

SOCIAL CLASS AND BUYING BEHAVIOR



One of the factors that influence the awakening of consumer needs is membership in various social classes. Buyers often buy products similar to what their friends own. Therefore, it is important to study membership in social groups. The important thing to remember is that social class membership often determines when people buy products and what they buy. Marketers are therefore interested in understanding social class aspects for taking appropriate marketing decisions. In this unit we shall concentrate our discussion by three lessons on different aspects of social class and its effect on buyers' buying behavior.

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Lesson 1: Social Class-Basic Aspects

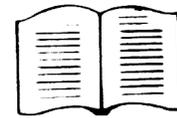
Objectives of this lesson

After reading this lesson, you will be able to:

- Know the background of social class study
- Understand the concept of social stratification
- Comprehend the bases and forms of social stratification
- Understand Max Weber's scheme of social stratification
- Define social class
- Trace the characteristics of social class.

Introduction

People in a particular society are divided into different distinct social classes. People are classified into social classes according to different characteristics. Consumption patterns vary with the change in social classes. For marketer, it is imperative to know each class behaves in terms of consumption behavior.



Background of Social Class study

You should know that the most fundamental and intriguing of all human phenomena is the tendency in people to both differentiate themselves from one another and to group together on the basis of similarities or consistencies. This is the basis for one of the most central concepts on marketing: market segmentation. Total market, you know, is divided into different subgroups of homogenous nature and characteristics. Similarities are found among the members of a particular subset, while they are different from members of other subsets. Because of differences among groups/subsets, behavior patterns vary among them. Sociologists refer to this as social structure. It implies that a group of people or market can be structured or subdivided into smaller groups on the basis of differences in their behavioral patterns. One may structure consumer groups in many ways. You may find difference in the demographic characteristics of consumers. They may also differ from one another in the degree to which they possess intellectual and material things such as knowledge, skills, and money. We use the concept of social class to describe these differences found among consumers. Again, one group of consumers may differ from another group on the basis of the customs they practice or follow.

As social structures vary among groups, they display different consumption patterns, lifestyles, and behavior. It is therefore necessary to study various kinds of social structures. Such study may help a marketer understand consumer behavior better. From this realization, marketers take keen interest to know different aspects of social stratification and

social class that may help them understand consumer behavior better and develop appropriate marketing strategies.

Concept of Social Stratification

In all societies some system of social stratification exists whereby the members of the society are differentiated. Throughout the world, inequality in social structure and position exist. Inequality found in societies that are claiming them classless. One should note that, every human society maintains a system of social stratification, or layering, through which members are assigned ranks, grades, or positions. Using these some members of society exploit others. Referring Kingsley Davis, Berkman and Gilson in their book. "Consumer Behavior", mentioned that, the history of all hitherto existing society is the history of class struggles. There are have and have not, oppressors and oppressed, rich and poor, lord and serf. It means that rewards and responsibilities among people are not distributed equally. This system is transmitted from one generation to the next by agents of socialization such as the family, educational institutions and religious institutions. Loudon and Bitta defined social stratification as "the general term whereby people in a society are ranked by other members of a society into higher and lower social positions, which produces a hierarchy of respect or prestige"¹. This stratification brings with its social inequality that is, persons in lower strata have fewer access to money, power, prestige and privilege. For example, secretaries are highly regarded and rewarded in our society, but ministerial staffs are not, even though both groups contribute to the well being of public.

There are two dimensions of social stratification - economic and non-economic.

There are two dimensions of social stratification - economic and non-economic. It should be well understood, for example, that, income is not the only difference in the position of secretaries and staffs. Insights of economics can help us in understanding how different levels of income influence consumer behavior, but we must turn to sociology to better understand the impact of non-economic dimensions such as status. Analysis of the bases of social stratification and the resulting social groups within a culture or subculture can improve a marketer's ability to define and analyze target markets.

Bases and Forms of Social Stratification

It is found that, every member of a society holds one or more socially defined positions. These positions are known as statuses. We, in the society occupy more than status at the same time. A man, for example, may simultaneously be a son, a teacher, and a father. Among the statuses, one is likely to dominate the others at any particular time. This dominant

¹ Loudon D.L., and Bitta A.J.D., *Consumer Behavior – Concepts and Applications*, McGraw-Hill, INC., USA, 1993, P., 168.

status is known as '*master status*'. An individual's master status may change several times over the course of his life.

The roles of these statuses vary, i.e., each status has its role. A role is a set of proper behaviors specified by culturally defined roles. The office of a Member of the Parliament (MP), for example, is a status. When an individual becomes an MP, he/she is expected to fulfill certain roles associated with that status. An MP may have legislative roles, political roles, and ceremonial roles. It is to mention here that, certain behaviors are considered improper for an MP, such as accepting bribes.

A role is a set of proper behaviors specified by culturally defined roles.

Social stratification systems, which are enforced through the assignments of statuses and roles, may be classified as either open or closed to social mobility. Social mobility is the ability of a person or a category of people to move from one level to another within the system. In India, for example, Hindu society maintains a closed system of castes. Individuals born into a caste are expected to stay in it all their lives. On the other hand, the US is a more open society. An individual there is born into the strata that his parents occupy. But, he can move from one social strata to another either through his own efforts or chance circumstances. Engel, Blackwell, and Miniard identified three major forms of social stratification. They are 'castes', 'estates', and "social class."

Social mobility is the ability of a person or a category of people to move from one level to another within the system.

Caste system is the older and traditional form of social stratification. Under the caste system, major emphasis is placed upon hereditary status. Large differences are found between highest and lowest castes in terms of power and status. The basis of the majority of the caste system is religion one that is found in India. Members of different castes have a limited level of interaction, and mobility between groups is very limited.

The estate system is also an older form of social stratification that was prevalent in medieval Europe. Under this form, rights and obligations of each group was clearly demarcated. This form was based on power and alliances.

The contemporary form of social stratification is the **class system**. It is found in the majority of the present day industrialized societies. Since classes are considered the basis of social interaction and differences in consumption, it is important for marketers to understand different aspects of social classes.

