culture is defined as the sum total of learned beliefs, values, and customs that serve to regulate the consumer behavior of members of a particular society. Beliefs and values are guides for consumer behavior; customs are usual and accepted ways of behaving.

The impact of culture on society is so natural and so ingrained that its influence on behavior is rarely noted. Yet, culture offers order, direction, and guidance to members of society in all phases of human problem solving. Culture is dynamic and gradually and continually evolves to meet the needs of society.

Culture is learned as part of social experience. Children acquire from their environment a set of beliefs, values, and customs that constitutes culture (i.e., they are encultured). These are acquired through formal learning, informal learning, and technical learning. Advertising enhances formal learning by reinforcing desired modes of behavior and expectations; it enhances informal learning by providing models for behavior.

Culture is communicated to members of society through a common language and through commonly shared symbols. Because the human mind has the ability to absorb and to process symbolic communication, marketers can successfully promote both tangible and intangible products and product concepts to consumers through mass media.

All the elements in the marketing mix serve to communicate symbolically with the audience. Products project an image of their own; so does promotion. Price and retail outlets symbolically convey images concerning the quality of the product.

The elements of culture are transmitted by three pervasive social institutions: the family, the church, and the school. A fourth social institution that plays a major role in the transmission of culture is the mass media, both through editorial content and through advertising.

A wide range of measurement techniques is used to study culture. The range includes projective techniques, attitude measurement methods, field observation, participant observation, content analysis, and value measurement survey techniques.

A number of core values of the American people are relevant to the study of consumer behavior. These include achievement and success, activity, efficiency and practicality, progress, material comfort, individualism, freedom, conformity, humanitarianism, youthfulness, and fitness and health.

Because each of these values varies in importance to the members of our society, each provides an effective basis for segmenting consumer markets.

DISCUSSION QUESTIONS

1. Distinguish among beliefs, values, and customs. Illustrate how the clothing a person wears at different times or for different occasions is influenced by customs.
2. A manufacturer of fat-free granola bars is considering targeting school-age children by positioning its product as a healthy, nutritious snack food. How can an understanding of the three forms of cultural learning be used in developing an effective strategy to target the intended market?
3. The Citrus Growers of America is planning a promotional campaign to encourage the drinking of orange and grapefruit juice in situations in which many consumers normally consume soft drinks. Using the Rokeach Value Survey (Table 12.5), identify relevant cultural, consumption-specific, and product-specific values for citrus juices as an alternative to soft drinks. What are the implications of these values for an advertising campaign designed to increase the consumption of citrus juices?
4. For each of the following products and activities:
   a. Identify the core values most relevant to their purchase and use.
   b. Determine whether these values encourage or discourage use or ownership.

c. Determine whether these core values are shifting and, if so, in what direction. The products and activities are:
   1. Donating money to charities
   2. Donating blood
   3. Compact disk players
   4. Telephone answering machines
   5. Toothpaste
   6. Diet soft drinks
   7. Foreign travel
   8. Suntan lotion
   9. Cellular phones
   10. Interactive TV home-shopping services
   11. Fat-free foods
   12. Products in recyclable packaging

EXERCISES

1. Identify a singer or singing group whose music you like and discuss the symbolic function of the clothes that person (or group) wears.
2. Think of various routines in your everyday life (such as grooming or food preparation). Identify one ritual and describe it. In your view, is this ritual shared by others? If so, to what extent? What are the implications of your ritualistic behavior to the marketer(s) of the product(s) you use during your routine?
3. a. Summarize an episode of a weekly television series that you watched recently. Describe how the program transmitted cultural beliefs, values, and customs.
   b. Select and describe three commercials that were broadcast during the program mentioned in 3a. Do these commercials create or reflect cultural values? Explain your answer.
4. a. Find two different advertisements for deodorants in two magazines that are targeted to different audiences. Content-analyze the written and pictorial aspects of each ad, using any core values discussed in this chapter. How are these values portrayed to the target audiences?
   b. Identify symbols used in these ads and discuss their effectiveness in conveying the desired product image or characteristics

KEY TERMS

- **acculturation**
- **consumer fieldwork**
- **content analysis**
- **core values**
- **culture**
- **enculturation**
- **field observation**
- **participant-observers**
- **ritual**
- **rokeach value survey**
- **subcultures**
- **symbols**

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chapter**thirteen**

Subcultures and Consumer Behaviour

Culture has a potent influence on all consumer behavior. Individuals are brought up to follow the beliefs, values, and customs of their society and to avoid behavior that is judged unacceptable or considered taboo. In addition to segmenting in terms of cultural factors, marketers also segment overall societies into smaller subgroups (subcultures) that consist of people who are similar in terms of their ethnic origin, their customs, and the ways they behave. These subcultures provide important marketing opportunities for astute marketing strategists.

Our discussion of subcultures, therefore, has a narrower focus than the discussion of culture. Instead of examining the dominant beliefs, values, and customs that exist within an entire society, this chapter explores the marketing opportunities created by the existence of certain beliefs, values, and customs shared by members of specific subcultural groups within a society.

These subcultural divisions are based on a variety of sociocultural and demographic variables, such as nationality, religion, geographic locality, race, age, and sex.



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what is subculture?

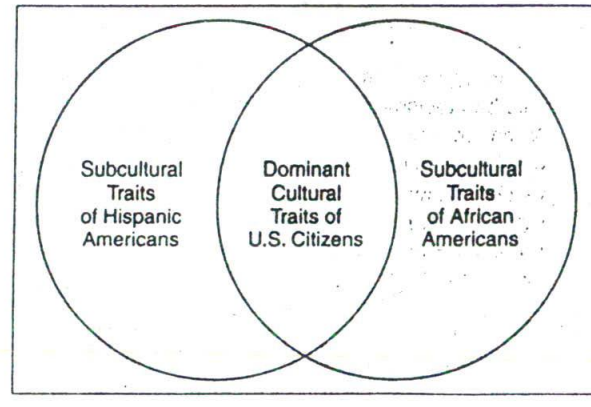
The members of a specific **subculture** possess beliefs, values, and customs that set them apart from other members of the same society. In addition, they adhere to most of the dominant cultural beliefs, values, and behavioral patterns of the larger society. We define subculture, then, as *a distinct cultural group that exists as an identifiable segment within a larger, more complex society.*

Thus, the cultural profile of a society or nation is a composite of two distinct elements: (1) the unique beliefs, values, and customs subscribed to by members of specific subcultures; and (2) the central or core cultural themes that are shared by most of the population, regardless of specific subcultural memberships. Figure 13.1 presents a simple model of the relationship between two subcultural groups (Hispanic Americans and African Americans) and the larger or "more general" culture. As the figure depicts, each subculture has its own unique traits, yet both groups share the dominant traits of the overall American culture.

Let us look at it in another way: Each American is, in large part, a product of the "American way of life." Each American, however, is at the same time a member of various subcultures. For example, a 10-year-old girl may simultaneously be African American, Baptist, a preteen, and a Texan. We would expect that membership in each different subculture would provide its own set of specific beliefs, values, attitudes, and customs. Table 13.1 lists typical subcultural categories and corresponding examples of specific subcultural groups. This list is by no means exhaustive: Electricians, Democrats, Cub Scouts, and millionaires—in fact, any group that shares common beliefs and customs—may be classified as a subculture.

Subcultural analysis enables the marketing manager to focus on sizable and natural market segments. When carrying out such analyses, the marketer must determine whether the beliefs, values, and customs shared by members of a specific subgroup make them desirable candidates for special marketing attention. Subcultures, therefore, are relevant units of analysis for market research. And these subcultures are dynamic—for example, the different ethnic groups that comprise the U.S. population have been changing and will continue to change in size and economic power in the coming years. More specifically, the white (non-Hispanic) population of the United States, which made up 71 percent of Americans in the year 2000 (date of the last U.S. Census), is projected to represent about 53 percent of the U.S. population by the year 2050.[1] Frequently a "window on the future," the State of California has estimated that the state's multicultural or combined minority population is now the state's majority population.

A recent study of ethnic media usage in California also found that over 80 percent of Asian American, African American, and Hispanic American respondents claimed to



Relationship Between Culture and Subculture

FIGURE 13.1

TABLE 13.1 Examples of Major Subcultural Categories

CATEGORIES	EXAMPLES
Nationality (i.e., birthplace of ancestors)	Greek, Italian, Russian
Religion	Catholic, Hindu, Mormon
Geographic region	Eastern, Southern Southwestern
Race	African American, Asian, Caucasian
Age	Teenager, Xers, elderly
Gender	Female, male
Occupation	Bus driver, cook, scientist
Social class	Lower, middle, upper

get information from ethnic television, radio, and publications. Furthermore, 68 percent preferred ethnic-language TV stations over English channels for news, and 40 percent reported paying greater attention to ethnic language ads than English-language ads.[2]

The following sections examine a number of important subcultural categories: nationality, religion, geographic location, race, age, and sex. (Occupational and social-class subgroups were discussed in detail in Chapter 11.)

nationality subcultures

For many people, **nationality** is an important subcultural reference that guides what they value and what they buy. This is especially true for the population of a country like the United States that has a history of attracting people from all over the globe. Supporting this pattern are the results of the 2000 U.S. Census, which found that about one in ten Americans is foreign born.[3] It has also been reported that Queens County (one of the five boroughs that make up the City of New York) is the most multicultural county in America, and that 46 percent of its residents were born outside of the United States.[4] For these Americans, as well as Americans born in the United States, there is frequently a strong sense of identification and pride in the language and customs of their ancestors.

When it comes to consumer behavior, this ancestral pride is manifested most strongly in the consumption of ethnic foods, in travel to the "homeland," and in the purchase of numerous cultural artifacts (ethnic clothing, art, music, foreign-language newspapers). Interest in these goods and services has expanded rapidly as younger Americans attempt to better understand and more closely associate with their ethnic roots. To illustrate the importance of ethnic origin as a subcultural market segment, the next section examines the **Hispanic American subculture**.

Hispanic subcultures

The 2000 U.S. Census found that the number of Hispanic Americans (of all races) had grown by 58 percent during the decade of the 1990s (compared to an overall U.S. population growth of 13.2 percent). And, according to the Census Bureau, in July of 2002 Hispanics replaced African Americans as the largest minority group in the United States (see Table 13.2). Hispanics are currently 14 percent of the U.S. population, and their number is estimated to reach 24 percent of the population by the year 2050, giving the United States a Hispanic population of over 100 million.[5] These Hispanic Americans had an estimated purchasing power in 2004 of $687 billion, which is expected to climb to $992 billion by 2009.[6] In contrast to other American population segments, Hispanic Americans are younger—in 2005 almost 38 percent of Hispanics are 19 years old or younger, whereas only 28 percent of the U.S. population is 19 or younger. The median age

TABLE 13.2 Hispanics Become the Largest Minority Group in the United States

	POPULATION, IN MILLIONS			
	JULY 2001*	APRIL 2000	PERCENTAGE CHANGE	PERCENTAGE OF THE POPULATION, JULY 2001
Total population	284.8	281.4	1.2%	100.0%
Hispanic (of any race)	37.0	35.3	4.7	13.0
One race	280.7	277.5	1.2	98.6
White	230.3	228.1	1.0	80.9
Non-Hispanic white	196.2	195.6	0.3	68.9
Black or African American	36.2	35.7	1.5	12.7
American Indian or Alaska Native	2.7	2.7	2.3	1.0
Asian	11.0	10.6	3.7	3.9
Native Hawaiian/ Pacific Islander	0.5	0.5	3.0	0.2
Two or more races	4.1	3.9	4.6	1.4

*Estimated

Source: "Largest Minority Group: Hispanics," *The New York Times*, January 22, 2003, A17.

for Hispanics is 26 years of age, whereas the median age for the rest of America is 35 years of age.[7] Hispanic Americans also tend to be members of larger families (average Hispanic household size is 3.5 people compared to an average U.S. household size of 2.6 people).[8] They are also more likely to live in an extended family household consisting of several generations of family members. Not only are Hispanic households more likely than black or non-Hispanic American white families to contain children, but also Hispanics spend more time caring for their children.[9]

As of this writing, 88 percent of all Hispanics under the age of 18 living in the United States were born here. And by 2020, only 34 percent of Hispanics living here will be foreign-born first generation, 36 percent will be U.S. born second-generation children of immigrants, and 30 percent will be third-generation children of U.S. born Hispanics.[10] In terms of acculturation, only 20 percent of the Hispanic/Latino market has recently migrated to the United States and speak only Spanish. Of the remaining 80 percent, 20 percent speak only English and 60 percent speak both Spanish and English.

Of the more than 41 million Hispanics currently living in the United States, the most recent Census found that 77 percent live in the seven states that have a Hispanic population of one million or more (California, Texas, New York, Florida, Illinois, Arizona, and New Jersey). Still further, while Hispanics represented 42 percent of New Mexico's total population, the highest percentage of any state, some counties in North Carolina, Georgia, Iowa, Arkansas, Minnesota, and Nebraska are between 6 and 25 percent Hispanic.[11] Table 13.3 presents the 25 largest U.S. Hispanic markets, the Hispanic population of each, and the Hispanic percentage of the total residents of that market.

This subcultural group can be considered as a single market, based on a common language and culture, or as separate subcultural markets that correspond to different Hispanic countries of origin. There are 12 Hispanic subgroups identified in the United

TABLE 13.3 Top 25 U.S. Hispanic Markets

RANK	MARKET	HISPANIC POPULATION	HISPANIC % OF TOTAL
1	Los Angeles	7,811,100	44.5
2	New York	4,316,400	20.5
3	Chicago	1,838,000	19.0
4	Miami	1,836,800	43.1
5	Houston	1,822,600	33.4
6	Dallas-Fort Worth	1,509,700	23.5
7	San Francisco	1,491,800	21.3
8	San Antonio	1,293,700	60.3
9	Phoenix	1,208,000	27.2
10	McAllen, Texas	1,142,000	94.8
11	San Diego	927,600	31.2
12	Fresno-Visalia, Calif.	893,000	50.7
13	Sacramento, Calif.	892,400	24.1
14	El Paso, Texas	782,500	87.7
15	Albuquerque, N.M.	740,700	41.6
16	Denver	740,600	19.7
17	Washington	545,200	9.0
18	Philadelphia	534,300	6.9
19	Austin, Texas	471,700	29.0
20	Las Vegas	438,800	26.0
21	Atlanta	433,600	7.5
22	Orlando	432,200	13.2
23	Boston	417,700	6.6
24	Tampa, Fla.	415,400	10.4
25	Tucson-Nogales, Ariz.	385,900	35.4

Source: "Hispanic Fact Pack, 2004 Edition," *A Supplement to Advertising Age*, 40.

States. The three largest Hispanic subcultural groups consist of Mexican Americans (about 58.5 percent of total Hispanic Americans), Puerto Ricans (approximately 9.6 percent of the total), and Cubans (about 3.5 percent of the total). These subcultures are heavily concentrated geographically, with more than 70 percent of their members residing in California, Texas, New York, and Florida; Los Angeles alone is home to one-fifth of the Hispanic population of the United States. Also, whereas more than 60 percent of all Mexican Americans (the largest Hispanic group) were born in the United States, 72 percent of Cuban Americans were born in Cuba.[12]

Understanding hispanic consumer behavior

Available evidence indicates that Hispanic and Anglo consumers differ in terms of a variety of important buyer behavior variables. For instance, Hispanic consumers have a strong preference for well-established brands and traditionally prefer to shop at smaller stores. In the New York metropolitan area, for example, Hispanic consumers spend a substantial portion of their food budgets in *bodegas* (relatively small food specialty stores), despite the fact that supermarket prices generally are lower. Table 13.4 presents these and other distinctive characteristics of the overall Hispanic market.

TABLE 13.4 Traditional Characteristics of the Hispanic American Market

Prefer well-known or familiar brands
Buy brands perceived to be more prestigious
Are fashion conscious
Historically prefer to shop at smaller personal stores
Buy brands advertised by their ethnic-group stores
Tend not to be impulse buyers (i.e., are deliberate)
Increasingly clipping and using cents-off coupons
Likely to buy what their parents bought
Prefer fresh to frozen or prepared items
Tend to be negative about marketing practices and government intervention in business

Although mindful of their tradition, Hispanic Americans, like other major subcultural groups, are a dynamic and evolving portion of the overall society. For this reason, a growing number of Hispanic consumers are shifting their food shopping to nonethnic, large, American-style supermarkets. They appear to be engaged in a process of acculturation; that is, they are gradually adopting the consumption patterns of the majority of U.S. consumers. Similarly, when it comes to clothes shopping, Hispanic youths are more fashion conscious and are more likely to seek out and be loyal to well-known brands and to generally like the act of shopping more than their non-Hispanic counterparts.[13] While about half of Hispanic Americans have a computer at home (as compared to about three-quarters of the U.S. population), and only about 35 percent have Internet access at home (as compared to about 65 percent of the U.S. population), the number of Hispanic households with computers with Internet access has been increasing annually.[14] Perhaps one of the reasons why Mattel has introduced a Spanish-language "Barbie" site targeted to young girls (**www.barbielatina.com**) is because of the increasing number of Hispanic households with personal computers and Internet connections.[15]

Defining and segmenting the hispanic market

Marketers who are targeting the diversity within the Hispanic subcultures are concerned with finding the best ways to define and segment this overall subculture. In terms of definition, Table 13.5 presents six variables marketers have used to determine who is Hispanic. Of these measures, the combination of *self-identification* and *degree of identification* are particularly appealing, because they permit consumers to define or label themselves. Research shows that those who strongly identify with being Hispanic (*Strong Hispanic Identifiers*) are more frequent users of Spanish-language media, are more brand loyal, are more likely to buy prestige brands, are more likely to seek the advice of another and to more often be influenced by friends or family, and are more likely to buy brands advertised to Hispanics than Weak Hispanic Identifiers.[16] This pattern suggests that the degree of Hispanic identification is a useful segmentation variable.

