

6

Social Class

There are two classes of people—those who create wealth and those who consume it.

After reading this chapter the student should understand:

- *Social class*
- *Behaviour—unique, shared and excluded*
- *Social class system*
- *Buying patterns of various social classes*
- *Market strategy applied to social classes*

Social Class

■ 6.1 What is a Social Class

A social class refers to a social position that an individual occupies in a society. People belonging to a social class have many characteristics, such as education, occupation, ownership of property and source of income. We, in India have many social classes and these divide the society into a hierarchy of classes, varying from the high class to low. The members within each group have almost the same status, income, buying characteristics. Social class influences the decision-making of groups and individuals.

We are aware of our social class to a certain extent, which gives us an idea of our status. Social class is a reality of life. It reflects on the marketing behaviour of consumers. The products we buy, the style we prefer the stores we visit and want to buy from.

Definition of Social Class

1. A social class is a hierarchical division of a society into relatively distinct and homogeneous groups with respect to attitudes, values, lifestyles, etc.
2. It is a relatively permanent and homogeneous division or strata in a society, which differs in their wealth, education, possession, values, beliefs, attitudes, friendship and manner of speaking.

Status difference also reflects on prestige, power and privilege.

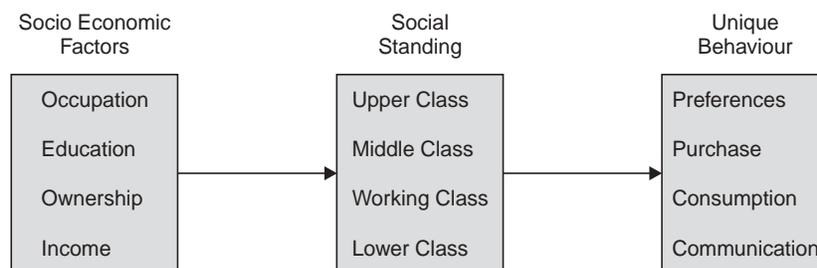


Fig. 6.1 Social Standing: How it is derived and influences behaviour

The concept of social class involves families rather than individuals. Members of the same family enjoy the same status, as they belong to the same social class and share the same

house, share a common income and have similar values. These characteristics effect their relationship with others. Social class results from large groups in a population sharing approximately the same life styles, who are stratified according to their social status and prestige.

All countries and societies have variations in social standing—many countries, including China, tried to have a classless society but not with great success. Social stratification is thus a reality of life. As shown in Fig. 6.2, the behaviour of all social classes are unique within themselves.

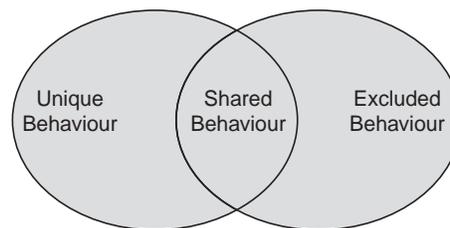


Fig. 6.2 Shared behaviour

Source: Adapted from *Consumer Behaviour*, Hawkins, Coney and Best

By unique behaviour we mean that each social class has its own pattern of purchase, education, occupation, recreation, etc. This is important to marketeers, in order to understand the needs of the consumer, and accordingly to frame a marketing strategy. There are many behaviours, that are common between social classes, and all social classes behave in a similar manner without much difference. This is shared behaviour. Excluded behaviour is one which the social classes do not indulge in. They try to avoid that behaviour, as it is against their standards and norms. These could be eating behaviour, *i.e.*, the choice of the eating place. Buying behaviour: The places one avoids going to, like discount stores, etc. for the upper class. Social classes usually meet the following five criterion:

Bounded

The social classes are bound by certain tacit restrictions which include or exclude certain individuals, places or objects. These are tacit rules they follow by themselves. They restrict behaviour as they share similar educational background, occupation lifestyle etc.

Ordered

All social classes have a hierarchy or stratification in terms of income, prestige and status that distinguishes them from the others.

Mutually Exclusive

The individual only belongs to one class and behaves and acts accordingly. However, the movement from one class to another is possible and goes on with time. We have a new rich class which has moved upward with the time. They are upwardly mobile and belong to the open system. Those in closed system have inherited and inscribed status. They cannot leave their social class.