Max Weber's Scheme of Social stratification

It is now evident from this discussion that societies distribute its individuals into different social strata having different positions, duties, and roles to perform. How societies distribute their members into different social strata is a question. Mr. Max Weber developed a scheme which may be used to understand how people of a society are stratified into different groups. According to this scheme, a society may be stratified using six variables. They are: (1) prestige; (2) occupation, (3) possessions, (4) interaction, (5) class consciousness, and (6) value orientation. Now, we shall discuss each of the above six variables in the following sections:

- **Prestige:** Not everyone in the society command same level of prestige. We hold different attitudes to individuals having different levels of prestige. In a particular society, some are found to command relatively more prestige than others, and depending on that they are parts of different social strata.
- **Occupation:** Individuals' occupations vary as their prestige vary. Occupation may be considered the single best predictor of social strata that exist in a particular society. The job you do greatly affects your lifestyle, and is the single most important basis for according honor, prestige, and respect. Doctors in our country, for example, are accorded more respect and usually high financial reward.
- **Possessions:** The material goods that people possess may be used as a variable in social stratification. According to the types and nature of people's material possession, a society may be classified into hierarchy of social strata.
- **Interaction:** The kind of people with whom individuals meet and relate also is a variable using which a particular society may be stratified into different groups. Though it is one of the most important variables of stratifying societies, but it is very difficult to measure an individual's social interaction.
- **Class Consciousness:** "Class consciousness refers to the level at which people are aware of themselves as belonging to a distinctive social grouping".² Everyone in a particular society is not equally conscious of class differences. Those who are relatively conscious of class differences are more likely to fit in the upper strata of the society.
- **Value Orientation:** Values are our ideas about what is correct and what is not by which we conduct ourselves. These are basically shared beliefs about how people should behave. "When a group of people share a common set of abstract convictions that organize and relate a large number of specific attitudes, it is possible to categorize an individual in the group by the degree to which he or she possesses these values."³

One can use above six variables to stratify or classify a society into different groups. While using these variables in social stratification, one should remember that they (variable) are interrelated thus affecting each other. He should also bear in mind that, among the six variables, prestige is more dominant than others.

Social Class - Defined and Explained

² Berkman H.W. and Gilson C.C., *Consumer Behavior-Concepts and Strategies*, Dickenson Publishing Company, Inc. 1978, p. 173.

³ James F. Engel, Roger D. Blackwell, and David T. Kollat, *Consumer Behavior* (New York: Holt, Risehart & Winston, 1973), p., 334.

Social class and its attendant components (Such as education, occupation, and income) have been useful for decades in gauging the kind of information and meanings that are relevant to people in different social classes. People rank others into higher and lower social positions of respect within all societies. The results of this ranking is social classes. Social classes are groups whose members share similar values as well as social status. It is made up of people who share similar opportunities economic positions, lifestyles, attitudes, and behaviors. Classifying people by class occurs in all industrial societies. This classification of people is done as they are viewed by others in the society.

Individuals belonging to a particular social class will have similar levels of prestige and esteem. They will share a related set of beliefs, attitudes, and values which they are likely to express in their thinking and behavior. Thus, a person's social class is the group with which he is similar in these respects. Warner conceived of social class as two or more orders of people who are believed to be, and are accordingly ranked by the members of the community, in socially superior and inferior positions. Associated with this definition are the ideas that the individual must participate in the social interaction of the class and must be accepted as a peer by its members. Loudon and Bitta defined it as a group consisting of a number of people who have approximately equal positions in a society. Another comprehensive definition of the social class has been put forwarded by Schiffman and Kanuk where they say that social class is 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.

According to Kuhl, social classification does not include individuals rather families, and he believed that a large families having similarities among them and differences with others may be termed as a social class. Form his explanation, there is no reason to believe that income is the indicator of class membership. For example, two individuals - one serving in a private firm as an executive, and others serving a public university as teacher - having the same amount of income may not belong to the same class as their spending patterns will vary. Therefore, you cannot predict an individual's class membership based on his income. Occupation can be considered as a better determinant of social class. But, people of the same occupation may belong to different social classess if they differ in their attitudes and values. Attitudes and values ultimately determine consumer behavior. Thus, from pratical point of view, social class may best be understood by looking at the lifestyles of people. People belonging to a particular class are likely to display same lifestyle by buying and consuming similar types of products. From the above discussion, we may conclude that, social class consists of a large number of families having the same social position and prestige as well as displaying the same

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lifestyle. Thus, social class determines an individual's choice, purchase, and consumption of different marketable items.

Characteristics of Social Class

Social classes have a number of characteristics.

Social classes have a number of characteristics. In the following sections we shall mention the important social class characteristics. The major social class characteristics are: they (1) are bounded. (2) are hierarchical, (3) are mutually exclusive, (4) are exhaustive, (5) are influential, (6) exhibit status, (7) multidimensional, (8) restrict behavior, (9) are homogeneous, and (10) are dynamic. Let us now have a look at these characteristics in brief:

- **Social classes are Bounded:** By bounded it is meant that there are clear breaks between each social class. This break separates one social class from another. Such a boundary clearly indicates who will be included and who will be not in a particular class.
- **They are Hierarchical:** Social classes are ordered. It means that, they are positioned vertically. One social class precedes the other, and the individuals placed in different social classes have different statuses from high to low.
- **Social Classes are Mutually Exclusive:** Social class system indicated that an individual can only belong one social class in a particular time period. It does not mean that movement between the classes is restricted. An individual can move from one class to the another over time. But, generally, an individual is placed in one social class at a particular time.
- **They are Exhaustive:** Social classes are exhaustive in the sense that everyone in the society must fit in some social class or other, i.e., an individual in a society cannot be classless. Even if one does not possess any material thing, he will be considered as member of a particular class.
- **They are Influential:** Social classes are important determinants of consumer behavior. Variations in consumption of goods and services indicate that social classes are influential. But, the degree of such influence depends on an individual's class awareness and class consciousness.
- **They Exhibit Status:** Status means one's position or rank in the social system as perceived by others. Whether an individual will assume high or low status depends on the class to which he belongs. Certain social class members assume higher status than members of other social classes. One's status within the class, again depends on his personal characteristics. For example, all university professors do not enjoy the same status as their personal characteristics vary.