Some marketers feel that it is worthwhile to target each Hispanic American market separately. Other marketers, especially larger marketers, have been targeting the Hispanic market as a single market, using Spanish-language mass media. For instance, to cater to the Hispanic market, Toyota launched an interactive soccer game on its Spanish-language Web site (**www.toyota.com/español**), which asked the player to defend their Corolla.[17] Johnson & Johnson has outfitted a 53 foot trailer as a six-room home (including life-size cutouts of family members) and has sent it on a cross-country tour, making stops at 100 Wal-Marts and 20 Hispanic fiestas. Individuals visiting the trailer learn about 15 different J&J brands and will receive free product samples.[18] While the Spanish language is often regarded as the bridge that links the various Hispanic subcultures,

TABLE 13.5 Ways in Which "Hispanic" Has Been Defined

NAME OF INDICATOR	NATURE/SCOPE AND COMMENTARY
Spanish surname	Not a definitive; since a non-Hispanic person might have a Spanish surname, or a Hispanic person might have a non-Spanish surname.
Country of origin	The birthplace of persons born in the United States of Hispanic parents (e.g., of Puerto Rican parentage) would not reveal their Hispanic background.
Country of family ancestry	Includes those individuals who may not be Hispanic despite coming from a particular Spanish-Latin country (e.g., people of German parentage who may be brought up in a Latin country).
Spanish spoken at home	A significant minority of Hispanic households may speak English at home, yet consider themselves to be culturally Hispanic.
Self-identification	It is reasonable that if an adequate number of self-report choices are offered, a person might identify himself or herself as "Hispanic."
Degree of identification	This measure captures the "degree" of personal identification as "Hispanic" and augments the self-identification measure.

nevertheless, there is considerable variation among Hispanics regarding their language preferences (such as Spanish only, Spanish preferred, English only, or English preferred). This language categorization provides still another basis for segmenting the Hispanic American market. Available research indicates that Hispanic Americans spend the most time with mass media in the first language that they learn to speak. So those whose first language is Spanish tend to prefer TV, radio, magazines, and newspapers in Spanish (see Figure 13.2), whereas those Hispanic Americans who first learn English prefer their media exposure to be in English.[19] For instance, supporting this point of view, the number of Spanish-language stations is growing; Discovery Communications launched two new networks—Discovery Kids en Espanol and Discovery Viajar y Vivir (Travel and Living).[20] With respect to the medium of radio, Clear Channel Radio recently flipped a general market to a Spanish-language format radio station in Atlanta and went from a 1.6 to an 11.3 share among listeners 18 to 34 years old.[21] Table 13.6 presents the language preferences of Hispanic Americans, 18 years of age and older, with respect to language usage. Note that in all categories, a smaller than average percentage of 18- to 24-year-olds prefer "only Spanish."

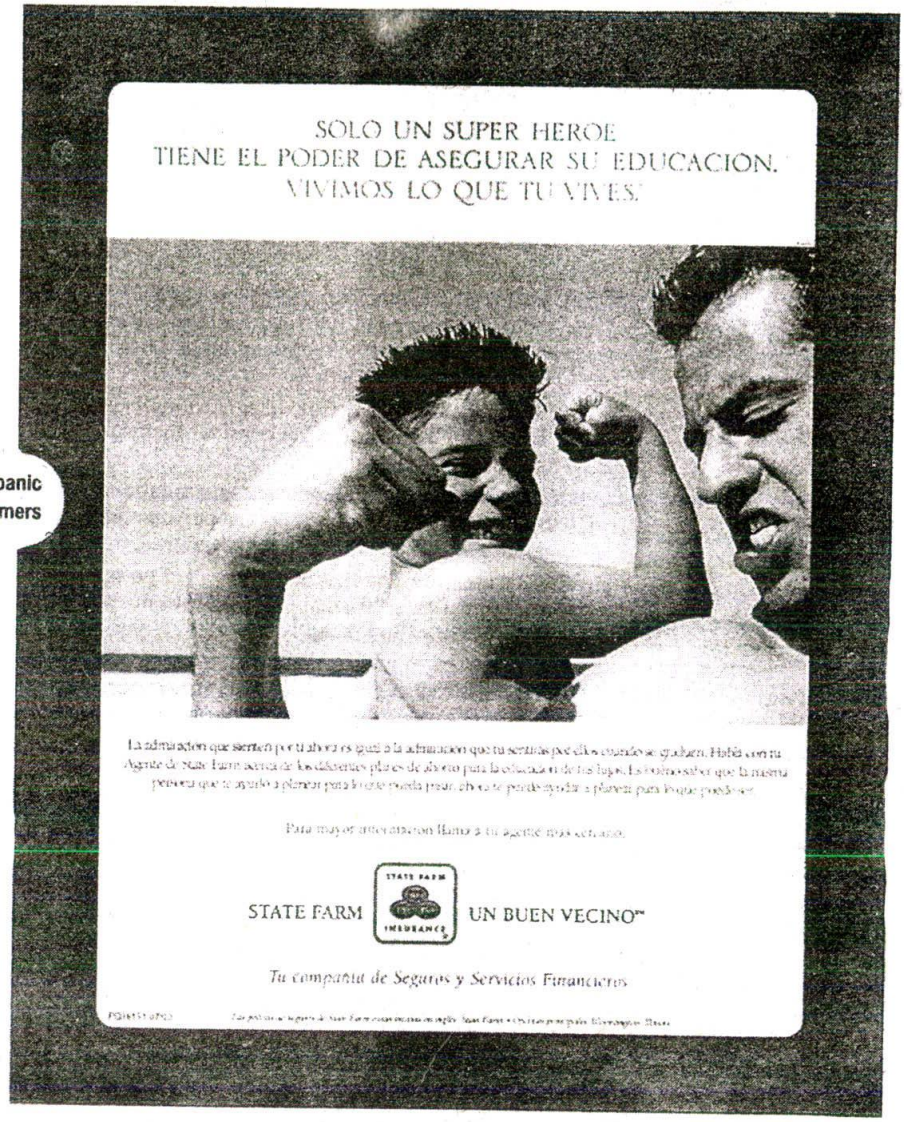
Recently, Cohorts, Inc., a Denver company that provides information to database marketers, developed a segmentation scheme for the Hispanic market that contains 19 lifestyle segments. These segments ranged from "Affluent Grandparents" (successful, dual-income couples) to "Latinos with Roommates" (less-educated single Latinos with roommates). Table 13.7 presents a brief profile of six of the 19 segments, including median age, median income, and size.

religious subcultures

The United States reportedly has more than 200 different organized **religious subcultures**. Of this number, Protestant denominations, Roman Catholicism, and Judaism are the principal organized religious faiths. The members of all these religious groups at times are

FIGURE 13.2

Source: Copyright © State Farm Mutual Automobile Insurance Company, 2005. Used by permission



Ad Targeting Hispanic American Consumers

likely to make purchase decisions that are influenced by their religious identity. Commonly, consumer behavior is directly affected by religion in terms of products that are *symbolically* and *ritualistically* associated with the celebration of various religious holidays. For example, Christmas has become the major gift-purchasing season of the year.

Consider born-again Christians, the fastest-growing religious affiliation in America. Members of this group are generally defined as individuals "who follow literal interpretations of the Bible and acknowledge being born again through religious conversion." These consumers make up about 72 million of the 235 million Christians in the United States. Religion is part of their daily activity, and their interests and opinions are often tied to their religion. From a marketer's perspective, born-again Christians tend to be fiercely loyal to a brand that supports their causes and viewpoint.[22]

Religious requirements or practices sometimes take on an expanded meaning beyond their original purpose. For instance, dietary laws for an observant Jewish

TABLE 13.6 Selected Dimensions of Language Usage by U.S. Hispanic Adults

	ALL HISPANIC ADULTS	% BY AGE GROUP					
		18–24	25–34	35–44	45–54	55–64	65+
SPEAK AT HOME:							
Only English	12.3	10.1	13.2	12.1	13.9	13.5	10.8
Mostly Eng., some Span.	20.9	22.9	19.6	19.1	25.8	15.6	23.7
Eng. & Span. equally	15.8	19.4	8.2	16.3	16.1	32.8	15.6
Mostly Span., some Eng.	29.8	35.2	31.3	31.2	26.7	20.3	22.5
Only Spanish	20.4	12.4	27.2	20.4	17.2	16.2	24.2
SPEAK OUTSIDE THE HOME:							
Only English	16.7	23.3	13.3	16.1	17.2	17.0	13.6
Mostly Eng., some Span.	32.0	33.5	29.5	34.4	37.5	27.0	27.4
Eng. & Span. equally	8.3	12.1	2.3	7.7	9.1	17.8	11.3
Mostly Span., some Eng.	24.9	19.1	35.0	23.0	20.8	21.0	17.5
Only Spanish	14.0	8.1	16.1	15.8	14.0	12.0	17.4
PREFER SPEAKING IN:							
Only English	17.2	24.8	17.0	13.6	16.3	17.4	11.5
Mostly Eng., some Span.	27.4	31.9	20.3	31.3	21.7	40.5	27.6
Mostly Span., some Eng.	24.5	23.9	26.8	23.2	32.3	13.9	19.2
Only Spanish	25.4	14.6	32.2	27.0	24.1	22.0	27.0
PREFER READING IN:							
Only English	33.2	38.0	28.2	28.2	36.5	49.0	31.5
Mostly Eng., some Span.	21.8	25.3	17.6	25.0	23.2	17.1	22.8
Mostly Span., some Eng.	16.7	14.5	22.9	17.7	12.6	10.3	10.3
Only Spanish	24.4	18.5	29.3	25.6	23.4	21.3	21.2
PREFER WATCHING TV IN:							
Only English	25.9	30.3	22.1	24.7	22.5	38.5	25.7
Mostly Eng., some Span.	29.9	32.3	26.9	25.7	42.0	29.5	26.8
Mostly Span., some Eng.	25.8	23.3	29.2	31.6	21.4	14.4	22.5
Only Spanish	13.8	7.7	19.0	13.6	10.6	14.6	14.5
PREFER LISTENING RADIO IN:							
Only English	23.4	31.3	20.9	23.5	19.0	24.2	20.6
Mostly Eng., some Span.	21.0	24.0	17.3	22.1	23.4	24.7	16.9
Mostly Span., some Eng.	25.6	24.8	28.0	22.7	31.0	19.4	24.4
Only Spanish	25.0	15.2	30.2	26.8	22.8	25.9	27.2

Source: "Hispanic Fact Pack, 2004 Edition," *Advertising Age*, 42 (Data from Simmons Market Research Bureau's Fall 2005 Full-Year National Consumer Study).

family represent an obligation, so there are toothpastes and artificial sweeteners that are kosher for Passover. The *U* and *K* marks on food packaging are symbols that the food meets Jewish dietary laws. For nonobservant Jews and an increasing number of non-Jews, however, these marks often signify that the food is pure and wholesome—a kind of "Jewish *Good Housekeeping* Seal of Approval." In response to the broader meaning given to kosher-certified products, a number of national brands, such as Coors beer and Pepperidge Farm cookies, have secured kosher certification for their

TABLE 13.7 Illustrative Segments from Segmentation Research of the Hispanic Market

HISPANIC COHORT SEGMENT NAME	DESCRIPTION	HISPANIC MEDIAN AGE	HISPANIC MEDIAN INCOME	HISPANIC POPULATION SIZE AND %
Married Couples				
Manuel y Beatriz	*Affluent Grandparents* Successful, dual-income couples who are financially secure and enjoy upscale activities, lots of travel and doting on their grandchildren.	62	$113,000	415K 4.1%
Raul y Cristina	*Professional Couples* Educated, dual-income, childless couples who have connoisseur tastes, enjoy the latest in fashion and high-tech, and focus on staying fit and building their investment portfolio.	31	$74,000	473K 4.7%
Single Females				
Andrea	*Educated Career-Oriented Moms* Better-educated single mothers who juggle their jobs with the demands of parenthood.	31	$52,000	618K 6.1%
Isabel	*Successful Career Women* Childless, well-acculturated fashion-conscious professionals who are pursuing careers, sophisticated tastes and fitness.	35	$67,000	348K 3.5%
Single Males				
Felipe	*Career-Oriented Single Guys* Educated, career-oriented, fitness-minded single men with busy lifestyles who enjoy designer clothing, cars and high-tech gadgets.	28	$58,000	550K 5.5%
Pablo	*Young Latinos* Less-educated, single Latino guys who enjoy living on the edge. They're into sports, cool cars, music and electronics. They share their homes with another adult who has children.	28	$36,000	873K 8.6%

Source: Cohorts, Inc., accessed at **www.cohorts.com/hispanic1.html**.

products. Indeed, most Kosher food is consumed by non-Jews.[23] A kosher Manhattan steak house, the Prime Grill, claims that about half of its clientele are non-Jews, and that its success is based on the fact that it has a fine dining menu (without "Jewish types of food") that "just happens to be kosher."[24] Packaging and print ads for food items that are kosher often display a *K* or a *U* inside a circle and sometimes the word *parve*. This word tells the shopper that the product is kosher and that it can be eaten with either meat or dairy products (but not both). Targeting specific religious groups with specially designed marketing programs can be really profitable. For instance, the Shaklee Corporation, a multilevel marketer of the Shaklee Performance drink mix, recruits salespeople from a variety of different religious groups (e.g., Hasidic Jews, Amish, and Mennonites) to sell its products to members of their communities.[25] It is

likely that such shared religious identity and membership aid a salesperson in his or her effort to communicate with and persuade potential customers.

geographic and regional subcultures

The United States is a large country, one that enjoys a wide range of climatic and geographic conditions. Given the country's size and physical diversity, it is only natural that many Americans have a sense of **regional** identification and use this identification as a way of describing others (such as "he is a true Southerner"). These labels often assist us in developing a mental picture and supporting *stereotype* of the person in question.

Anyone who has traveled across the United States has probably noted many regional differences in consumption behavior, especially when it comes to food and drink. For example, a *mug* of black coffee typifies the West, while a *cup* of coffee with milk and sugar is preferred in the East. There also are geographic differences in the consumption of a staple food such as bread. Specifically, in the South and Midwest, soft white bread is preferred, whereas on the East and West coasts, firmer breads (rye, whole wheat, and French and Italian breads) are favored. Regional differences also include brand preferences. Why do you suppose Skippy is the best-selling brand of peanut butter on both the East and West coasts, while Peter Pan sells best in the South and Jif sells best in the Midwest?[26]

Consumer research studies document regional differences in consumption patterns. For instance, Table 13.8 illustrates that differences in product purchase, ownership, or usage levels occur between major metropolitan areas. This distribution helps redefine local markets in terms of specific urban lifestyles. Still further, Table 13.9 reveals that San Francisco leads the nation's 10 largest markets when it comes to ordering anything from

TABLE 13.8 Product Purchase/Usage by Leading Metropolitan Market

PRODUCT PURCHASE/USAGE	HIGHEST PURCHASE/USAGE	LOWEST PURCHASE/USAGE
Body power	New York	San Francisco
Energy drinks	San Francisco	Philadelphia
Artificial sweetener	Los Angeles	Dallas-Forth Worth
Total beer/ale	Chicago	Philadelphia
Ground coffee	Boston	Los Angeles
Gasoline	Dallas-Fort Worth	New York
Jams and jellies	Cleveland	San Francisco
Hair growth products	New York	Boston
Attend an auto show	Detroit	Washington, DC
Grated cheese	Philadelphia	Los Angeles
Attend a movie once a month	Boston	Dallas-Fort Worth
Own a mountain bike	San Francisco	New York
Boxed chocolates	Chicago	Dallas-Fort Worth
Personally have a valid passport	San Francisco	Cleveland
Vegetarian frozen burger	Boston	Dallas-Fort Worth

Source: Doublebase Mediamark Research, Inc. 2005 Doublebase Report. All rights reserved. Reprinted by permission.

TABLE 13.9 Ranking of Leading Metropolitan Markets in Terms of Ordering Anything from Amazon.com During the Past 12 Months

MARKET	U.S. AVERAGE = 100
San Francisco	203
Washington, DC	168
Boston	152
New York	138
Philadelphia	114
Chicago	114
Los Angeles	92
Dallas-Fort Worth	83
Detroit	82
Cleveland	69

Source: Doublebase Mediamark Research, Inc. 2005 Doublebase Report. All rights reserved. Reprinted by permission.

Amazon.com during a past 12 month period. An examination of this table and the other evidence presented here supports marketers who argue that it is important to take geographic consumption patterns into account when planning marketing and promotional efforts.

In general, large metropolitan areas, with a substantial number of affluent middle-age households, dominate many, but not all, consumer-spending categories. Two examples are the San Jose, California, metro area, which leads in apparel purchasing, and Nassau-Suffolk counties in New York, which lead in purchasing of insurance and pension programs.[27]

racial subcultures

The major **racial subcultures** in the United States are Caucasian, African American, Asian American, and American Indian. Although differences in lifestyles and consumer-spending patterns exist among these groups, the vast majority of racially oriented consumer research has focused on consumer differences between African Americans and Caucasians. More recently, particular research attention has been given to Asian American consumers.

The african american consumer

The U.S. Census Bureau estimates the African American population of the United States to be more than 39 million people, or more than 13 percent of the U.S. population.[28] While the overall U.S. population grew 13 percent between 1990 and 2000, the African American population in the U.S. grew by 21 percent.[29] As such, **African American consumers** currently constitute the second largest minority in the United States. With a purchasing power currently estimated to be $723 billion, and expected to grow to $965 billion by 2010, more than half of African American consumers are less than 35 years of age.[30] However, this important subcultural grouping is frequently portrayed as a single, undifferentiated African American market, consisting of consumers who have a uniform set of consumer needs. In reality they are a diverse group, consisting of numerous subgroups, each with distinctive backgrounds, needs, interests, and opinions. For example, in

addition to the African Americans who have been in the United States for many generations, there are Caribbean Americans, from such islands as Jamaica and Haiti, who have recently immigrated to the United States.[31] Therefore, just as the white majority has been divided into a variety of market segments, each with its own distinctive needs and tastes, so, too, can the African American market be segmented.

Consumer behavior characteristics of african american consumers

Although there are many similarities between African Americans and the rest of America in terms of consumer behavior, there are also some meaningful differences in terms of product preferences and brand purchase patterns. African American consumers tend to prefer popular or leading brands, are brand loyal, and are unlikely to purchase private-label and generic products. One study, for example, found that almost two-thirds of African Americans are willing to pay more to get "the best," even if the brand or product is not widely recognized (only 51 percent of whites were reported to feel this way), and African Americans have been reported to buy high fashions and name brands "as signals of their success."[32] Still further, African American consumers tend to make more trips during the course of a week to the grocery store (2.2 trips versus 1.8 trips for the average shopper), and they also spend more per week ($94 versus $85 for the average shopper) than other consumers.[33]

African Americans account for over 30 percent of spending in the $4 billion hair care market, and they spend more on telephone services than any other consumer segment. Still further, they spend an average of $1,427 annually on clothing for themselves, which is $458 more than all U.S. consumers.[34] Similarly, African American teens spend more on clothing and fine jewelry than all U.S. teens.