Exhaustive

That every member of a social class must fit into some class and be identified with it.

Influential

There must be behavioural variations between classes or they may be expected to behave differently.

Based on the above criteria, it is clear that a strict and tightly-defined social class system does not exist. Social classes are basically divided into three major categories—upper, middle and lower. For the great spread, we have further classified them into four classes by bringing the working class in between the middle and lower.

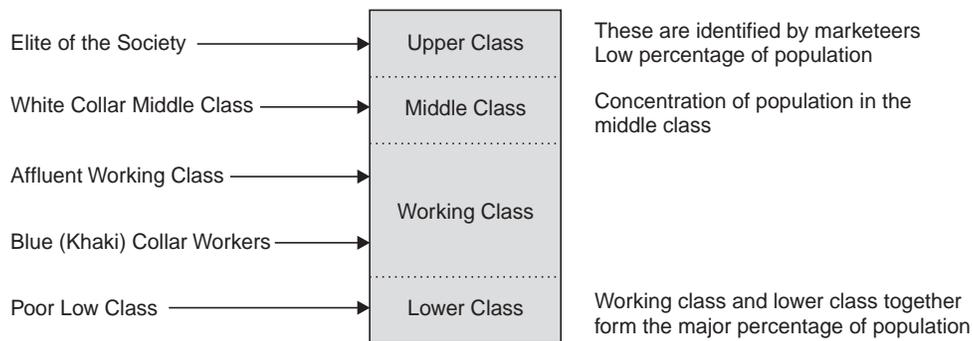


Fig. 6.3 Social class system

The classes have also been classified into six categories by Warner:

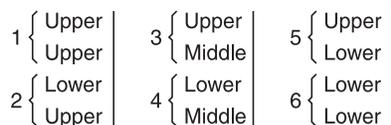


Fig. 6.4 Social class system

Warner's index uses 4 variables as an index of social class. These are occupation, income, house and dwelling area. Warner has categorised the social class into 6 categories. This helps the marketeers in deciding their target group and the marketing strategy for each. For instance, the concept of mass marketing can be more successfully applied to middle or the lower classes, rather than the upper class. The upper class is a target for speciality goods and rare commodities which depict their social status.

Social Classes and their Buying Patterns

The buying behaviour of individuals and groups are strongly influenced by the social class to which they belong, or aspire to belong. Social class is also linked to demographic and geographic data. These classes are found living in clusters and have relatively homogeneous geo-demographic segments in terms of housing, urbanisation and other, viz. class difference in status is symbolic for food, housing, clothing, purchases, lifestyle.

In a social class, people try to make the same kind of purchases as are expected by their peers. Marketeers try to target their products on class-based market segments.

Upper Upper Class

This is the most wealthy, aristocratic class having a lot of property. This is a small-sized segment and has to be targeted for novelty, expensive and luxury goods by the marketeers. This class has access to property, prestige and power. They have a lot of discretionary income and can buy the right product and services, and socialise with the right people. They are an attractive market segment for leisure goods, designer clothes, foreign travel and special services.

Lower Upper Class

They are lower in status than the upper upper class and try to imitate their lifestyle. They are known by their conspicuous consumption and are also a smaller target market for luxury goods. They try to acquire the habits and lifestyle of the upper upper class. The products used by the upper class trickle down to this class and is known as the *trickle down effect*. The upper class becomes a reference groups and the members of the lower upper class strive to achieve a higher status in the society. The marketeers knowing this, formulate a strategy for this group or class of people.

Table 6.1 Lifestyle orientation and purchasing pattern of a social class

<i>Social Class</i>	<i>Lifestyle Orientation</i>	<i>Purchasing Tendencies</i>
Upper Class	Good taste Graceful living Good things in life Individual expressions Interest in art and culture	Quality merchandise; Expensive hobby and recreation equipment, art, books, travel
Middle Class	Respectability, conformity, propriety, social esteem	Items in fashion and related to self presentation; Good Clothing, neighbourhood and house items for children
Working Class	Fun-oriented parochial (restricted in scope) Unsophisticated taste. Focus on possession and not ideas	Newest appliances, sporting events newest and biggest items
Lower Class	Close family relationships No interest in world affairs Neighbourhood oriented Want immediate gratification	Status symbol products: enhancing self-esteem; Pseudosymbols of prosperity, such as used scooters; readily available products

Source: Adapted from Hawkins, Best and Coney—*Consumer Behaviour*, p. 173.