Social classes are important determinants of consumer behavior.

- **Social Classes are Multidimensional:** Social classes are not based on one property or dimension. They are rather based on many, and, as a result they are termed as multidimensional. We do not classify people according to one criterion, such as income, rather number of other criteria are used for social classification. Some of the other criteria as used in social classification are: influence, occupation, education, heredity, and living area.
- **They Restrict Behavior:** It is expected that members of a particular social class will interact with members of their class except few exceptions. People also feel comfortable interacting with people of the same class, mind and mentality. Such a unidimensional interaction restricts interpersonal communications about products, stores, and similar topics. People of upper class, for example, may talk about a particular product whose name is not even heard by the members of a lower class.
- **They are Homogeneous:** Individuals belonging to a particular social class will have similar attitudes, values, beliefs, interests, activities, lifestyles, and consumption behavior. Where they will differ from the members of others classes in these respects. This homogeneity among the members of a particular social class helps marketers segmenting markets effectively.
- **Social Classes are Dynamic:** The concept of social class is not a rigid one. By this we mean that, individual may move among different social classes over time- upward or downward. Again, status of one particular social class may also change over time as the society reassesses social class status. Air hostesses' status, for example, in our country has changed over time with the change in people's attitudes toward this profession. This change has brought change in their social class position.

The concept of social class is not a rigid one.

Self Evaluation

Objective Questions

1. Consumers differ from one another in the degree to which they possess –
 - a. Knowledge
 - b. Skills
 - c. Money
 - d. All of the above.
2. Every human society maintains a system of social stratification, or layering, through which members are assigned –
 - a. Ranks and grades
 - b. Positions
 - c. Both a & b
 - d. None of the above.
3. Rewards and responsibilities among people are –
 - a. Distributed equally
 - b. Not distributed equally
 - c. Distributed more
 - d. None of the above.
4. Persons in lower strata have –
 - a. Fewer access to money and power
 - b. Fewer access to money, power, prestige, and privilege
 - c. More access to money, but fewer access to power, prestige, and privilege
 - d. None of the above.
5. The dominant status held by an individuals is known as –
 - a. 'Prime status'
 - b. 'Major status'
 - c. 'Master status'
 - d. None of the above.
6. Social mobility is the ability of a person or a category of people –
 - a. To move from one level to another
 - b. To move from one level to another within the system
 - c. To exchange money for goods and services
 - d. All of the above.
7. Under the caste system, major emphasis is placed upon –
 - a. Hereditary status
 - b. Money
 - c. Both a & b

- d. None of the above.
8. Estate form of stratification was based on –
- Power
 - Alliances
 - Both a & b
 - All of the above.
9. Which of the following variables Max Weber used to stratify societies?
- Prestige and occupation
 - Possessions and interaction
 - Class consciousness and value orientation
 - All of the above.
10. Social classes are groups whose members share –
- Similar values
 - Similar social status
 - Both a & b
 - None of the above.
11. From practical point of view, social class may best be understood by looking at –
- The lifestyles of people
 - The incomes of people
 - Both a & b
 - None of the above.
12. Which of the following is a characteristic of social class?
- Bounded
 - Hierarchical
 - Mutually exclusive
 - All of the above.

Answers :

1. d, 2. c, 3. b, 4. b, 5. c, 6. b, 7. a, 8. c, 9. d, 10. c, 11. a, 12. d.

Descriptive Questions

1. Discuss the background of social class study. Explain the concept of social stratification.
2. What are the bases and forms of social stratification? Discuss.
3. Discuss the Max Weber's scheme of social stratification.
4. Define social class. Identify and explain the characteristics of social class.



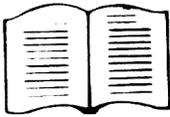
Lesson-2 : Determinants, Measurements, and Types of Social Class

Objectives of this lesson

After reading this lesson, you will be able to:

- Identify and explain the determinants of social class membership
- Understand the techniques of measuring social classes
- Know the different social classes that exist around the world
- Identify the characteristics of different social classes.

Introduction



A marketer must know how to measure the social classes of people living in a particular country. There are quite a few techniques of measuring social classes. Marketer should also know the types of social classes that exist around the globe, as well as their features. It will help him to develop right product for the right class of people.

How to Determine an Individual's Class Membership?

Marketers are interested to know what people are like in various social classes. They may take help from sociologists who have developed simple approaches for determining social class membership of individuals. Marketers, for formulating their strategies, should know who belongs to what class. A number of factors determine who belongs to what class in the social system. The basic factors determining an individual's class membership are: (1) occupation, (2) personal performance, (3) possessions/artifacts, (4) interactions/associations, (5) education, and (6) influence.

Occupation is the best single indicator of social class.

- **Occupation:** What happens when you meet someone for the first time? You usually first ask the name of the person and then ask him questions about what he does. The answer to the second question will tell you a lot about that person. Analysts of consumer behavior consider occupation the best single indicator of social class. Generally, prestige ratings of occupations coincide with assumptions about salary, or other monetary rewards, level of education, and social or political power. In our society, we usually rank secretaries, generals, successful businessmen into higher class, where, university teachers are considered as members of middle class.
- **Personal Performance:** Personal performance and achievements of an individual may also indicate where he fits in the social ranking. Majority of lawyers in our country preoccupied the middle class. But, a lawyer like Dr. Kamal Hossain definitely fits somewhere in the upper class only because of his personal performance or achievements.