Some meaningful differences exist among Anglo-White, African American, and Hispanic American consumers in the purchase, ownership, and use of a diverse group of products (see Table 13.10). For marketers, these findings confirm the wisdom of targeting racial market segments.

Reaching the african american audience

A question of central importance to marketers is how to best reach *African American consumers.* Traditionally, marketers have subscribed to one of two distinct marketing strategies. Some have followed the policy of running all their advertising in general mass media in the belief that African Americans have the same media habits as whites; others have followed the policy of running additional advertising in selected media directed exclusively to African Americans.

Both strategies may be appropriate in specific situations and for specific product categories. For products of very broad appeal (as aspirin or toothpaste), it is possible that the mass media (primarily television) may effectively reach all relevant consumers, including African American and white. For other products (such as personal grooming products or food products), marketers may find that mass media do not communicate effectively with the African American market. Because the media habits of African American consumers differ from those of the general population, media specifically targeted to African Americans are likely to be more effective. The notion that African Americans have cultural values subtly different from the U.S. population as a whole is supported by a Yankelovich survey in which a majority of African Americans believe that most advertising is designed for white people.[35] Furthermore, a recent study of ethnic identification found that African American adolescents with a stronger sense of black ethnic identity tend to identify more closely with black models or characters appearing in ads than do African American adolescents with weaker ethnic identification.[36] Research studies have also concluded that the socializing effects of the media may be greater for African Americans than for Caucasians. For example, while 7.5 hours a day is the average daily TV viewing for all TV households in America, African American households average 10 hours of TV per day, and both children and adolescents often use television as a source of guidance (e.g., African American adolescents use TV to learn about occupations and to learn dating behavior).[37] Other research reveals that African American adults tend to

TABLE 13.10 Comparison of Purchase Patterns of Anglo-White, African American, and Hispanic American Households

PRODUCT/ACTIVITY	ANGLO-WHITE	AFRICAN AMERICAN	HISPANIC AMERICAN
Dental floss	102*	86	91
Mouthwash	97	122	102
Hand and body cream	97	118	100
Vitamin and dieting supplements	103	77	86
Energy drinks	93	137	161
Car rental—business use	94	137	90
Own a digital camera	107	45	71
Greeting card	103	85	81
Instant breakfast	97	121	98
Barbeque and seasoning sauces	101	103	86
Ready-to-drink iced cappuccino	96	115	133
Cat treat	109	45	57
Charcoal	94	149	105
Attend movies/last 6 months	101	93	101
Went camping/past 12 months	112	19	83
Own a full-size van	112	9	79
Own a camera	107	45	71

**These are index numbers. 100 = average for U.S. population.*
Source: Mediamark Research, Inc. Doublebase 2005 Report. All rights reserved. Reprinted by permission.

place a great deal of trust in African American centric media (i.e., black magazines, black TV news, black-owned local newspapers, and black radio news) as a source of information about companies and their products.[38] Approximately $400 million of the $1.7 billion spent annually on ads targeted to African Americans is spent on magazine advertising, which includes such publications as *Black Enterprise, Ebony, Essence, Jet, The Source*, and *Vibe*.[39] Many marketers supplement their general advertising with advertisements in magazines, newspapers, and other media directed specifically to African Americans (see Figure 13.3). For example, Pepsi has a promotion that they run in February, which is Black History Month. In conjunction with a Web site featuring black history and art, students are asked to "write your own history." Ten $10,000 college scholarships are awarded as first prize. New fragrances are being offered to the African American woman—"Goddess" from Coty with Kimora Lee Simmons as spokesperson and P. Diddy's "Carol's Daughter" from Estée Lauder, also backed by celebrities like Jada Pinkett Smith. And entrepreneurs Russell Simmons and Keven Liles have started a company called Def Jam Mobile. The company will deliver ring tones, news alerts, and other content to subscribers (the ring tone market is expected to reach $1 billion by 2007). And let's not forget that Hallmark Cards has a division called "Mahogany," which creates and sells cards targeted to the African American audience (see Figure 13.4).[40]

Major advertisers targeting the African American market have increasingly used the specialized services of African American advertising agencies. These specialized agencies generally provide marketers wanting to target African Americans with the distinctive advantage of access to a staff of African American marketing professionals who thoroughly know the values and customs of this market and its specific subsegments.



FIGURE 13.3

Source: © Wisconsin Department of Tourism. Used with permission. All rights reserved

Ad Targeting African-American Consumer (Backup)

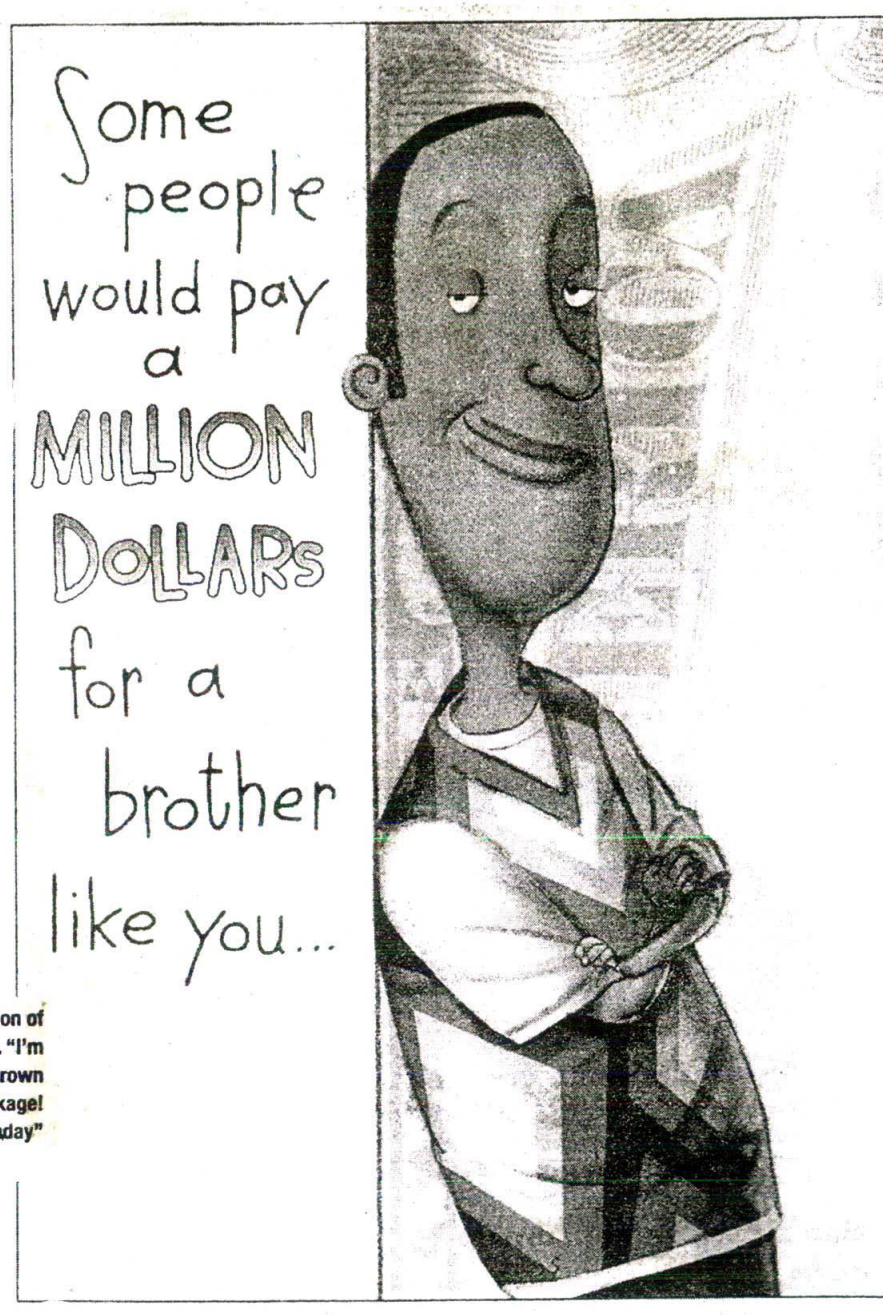
Asian american consumers

The **Asian American** population is approximately 14 million in size and is the fastest-growing American minority (on a percentage basis). While Asians and Pacific Islanders made up 3.9 percent of the U.S. population in 2000, this group is expected to account for 8.9 percent of America's population in 2050.[41] According to the 2000 Census, six different ethnicities make up about 88 percent of the Asian American population: Chinese (2.4 million), Filipinos (1.9 million), Indian (1.7 million), Vietnamese (1.12 million), Korean (1.1 million), and Japanese (797,000).[42] Asian Americans are today the most diverse ethnic group in the United States, and includes the influences of 15 different cultures and a wide range of languages.[43]

Asian Americans are largely family oriented, highly industrious, and strongly driven to achieve a middle-class lifestyle. They are an attractive market for increasing numbers

FIGURE 13.4

Source: Courtesy of Hallmark Cards, Inc.



Mahogany, A Division of Hallmark Cards, Inc. "I'm really lucky you were thrown in with my family package! Happy Birthday"

of marketers. Indeed, in 2001, 40 percent of all Asian and Pacific Islander families had incomes of at least $75,000, compared with 35 percent of non-Hispanic white families, and an average household income for this group, at $55,026, is 28 percent more than the U.S. average. With respect to occupations, a higher proportion of Asians and Pacific Islanders (than non-Hispanic whites) were concentrated in managerial and professional jobs. Still further, educational attainment is an important goal for this segment of the population. For the Asian and Pacific Islander population age 25 and older, 51 percent of

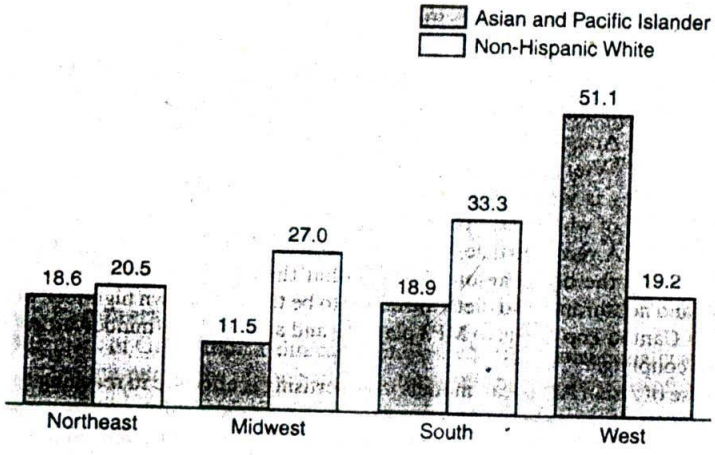


FIGURE 13.5

Region of Residence for Selected Subcultural Groups

Source: U.S. Census Bureau, Annual Demographic Supplement to the March 2002 Current Population Survey, as contained in "The Asian and Pacific Islander Population of the United States: March 2002," *U.S. Census Bureau*, accessed at www.census.gov/prod/2003pubs/p20-540.pdf, 2.

the men (compared to 32 percent for non-Hispanic white men) and 44 percent of the women (compared to 27 percent for non-Hispanic white women) have earned a Bachelor's Degree or more.[44]

Where are the asian americans?

Asian Americans are largely urban people concentrated in neighborhoods situated in and around a small number of large American cities (95 percent live in metropolitan areas). Nearly half of all Asian Americans live in Los Angeles, San Francisco, and New York, and at present, more than 10 percent of California's population is Asian American. The stereotype that most Chinese live in "Chinatown" is incorrect. Most Chinese, as well as most other Asian Americans, do not live in downtown urban areas; they live in the suburbs.[45] Figure 13.5 presents a comparison of region of residence for Asian and Pacific Islanders versus non-Hispanic whites. It is of interest to note that while close to 20 percent of non-Hispanic whites live in the West, slightly more than half of Asians and Pacific Islanders do.

Understanding the asian american consumer

U.S. Census Bureau data reveal that more Asian Americans, on a per capita basis, own their own businesses than non–Asian American minorities. Those who do not own their own businesses are largely in professional, technical, or managerial occupations. Additionally, many Asian Americans are young and live a good part of their lives in multi-income households. Asian Americans also tend to be more computer literate than the general population. English-speaking Asian Americans are more likely than other Americans to get their news and information online. Asian Americans who go online also tend to be young. Still further, Asian American households are more likely than Hispanic and African American households to have Internet access.[46] Two general-interest Internet sites, **www.Click2Asia.com** and **www.AsianAvenue.com**, have helped create cyberspace communities for Asian Americans.[47] Still further, Asian Americans are much more likely to purchase online than other segments of the U.S. population.

Asian americans as consumers

During the decade of the 1990s, the buying power of Asian Americans increased about 125 percent, to over $250 billion, and is expected to reach about $530 billion by 2009.[48]

As consumers, Asian Americans value quality (associated quality with well-known upscale brands). This population segment tends to be loyal customers, frequently more male oriented when it comes to consumption decisions, and attracted to retailers that make it known that they welcome Asian American patronage.

It is important to remember that Asian Americans are really drawn from diverse cultural backgrounds. Therefore, although Asian Americans have many similarities, marketers should avoid treating Asian Americans as a single market because they are far from being so homogeneous. For example, Vietnamese Americans are more likely to follow the traditional model, wherein the man makes the decision for large purchases; however, Chinese American husbands and wives are more likely to share in the decision-making process.[49] Vietnamese Americans also frown on credit, because in their culture owing money is viewed negatively. In contrast, Korean Americans and Chinese Americans, many of whom have been in the United States for years, accept credit as the American way.[50] A recent article, though, does mention several Asian American youth trends, including the belief among females that the way to stay slim is through self-discipline, and not through fad diets, the desire to be the first to own high-tech gadgets, the addition of Canton Pop artists to MP3 playlists, and a more open-minded attitude toward interracial coupling.[51]

The use of Asian American models in advertising is effective in reaching this market segment. Research reveals that responses to an ad for stereo speakers featuring an Asian model were significantly more positive than responses to the same ad using a Caucasian model.[52] Additionally, the percentage of Asian Americans who prefer advertisements that are not in the English language varies among different Asian American groups. For instance, according to Table 13.11, 93 percent of Vietnamese consumers prefer ad messages in the Vietnamese language, whereas only 42 percent of Japanese Americans prefer ad messages in Japanese. Aware of the increased importance of the Asian American market, Proctor & Gamble Company has named its first Asian American advertising agency, and Wal-Mart has just begun running TV commercials in Mandarin, Cantonese, and Vietnamese, as well as Filipino print ads.[53]

age subcultures

It's not difficult to understand why each major age subgrouping of the population might be thought of as a separate subculture. After all, don't you listen to different music than your parents and grandparents, dress differently, read different magazines, and enjoy different TV shows? Clearly, important shifts occur in an individual's demand for specific types of products and services as he or she goes from being a dependent child to a retired senior citizen. In this chapter, we will limit our examination of **age subcultures** to four

TABLE 13.11 Language Preference of Specific Asian American Groups

ASIAN AMERICAN GROUP	% WHO PREFER NATIVE LANGUAGE	% SPEAKING NATIVE LANGUAGE AT HOME
Vietnamese	93	71
Chinese	83	66
Korean	81	66
Filipino	66	56
Asian Indian	55	59
Japanese	42	29

Source: www.ewowfacts.com/pdfs/chapters/61.pdf (page 609); and *Orienting the U.S. Food and Beverage Market: Strategies Targeting Asian Americans to 2010* (Alexandria, VA: Promar International), June 2000, 87.

age groups, moving from youngest to oldest: **Generation Y**, **Generation X**, **baby boomers**, and **seniors**. These four age segments have been singled out because their distinctive lifestyles qualify them for consideration as subcultural groups.

The generation Y market

This age cohort (a cohort is a group of individuals born over a relatively short and continuous period of time) includes the approximately 71 million Americans born between the years 1977 and 1994 (i.e., the children of baby boomers). Members of Generation Y (also known as "echo boomers" and the "millennium generation") can be divided into three subsegments: Gen Y adults (age 19–28), Gen Y teens (age 13–18), and Gen Y kids, or "tweens" (age 8–12).[54] Keep in mind that while "tweens" are too young to have been born between 1977 and 1994, they nevertheless are still considered to be part of the Gen Y market.

Appealing to generation Y

The teen segment of Generation Y directly spend over $150 billion annually and furthermore influence the purchases of their parents for a substantial amount of other goods and services. They have grown up in a media-saturated environment and tend to be aware of "marketing hype." For example, they would tend to immediately understand that when a shopping center locates popular teen stores at opposite ends of the mall they are being encouraged "to walk the mall."

This age cohort has shifted some of its TV viewing time to the Internet and, when compared with their parents, they are less likely to read newspapers and often do not trust the stores that their parents shop in.[55] Smart retailers have found it profitable to develop Web sites specifically targeted to the interests of the Gen Y consumer. For example, Limited Too (**www.limitedtoo.com**), Rave Girl (**www.goravegirl.com**), and Abercrombie & Fitch (**www.abercrombiekids.com**) have all developed sites targeted to the tween market, despite the fact that a person is supposed to be at least 18 years old to place an order. Still further, about half of all 9- to 17-year-olds are asked by their parents to go online to research products or services.