Upper Middle Class

This class has achieved success in life and consists of managers, professionals, lawyers, professors. They are also owners of medium-sized business. They therefore take membership of clubs

and have a broad range of cultural interests. They are hard working and want to reach higher in society. Their aspirational group is the upper class.

Lower Middle Class

The common man represents this group. Some are highly paid workers and small business owners and may not have a very high education.

This class aspires for respectability. They wish to have well maintained houses in good neighbourhoods. Marketeers sell products, to this group, which have respectability and social acceptance in the society.

Upper Lower Class

They live for the present. They and the lower lower class constitute the major percentage of population. Their buying habits are influenced by their cultures and sub-cultures. Their social activities influence the purchase of product.

Lower Lower Class

They live in utter poverty. Their main concerns to fulfill their basic physiological needs. They need shelter, clothing, food and go for economical purchases. Their first priority is the price and they cannot afford any unnecessary expenditures.

Marketing Strategy and the Social Classes

Marketeers are interested in supplying the right products to the right customer (target segment) at the right price at the right time and with the right promotion. For this, first the target segment is selected and this can be done on the basis of social class, which is a better prediction of a consumer's lifestyle than income. Reasons for shopping and purchases also differ among the social classes. The upper classes shop for pleasure, and tend to visit stores which are exclusive and sophisticated. The situation of stores are also important. They visit boutiques and are particular where they go shopping. The upper and middle classes indulge in greater information search and get information through the TV, magazines, newspapers, and from groups and individuals of their social status.

The lower classes are involved in buying less costly products and have much less information. They are more concerned with social relationship and respond to products and promotion of a different nature.

Marketeers thus find that a combination of social class and income are superior for product classes that are visible. These products require moderate expenditure and are symbols of social status like TV sets, cars, clothing, etc.

In designing a market strategy using social stratification, a process is followed in which

- (a) The marketeer relates the status of the group to the product.
- (b) Data is collected as the targeted social strata.
- (c) Positions the product according to social status.
- (d) Develops a proper marketing mix.

While relating a product to the status of the group or individual, one has to understand that the product or brand consumed varies according to income, which may restrict the purchase of expensive items like cars. Education influences the consumption of fine arts, of imported goods and varies with social class. Credit cards, etc. are also used by different social classes for different purposes. This provides a motivation for purchase. Some use it for convenience and safety, or both, others use it to pay the monthly bills. Some products are used for symbols of prosperity, and to project their social class. Products are offered for different use situations, *i.e.*, parties, marriages gifts, daily use, etc.

Table 6.2 Developing marketing strategy for social class

<i>Relate status to product</i>	<i>Gather data on social class</i>	<i>Position the products</i>	<i>Marketing Mix</i>
Product	Actual life-style	Select desired image	Develop Marketing
Brand	Desired life-style	and correlate with	mix to achieve
Usage	Media usage	desired life-style	desired position
Purchase	Shopping habits		Product price
Motivation			Promotion
Symbolic meaning			Distribution
Use situation			Service

The next step is to gather data on the lifestyles of people and how they want to become upwardly mobile by aspiring to have a desired lifestyle. To promote the product to their life-style, proper media must be chosen and used effectively. The shopping habits of buyers and their patterns of buying are also to be studied carefully.

In the third step, the product is positioned. It is positioned according to different income groups and social classes, *e.g.*, Maruti-800 is an economy car; Zen is a world car; Esteem is more spacious and expensive.

Consumable products can also be positioned as a health drink—Bournvita, economical drink (Rasna), fizz drinks, etc. The products can be positioned according to the needs of the social classes.

The last step is to find out and offer, a proper marketing mix to the social class. This consists of product, price, promotion and distribution, which have many alternatives and have to be juggled to suit the target market. The after sales service is also very important and must be given due emphasis to satisfy the customer, and ensure repeat sales.

Questions

1. Explain the concept of a social class.
2. Describe the social stratification and its buying patterns.
3. How would you develop a marketing strategy for a social class?