- **Possessions / Artifacts:** What material items an individual possesses indicate his class membership. It is obvious that clothing, furnishing, type of house, and appliances owned and used by people of middle and upper class will vary. Thus, an individual's class membership may be determined by the type of house where he lives, clothing he wears, automobile he drives, and household appliances he use.
- **Interactions / Associations:** We feel comfortable when we mix up and are with the people of similar values and behavior. Interaction or association may be considered as an important determinant of an individual's social class. It is found that friendship, date, and marriages take place within people of the same class.
- **Education:** Higher or more education generally means higher social class. People holding Ph.D degree do not abound in the lower classes. A bachelor degree, on the otherhand, is almost a prerequisite for placement in the contemporary middle class.
- **Influence:** Everyone in the society does not hold and use same degree of influence. In a complex society, individuals having and exercising more power are considered to be the members of higher social class. Usually, individuals performing coordinating functions, such as ministers, generals, secretaries, are treated as members of upper classes.

Everyone in the society does not hold and use same degree of influence.

Techniques of Measuring Social Class

Earlier, we have mentioned that, occupation, education, income, and to a lesser extent, dwelling area are the primary dimensions used to determine social standing of individuals. These are the achievement based status dimensions. There are non achievement status dimensions as well, such as, age, gender, and parents' status. But, question comes: how do we measure these dimensions in the most effective manner? A wide range of social class measurement techniques are available. The basic techniques that are used by marketers to measure social classes are: (1) reputational approach, (2) subjective approach, and, (3) objective approach. Let us, now, discuss them in short:

- **Reputational Approach**

Lloyd Warner, one of the pioneers in the social class study, developed the reputational approach for measuring social class. The very name suggests that one's reputation in the society or among the neighbors or associates will determine his social class. Under this method, people are requested to measure the social position or rank the people they know. This method is applied using interview method. A group of respondents is selected by the interviewer and are asked to give opinions on their neighbors or known people with regards to their social standing. Respondents are not forced to give opinions, rather spontaneous responses are considered.

- **Subjective Approach**

Subjective approach, the very name suggests that, it is subject to individual bias. Under this method, individuals are asked to rank themselves into social classes. Individuals rate themselves according to their own understanding, not according to how they are viewed by others in the society. The problems lie here that, individuals are likely to rate themselves high compared to their actual social standing. Moreover, they are likely to avoid the implied meaning of different social classes. As a result to which, this method may give a false idea to the marketer with regards to the size of each social class.

- **Objective Approach**

Objective method measures social classes on the basis of some demographic variables. It is free from individual bias. The other two approaches described above are not free from the personal bias. The reputational technique takes into account, opinions of other people with regards to an individual's social class, where others may not appropriately rank an individual either because of his own disliking or to protect their self images. The subjective method is not bias free in the sense that, individuals are most of the time likely to exaggerate their own positions with respect to others. The objective method, in measuring social classes of individuals, use such demographic variables as income, occupation, education, type or area of residence, organizational involvement, and material belongings. There are two types of objective method: *single factor/item index and multiple factors/items index*.

- **The Single Factor / Item Index:** It calculates social status based on a single dimension. Because an individual's overall status is influenced by several dimensions, this method is generally less accurate at predicting individual's social position or standing in a society than are well developed multiple item index. But, the single item index allows one to estimate the impact of specific status dimensions on the consumption process. Three common single item indexes used by the marketers in measuring social classes of consumers are: income, occupation, and education.

Income is an indicator of status and purchasing power.

Income is an indicator of status and purchasing power. There is a correlation between income and status. But using income as a social class measurement dimension has a number of problems. Researchers face problems with regards to whether they should consider family income or individual income; before tax income or after tax income; or even salary or total income. Moreover, accurate income data is difficult to gather. Through, there is a correlation between income and lifestyle, but it is not always true. A university professor may have the same amount of income as a motor mechanic. But, lifestyles of these two individuals will differ so as their social classes.

Since education influences an individual's tastes, preferences, values, and attitudes, it is considered as a useful variable in measuring the

social classes of individuals. Moreover, it is fairly easy to measure education levels, and thus may be used effectively in measuring social classes.

The most widely used single item index is the occupation. The type of work one does has a direct bearing on his lifestyle, thus his social class. But, in most of the cases, occupation has correlation with education and income. One difficulty in using occupation as a social class measurement dimension is that, it is very difficult to determine the relative status of numerous job titles that exist in a society. To solve this problem, one can develop a hierarchy of occupation in terms of prestige, education, and income.

- **Multiple Factor / Items Index:** Multiple item index may provide a more accurate prediction of social classes of people. This method integrates more than one demographic variables and measures social classes based on more than one variable at a time. There are quite a number of multiple item indexes developed by researchers. Three of the widely used methods are; Warner's Index of Status Characteristics (ISC); Hollingshead Index of Social Position (ISP); and Coleman's Computerized Status Index (CSI). Among these three methods, Warner's one (ISC) is most widely used. Let us now have a brief look at first two of them as they are used extensively.

Warner's Index of Status Characteristics (ISC)

This method is most widely recognized and used multi item index of measuring social classes. It is based upon measures of occupation, source of income, house type, and dwelling area – four important socioeconomic factors. Warner defined each of these four dimensions over a range of seven categories and allotted different weights to each of the categories. Individuals are classified into one of the six social classes under this method. These classes will be discussed later in this lesson.

Hollingshead Index of Social Position (ISP)

Another well developed and widely used method of measuring social classes is the Hollingshead Index of Social Position (ISP). This method measures social classes along two dimensions: occupation and income. This method was designed to measure or reflect an individual family's overall social position within the community. This index may be seen in the following figure:

Figure-7.1: Showing the Hollingshead Index of Social Position (ISP)

Occupation scale (weight of 7)	
Description	Score
Higher executives of large concerns, proprietors, and major Professionals	1
Business managers, proprietors of medium-sized business, And lesser professionals	2
Administrative personnel, owners of small businesses, and minor professional	3
Clerical and sales workers, technicians, and owners of little businesses	4
Skilled manual employees	5
Machine operators and semiskilled employees	6
Unskilled employees	7
Education scale (weight of 4)	
Description	Score
Professional	1
Four-year college graduate	2
One to three years college	3
High school graduate	4
Ten to 11 years of school	5
Seven to nine years of school	6
Under seven years of school	7
ISP Score = Occupation score × 7 + Educational score × 4	
Classification system	
Social Strata	Range of Scores
Upper	11 – 17
Upper middle	18 – 31
Middle	32 – 47
Lower middle	48 – 63
Lower	64 – 77

Source: Adapted from Hawkins D.L., Best R.J., and Coney K.A., Consumer Behavior – Implications for Marketing Strategy, Business Publications, INC., USA, 1983.