Tweens

In the United States, the 29 million members of the "tween" market (generally considered to consist of 8- to14-year-olds) spend an average of $1,294 each, for a total of $38 billion. And their parents will spend almost $126 billion more on them. Still further, in households that include a tween, food purchases account for almost 50 percent of total household spending.[56] Table 13.12 provides some additional information about the tween market. Teenagers also visit shopping malls more frequently than any other age group, spending an average of $46.80 per mall visit.[57]

Gen Y adults are the largest users of cell phone text messaging. A recent study found that 63 percent of Gen Y adults use text messaging, compared with only 31 percent of Gen Xers, 18 percent of cell phone users in their 40s, and 13 percent of those 50-year-olds. In today's cell phone market, 76 percent of 15- to 19-year-olds and 90 percent of consumers in their early 20s regularly use their cell phones for text messaging, ringtones, and games.[58]

Twixters

Spanning the Gen Y and Gen X markets is a group of 21- to 29-year-olds who continue to live with their parents. Many of them are out of college and have decent jobs and incomes—but they are not moving out to get married, nor are they leaving their parents' home. Over half of Twixters graduated college more than $10,000 in debt (some taking 6 years to do so). They tend to have trust in their parents and in established institutions, and often do not marry before they reach their 30th birthday. While these individuals cannot afford to purchase "anything that could be considered an asset," they do purchase gadgets and clothes.[59]

TABLE 13.12 Selected Profile of the "Tween" Market

- Consists of 8- to 14-year-olds
- Spend and influence $1.18 trillion in purchases worldwide
- They know brand images better than an advertising expert
- Tweens in the U.S., U.K., and Australia average seeing 20,000 to 40,000 commercials a year
- Tweens affect their parents' brand choices
  - They may influence up to 80 percent of family brand choices
  - They may have a substantial influence on the final decision in over 60 percent of choices
- They no longer expect to be informed by traditional media (e.g., TV, radio)
- The concept of individual brand loyalty may no longer exist—it is a group decision (i.e., the tween and his/her peers)
- Up to 25 percent of all tweens communicate every week with tweens in other countries
- Almost half of all tweens consider the use of grammatically correct language to be outdated, and prefer TweenSpeak, which combines words, icons, illustrations, and phrases
- Globally, 24 percent of tweens use the Internet as their primary communication tool
- 21 percent of tweens claim that the Internet is the easiest way to find new friends

Source: Adapted from Martin Lindstrom, "Branding Is No Longer Child's Play!," *Journal of Consumer Marketing* 21, no. 3 (2004): 175–182.

The generation X market

This age grouping—often referred to as *Xers*, *busters*, or *slackers*—consists of the almost 50 million individuals born between about 1965 and 1979 (different experts quote different starting and ending years). As consumers, these 25- to 40-year-olds represented $1.4 trillion in spending power in 2004.[60] They do not like labels, are cynical, and do not want to be singled out and marketed to.

Also, unlike their parents, who are frequently baby boomers, they are in no rush to marry, start a family, or work excessive hours to earn high salaries. For Generation X consumers, job satisfaction is typically more important than salary. It has been said, for example, that "Baby Boomers live to work, Gen Xers work to live!" Xers reject the values of older coworkers who may neglect their families while striving to secure higher salaries and career advancement, and many have observed their parents getting laid off after many years of loyalty to an employer. They, therefore, are not particularly interested in long-term employment with a single company but instead prefer to work for a company that can offer some worklife flexibility and can bring some fun aspects into the environment. Gen Xers understand the necessity of money but do not view salary as a sufficient reason for staying with a company—the quality of the work itself and the relationships built on the job are much more important. For Generation X, it is more important to enjoy life and to have a lifestyle that provides freedom and flexibility.

Some additional facts about Generation X are:

- 62 percent are married
- 29.7 million are parents
- 51 percent of children under 18 living at home are in households headed by an Xer
- 31 percent of Gen Xers have earned a college degree

- 81 percent of Xers are employed full-time or part-time
- 37 percent of Gen Xers' mothers worked outside the home when they (as kids) were growing up[61]

Appealing to generation X

Members of Generation X often pride themselves on their sophistication. Although they are not necessarily materialistic, they do purchase good brand names (such as Sony) but not necessarily designer labels. They want to be recognized by marketers as a group in their own right and not as mini–baby boomers. Therefore, advertisements targeted to this audience must focus on their style in music, fashions, and language. One key for marketers appears to be sincerity. Xers are not against advertising but only opposed to insincerity.

Baby boomer media does not work with Generation X members. For example, while 65 percent of 50- to 64-year-olds, and 55 percent of 30- to 49-year-olds read a newspaper regularly, only 39 percent of adults under 30 (the younger Xers) regularly read a newspaper.[62] Xers are the MTV generation, and whereas the three major U.S. TV networks attract an average of only 18 percent of the 18- to 29-year-old group, the Fox network claims that 38 percent of its viewers are in this age group. Still further, Xers use the Internet more than any other age cohort. For example, 60 percent of Xers have tried online banking, while only 38 percent of Generation Y has tried online banking.[63]

Hotel chains are also making changes in their offerings in order to better attract the Gen X traveler, the fastest-growing group of hotel patrons. Marriott, for example, is remodeling rooms to include flat-panel LCD TVs, high-speed Internet access, ergonomic desk chairs, and high thread-count sheets.[64] Additionally, Gen Xers are generally dissatisfied with most current shopping malls—they want to do more than just shop. Xers want to be able to eat a proper sitdown meal at the mall, rather than something quick at the food court. They also want to be able to get a cup of coffee while doing work on their laptop, and perhaps also see a movie.[65]

The baby boomer market

Marketers have found baby boomers a particularly desirable target audience because (1) they are the single largest distinctive age category alive today; (2) they frequently make important consumer purchase decisions; and (3) they contain small subsegments of trendsetting consumers (sometimes known as yuppies, or young upwardly mobile professionals) who have influence on the consumer tastes of other age segments of society.

Who are the baby boomers?

The term *baby boomers* refers to the age segment of the population that was born between 1946 and 1964. Thus, baby boomers are in the broad age category that extends from about 40 to 60. These 78 million or so baby boomers represent more than 40 percent of the adult population. The magnitude of this statistic alone would make them a much sought-after market segment. However, they also are valued because they comprise about 50 percent of all those in professional and managerial occupations and more than one-half of those with at least a college degree.

Although each year more baby boomers turn 50 years of age, they do not necessarily like the idea. Increases in health club memberships and a boom in the sales of vitamin and health supplements are evidence that these consumers are trying hard to look and feel "young"—they do not want to age gracefully but will fight and kick and pay whatever is necessary to look young. In advertisements they want to be portrayed as they see themselves—lively and attractive.[66] Most important to marketers, who understand them, they have money and they want to spend it on what they feel advances the quality of their lives.

Consumer characteristics of baby boomers

Baby boomers tend to be motivated consumers. They enjoy buying for themselves, for their homes or apartments, and for others—they are consumption oriented. As baby boomers age, the nature of the products and services they most need or desire changes. For example, because of the aging of this market segment, sales of "relaxed fit" jeans, and "lineless" bifocal glasses are up substantially, as is the sales of walking shoes. Men's and women's pants with elastic waistbands are also enjoying strong sales. Moreover, bank marketers and other financial institutions are also paying more attention to assisting boomers who are starting to think about retirement. Even St. Joseph's Aspirin has switched its target from babies to boomers, and Disney has ads to entice baby boomers to vacation at their theme parks without their kids.

Yuppies are by far the most sought-after subgroup of baby boomers. Although constituting only 5 percent of the population, they generally are well off financially, well educated, and in enviable professional or managerial careers. They often are associated with status brand names, such as BMWs or Volvo station wagons, Rolex watches, cable TV, and Cuisinart food processors. The Gap, for example, is opening a new chain of stores called Forth &Towne, aimed at women age 35 and older. These women were GAP shoppers for many years, but today they primarily shop department stores, because the specialty stores generally target younger audiences.[67]

Today, though, as many yuppies are maturing, they are shifting their attention away from expensive status-type possessions to travel, physical fitness, planning for second careers, or some other form of new life directions. Indeed, there has been a move away from wanting possessions, to wanting experiences—"boomers today are more interested in doing things than having things."[68]

Recent articles dealing with the baby boom generation have noted that some members of this group are planning to keep working, either full-time or part-time beyond age 65 (which, for the oldest boomers, is just a few years away). While some need to do this for the money, most just want to stay active, and/or are even planning, upon retirement, to start new careers. The majority of this group will not need to work in order to support themselves—by 2020, when the youngest baby boomers turn 55, this age cohort will own $20 trillion in assets.[69]

To sum up, Gen Yers, Gen Xers, and baby boomers differ in their purchasing behavior, attitudes toward brands, and behavior toward ads. Table 13.13 captures some of the differences among these three age cohorts.

TABLE 13.13 Comparison of Selected Age Cohorts Across Marketing-Related Issues

THEMES	GENERATION Y	GENERATION X	BOOMERS
Purchasing behavior	Savvy, pragmatic	Materialistic	Narcissistic
Coming of age technology	Computer in every home	Microwave in every home	TV in every home
Price–quality attitude	Value oriented: weighing price–quality relationships	Price oriented: concerned about the cost of individual items	Conspicuous consumption: buying for indulgence
Attitude toward brands	Brand embracing	Against branding	Brand loyal
Behavior toward ads	Rebel against hype	Rebel against hype	Respond to image-building type

Source: Stephanie M. Noble and Charles H. Noble, "Getting to Know Y: The Consumption Behaviors of a New Cohort," *AMA Winter Educators' Conference* 11 (Chicago: American Marketing Association, 2000), *Marketing Theory* Conference Proceedings, 294.

Older consumers

America is aging. A portion of the baby boomers are about to turn 60, and there are plenty of preboomers—those 60 to 65 years old. According to the U.S. Census Bureau (in 2004), there were more than 36 million people in this country who are 65 years of age or older (12 percent of the population). Projecting ahead to the year 2050, it is anticipated that there will be more than 86 million Americans (21 percent of the total population) who will be 65 years of age or older.[70] Still further, from the start to the end of the twentieth century, life expectancy in the United States rose from about 47 years to 77 years, and whereas a 65-year-old in 1900 could expect, on average, to live about 12 more years, a 65-year-old in 2000 can expect about 18 more years of life.[71]

It should also be kept in mind that "later adulthood" (i.e., those who are 50 years of age or older) is the longest adult life stage for most consumers (i.e., often 29 or more years in duration). This is in contrast to "early adulthood" (i.e., those who are 18 to 34 years of age), a stage lasting 16 years, and "middle adulthood" (i.e., those who are 35 to 49 years of age), a stage lasting 14 years. Remember that people over age 50 comprise about one-third of the adult U.S. market.

Although some people think of older consumers as consisting of people without substantial financial resources, in generally poor health, and with plenty of free time on their hands, the fact is that more than 30 percent of men and more than 20 percent of women aged 65 to 69 are employed, as are 19 percent of men and 12 percent of women aged 70 to 74. Additionally, millions of seniors are involved in the daily care of a grandchild, and many do volunteer work. The annual discretionary income of this group amounts to 50 percent of the discretionary income of the United States, and these older consumers are major purchasers of luxury products such as cars, alcohol, vacations, and financial products. Americans over 65 now control about 70 percent of the nation's wealth.

Defining "older" in older consumer

Driving the growth of the elderly population are three factors: the declining birthrate, the aging of the huge baby boomer segment, and improved medical diagnoses and treatment. In the United States, "old age" is officially assumed to begin with a person's 65th birthday (or when the individual qualifies for full Social Security and Medicare). However, people over age 60 tend to view themselves as being 15 years younger than their chronological age.

It is generally accepted that people's perceptions of their ages are more important in determining behavior than their chronological ages (or the number of years lived). In fact, people may at the same time have a number of different perceived or **cognitive ages**. Specifically, elderly consumers perceive themselves to be younger than their chronological ages on four perceived age dimensions: *feel age* (how old they feel); *look age* (how old they look); *do age* (how involved they are in activities favored by members of a specific age group); and *interest age* (how similar their interests are to those of members of a specific age group).[72] The results support other research that indicates that elderly consumers are more likely to consider themselves younger (to have a younger cognitive age) than their chronological age.

For marketers, these findings underscore the importance of looking beyond chronological age to perceived or cognitive age when appealing to mature consumers and to the possibility that cognitive age might be used to segment the mature market. The "New-Age Elderly," when compared to the "Traditional Elderly," are more adventurous, more likely to perceive themselves to be better off financially, and more receptive to marketing information.[73]

Segmenting the elderly market

The elderly are by no means a homogeneous subcultural group. There are those who, as a matter of choice, do not have color TVs or Touch-Tone telephone service, whereas others have the latest desktop computers and spend their time surfing the Internet (cyberseniors will be discussed later in this section).

One consumer gerontologist has suggested that the elderly are more diverse in interests, opinions, and actions than other segments of the adult population.[74] Although this view runs counter to the popular myth that the elderly are uniform in terms of attitudes and lifestyles, both gerontologists and market researchers have repeatedly demonstrated that age is not necessarily a major factor in determining how older consumers respond to marketing activities.

With an increased appreciation that the elderly constitute a diverse age segment, more attention is now being given to identifying ways to segment the elderly into meaningful groupings. One relatively simple segmentation scheme partitions the elderly into three chronological age categories: the *young-old* (65 to 74 years of age); the *old* (those 75 to 84); and the *old-old* (those 85 years of age and older). This market segmentation approach provides useful consumer-relevant insights.

The elderly can also be segmented in terms of motivations and *quality-of-life orientation*. Table 13.14 presents a side-by-side comparison of new-age elderly consumers and the more traditional older consumers. The increased presence of the new-age elderly suggests that marketers need to respond to the value orientations of older consumers whose lifestyles remain relatively ageless. Clearly, the new-age elderly are individuals who feel, think, and do according to a cognitive age that is younger than their chronological age. All this suggests the declining importance of chronological age, and increasing importance of perceived or cognitive age as an indicator of the "aging experience" and age-related quality of life.

Cyberseniors

Although some people might think of older Americans as individuals who still use rotary phones and are generally resistant to change, this stereotype is far from the truth. Few older consumers are fearful of new technology, and there are more Internet users over the age of 50 than under the age of 20. Research studies have found that those over 55 are more likely than the average adult to use the Internet to purchase books, stocks, and computer equipment—92 percent of surfing seniors have shopped online and 78 percent have purchased online.[75] In fact, older Internet users are the fastest-growing demographic group with respect to the U.S. Internet market, and it has been forecast that 48 percent of all seniors will be online by the end of 2005. Additionally, a recent study found that 46 percent of cyberseniors use the Internet more than 10 hours weekly.[76]

What's the attraction for seniors to go online? Certainly, the Internet is a great way to communicate with friends and family members living in other states, including grandchildren in college. But the Web is also a place to find information (e.g., stock prices, health and medication-related information), entertainment, and a sense of community. There also appears to be a relationship between the amount of time an older adult spends on the Internet and his or her level of out-of-home mobility (using the Internet may serve as a substitute for going out of the house). Having a computer and modem "empowers" older consumers—it allows them to regain some of the control that was lost due to the physical and/or social deterioration in their lives. For example, a consumer can pay bills, shop, and e-mail friends. This may be part of the reason why the American Association of Retired Persons (AARP) claims that 2 million of its members are computer users.[77] Figure 13.6 presents the ways in which seniors use the Internet.

Marketing to the older consumer

Older consumers are open to be marketed to, but only for the "right" kinds of products and services and using the "right" advertising presentation. For example, older models tend to be underrepresented in advertisements or are often shown as being infirm or feeble. Part of the problem, according to some writers on the subject, is that the advertising professionals who create the ads are often in their 20s and 30s and have little understanding or empathy for older consumers. Seniors often want to be identified not for what they did in the past but by what they would like to accomplish in the future. Retirement or moving to a sunbelt community is viewed as the opening of a new chapter

TABLE 13.14 Comparison of New-Age and Traditional Elderly

NEW-AGE ELDERLY	TRADITIONAL/STEREOTYPICAL ELDERLY
• *Perceive themselves to be different in outlook from other people their age*	• *Perceive all older people to be about the same in outlook*
• *Age is seen as a state of mind*	• *See age as more of a physical state*
• *See themselves as younger than their chronological age*	• *See themselves at or near their chronological age*
• *Feel younger, think younger, and "do" younger*	• *Tend to feel, think, and do things that they feel match their chronological age*
• *Have a genuinely youthful outlook*	• *Feel that one should act one's age*
• *Feel there is a considerable adventure to living*	• *Feel life should be dependable and routine*
• *Feel more in control of their own lives*	• *Normal sense of being in control of their own lives*
• *Have greater self-confidence when it comes to making consumer decisions*	• *Normal range of self-confidence when it comes to making consumer decisions*
• *Less concerned that they will make a mistake when buying something*	• *Some concern that they will make a mistake when buying something*
• *Especially knowledgeable and alert consumers*	• *Low-to-average consumer capabilities*
• *Selectively innovative*	• *Not innovative*
• *Seek new experiences and personal challenges*	• *Seek stability and a secure routine*
• *Less interested in accumulating possessions*	• *Normal range of interest in accumulating possessions*
• *Higher measured life satisfaction*	• *Lower measured life satisfaction*
• *Less likely to want to live their lives over differently*	• *Have some regrets as to how they lived their lives*
• *Perceive themselves to be healthier*	• *Perceive themselves to be of normal health for their age*
• *Feel financially more secure*	• *Somewhat concerned about financial security*

Source: Reprinted by permission from "The Value Orientation of New-Age Elderly: The Coming of an Ageless Market" by Leon G. Schiffman and Elaine Sherman in *Journal of Business Research* 22 (April 1991): 187–194. Copyright 1991 by Elsevier Science Publishing Co., Inc.

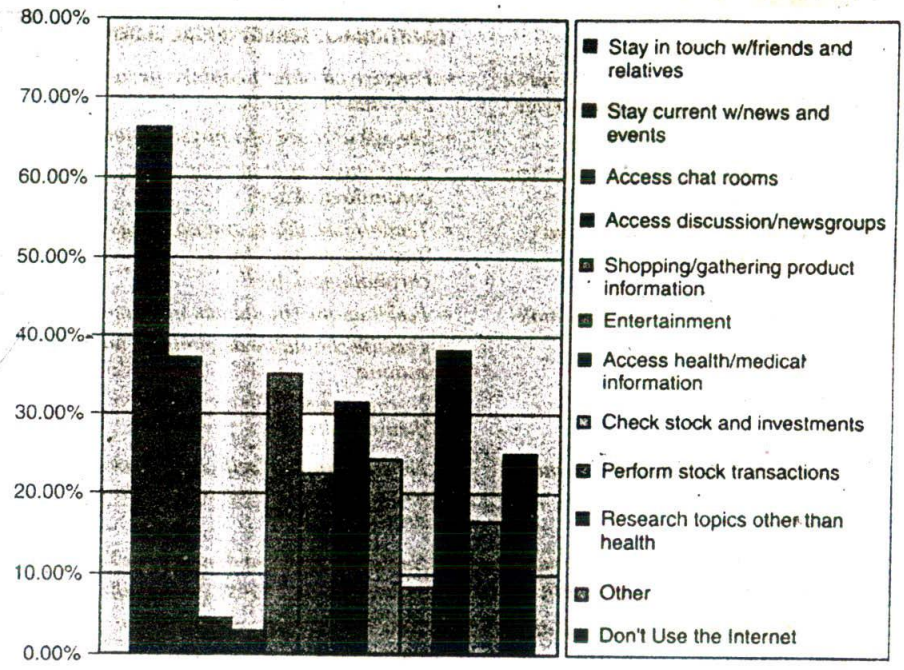
in life and not a quiet withdrawal from life. In the same vein, the increase in the number of older adults taking vacation cruises and joining health clubs signifies a strong commitment to remaining "functionally young."

For some products and services, seniors do exhibit different shopping habits than younger consumers. For example, when shopping for a car, older consumers consider fewer brands, fewer models, and fewer dealers. They also are more likely to choose a long-established brand of automobile.[78] Older shoppers tend to be more store-loyal than younger age groups, especially with respect to supermarkets. Still further, the importance of factors like store location (e.g., distance from home) are often a function of the health status of the senior.[79]

FIGURE 13.6

How Seniors Use the Internet

Source: Jacqueline K. Eastman and Rajesh Iyer, "The Elderly's Uses and Attitudes towards the Internet," *Journal of Consumer Marketing* 21, no. 3 (2004):214.



sex as a subculture

Because **sex roles** have an important cultural component, it is quite fitting to examine **gender** as a subcultural category.

Sex roles and consumer behavior

All societies tend to assign certain traits and roles to males and others to females. In American society, for instance, aggressiveness and competitiveness often were considered traditional *masculine traits*; neatness, tactfulness, gentleness, and talkativeness were considered traditional *feminine traits.* In terms of role differences, women have historically been cast as homemakers with responsibility for child care and men as the providers or breadwinners. Because such traits and roles are no longer relevant for many individuals, marketers are increasingly appealing to consumers' broader vision of gender-related role options. However, many studies are still suggesting that even with the large number of middle-class women in the workplace, men are not doing more in terms of housework (e.g., cleaning, cooking, laundry).[80]

A recent study also found that men and women exhibit different reactions to identical print advertisements. Women show superior affect and purchase intention toward ads that are verbal, harmonious, complex, and category-oriented. In contrast, men exhibit superior affect and purchase intention toward ads that are comparative, simple, and attribute-oriented. Consequently, it may be best, where feasible, to advertise differently to men and women.[81]

Consumer products and sex roles

Within every society, it is quite common to find products that are either exclusively or strongly associated with the members of one sex. In the United States, for example, shaving equipment, cigars, pants, ties, and work clothing were historically male

products; bracelets, hair spray, hair dryers, and sweet-smelling colognes generally were considered feminine products. For most of these products, the **sex role** link has either diminished or disappeared; for others, the prohibition still lingers. Specifically, although women have historically been the major market for vitamins, men are increasingly being targeted for vitamins exclusively formulated for men. Furthermore, in the past few years men have exhibited more of an interest in personal health and wellness, closing the gap with women with regard to these areas of personal concern.[82]

The appeal of the Internet seems to differ somewhat for men and women. For instance, women go online to seek out reference materials, online books, medical information, cooking ideas, government information, and chat sites. In contrast, men tend to focus on exploring, discovery, identifying free software, and investments. This seems to provide further support for the notion that men are "hunters," whereas women are "nurturers."[83] Still further, although men and women are equally likely to browse commercial sites, women are less likely to purchase online (32% for men versus 19% for women). Evidence suggests that the lower incidence of women purchasing online is due to their heightened concerns about online security and privacy.[84]

Women as depicted in media and advertising

Many women feel that the media and advertising create an expectation of beauty that most women can never achieve. Consequently, they want the definition of "beauty" to change. Dove has an advertising campaign that is challenging the traditional sense of beauty and has been well received by women. "Real" women are portrayed in the company's ads—with gray hair, winkles, and flawed skin—i.e., real people! Importantly, the campaign lets women know that beauty comes in many sizes, shapes, and ages.[85] Supporting Dove's realistic approach, a recent study found that 65 percent of women 35 to 40 years of age felt that most advertisements aimed at them were patronizing, and 50 percent also found the ads to be "old-fashioned."[86]

The working woman

Marketers are keenly interested in the **working woman**, especially the married working woman. They recognize that married women who work outside of the home are a large and growing market segment, one whose needs differ from those of women who do not work outside the home (frequently self-labeled "stay-at-home moms"). It is the size of the working woman market that makes it so attractive. Approximately 60 percent of American women 16 years of age and older are in the labor force, which represents a market of over 65 million individuals. Whereas more than half of all women with children under the age of 1 are working (55 percent), almost 78 percent of women with children ages 6 to 17 are employed.[87]

Because 40 percent of all business travelers today are women, hotels have begun to realize that it pays to provide the services women want, such as healthy foods, gyms, and spas and wellness centers. Female business travelers are also concerned about hotel security and frequently use room service because they do not want to go to the hotel bar or restaurant. The Hilton in Paris, for example, discreetly hands key cards to female patrons, offers valet parking, and allows women to receive guests in an executive lounge located on the hotel's business floor.[88]

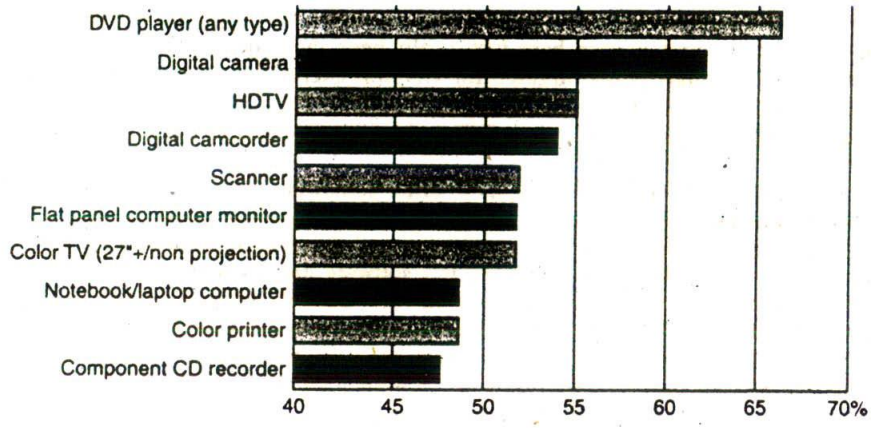
Segmenting the working woman market

To provide a richer framework for segmentation, marketers have developed categories that differentiate the motivations of working and nonworking women. For instance, a number of studies have divided the female population into four segments: *stay-at-home* housewives; *plan-to-work* housewives; *just-a-job* working women; and *career-oriented* working women.[89] The distinction between "just-a-job" and "career-oriented" working women is particularly meaningful. "Just-a-job" working women seem to be motivated to work primarily by a sense that the family requires the additional income, whereas

FIGURE 13.7

Consumer Electronics Products Women Are Most Interested in Buying

Source: Beth Snyder Bulik, "Electronics Retailers too Women," *Advertising Age*, November 15, 2004, 16.



*Percentage of non-owners expecting to purchase product sometime in the future
(*Source:* CEA, CE Ownership and Market Potential–March 2003)

"career-oriented" working women, who tend to be in a managerial or professional position, are driven more by a need to achieve and succeed in their chosen careers. Today, though, with more and more female college graduates in the workforce, the percentage of career-oriented working women is on the rise. As evidence of this fact, 25 percent of all working women bring home a paycheck that is larger than their husband's (10 years ago it was only 17 percent).[90]

Working women spend less time shopping than nonworking women. They accomplish this "time economy" by shopping less often and by being brand and store loyal. Not surprisingly, working women also are likely to shop during evening hours and on weekends, as well as to buy through direct-mail catalogs.

Businesses that advertise to women should also be aware that magazines are now delivering a larger women's audience than television shows. Whereas early 1980s' TV shows had higher ratings than popular magazines, today the top 25 women's magazines have larger audiences than the top 25 television shows targeted to females.[91]

Every year, more and more products and retailers target to women. Recent examples include Beringer's introduction of White Lie Early Season Chardonnay ("This wine speaks to us in our language") and Godiva Chocolate's notion that their product is something that a woman deserves to buy for herself (rather than as a gift for someone else). Best Buy, and other similar electronics stores, are trying harder than ever to make women feel comfortable shopping in their outlets, since women spend $55 billion annually on consumer electronics. A recent study by the Consumer Electronics Association found that 46 percent of women claim that they have the most influence in their households with respect to consumer electronics purchases.[92] Figure 13.7 shows the consumer electronics products that women are most interested in buying.

subcultural interaction

All consumers are simultaneously members of more than one subcultural segment (e.g., a consumer may be a young, Hispanic, Catholic homemaker living in the Midwest). The reality of **subcultural interaction** suggest that marketers should strive to understand how multiple *subcultural* memberships *interact* to influence target consumers' relevant consumption behavior. Promotional strategy should not be limited to target a single subcultural membership.

SUMMARY

Subcultural analysis enables marketers to segment their markets to meet the specific needs, motivations, perceptions, and attitudes shared by members of a specific subcultural group. A subculture is a distinct cultural group that exists as an identifiable segment within a larger, more complex society. Its members possess beliefs, values, and customs that set them apart from other members of the same society; at the same time, they hold to the dominant beliefs of the overall society. Major subcultural categories in this country include nationality, religion, geographic location, race, age, and sex. Each of these can be broken down into smaller segments that can be reached through special copy appeals and selective media choices. In some cases (such as the elderly consumer), product characteristics can be tailored to the specialized needs of the market segment. Because all consumers simultaneously are members of several subcultural groups, the marketer must determine for the product category how specific subcultural memberships interact to influence the consumer's purchase decisions.

DISCUSSION QUESTIONS

1. Why is subcultural analysis especially significant in a country such as the United States?
2. Discuss the importance of subcultural segmentation to marketers of food products. Identify a food product for which the marketing mix should be regionalized. Explain why and how the marketing mix should be varied across geographic areas of the United States.
3. How can marketers of the following products use the material presented in this chapter to develop promotional campaigns designed to increase market share among African American, Hispanic, and Asian American consumers? The products are (a) compact disk players, (b) ready-to-eat cereals, and (c) designer jeans.
4. Asian Americans are a small proportion of the total U.S. population. Why are they an important market segment? How can a marketer of personal computers effectively target Asian Americans?
5. Sony is introducing a new 27-inch TV with a picture-in-picture feature. How should the company position and advertise the product to (a) Generation X consumers and (b) affluent baby boomers?
6. In view of the anticipated growth of the over-50 market, a leading cosmetics company is reevaluating the marketing strategy for its best-selling moisturizing face cream for women. Should the company market the product to younger (under-50) as well as older women? Would it be wiser to develop a new brand and formula for consumers over 50 rather than target both age groups with one product? Explain your answer.
7. Marketers realize that people of the same age often exhibit very different lifestyles. Using the evidence presented in this chapter, discuss how developers of retirement housing can use older Americans' lifestyles to more effectively segment their markets.
8. a. How should marketers promote products and services to working women? What appeals should they use? Explain.
   b. As the owner of a Saturn automobile dealership, what kind of marketing strategies would you use to target working women?

EXERCISES

1. Using one of the subculture categories listed in Table 13.1, identify a group that can be regarded as a subculture within your university or college.
   a. Describe the norms, values, and behaviors of the subculture's members.
   b. Interview five members of that subculture regarding attitudes toward the use of credit cards.
   c. What are the implications of your findings for marketing credit cards to the group you selected?
2. Interview one baby boomer and one Generation X consumer regarding the purchase of a car. Prepare a report on the differences in attitudes between the two individuals. Do your findings support the text's discussion of the differences between boomers and busters? Explain.

3. Many of your perceptions regarding price versus value are likely to be different from those of your parents or grandparents. Researchers attribute such differences to cohort effects, which are based on the premise that consumption patterns are determined early in life. Therefore, individuals who experienced different economic, political, and cultural environments during their youth are likely to be different types of consumers as adults. Describe instances in which your parents or grandparents disagreed with or criticized purchases you had made. Describe the cohort effects that explain each party's position during these disagreements.
4. Find two good and two bad examples of advertising directed toward elderly consumers. To what degree are these ads stereotypical? Do they depict the concept of perceived age? How could these ads be improved by applying some of this chapter's guidelines for advertising to elderly consumers?

KEY TERMS

- **african american consumers**
- **age subcultures**
- **asian american consumers**
- **baby boomers**
- **cognitive ages**
- **gender subcultures**
- **generation X consumers**
- **generation Y**
- **hispanic american subculture**
- **nationality subcultures**
- **racial subcultures**
- **regional subcultures**
- **religious subcultures**
- **seniors**
- **sex roles**
- **subcultural interaction**
- **subculture**

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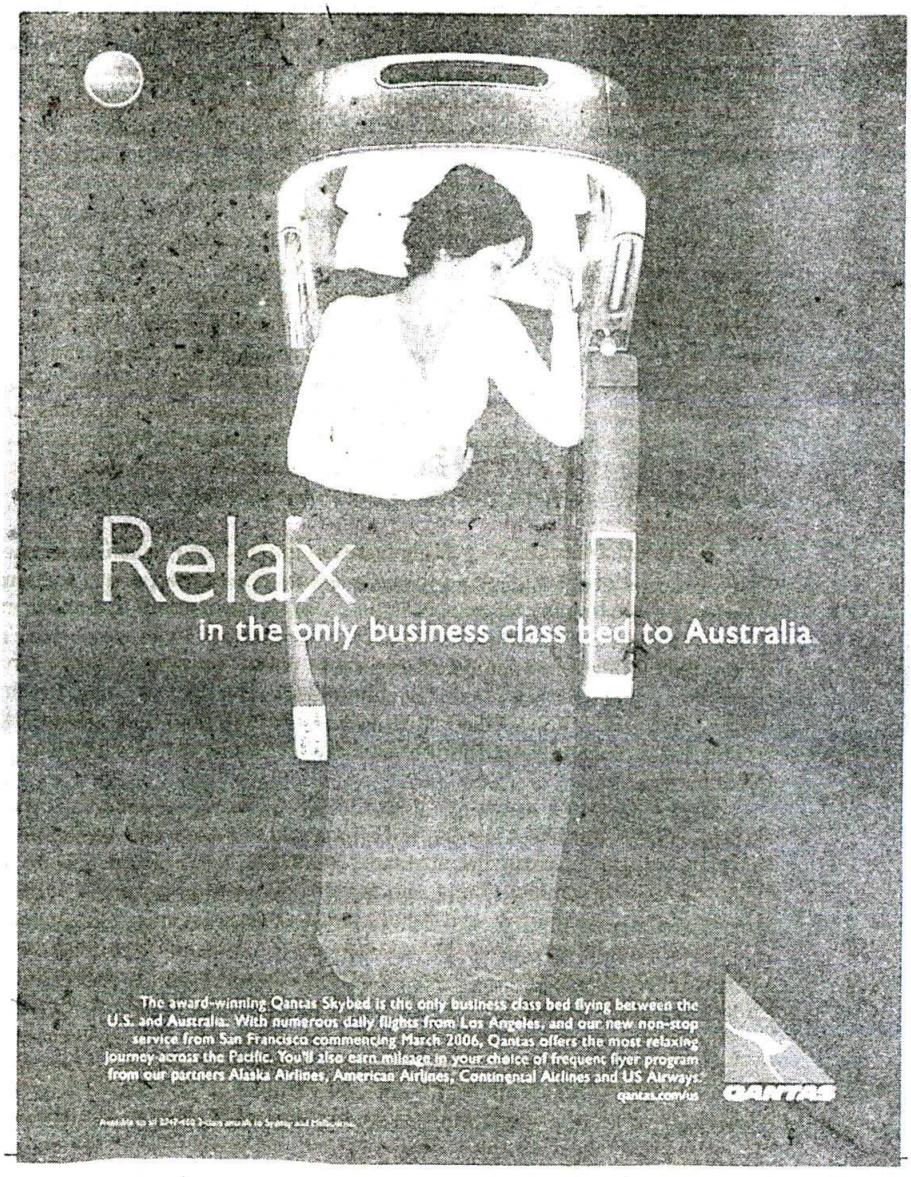
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chapter**fourteen**

Cross-Cultural Consumer Behavior: An International Perspective

In our examination of psychological, social, and cultural factors, we have consistently pointed out how various segments of the American consuming public differ. If so much diversity exists among segments of a single society, then even more diversity is likely to exist among the members of two or more societies. To succeed, international marketers must understand the nature and extent of differences between the consumers of different societies—"cross-cultural" differences—so that they can develop effective targeted marketing strategies to use in each foreign market of interest.

In this chapter, we broaden our scope of analysis and consider the marketing implications of cultural differences and similarities that exist between the people of two or more nations. We also compare the views that pin a global marketing perspective—one that stresses the *similarities* of consumers worldwide—against a localized marketing strategy that stresses the *diversity* of consumers in different nations and their specific cultural orientations. Our own view is that marketers must be aware of and sensitive to cross-cultural similarities and differences that can provide expanded sales and profit opportunities. Multinational marketers must be ready to tailor their marketing mixes to the specific customs of each nation that they want to target.


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the imperative to be multinational

Today, almost all major corporations are actively marketing their products beyond their original homeland borders. In fact, the issue is generally not *whether* to market a brand in other countries but rather *how* to do it (as the same product with the same "global" advertising campaign, or "tailored" products and localized ads for each country). Because of this emphasis on operating as a multinational entity, the vocabulary of marketing now includes terms such as *glocal*, which refers to companies that are both "global" and "local"; that is, they include in their marketing efforts a blend of standardized and local elements in order to secure the benefits of each strategy.

This challenge has been given special meaning by the efforts of the **European Union** (EU) to form a single market. Although the movement of goods and services among its 25 members (with the potential of becoming 27 members in 2007) has been eased, it is unclear whether this diverse market will really be transformed into a single market of almost 460 million homogeneous "Euroconsumers" with the same or very similar wants and needs.[1] Many people hope that the recent introduction of the euro as a common EU currency will help shape Europe into a huge, powerful, unified market. Furthermore, the rapid acceptance of capitalism by many Eastern European countries also presents a major opportunity and challenge to marketers. Firms such as Coca-Cola, General Motors, Nabisco, P&G, and R.J. Reynolds have been investing extensive sums on product development and marketing to satisfy the needs of Eastern European consumer markets.