Types of Social Classes and Their Characteristics

In every society, a set of social classes exist.

In every society, a set of social classes exist. Social classes, as you know, are relatively distinct units composed of individuals who share common attitudes, values, and pattern of behavior. Though social class may be categorized in various ways, W.L. Warner’s classification is accepted widely. He identified six social classes that exist in societies around the

world. The six commonly identified social classes are: (1) upper-upper; (2) lower-upper; (3) upper-middle; (4) lower-middle; (5) upper-lower; and (6) lower-lower. Marketers are particularly interested in social classes as the knowledge helps them formulating appropriate market segmentation, positioning, pricing, distribution, and communication strategies.

- **Upper-Upper Class:** The upper-upper class consists of people from old, wealthy families, often with inherited wealth for at least more than one generation. People of this group are found to be very polished in their behavior. Members of this group often live in large homes in exclusive neighborhoods. They are found to exhibit a sense of social responsibility. They patronize fancy, expensive, and status shops. Though upper-upper class people buy expensive items, they do not conspicuously display their wealth and properties. People of this group constitute a very good market for antiques, art, expensive and rare jewelry, luxury travel, and uniquely designed products. While buying different items, they expect special services from sellers. Their incomes mostly come from inherited wealth. They are aristocratic and small in number, and are considered elite by others in the society. Their children attend private, expensive schools, and graduate from the best universities. They spend money in such a way that as if it is unimportant, but they do not show off. Upper-upper class people also provide leadership and funds for social activities. They are found to serve as trustees for hospitals, educational, social, charitable, and religious institutions.
- **Lower-Upper Class:** This group is similar to upper-upper class in costly homes in the best neighborhood and in lifestyles, but lacking in distinguished ancestry. Their behaviors are not as polished as those of upper-upper class people. In some cases their incomes average somewhat larger than families in the upper-upper class. But their wealth is newer and is not inherited. “This is newly rich class, composed of those who have recently arrived at their wealth and are not quite accepted by the upper-uppers.⁴ Founders of larger business, lawyers, and wealthy doctors fall in this class. They are found to imitate the gracious living of the upper-uppers. Members of the society term them as ‘new rich’ and the current generation’s new successful elite. The consumption pattern of this group is often more conspicuous. Their consumption pattern acts as a symbol of their social position. They are the major purchasers of larger homes, more expensive vacation, clothing, food, and furniture, as well as luxury cars. As their wealth is earned during their lifetimes, not of second or third generation wealth, they are not accepted in the upper-upper class.

Members of lower-upper class are ‘new rich’ and the current generation’s new successful elite.

⁴ Loudon D.L., and Bitta A.J.D., *Consumer Behavior – Concepts and Applications*, McGraw-Hill, INC., USA, 1993, p., 177.

Upper-middle class is termed as the 'eyes and brains' of the society.

- **Upper-Middle Class:** Upper-middle class is composed of moderately successful businessmen and professionals and the owners of medium-sized companies. Upper-middle class people are usually highly educated and have a strong desire for achievement. They are very career oriented, and give their children an environment so that they do well in their lives. Financially they are less well off than the upper-middles. Most of the upper middles either lack lineage, or are not concerned much about it. Because of their educational attainments, they are often considered as the '*eyes and brains*' of the society. They are respectable, achieving, solid citizens of high moral standards and personal integrity. Their incomes are basically derived not from invested wealth but from salaries. The positions of the upper-middles are achieved by their career orientation and occupation. They are involved in a board range of social and cultural activities. The purchases of upper-middles are more conspicuous than those of upper class. They usually buy socially significant and status related items. They support social causes, live well and interact heavily with the members of their class. People of this class are concerned about the quality of life, and as a result they select homes and furnishings for entertaining and gracious living.

- **Lower-Middle Class:** Basically, white collar workers who earn respectable incomes and lead moderately comfortable lifestyles constitute this group. People of this class are found to be very careful in spending their money. Small businessmen, teachers, technicians, sales people, and, office workers usually belong to this class. This is a relatively large class in any society. People of this class are home and family oriented, morally serious, and religious oriented. They conform to the norms of the culture more than people of any other class. They try for respectability by doing the right thing and buying popular items. They save money to provide better education to their children, thus alleviating their social class. Since they have little confidence in their own tastes, they buy, in most of the cases, standardized products. They work more at their shopping than others and consider purchase decisions demanding and tedious. They are found to be highly price sensitive.

The solid working people constitute lower-upper class.

- **Lower-Upper Class:** This is the largest social class segment of many countries. The solid working people constitute this class. Members of this class seek security and protection of what they already have. They have less education, are lower paid, and work at semiskilled or unskilled jobs. They spend a large portion of their income on food and shelter. They are very much concerned with respectability and are closely tied to family for economic and emotional support. They are found to live in smaller houses and exhibit a routine life. Their purchase decisions are found to be impulsive in most of the times because of lack of self-confidence. They rely more on sales people and

advertising. People of this class are least involved in civic activities and interact little with others in the society except members of their same class. They prefer to enjoy the pleasures of today rather than save for the future.

- **Lower-Lower Class:** This class consists of unskilled laborers, people in non-respectable occupation, unemployed people, and people who live on welfare. As they live below the poverty line, they have very limited income to support themselves. They tend to live on a day-to-day basis. People of this class are poorly educated, and live in substandard houses and neighborhoods. They lack an ambition or opportunity to improve their lot.

Most of the members of lower-lower class live below the poverty line.