The **North American Free Trade Agreement** (NAFTA), which currently consists of the United States, Canada, and Mexico, provides free-market access to more than 430 million consumers. Since its inception, for example, the markets in Canada and Mexico for packaged software from U.S. firms has grown to three times its pre-NAFTA market size.[2] The emerging Association of Southeast Asian Nations (ASEAN), consisting of Indonesia, Singapore, Thailand, the Philippines, Malaysia, Brunei, and Vietnam, is another important economic alliance that offers marketers new global markets. The members of this group have formed the ASEAN Free Trade Area (AFTA) to promote regional trade.

Many firms are developing strategies to take advantage of these and other emerging economic opportunities. A substantial number of firms are now jockeying for market share in foreign markets. For instance, Starbucks has opened a store within the Forbidden City in Beijing, China, and MTV Networks has formed a partnership with @JapanMedia to establish a new 24-hour Japanese language music TV channel.[3]

Firms are selling their products worldwide for a variety of reasons. First, with the buildup of "multinational fever" and the general attractiveness of multinational markets, products or services originating in one country are increasingly being sought out by consumers in other parts of the world. Second, many firms have learned that overseas markets represent the single most important opportunity for their future growth when their home markets reach maturity. This realization is propelling them to expand their horizons and seek consumers scattered all over the world. Moreover, consumers all over the world are increasingly eager to try "foreign" products that are popular in different and far-off places. Consider the following story:

> *There was this Englishman who worked in the London office of a multinational corporation based in the United States. He drove home one evening in his Japanese car. His wife, who worked in a firm which imported German kitchen equipment, was already home. Her small Italian car was often quicker through the traffic. After a meal which included New Zealand lamb, California carrots, Mexican honey, French cheese and Spanish wine, they settled down to watch a program on their television set, which has been made in Finland. The program was a retrospective celebration of the war to recapture the Falkland Islands. As they watched it they felt warmly patriotic, and very proud to be British.*[4]

TABLE 14.1 The World's Most Valuable Brands

RANK	BRAND	2004 BRAND VALUE ($BILLIONS)
1	Coca-Cola	67.4
2	Microsoft	61.4
3	IBM	53.8
4	GE	44.1
5	Intel	33.5
6	Disney	27.1
7	McDonald's	25.0
8	Nokia	24.0
9	Toyota	22.7
10	Marlboro	22.1

Note: Only includes brands that obtain at least one-third of their earnings outside of their home country.

Source: Diane Brady, Robert D. Hof, Andy Reinhardt, Moon Ihlwan, Stanley Holmes, and Kerry Capell, "The Top 100 Brands," *Business Week*, August 2, 2004, 68.

According to *Business Week*, Coca-Cola is the most valuable brand in the world, with a brand value of about $65 billion. Table 14.1 presents a list of the world's 10 most valuable brands.

Acquiring exposure to other cultures

As more and more consumers come in contact with the material goods and lifestyles of people living in other parts of the world, they have the opportunity to adopt these different products and practices. How consumers in one culture secure exposure to the goods of other people living in other cultures is an important part of consumer behavior. It impacts the well-being of consumers worldwide and of marketers trying to gain acceptance for their products in countries that are often quite different from their home country. After all, by the time you read this, there may be five models of automobiles available for you to purchase that were made in China, thanks to a deal between Chery Automobiles of China and Malcom Bricklin, chairman of Visionary Vehicles.[5]

Consider Mexico, America's neighbor to the South. While the Mexican culture shares many similarities with those of Central and South American nations, consumers in Mexico differ when it comes to attitude—they have an affinity for American values. Mexican consumers use brands to display status, making conspicuous consumption a part of life, even for the poor. For example, a working class household might keep a large American refrigerator in the living room, instead of the kitchen, because it is viewed as a sign of financial success. Still further, the largest market for Martell cognac outside of France is Mexico, because the product allows the affluent to display their success and wealth.[6]

A portion of consumers' exposure to different cultures tends to come about through consumers' own initiatives—their travel, their living and working in foreign countries, or even their immigration to a different country. Additionally, consumers obtain a "taste" of different cultures from contact with foreign movies, theater, art and artifacts, and most certainly, from exposure to unfamiliar and different products. This second major category of cultural exposure is often fostered by marketers seeking to expand their markets by bringing new products, services, practices, ideas, and experiences to potential consumers residing in a different country and possessing a different cultural view. Within this context, international marketing provides a form of "culture transfer."

Country-of-origin effects

When consumers are making purchase decisions, they may take into consideration the countries of origin (COO) of their choices. Researchers have shown that consumers use their knowledge of where products are made in the evaluation of their purchase options.[7] Such a country-of-origin effect seems to come about because consumers are often aware that a particular firm or brand name is associated with a particular country. For example, a Volkswagen's "Fahrvergnügen" campaign touted German engineering, and Land-Rover's advertising conveys a sophisticated British image. In contrast, Jaguar does not tend to play on its British heritage when marketing its cars in the United States. And then there's Chevrolet, the General Motors division responsible for over half of GM's vehicle sales. Over the years, Chevrolet has used slogans such as "See the U.S.A. in your Chevrolet," and it is currently using the theme "An American Revolution" to introduce 10 new cars and trucks.[8]

In general, many consumers associate France with wine, fashion clothing, and perfume and other beauty products; Italy with pasta, designer clothing, furniture, shoes, and sports cars; Japan with cameras and consumer electronics; and Germany with cars, tools, and machinery. Moreover, consumers tend to have an established *attitude* or even a preference when it comes to a particular product being made in a particular country. This attitude might be positive, negative, or neutral, depending on perceptions or experience. For instance, a consumer in one country might positively value a particular product made in another country (e.g., affluent American consumers may feel that an English Thomas Pink dress shirt or a Bosch dishwasher from Germany are worthwhile investments). In contrast, another consumer might be negatively influenced when he learns that a television set he is considering is made in a country that he does not associate with fine electronics (e.g., a TV made in Costa Rica). Such country-of-origin effects influence how consumers rate quality and which brands they will ultimately select. Recent research suggests, though, that when consumer motivation is high and when a specific model of a product is being evaluated (as opposed to a range of products manufactured in a particular country), then consumers are *less* likely to base judgments on country-of-origin information.[9] However, when consumers are less familiar with foreign products, COO becomes an important extrinsic cue.[10]

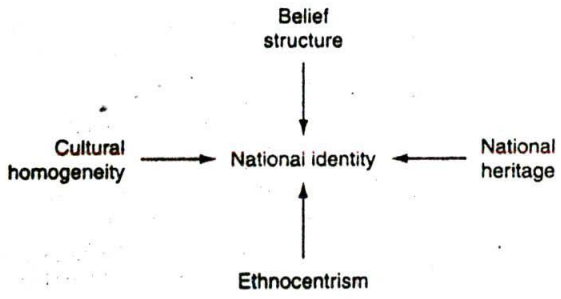
Refining the country-of-origin concept, a study that contrasted U.S. and Mexican consumers decomposed country-of-origin into three separate entities: country of design (COD), country of assembly (COA), and country of parts (COP). Of the three, country of parts (COP) had the strongest influence on product evaluations.[11] The study also found that COD was a more important cue in the United States than in Mexico, and that younger Mexicans exhibited a stronger COO effect than older Mexicans.

Beyond perceptions of a product's attributes based on its country of manufacture, research evidence exists that suggests that some consumers may refrain from purchasing products from particular countries due to animosity. A study of this issue found that *high-animosity consumers* in the People's Republic of China owned fewer Japanese products than *low-animosity consumers* (during World War II, Japan occupied parts of China). Although some Chinese consumers might consider Sony to be a high-end, high-quality brand (or perceptions of the product itself might be very positive), they might nevertheless refuse to bring a product manufactured in Japan into the home. Similarly, some Jewish consumers avoid purchasing German-made products due to the Holocaust, and some New Zealand and Australian consumers boycott French products due to France's nuclear tests in the South Pacific.[12]

What is national identity?

One way to explain why a consumer prefers buying products made in one country and does not wish to buy products made in another, or why consumers in different countries exhibit different behaviors, is the existence of a "national identity." As presented in Figure 14.1, national identity consists of four dimensions (for each dimension a sample item from a scale to measure it is included, the entire measure is composed of 17 items):

FIGURE 14.1
Dimensions of National Identity



belief structure (e.g., "A true American would never reject their religious belief"), ***cultural homogeneity*** (e.g., "People frequently engage in activities that identify them as American"), ***national heritage*** (e.g., "Important people from the country's past are admired by people today"), and *consumer ethnocentrism* (e.g., "Only those products that are unavailable in the USA should be imported"). Using the national identity scale, research has studied consumers in South Korea, Taiwan, Thailand, and Singapore.[13] The research, for example, revealed that Thailand had the strongest national identity and Singapore the weakest. Generally, countries with a weak sense of national identity, coupled with low ethnocentric tendencies, are suitable for use as places to launch new products, because foreign firms are not viewed as threats.

cross-cultural consumer analysis

To determine whether and how to enter a foreign market, marketers need to conduct some form of **cross-cultural consumer analysis**. Within the scope of this discussion, cross-cultural consumer analysis is defined as the effort to determine to what extent the consumers of two or more nations are similar or different. Such analyses can provide marketers with an understanding of the psychological, social, and cultural characteristics of the foreign consumers they wish to target, so that they can design effective marketing strategies for the specific national markets involved.

In a broader context, cross-cultural consumer analysis might also include a comparison of subcultural groups (see Chapter 13) within a single country (such as English and French Canadians, Cuban Americans and Mexican Americans in the United States, or Protestants and Catholics in Northern Ireland). For our purposes, however, we will limit our discussion of cross-cultural consumer analysis to comparisons of consumers of *different* countries.

Similarities and differences among people

A major objective of cross-cultural consumer analysis is to determine how consumers in two or more societies are similar and how they are different. For instance, Table 14.2 presents at least a partial depiction of the differences between Chinese and American cultural traits. Such an understanding of the similarities and differences that exist between nations is critical to the multinational marketer who must devise appropriate strategies to reach consumers in specific foreign markets. The greater the similarity between nations, the more feasible it is to use relatively similar marketing strategies in each nation. On the other hand, if the cultural beliefs, values, and customs of specific target countries are found to differ widely, then a highly *individualized* marketing strategy is indicated for each country. To illustrate, in addition to IKEA furniture company's generic global Web site that uses English, the firm also offers 14 localized Web sites

TABLE 14.2 A Comparison of Chinese and American Cultures

CHINESE CULTURAL TRAITS	AMERICAN CULTURAL TRAITS
• Centered on a set of relationships defined by Confucian doctrine	• Centered on the individual
• Submissive to authority	• Greater emphasis on self-reliance
• Ancestor worship	• Resents class-based distinctions
• Passive acceptance of fate by seeking harmony with nature	• Active mastery in the person–nature relationship
• Emphasizes inner experiences of meaning and feeling	• Concerned with external experiences and the world of things
• A closed worldview, prizing stability and harmony	• An open view of the world, emphasizing change and movement
• Culture rests on kinship ties and tradition with a historical orientation	• Places primary faith in rationalism and is oriented toward the future
• Places weight on vertical interpersonal relationships	• Places weight on horizontal dimensions of interpersonal relationship
• Values a person's duties to family, clan, and state	• Values the individual personality

Source: Adapted from Carolyn A. Lin, "Cultural Values Reflected in Chinese and American Television Advertising," *Journal of Advertising* 30, no. 4 (Winter 2001): 83–94.

(in selected languages) and 30 minisites (in more languages) that only provide contact information. And whereas the IKEA Italian Web site shows a group of people frolicking on their IKEA furniture (nudity is acceptable and commonplace in Italian advertising), the Saudi Arabian Web site uses extremely conservative photographs (**www.ikea.com**).[14] As another example, while 88 percent of adults in both France and Germany drink mineral water, French consumption is strongly associated with concern over the quality of tap water, while German consumption is closely linked to vegetarians.[15]

A firm's success in marketing a product or service in a number of foreign countries is likely to be influenced by how similar the beliefs, values, and customs are that govern the use of the product in the various countries. For example, the worldwide TV commercials of major international airlines (American Airlines, Continental Airlines, Air France, Lufthansa, Swissair, United Airlines, and British Airways) tend to depict the luxury and pampering offered to their business-class and first-class international travelers. The reason for their general cross-cultural appeal is that these commercials speak to the same types of individuals worldwide—upscale international business travelers—who share much in common (Figure 14.2). In contrast, knowing that "typical" American advertising would not work in China, Nike hired Chinese-speaking art directors and copywriters to develop specific commercials that would appeal to the Chinese consumer within the boundaries of the Chinese culture. The resulting advertising campaign appealed to national pride in China.[16] Yet another example of cultural differences necessitating a change in marketing would be the efforts of Western banks to attract Muslim customers. The shari'ah (the sacred law of Islam based on what is written in the Koran) forbids Muslims from charging interest, and prohibits such Western-type financial transactions such as speculation, selling short, and conventional debt financing. Consequently, Western banks in the United Kingdom that want to appeal to that country's two million Muslim residents must develop a new range of products for this group of target consumers.[17]

FIGURE 14.2

Source: © Qantas Airways. Used with permission.



The International Business Traveler Seeks to Be Pampered with Services

Further supporting the importance of cultural differences or orientation, consider that Southeast Asia is frequently the largest market for prestige and luxury brands from the West, and that luxury brand companies such as Louis Vuitton, Rolex, Gucci, and Prada are looking to markets such as Hanoi and Guangzhou when they are thinking of expanding their market reach. Indeed, in fine-tuning their marketing, these luxury-brand marketers need to be especially responsive to cultural differences that compel luxury purchases in the Asian and Western markets. To this end, research suggests that while Western consumers tend to "use" a prestige item to enhance their sense of individualism or serve as a source of personal pleasure, for Southeast Asian consumers the same prestige item might serve to further bond the individual with others and to provide visible evidence of the person's value to others.[18] Still further, within the scope of a visible

luxury product, a woman in Hong Kong might carry a Fendi handbag (a visible and conspicuous item), but is not likely to be receptive to luxury lingerie because it is not an item that "shows" in public.[19]

The growing global middle class

The growing middle class in developing countries is a phenomenon that is very attractive to global marketers who are often eager to identify new customers for their products. The news media has given considerable coverage to the idea that the rapidly expanding middle class in countries of Asia, South America, and Eastern Europe is based on the reality that, although per capita income may be low, there is nevertheless considerable buying power in a country such as China, where $1,500 of income is largely discretionary income. This means that a Chinese family with $1,500 is middle class and is a target customer for TVs, VCRs, and computers. Indeed, this same general pattern of the growing middle class has also been observed in many parts of South America, Asia, and Eastern Europe.[20] In many parts of the world, an income equivalent to $5,000 is considered the point at which a person becomes "middle class," and it has been estimated that somewhat more than one billion people in the world's developing countries meet this income standard.[21] It is important to note though, that consumers in less-developed nations often cannot afford to pay as much for a product as consumers in the more advanced economies do. As an example, Nestlé has introduced low-price ice cream in China—the product sells for 12 cents.[22] Table 14.3 lists the size of the emerging middle class in 12 different countries. The results reveal that more than 90 percent of the population of South Korea can be considered middle class, whereas less than 5 percent of the populations of Nigeria and Pakistan can be similarly categorized.

The rather rapid expansion of middle-class consumers, over the past 50 years, have attracted the attention of many well-established marketing powerhouses, who were already finding their home markets to be rather mature and reaching what was felt to be a saturation point in terms of sales opportunities. While in 1960 two-thirds of the world's

TABLE 14.3 Size of the Emerging Middle Class in Selected Countries

	PERCENT OF THE POPULATION	NUMBER OF PEOPLE (MILLIONS)
Brazil	35	57.9
China	23	290.4
India	9	91.4
Indonesia	10	21.0
Korea, Republic of	93	44.0
Malaysia	46	10.7
Mexico	46	45.1
Nigeria	<5	<6.3
Pakistan	<5	<6.9
Peru	27	6.9
Philippines	25	18.9
Russian Federation	45	65.5

Source: Benjamin Senauer and Linda Goetz, "The Growing Middle Class in Developing Countries and the Market for High-Value Food Products," *Prepared for the Workshop on Global Markets for High-Value Food, Economic Research Service, USDA*, Washington D.C., February 14, 2003, 13, accessed at www.farmfoundation.org/documents/ben-senauerpaper2—10—3-13-03_000.pdf

TABLE 14.4 Measured Global Progress 1950–2050

	1950	2000	2050
Global Output, Per Capita ($)	586	6,666	15,155
Global Financial Market Capitalization, Per Capita ($)	158	13,333	75,000
Percent of Global GDP			
Emerging Markets	5	50	55
Industrial Countries	95	75	45
Life Expectancy (years)			
Emerging Markets	41	64	76
Industrial Countries	65	77	82
Daily Caloric Intake			
Emerging Markets	1,200	2,600	3,000
Industrial Countries	2,200	3,100	3,200
Infant Mortality (per 1000)			
Emerging Markets	140	65	10
Industrial Countries	30	8	4
Literacy Rate (per 100)			
Emerging Markets	33	64	90
Industrial Countries	95	98	99

Sources: Bloomberg, World Bank, United Nations, and author's estimates. Output and financial market capitalization figures are inflation-adjusted. Peter Marber, "Globalization and Its Contents," *World Policy Journal* (Winter 2004/05): 30.

middle class lived in industrialized nations, by the year 2000, some 83 percent of middle-class citizens were living in developing countries. These changes strongly suggest that more people are now living longer, healthier, and better lives—literacy rates in developing countries have risen dramatically in the past 50 years, and today two-thirds, rather than only one-third of the people living in these nations are literate.[23] Table 14.4 captures the global progress over the past 50 years and projects it to year 2050. Note how in 1950 the caloric intake in emerging markets was only 55 percent of industrial countries, while today it is more than 80 percent.

Although a growing middle class provides a market opportunity for products like Big Macs and fries, it should always be remembered that the same product may have different meanings in different countries. For example, whereas a U.S. consumer wants his or her "fast food" to be fast, a Korean consumer is more likely to view a meal as a social or family-related experience. Consequently, convenient store hours may be valued more by a Korean consumer than shorter service time.[24] In China, despite a traditional emphasis on "fresh" (just picked or killed) food, the emerging middle class, with rising incomes and rising demands on their time, are often willing to spend money to save time, in the form of alternatives to home-cooked meals.[25]

Regulations in different countries may preclude the use of some of the marketing practices that a firm employs in the United States. For example, German advertising rules do not allow an ad to compare one brand to another, nor do they permit Lands' End to offer a "lifetime guarantee." And whereas consumers in the United States like to buy with charge cards, the French prefer an invoice and the Germans prefer COD.[26]

Many transnational corporations (a company that had direct foreign investments and owns or controls activities in more than one nation) think in terms of regions as

markets, or even the entire world as their market. For example, Nestlé, a giant Swiss firm, generates only 2 percent of its sales in Switzerland, and bases only 4 percent of its workers there. Whenever possible, transnational firms try to avoid having products identified with a particular country, rather they seek to make their product feel "local and natural" to their target customers. Of course, there are exceptions to such strategy. In particular, we might speculate that people throughout the world might generally be expected to prefer a precision Swiss wristwatch, to a wristwatch that is made in their own country. Also fashion clothing items, made in France or Italy, are also likely to be perceived to be more desirable than locally made clothing.

The bottom line, though, is that more consumer goods are sold each year because of the growth of the world's middle-class population, and a marketer would do well to focus more on the emerging middle class in other nations than on people who cannot afford to buy its products in its home market. As a recent article concluded, "Coke is the global soft drink, Macs the global fast-food, and CNN the global television. These are the commodities of a new global middle-class."[27]

The global teenage market

As part of growth of the world middle class, there has been a parallel growth in an affluent global teenage and young adult markets. To be expected, these youthful markets have attracted the attention of marketers. Within reason, these teenagers (and their somewhat older brothers and sisters—"the young adult segment") appear to have quite similar interests, desires, and consumption behavior no matter where they live. Therefore, in response to this perspective, consumer researchers have explored the makeup, composition, and behavior of this segment(s). One particular study considered the fashion consciousness of teenagers in the United States, Japan, and China.[28] The research revealed that American and Japanese teens were highly similar, differing only in that the Japanese teens were more likely to choose style over comfort (most likely because of the importance, in the Japanese Confucian society, of meeting the expectations of group members). In contrast, Chinese teens were less fashion conscious than both the American and Japanese teens, which supports the idea that differences exist between highly developed and less high-developed nations with respect to teen fashion consciousness. Table 14.5 presents the four-item scale employed in the study to measure fashion consciousness; each item was measured using a 7-point Likert-type scale (1="strongly disagree" and 7="strongly agree") with the mean score for each question shown.

TABLE 14.5 Fashion Consciousness Scale Results for Chinese, Japanese, and U.S. Teenagers

ITEM	CHINA (μ)	JAPAN (μ)	USA (μ)	GRAND (μ)
1. I usually have one or more outfits that are of the very latest style	3.06	4.23	4.53	4.17
2. When I must choose between the two, I usually dress for style, not comfort	2.49	4.26	3.57	3.57
3. An important part of my life and activities involves dressing stylishly	2.24	3.72	3.34	3.26
4. Fashionable, attractive styling is very important to me	2.60	3.96	3.77	3.62

Source: R. Stephen Parker, Charles M. Hermans, and Allen D. Schaefer, "Fashion Consciousness of Chinese, Japanese and American Teenagers," *Journal of Fashion Marketing and Management* 8, no. 2 (2004): 181.

Acculturation is a needed marketing viewpoint

Too many marketers contemplating international expansion make the strategic error of believing that if its product is liked by local or domestic consumers, then everyone will like it. This biased viewpoint increases the likelihood of marketing failures abroad. It reflects a lack of appreciation of the unique psychological, social, cultural, and environmental characteristics of distinctly different cultures. To overcome such a narrow and culturally myopic view, marketers must also go through an *acculturation process*. They must learn everything that is relevant about the usage or potential usage of their products and product categories in the foreign countries in which they plan to operate. Take the Chinese culture, for example. For Western marketers to succeed in China, it is important for them to take into consideration *guo qing* (pronounced "gwor ching"), which means "to consider the special situation or character of China."[29] An example of *guo qing* for Western marketers is the Chinese policy of limiting families to one child. An appreciation of this policy means that foreign businesses will understand that Chinese families are open to particularly high-quality baby products for their single child (or "the little emperor").[30] One result of this one-child policy is that in the large cities in China, children are given more than $3 billion a year by their parents to spend as they wish and influence approximately 68 percent of their parents' spending. These Chinese children are also less culture bound than their parents and are, therefore, more open to Western ideas and products.[31]

In a sense, cross-cultural **acculturation** is a dual process for marketers. First, marketers must thoroughly orient themselves to the values, beliefs, and customs of the new society to appropriately position and market their products (being sensitive to and consistent with traditional or prevailing attitudes and values). Second, to gain acceptance for a culturally new product in a foreign society, they must develop a strategy that encourages members of that society to modify or even break with their own traditions (to change their attitudes and possibly alter their behavior). To illustrate the point, a social marketing effort designed to encourage consumers in developing nations to secure polio vaccinations for their children would require a two-step acculturation process. First, the marketer must obtain an in-depth picture of a society's present attitudes and customs with regard to preventive medicine and related concepts. Then the marketer must devise promotional strategies that will convince the members of a target market to have their children vaccinated, even if doing so requires a change in current attitudes.

Distinctive characteristics of cross-cultural analysis

It is often difficult for a company planning to do business in foreign countries to undertake **cross-cultural consumer research**. For instance, it is difficult in the Islamic countries of the Middle East to conduct Western-style market research. In Saudi Arabia, for instance, it is illegal to stop people on the streets, and focus groups are impractical because most gatherings of four or more people (with the exception of family and religious gatherings) are outlawed.[32] American firms desiring to do business in Russia have found a limited amount of information regarding consumer and market statistics. Similarly, marketing research information on China is generally inadequate, and surveys that ask personal questions arouse suspicion. So marketers have tried other ways to elicit the data they need. For example, Grey Advertising has given cameras to Chinese children so they can take pictures of what they like and do not like, rather than ask them to explain it to a stranger. Moreover, AC Nielsen conducts focus groups in pubs and children's playrooms rather than in conference rooms; and Leo Burnett has sent researchers to China to simply "hang out" with consumers.[33]

Applying research techniques

Although the same basic research techniques used to study domestic consumers are useful in studying consumers in foreign lands (see Chapter 2), in cross-cultural analysis an

TABLE 14.6 Basic Research Issues in Cross-Cultural Analysis

FACTORS	EXAMPLES
Differences in language and meaning	Words or concepts (e.g., "personal checking account") may not mean the same in two different countries.
Differences in market segmentation opportunities	The income, social class, age, and sex of target customers may differ dramatically between two different countries.
Differences in consumption patterns	Two countries may differ substantially in the level of consumption or use of products or services (e.g., mail catalogs).
Differences in the perceived benefits of products and services	Two nations may use or consume the same product (e.g., yogurt) in very different ways.
Differences in the criteria for evaluating products and services	The benefits sought from a service (e.g., bank cards) may differ from country to country.
Differences in economic and social conditions and family structure	The "style" of family decision making may vary significantly from country to country.
Differences in marketing research and conditions	The types and quality of retail outlets and direct-mail lists may vary greatly among countries.
Differences in marketing research possibilities	The availability of professional consumer researchers may vary considerably from country to country.

additional burden exists because language and word usage often differ from nation to nation. Another issue in international marketing research concerns scales of measurement. In the United States, a 5- or 7-point scale may be adequate, but in other countries a 10- or even 20-point scale may be needed. Still further, research facilities, such as telephone interviewing services, may or may not be available in particular countries or areas of the world.

To avoid such research measurement problems, consumer researchers must familiarize themselves with the availability of research services in the countries they are evaluating as potential markets and must learn how to design marketing research studies that will yield useful data. Researchers must also keep in mind that cultural differences may make "standard" research methodologies inappropriate. Table 14.6 identifies basic issues that multinational marketers must consider when planning cross-cultural consumer research.

alternative multinational strategies: global versus local

Some marketers have argued that world markets are becoming more and more similar and that standardized marketing strategies are, therefore, becoming more feasible. For example, Exxon Mobil has launched a $150 million marketing campaign to promote its brands (Exxon, Esso, Mobil, and General), and the firm wants all the ads to carry the same look and feel, regardless of which one of the 100 countries in the world the ad will appear.[34] In contrast, other marketers feel that differences between consumers of various nations are far too great to permit a standardized marketing strategy. In a practical

sense, a basic challenge for many executives contemplating multinational marketing is to decide whether to use *shared needs and values* as a segmentation strategy (i.e., to appeal to consumers in different countries in terms of their "common" needs, values, and goals) or to use *national borders* as a segmentation strategy (i.e., to use relatively different, "local," or specific marketing strategies for members of distinctive cultures or countries).

Favoring a world brand

An increasing number of firms have created **world brand** products that are manufactured, packaged, and positioned in exactly the same way regardless of the country in which they are sold. It is quite natural for a "world class" upscale brand of wristwatches such as Patek Philippe to create a global or uniform advertising campaign to reach its sophisticated worldwide target market (see Figure 14.3). Although the advertising copy is in specific target languages, one might speculate that many of Patek Philippe's affluent target customers do read and write English. Nevertheless, to maximize their "comfort zone," it is appropriate to speak to them in their native languages.

Marketers of products with a wide or almost mass-market appeal have also embraced a world branding strategy. For instance, multinational companies, such as General Motors, Gillette, Estée Lauder, Unilever, and Fiat, have each moved from a local strategy of nation-by-nation advertising to a global advertising strategy.

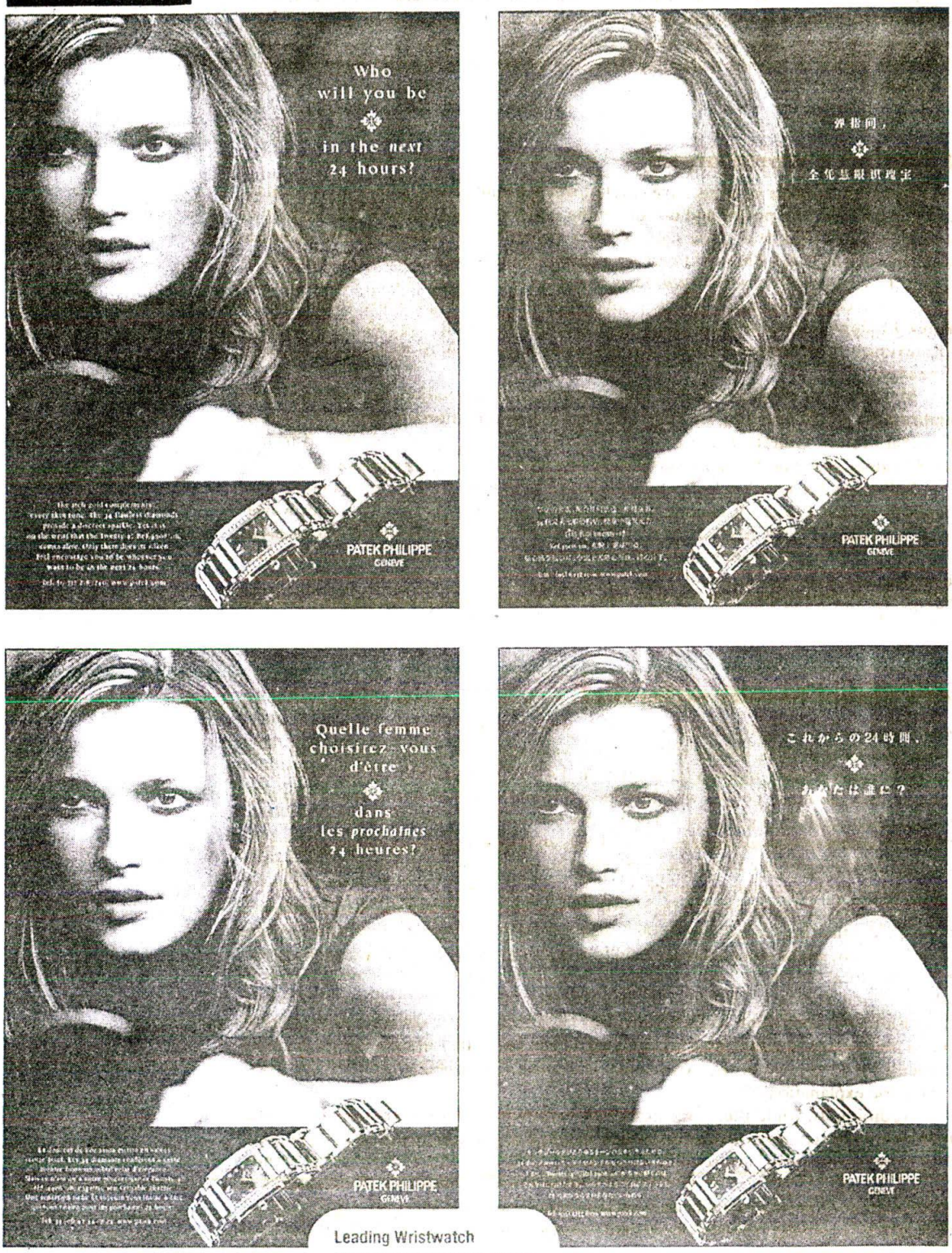
Still other marketers selectively use a world branding strategy. For example, you might think that Procter & Gamble (P&G), which markets hundreds of brands worldwide, is a company with an abundance of world brands. Recently, though, it was revealed that of its 16 largest brands, only three are truly global brands—Always/Whisper, Pringles, and Pantene. Some of P&G's other brands, such as Pampers, Tide/Ariel, Safeguard, and Oil of Olay, are just starting to establish common positioning in the world market.[35]

Are global brands different?

According to a 12 nation consumer research project, global brands are viewed differently than local brands, and consumers, worldwide, associate global brands with three characteristics: *quality signal*, *global myth*, and *social responsibility*. First, consumers believe that the more people who purchase a brand, the higher the brand's quality (which often results in a global brand being able to command a premium price). Still further, consumers worldwide believe that global brands develop new products and breakthrough technologies at a faster pace than local brands. The second characteristic, global myth, refers to the fact that consumers view global brands as a kind of "cultural ideals," and their purchase and use makes the consumer feel like a citizen of the world, and gives them an identity (i.e., "*Local brands show what we are; global brands show what we want to be*"). Finally, global companies are held to a higher level of corporate social responsibility than local brands, and are expected to respond to social problems associated with what they sell. For the 12 nations studied in this research, the importance of these three dimensions was consistent, and accounted for 64 percent of the variation in the overall brand preferences (quality signal accounts for 44 percent of the explanation, global myth accounts for 12 percent of the explanation, and social responsibility accounts for 8 percent of the explanation).[36]

Additionally, while there was not much variation across the 12 nations studied, there were intracountry differences, which resulted in the conclusion that there were four major segments in each country with respect to how its citizens view global brands. *Global Citizens* (55 percent of the total respondents) use a company's global success as an indication of product quality and innovativeness, and are also concerned that the firm acts in a socially responsible manner. *Global Dreamers* (23 percent of the total

FIGURE 14.3 *Source:* © Patek Philippe Geneva. Used with permission. All rights reserved



Leading Wristwatch Manufacturer Using a Global Advertising Strategy

respondents) view global brands as quality products, and are not particularly concerned about the social responsible issue. *Antiglobals* (13 percent of the total respondents) feel that global brands are higher quality than local brands, but they dislike brands that preach U.S. values and do not trust global companies to act responsibly. Generally, they try to avoid purchasing global brands. Lastly, *Global Agnostics* (8%) evaluate global brands in the same way they evaluate local brands.[37]

Multinational reactions to brand extensions

Just because a brand may be global in character does not mean that consumers around the world will necessarily respond similarly to a brand extension. A recent study examined reactions to brand extensions among Western culture (U.S.) and Eastern culture (India) consumers, hypothesizing that the Eastern holistic way of thinking (which focuses on the relationships between objects), rather than the Western analytic style of thinking (which focuses on the attributes or parts of objects and on category-based induction) would affect the manner in which consumers judge the "fit" of a brand extension. Indeed, the research results confirmed this hypothesis—low-fit extensions (McDonald's chocolate bar and Coke popcorn) received more positive evaluations from the Eastern culture subjects, while moderate-fit extensions (Kodak greeting cards and Mercedes Benz watches) garnered equal responses from both cultural groups. For the Eastern culture participants, liking Coke products, and the fact that Coke and popcorn were complementary products, in that they can be consumed together, was enough to make the brand extension acceptable. The American subjects, in contrast, saw little product class similarity between Coke and popcorn.[38]

Adaptive global marketing

In contrast to the marketing communication strategy that stresses a common message, some firms embrace a strategy that adapts their advertising messages to the specific values of particular cultures. McDonald's is an example of a firm that tries to localize its advertising and other marketing communications to consumers in each of the cross-cultural markets in which it operates, making it a "glocal" company. For example, the Ronald McDonald that we all know has been renamed Donald McDonald in Japan, because the Japanese language does not contain the "R" sound. Additionally, the McDonald's menu in Japan has been localized to include corn soup and green tea milkshakes.[39] And in Sweden McDonald's developed a new package using woodcut illustrations and a softer design to appeal to the interest the consumers of that nation have in food value and the outdoors.[40]

Like McDonald's, Levi's and Reebok also tend to follow multilocal strategies that calculate cultural differences in creating brand images for their products. For instance, Levi's tends to position its jeans to American consumers, stressing a social-group image, whereas it uses a much more individualistic, sexual image when communicating with European consumers.[41] Still further, Yahoo!, one of the most successful Web sites on the Internet, modifies both its content and communications for each of its 23 country-specific Web sites. Moreover, in a number of Coke's 140-plus markets, what we know as Diet Coke is called Coca-Cola Light, because the word *diet* has an undesirable connotation or no relevance.[42] Similarly, Coke's best-selling beverage in Japan is not Coke Classic—it's Georgia Coffee—packaged in a can and available in more than 10 versions (e.g., black, black with sugar, with milk and sugar, and so on). Other marketers, too, feel that the world brand concept may be going too far. Specifically, when it comes to the marketing of Tiger Woods, one of the premier golfers of our time. In the United States, he is seen as an example of African American success, in Asia he is a sports star with Asian heritage, and in Europe he is seen as a great young athlete who regularly beats older golfers.[43]

When it comes to the design of e-commerce Web sites, a five-nation research study suggests that consumers react best when content is adapted to their local needs

While in the past some companies felt that local adaptation involved no more than simply translating Web pages into the local language, it is now felt that special attention must also be paid to a number of other factors, including local time and date formats, units of measurement, addresses and telephone numbers, layout and orientation of Web pages, icons, symbols, color, and aesthetics.[44] Still further, one study of American and German Internet users reveals that German users were more likely to withhold or alter personal information on the Internet than American users. Analysis suggests that the German personality has a large private space and a small public space, which translates into a great sense of personal privacy; whereas the opposite is true of the American personality.[45]

Combining global and local marketing strategies

Some firms follow a mixed or combination strategy. For instance, Unilever, Playtex, and Black & Decker have augmented their global strategies with local executions. In taking such an adaptive approach, global advertisers with a knowledge of cross-cultural differences can tailor their supplemental messages more effectively to suit individual local markets. For example, a study has indicated that while U.S. consumers focus more on the product-related claims made in advertisements, Taiwanese consumers focus more on the appropriateness of the ad, such as its aesthetic qualities.[46] There is also some evidence to suggest that Spanish ads may contain a larger proportion of affiliation appeals than U.S. ads do because of Spain's cultural inclination toward femininity in its societal norms (U.S. societal norms tend to reflect masculinity).[47] Because concepts and words often do not easily translate and many regions of the country have their own language, advertisements in China are likely to be more effective if they rely heavily on symbols rather than text.[48] A recent study dealing with visual standardization in print ads concluded that "the standardized approach to global advertising may be able to convey a degree of uniformity in meaning when relying on visually explicit messages. . . . This suggests that there is an ability to create a general consensus of meaning across various cultures by using strong visual images whose fundamental message is highly apparent."[49] It is also important to note that consumers in different countries of the world have vastly different amounts of exposure to advertisements. For instance, the daily amount of advertising aimed at Japanese consumers, at almost $6 a day, is 14 times the amount aimed at the average Laotian consumer over the course of an entire year.[50]

A recent study of foreign advertisers in China found that 11 percent employed a standardized (or global) strategy, 12 percent used a localized strategy, and the remaining 77 percent favored a combination strategy. Of the seven advertising components that were studied, localizing language to blend with the local culture was considered to be the most important, followed by the need to localize product attributes, models, colors of ads, humor, scenic background, and music.[51] Additionally, it has been reported that many of the Western companies that have not been successful in China have acted as if what had worked well in other parts of the world would also prove successful in China. This is a too common mistake.