Activity:

Interview a salesperson from one of the following product categories. Ascertain his perception of the social classes or status of his customers. Determine if his sales approach differs with differing classes.

- a. Cosmetics
- b. Women's dresses
- c. Toiletries



Self Evaluation

Objective Questions

1. The basic factors determining an individual's class membership are –
 - a. Occupation, personal performance, possessions/ artifacts, interactions/ associations, and education
 - b. Occupation, personal performance, possessions/ artifacts, interactions/ associations, education, and influence
 - c. Personal performance, possessions/ artifacts, interactions/ associations, education, and influence
 - d. Possessions/ artifacts, interactions / associations, education, and influence.

2. Generally, prestige ratings of occupations coincide with assumptions about –
 - a. Salary, or other monetary rewards, level of education, and social or political power
 - b. Salary, or other monetary rewards
 - c. Salary, or other monetary rewards, level of education, and social
 - d. Salary, or other monetary rewards, and social or political power.

3. An individual's class membership may be determined by –
 - a. The type of house where he lives
 - b. The type of house where he lives, and, automobile he drives
 - c. The type of house where he lives, clothing he wears, automobile he drives
 - d. None of the above.

4. Individuals performing coordinating functions are treated as –
 - a. Members of middle class
 - b. Members of lower class
 - c. Both a & b
 - d. Members of upper classes.

5. Which of the following is a non achievement status dimension?
 - a. Age, gender, and parents' status
 - b. Age, and parents' status
 - c. Gender, and parents' status
 - d. None of the above.

6. Under the reputational method, people are requested to measure the social position or rank of the people –
 - a. They know
 - b. They do not know
 - c. Both a & b
 - d. None of the above.

7. Under the subjective method, individuals rate themselves –
 - a. According to their own understanding
 - b. According to how they are viewed by others in the society
 - c. Both a & b
 - d. None of the above.

8. The objective method, in measuring social classes of individuals, use such demographic variables as –
 - a. Income and education
 - b. Occupation and education
 - c. Both a & b
 - d. None of the above.

9. The most widely used single item index is –
 - a. Income
 - b. Occupation
 - c. Class consciousness
 - d. Value orientation.

10. Hollingshead Index of Social Position (ISP) method measured social classes along –
 - a. Two dimension
 - b. Three dimension
 - c. Four dimension
 - d. None of the above.

11. Which of the following is a characteristic of the members of upper class?
 - a. To exhibit a sense of social responsibility
 - b. Patronize fancy, expensive, and status shops
 - c. Both a & b
 - d. None of the above.

12. Upper-lower class composed of those –
 - a. Who have recently arrived at their wealth
 - b. Are not quite accepted by the upper-uppers
 - c. Both a & b
 - d. None of the above.

13. Upper-middle class composed of –
 - a. Moderately successful businessmen
 - b. Professionals
 - c. Owners of medium-sized companies
 - d. All of the above.

14. People of lower-middle class are –
- Home and family oriented
 - Morally serious
 - Religious oriented
 - All of the above.



Answers:

1. b, 2. a, 3. c, 4. d, 5. a, 6. a, 7. a, 8. c, 9. b, 10. a, 11. c.
12. c, 13. d, 14. d.

Descriptive Questions

1. Identify and explain the determinants of social class membership.
2. What are the widely used techniques of measuring social classes? Discuss them in detail.
3. Explain different social classes mentioning their characteristics.

Lesson-3: Marketing Implications of Social Class Study

Objectives of this lesson

After reading this lesson, you will be able to:

- Understand in general how social class study may help marketers
- Understand the lifestyle differences that exist among social classes
- Know in brief the patterns of buying behavior of persons in various social classes
- Know the marketing implications of social class as a determinant of buying behavior.

Why the Knowledge of Social Classes is Required for a Marketer?

The system of social class exists in all societies. Substantial differences with respect to buying behavior are found among classes. Various classes shop at different stores and prefer different treatment from sellers. People of different social classes buy different brands and show different spending and saving patterns. These have impacts on marketing strategy formulation. Thus, it may be necessary to design marketing programs tailored to specific social classes. What advertising message and media should be selected for each class, what should be the designs and prices set for each group, and how to distribute the product to each of the groups, may be decided appropriately with a sound knowledge of the social classes and their behavioral patterns. Social class study provides an important explanation of certain aspects of buying behavior.



Marketers are particularly interested in social class study, as there is a correlation between a consumer's social status and his purchasing patterns. This includes what he buys, from where he buys, the frequency with which he buys, how he makes payments, what motivates him to buy, and the mental process involved in the purchase decision. The concept of social class is both analytically useful and relevant to marketing decisions. Without having proper knowledge of social classes, their characteristics, and impacts on consumer behavior, it is not possible for a marketer to devise appropriate strategies in areas ranging from product development, to market segmentation, to pricing, and finally to distribution.

The concept of social class is both analytically useful and relevant to marketing decisions.

Lifestyle Differences That Exist Among Social Classes

Social class study is important to marketers in the sense that lifestyles vary among social classes as their values, attitudes, and behaviors vary. Because of these variations, people of different classes require different types of products, which requires different marketing strategies to be followed by the marketers. These differences may be used as bases for market segmentation and development of communication strategies. We

shall now develop a profile representing lifestyles of different social classes.

Profile Representing Lifestyle Differences Among Social Classes

Now we shall concentrate our discussion on the lifestyles differences of different social classes in the following sections:

Lifestyles of the Upper-Uppers: They are international in residence, relationships, and friendships. They live graciously, uphold family tradition and reputation, care for the community, contribute heavily in charity, belong to and lead prominent socio-cultural organizations, and reflect through their behaviors that they are blue-bloods.

Lifestyles of the Lower-Uppers: People of this class display a lifestyle that is a blend of the upper-uppers' pursuit of virtuous living and the upper-middles' success drive. They conspicuously use their newly earned wealth. They display their status through many material symbols. They also like to give others, the idea that, 'they are innovators', by buying and using late model products.

Lifestyles of the Upper-Middles: People of this class are highly achievement motivated, and career oriented. They display it by achieving rapid success in their careers. Their achievement motivation is also displayed by their heavy participation in civic and cultural activities. They are also found to be heavy socializers. People of this class have keen interest in obtaining better things in life. They display their lifestyles through the houses where they live and by making conspicuous purchases.

Lifestyles of the Lower-Middles: People of this class desire to live in well-maintained houses. They furnish and decorate their houses neatly. They usually prefer to live in road-side houses. They always try to perform their jobs better both at homes and at works. As this group's main focus is their homes, they spend much time in home centered activities such as keeping homes clean and tidy. They always want their children to be well-behaved. They are found to practice religion heavily. They are not found to be innovative in their lifestyles.

Lifestyles of the Upper-Lowers: They are oriented toward living well. They enjoy life from day to day basis. People of this class are preoccupied with stable human relationships in their day to day lives. They look horizontally for their norms and standards of behavior. Women of this class give enough time to their families and family related activities. Their social, psychological, and geographical horizons are found to be restricted and do not accept changes easily. They are more likely to seek security and protection of what they already have. They exhibit a routine life and live in dull areas of the city in small houses.

Lifestyles of the Lower-Lowers: They view the environment as the controlling force and themselves as pawns acted on by the environment. They often reject middle class morality in their lifestyles. Most members of this class are found to purchase on credit. They treat their children poorly and often live on a day to day basis. They are fatalistic in their outlook and behavior.

Patterns of Buying Behavior of Persons in Various Social Classes

By this time you have understood that, individuals within social classes develop and take on common patterns of buying and consumption behavior. People belonging to the same group tend to have similar attitudes, values, language patterns, and possessions. Therefore, an individual’s social class is likely to influence many aspects of his life. It may affect, for example, one’s chances of having children and their chances of surviving infancy. One’s social class may also influence his occupation, religious practices, childhood training, and educational attainment. As social class affects many aspects of a person’s life, it also influences his buying decisions. It determines the type, quality, and quantity of products that a person buys and uses/consumes. It also affects an individual’s shopping patterns and the types of stores he patronizes. Following table shows in summary form, the buying behavior of persons in various social classes.

An individual’s social class is likely to influence many aspects of his life as well as his buying decisions.

Class	Patterns of Buying Behavior
Upper-upper	People of this class are not conspicuous buyers/consumers. They purchase or inherit large houses. They buy conservative clothes. They patronize exclusive shops. They avoid mass merchandisers. They travel extensively. They purchase expensive and unique products.
Lower-upper	They pursue a gracious living. They spend their wealth conspicuously in purchases. They purchase large houses and luxury cars. They buy more expensive clothing, food, and furniture. They spend substantially in foreign travel.
Upper-middle	They buy expensive houses to indicate their social positions. They purchase products such as insurance to achieve financial security. Though their consumption may be conspicuous, they are found to be cautious to ensure that their purchases are socially acceptable. They usually buy high-quality products in pursuit of gracious living.
Lower-middle	They usually rent houses. But, sometimes, they are found to buy houses to be respectable in the society.

	Their houses are usually well maintained through the purchases of decorative items. They usually buy standard design and moderately priced one piece of furniture at a time. They are usually price sensitive, and shop covering a wide variety of stores and shopping areas. Joint shopping by husband and wife is more common in this class.
Upper-lower	They live in small houses or flats. They favor national brands, are usually more brand loyal. They spend less on housing and more on household items. They spend smaller proportion of their incomes on travel. They usually prefer to shop at nonexclusive stores. They are attracted more by the promotional offers and inducements. They also prefer credit purchase facilities.
Lower-lower	Their purchases are impulsive in many cases rather than planned. They spend larger portion of their incomes on daily necessities. They spend very less on their children's education. They prefer to shop at local stores where they know the owners and can get easy credit terms.

Source: Adapted from Pride W.M. and Ferrell O.C., Marketing – Basic concepts and Decisions, Houghton Mifflin Company, Boston, 1985.

Marketing Implications of Social Class as a Determinant of Buying Behavior

Marketers are particularly interested in social class as it has a relationship with the consumer's purchasing patterns. Majority of the marketers believes that there is a high correlation between purchasing patterns and consumer's social class. Therefore, they use the concept of social class in explaining consumer behavior. There have been several studies on the relationships between social class and consumer behavior. The findings of such studies provide very useful insights to marketers some of which are discussed below for reference:

Social class is a very useful predictor of buying behavior.

- **Social Class and Shopping Behavior:** Social class is a very useful predictor of buying behavior, particularly the store selection of people belonging to different classes. There is a very close relation between social class and store selection. Same product or brand may be purchased from different outlets by members of different social classes. Majority of the women of all classes enjoy shopping. But the reasons for enjoyment differ among classes. It is found from different studies on social classes that lower class women enjoy acquiring new clothes and household items. The middle and upper classes, on the otherhand enjoy pleasant store environment, display, and excitement in shopping. It is also found that middle and upper class women go for

shopping more frequently than lower class women. Middle and lower class people spend much time in shopping and also enjoy window shopping while upper class people shop quickly. Lower class people avoid status stores and prefer shops where they get discount and other facilities such as credit and friendly behavior. People of upper and upper middle classes are very organized in their purchases. They are found to be more knowledgeable with regards to different aspects of purchase. Middle class people work more at their shopping as they are value conscious and seek out the best buy for the money. The lower classes' purchases are mostly routinized and they depend more on in-store information sources.