Perhaps the latest creative hotbed for advertising is Thailand, a nation that generally requires a different advertising focus than most other countries. While over 90 percent of the population is literate, Thais tend not to read as a leisure activity. Consequently, advertisements are designed to visually catch the attention of consumers, and are typically original, humorous, and often slapstick. An example is an ad in which Coke is paired with kung fu, which is not how Coke would be advertised in other markets.[52]

Frameworks for assessing multinational strategies

Multinational marketers face the challenge of creating marketing and advertising programs capable of communicating effectively with a diversity of target markets. To assist in this imposing task, various frameworks have been developed to determine the degree

TABLE 14.7 A Product Recognition Continuum for Multinational Marketing

FACTORS	EXAMPLES
Stage One	Local consumers have heard or read of a brand marketed elsewhere but cannot get it at home; a brand is "alien" and unavailable but may be desirable [e.g., Rover (English autos), Havana cigars (made in Cuba), or medicine not approved by the FDA but sold in Europe].
Stage Two	Local consumers view a brand made elsewhere as "foreign," made in a particular country but locally available (e.g., Saab autos, French wine). The fact that the brand is foreign makes a difference in the consumer's mind, sometimes favorable, sometimes not.
Stage Three	Local consumers accord imported brand "national status"; that is, its national origin is known but does not affect their choice (e.g., Molson beer in the United States, Ford autos in southern Europe).
Stage Four	Brand owned by a foreign company is made (wholly or partly) domestically and has come to be perceived by locals as a local brand; its foreign origins may be remembered but the brand has been "adopted" ("naturalized"). Examples are Sony in the United States, Coca-Cola in Europe and Japan.
Stage Five	Brand has lost national identity and consumers everywhere see it as "borderless" or global; not only can people not identify where it comes from but they never ask this question. Examples include the Associated Press and CNN news services, Nescafé, Bayer aspirin.

Source: Adapted from George V. Priovolos, "How to Turn National European Brands into Pan-European Brands," Working paper, Hagan School of Business, Iona College, New Rochelle, NY.

to which marketing and advertising efforts should be either globalized or localized, or mixed or combined.

To enable international marketers to assess the positions their products enjoy in specific foreign markets, Table 14.7 presents a five-stage continuum that ranges from mere awareness of a foreign brand in a local market area to complete global identification of the brand; that is, the brand is accepted "as is" in almost every market, and consumers do not think about its country of origin—"it belongs."

Table 14.8 presents a framework that focuses on four marketing strategies available to a firm contemplating doing business on a global basis. A firm might decide either to standardize or localize its product and either standardize or localize its communications program (thus forming a two-by-two matrix). The four possibilities that this decision framework considers range from a company incorporating a **global strategy** (or standardizing both product and communications program) to developing a completely **local strategy** (or customizing both the product and communications program) for each unique market. In the middle there are two *mixed strategies*. All four cells may represent growth opportunities for the firm. To determine which cell represents the firm's best strategy, the marketer must conduct cross-cultural consumer analysis to obtain consumer reactions to alternative product and promotional

TABLE 14.8 A Framework for Alternative Global Marketing Strategies

PRODUCT STRATEGY	COMMUNICATION STRATEGY	
	Standardized Communications	**Localized Communications**
Standardized Product	**Global Strategy:** Uniform Product/ Uniform Message	**Mixed Strategy:** Uniform Product/ Customized Message
Localized Product	**Mixed Strategy:** Customized Product/ Uniform Message	**Local Strategy:** Customized Product/ Customized Message

executions. To illustrate the strategic importance of product uniformity, Frito-Lay, the U.S. snack-food giant, has been standardizing quality and reducing the many local brand names of potato chip companies that it owns throughout the world. This effort is moving the company along a common global visual appearance that features the Lay's logo as a global brand. Its efforts are driven by research that reveals that potato chips are a snack food that has widespread appeal throughout much of the world.[53]

Another orientation for assessing whether to use a global versus local marketing strategy concentrates on a high-tech to high-touch continuum. **Product standardization** appears to be most successful for high-involvement products that approach either end of the high-tech/high-touch continuum. In other words, products that are at either extreme are more suitable for positioning as global brands. In contrast, low-involvement products in the midrange of the high-tech/high-touch continuum are more suitably marketed as local brands, using market-by-market executions.[54] To illustrate, on a worldwide basis, consumers interested in high-involvement, high-tech products share a common language (such as "bytes" and "microprocessors"), whereas advertisements for high-involvement, high-touch products tend to use more emotional appeals and to emphasize visual images. In either case, according to this perspective (high-involvement products that are either high-tech or high-touch), such products are candidates for global promotional communications.

Some researchers have written that globalization (or standardization) and localization should be viewed as two ends of a continuum and that often the key to success is to "be global but to act local." It is also generally an error to assume that demographic segments in other nations would want to be or act like Americans. When looking for success in a foreign market, it has been suggested that a company should remember the following 3 P's—place, people, and product. Table 14.9 presents the specific elements of these 3 P's and cites the appropriate marketing strategy when using a standardization approach and when using a localization approach.[55]

When marketing high-tech products abroad, it is important to note that many industrialized nations lag behind the United States in computer usage. For example, although more than 90 percent of U.S. white-collar workers use a PC, only 55 percent of Western European white-collar workers do so. Often the goal in many European firms is to rise to a high enough position in the company so you do not have to use a PC (i.e., not using a PC as a status symbol).[56] Moreover, approximately 68 percent of all existing Web pages are in English, 6 percent are in Japanese, 6 percent are in German, and 4 percent are in Chinese (these are the top four languages on the Internet).[57]

Perhaps because of the dominance of English-language pages on the Internet, specific non–English-speaking European nations appear to be out to distinguish themselves and their cultures by designing Web sites that in some way or other

TABLE 14.9 Degree of Fit Between Marketing Strategies and the 3 P's

		MARKETING STRATEGIES	
THE 3 P'S	**SPECIFIC ELEMENTS**	**STANDARDIZATION**	**LOCALIZATION**
Place	Economy	Prosperous	Struggling
	Partners	Few	Plentiful
	Competition	Low	Intense
People	Tastes	Little preference	High preference
	Sophistication	High	Low
	Segments	Few	Many
	Classification	Industrial/consumer durables	Consumer nondurables
Products	Technology	High	Low
	Culture bound	Low	High
	Reputation	Sterling	Poor or unknown
	Product perception	High	Low

Source: Sangeeta Ramarapu, John E. Timmerman, and Narender Ramarapu, "Choosing Between Globalization and Localization as a Strategic Thrust for Your International Marketing Effort," *Journal of Marketing Theory and Practice* 7, no. 2 (Spring 1999): 101. Reprinted by permission.

reflect their countries and specific cultures. So German Web sites might employ bright colors and a geometrical layout to give it a "German feel"; a French Web site might have a black background; a Dutch Web site might offer video downloads; and a Scandinavian Web site might provide a variety of images of nature.[58] Indeed, a recent study of global American brands examined how these brands standardize their Web sites in Europe (U.K., France, Germany, and Spain). The study found that while manufacturers' Web sites did have a minimal level of uniformity with respect to color, logo, and layout, the textual information and visual images were dissimilar from one market to the next. Still further, as with traditional advertising media, standardization for durable goods was higher than for nondurables.[59] In yet another study, researchers examined the domestic and Chinese Web sites of U.S.-based multinational companies. Findings show that the Internet is not a culturally neutral medium, but is full of cultural markers that allow country-specific Web sites to possess a feel and a look that is unique to the local culture. For example, while Web sites intended for the U.S. consumer often contained patriotic phrases and references to September 11th, Chinese Web sites were loaded with Chinese cultural symbols (e.g., the Great Wall of China, Chinese festivals). The managerial implication of the research is that consumers relate best to Web sites that have a local feel because it reduces the anxiety associated with the Internet (it is a relatively new medium) and makes navigation easier.[60]

cross-cultural psychographic segmentation

The paradox in cross-cultural consumer research is that although worldwide consumers may be similar in many ways (e.g., the increased number of women who work outside of the home), any differences in attitudes or behavior can be crucial in determining satisfaction and may provide an opportunity for segmenting consumers in terms of cultural differences. For example, although more than 50 percent of Japanese

and American women work outside of the home (which enhances the need for many convenience and time-saving products), Japanese women have been slower to embrace the liberated attitudes of their counterpart working women in the United States.[61] Seen in this light, the determination of whether or not to market a time-saving cleaning device as a world brand is a critical strategic decision. Some firms might attempt to establish a global branding strategy, whereas others would design an individual or local marketing strategy—one that treats Japanese and American working women differently. One marketing authority aptly summed up the issues years ago by stating: "The only ultimate truth possible is that humans are both deeply the same and obviously different. . . ."[62]

This book endorses the same thesis. Earlier chapters have described the underlying similarities that exist between people and the external influences that serve to differentiate them into distinct market segments. If we believe in tailoring marketing strategies to

TABLE 14.10 Six Global Consumer Market Segments

SEGMENT NAME	GLOBAL SIZE	DESCRIPTION
Strivers	23%	Value wealth, status, ambition, and power, and products like cellular telephones and computers. They consider material things extremely important.
Devouts	22%	Have more traditional values, like faith, duty, obedience, and respect for elders. Least involved with the media and least likely to want Western brands. Concentrated in the Mideast, Africa, and Asia.
Altruists	18%	Very outer focused—interested in social issues and causes. Generally well educated, older (median age 44), and more female than the norm. Found in Russia and Latin America.
Intimates	15%	These are "people people," and focus on relationships close to home, such as spouses, significant others, family, and friends. Often found in England, Hungary, the Netherlands, and the United States. Very heavy users of media—gives them something to talk about to others.
Fun Seekers	12%	The youngest group. They value excitement, adventure, pleasure, and looking good, and spend time at bars, clubs, and restaurants. The group loves electronic media and is more global in its lifestyle, especially in music.
Creatives	10%	Dedicated to technology, knowledge, and learning, and are the highest consumers of media, especially books, magazines, and newspapers. Members of this group are global trendsetters in owning and using a PC and in surfing the Web.

Source: Stuart Elliott, "Research Finds Consumers Worldwide Belong to Six Basic Groups That Cross National Lines," *New York Times*, June 25, 1998, D8. Copyright © 1998 The New York Times. Reprinted by permission.

pecific segments of the American market, it follows then that we also believe in tailoring marketing strategies to the needs—psychological, social, cultural, and functional—of pecific foreign segments.

Global psychographic research often reveals cultural differences of great importance o marketers. For example, Roper Starch Worldwide, a major multinational marketing esearch company, interviewed 35,000 consumers in 35 countries in order to identify hared values, irrespective of national borders. The research sought to uncover the edrock values in peoples' lives in order to understand the motivations that drive both ttitudes and behavior. After completing the interviews in North and South America, Asia, and Europe, six global value groups were uncovered: *Strivers, Devouts, Altruists, ntimates, Fun Seekers*, and *Creatives*.[63] Table 14.10 presents a brief description of each of hese six global market segments.

SUMMARY

With so much diversity present among the members of ust one nation (as in the United States), it is easy to appreciate that numerous larger differences may exist between citizens of different nations having different cultures, values, beliefs, and languages. If international marketers are to satisfy the needs of consumers in potentially very distinct markets effectively, they must understand the relevant similarities and differences that exist between the peoples of the countries they decide to target.

When consumers make purchase decisions, they seem o take into consideration the countries of origin of the brands that they are assessing. Consumers frequently have specific attitudes or even preferences for products made in particular countries. These country-of-origin effects influence how consumers rate quality and, sometimes, which brands they will ultimately select.

As increasing numbers of consumers from all over the world come in contact with the material goods and lifestyle of people living in other countries and as the number of middle-class consumers grows in developing countries, marketers are eager to locate these new customers and to offer them their products. The rapidly expanding middle classes in countries of Asia, South America, and Eastern Europe possess relatively substantial buying power because their incomes are largely discretionary (necessities like housing and medical care are often provided by the state for little or no cost).

For some international marketers, acculturation is a dual process: First, marketers must learn everything that is relevant to the product and product category in the society in which they plan to market, and then they must persuade the members of that society to break with their traditional ways of doing things to adopt the new product. The more similar a foreign target market is to a marketer's home market, the easier is the process of acculturation. Conversely, the more different a foreign target market, the more difficult the process of acculturation.

Some of the problems involved in cross-cultural analysis include differences in language, consumption patterns, needs, product usage, economic and social conditions, marketing conditions, and market research opportunities. There is an urgent need for more systematic and conceptual cross-cultural analyses of the psychological, social, and cultural characteristics concerning the consumption habits of foreign consumers. Such analyses would identify increased marketing opportunities that would benefit both international marketers and their targeted consumers.

DISCUSSION QUESTIONS

1. Will the elimination of trade barriers among the countries of the European Union change consumer behavior in these countries? How can U.S. companies take advantage of the economic opportunities emerging in Europe?
2. With all the problems facing companies that go global, why are so many companies choosing to expand internationally? What are the advantages of expanding beyond the domestic market?

3. Are the cultures of the world becoming more similar or more different? Discuss.
4. What is cross-cultural consumer analysis? How can a multinational company use cross-cultural research to design each factor in its marketing mix? Illustrate your answer with examples.
5. What are the advantages and disadvantages of global promotional strategies?
6. Should Head & Shoulders shampoo be sold worldwide with the same formulation? In the same package? With the same advertising theme? Explain your answers.
7. a. If you wanted to name a new product that would be acceptable to consumers throughout the world, what cultural factors would you consider?
   b. What factors might inhibit an attempt by Apple to position a new laptop computer as a world brand?
8. An American company is introducing a line of canned soups in Poland. (a) How should the company use cross-cultural research? (b) Should the company use the same marketing mix it uses in the United States to target Polish consumers? (c) Which, if any, marketing mix components should be designed specifically for marketing canned soups in Poland? Explain your answers.
9. Mercedes-Benz, a German car manufacturer, is using cross-cultural psychographic segmentation to develop marketing campaigns for a new two-seater sports car directed at consumers in different countries. How should the company market the car in the United States? How should it market the car in Japan?
10. What advice would you give to an American retailer who wants to sell women's clothing in Japan?
11. Select two of the marketing mistakes discussed in the text. Discuss how these mistakes could have been avoided if the companies involved had adequately researched some of the issues listed in Table 14.6.

EXERCISES

1. Have you ever traveled outside the United States? If so, please identify some of the differences in values, behavior, and consumption patterns you noted between people in a country you visited and Americans.
2. Interview a student from another culture about his or her use of (a) credit cards, (b) fast-food restaurants, (c) shampoo, and (d) sneakers. Compare your consumption behavior to that of the person you interviewed and discuss any similarities and differences you found.
3. Much has been written about the problems at Euro Disney, the Walt Disney Company's theme park and resort complex, which opened in France in April 1992. These difficulties were largely attributed to Disney's lack of understanding of European (particularly French) culture and the company's failure to modify its American theme-park concept to fit the preferences and customs of European visitors. Discuss how the Walt Disney Company could have used input from cross-cultural analysis in better designing and operating Euro Disney, using a computerized literature search about Euro Disney from your school's library.
4. Select one of the following countries: Mexico, Brazil, Germany, Italy, Israel, Kuwait, Japan, or Australia. Assume that a significant number of people in the country you chose would like to visit the United States and have the financial means to do so. Now, imagine you are a consultant for your state's tourism agency and that you have been charged with developing a promotional strategy to attract tourists from the country you chose. Conduct a computerized literature search of the databases in your school's library and select and read several articles about the lifestyles, customs, and consumption behavior of people in the country you chose. Prepare an analysis of the articles and, on the basis of what you read, develop a promotional strategy designed to persuade tourists from that country to visit your state.

KEY TERMS

- **acculturation**
- **cross-cultural consumer analysis**
- **cross-cultural consumer research**
- **cross-cultural psychographic segmentation**
- **global strategy versus local strategy**
- **multinational strategies**
- **product standardization**
- **world brand**

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