- **Social Class and Media Usage:** There is a relationship between social classes and media usage. Different studies found that higher class people spend more of their leisure time in reading magazines and books, listening to the radios, and going to movies. They spend less time in watching television. Higher class people read more news and analysis magazines, notification books, and editorial materials in the newspaper. The lower class people, on the otherhand, read more fiction books, genral women's magazines, and genral news stories in newspapers. Lower class people usually subscribe newspapers less than the middle and upper clas people. Lower class people spend much time in fornt of television than upper class people. They are attracted by quiz shows, comedies, magazine programs and variety shows in television, where upper and upper middle class people enjoy watching programs on contemporary issues, TV talk shows, documentaries, late night movies, and dramas. Lower class people mostly subscribe those publications that dramatize romance and the lifesytles of TV and Cinema artists.
- **Social Class and Decision Making Process:** Engel, Blackwell, and Miniard found that the amount and type of search undertaken by an individual varies by social class. Since the lower classes have limited information sources they are at a disadvantage in filtering out information. They are found to be engaged less in information search relting to purchase decisions. They are found to relay on relatives and close friends for information about purchase decisions. On the contrary, middle class people rely more on commercial environment such as media information. They are also found to go for more overt searches.
- **Social Class and Response to Advertising and Promotional Messages:** Advertising and promotional messages are perceived differently by the members of different social classes. Advertising and promotional messages containing connotative meanings are not understood by lower class people, and, as a result, they do not take interest in such messages. Symbols and words used in advertising

messages are also interpreted differently by people of different classes because of differences in orientation and experiences. Voice and speech patterns are also perceived differently by the people of different classes. For example, speakers with upper-class voices and speech patterns can appear more credible to higher classes than low-status sounding speakers. Advertising portraying day-to-day life and solutions to practical problems can attract lower class people more. Advertising messages offering inducements such as ‘price-cuts’, ‘buy two, get one free’ etc. can influence lower class people more. Middle class people want to be sure that the incentive is worth the effort. They try to be sensible while reacting to such appeals. Upper-middle class people, on the contrary view such negatively, and they are found to be skeptical of advertising claims and suspicious of emotional advertising appeals. The upper class people may be attracted by different, sophisticated, stylish, witty, and individualistic appeals.

- **Social Class and Purchase of Expensive Items:** Brands of hard goods (such as furniture, appliances, and automobiles) purchased by people are also affected by their social class. Upper classes display a pattern of buying renowned, expensive, and unique brands of different, often bigger sizes. They are concerned more about the images in buying hard goods. The upper-middles try to imitate the uppers in purchasing hard goods to give others the idea about their achievements. Middle class people are more interested in those brands of hard goods that give them social acceptance. Lower class people on the otherhand consider price, durability, ease of operation, and function performance in selecting the brands of hard goods they purchase.
- **Social Class and Leisure Activities:** The way people enjoy their leisure, and the choice of recreational and leisure activities are also influenced by the social classes they belong. Lower and middle class people enjoy their leisure time involving in indoor games and activities, watching televisions, as well as visiting friends and relatives. In the lower and upper classes, husbands and wives are found to enjoy leisure independently. In the middle classes, on the otherhand, husbands and wives are found to enjoy leisure jointly. Upper class people enjoy their leisure time mostly in outdoor games and activities, such as organizing social and cultural events and attending meetings of different civic organizations.

Marketing managers must take the influence of social classes on the above mentioned areas. They must realize that social classes influence the selection of products and services by consumers. They should also note that advertising and promotional messages are perceived differently by people of different classes. As social classes influence purchasing behavior, media selection, information search, and leisure activities of people, marketers should give due attention to these while formulating

Social classes influence the selection of products and services by consumers.

strategies regarding marketing activities. Different segmentation, product design, pricing, promotion, and distribution strategies are required for different social classes for a marketer to be successful in this age of customer affluence and consciousness.

Self Evaluation

Objective Questions

1. People of different social classes –
 - a. Buy different brands
 - b. Show different spending and saving patterns
 - c. Both a & b
 - d. None of the above.

2. Marketers are particularly interested in social class study, as there is a correlation between –
 - a. A consumer's social status and his purchasing patterns
 - b. A consumer's income and his purchasing patterns
 - c. A consumer's family background and his purchasing patterns
 - d. A consumer's occupation and his purchasing patterns.

3. Without having proper knowledge of social classes it is not possible for a marketer to devise appropriate strategies in areas ranging from–
 - a. Product development, to market segmentation, and finally to distribution
 - b. Product development, to market segmentation, to pricing, and finally to distribution
 - c. Market segmentation, to pricing, and finally to distribution
 - d. None of the above.

4. People of the upper-upper class –
 - a. Live graciously
 - b. Uphold family tradition and reputation
 - c. Care for the community
 - d. All of the above.

5. People of the upper-middle class are –
 - a. Highly achievement motivated
 - b. Career oriented
 - c. Both a & b
 - d. None of the above.

6. People of the upper-lower class look horizontally for –
 - a. Their norms
 - b. Their standards of behavior
 - c. Both a & b
 - d. None of the above.

7. People of the lower-lower class –
 - a. Treat their children poorly
 - b. Often live on a day to day basis
 - c. Both a & b
 - d. None of the above.
8. Lower class women enjoy –
 - a. Acquiring new clothes
 - b. Household items
 - c. Both a & b
 - d. None of the above.
9. Middle and upper class women enjoy –
 - a. Pleasant store environment
 - b. Store display
 - c. Excitement in shopping
 - d. All of the above.
10. Higher-class people spend more of their leisure time –
 - a. In reading magazines and books
 - b. Listening to the radios
 - c. Going to movies
 - d. All of the above.
11. Advertising portraying day-to-day life and solutions to practical problems can attract –
 - a. Lower-class people more
 - b. Upper-class people more
 - c. Middle-class people more
 - d. None of the above.
12. Upper-middle class people are found to be –
 - a. Skeptical of advertising claims
 - b. Suspicious of emotional advertising appeals
 - c. Both a & b
 - d. None of the above.

Answers:

1. c, 2. a, 3. b, 4. d, 5. c, 6. c, 7. c, 8. c, 9. d, 10. d, 11. a, 12. c.



Descriptive Questions

1. Discuss how social class study may help a marketer. Describe the lifestyle differences that exist among social classes with examples.

2. Discuss in brief the patterns of buying behavior of persons in various social classes. What are the marketing implications of social class as a determinant of buying behavior?