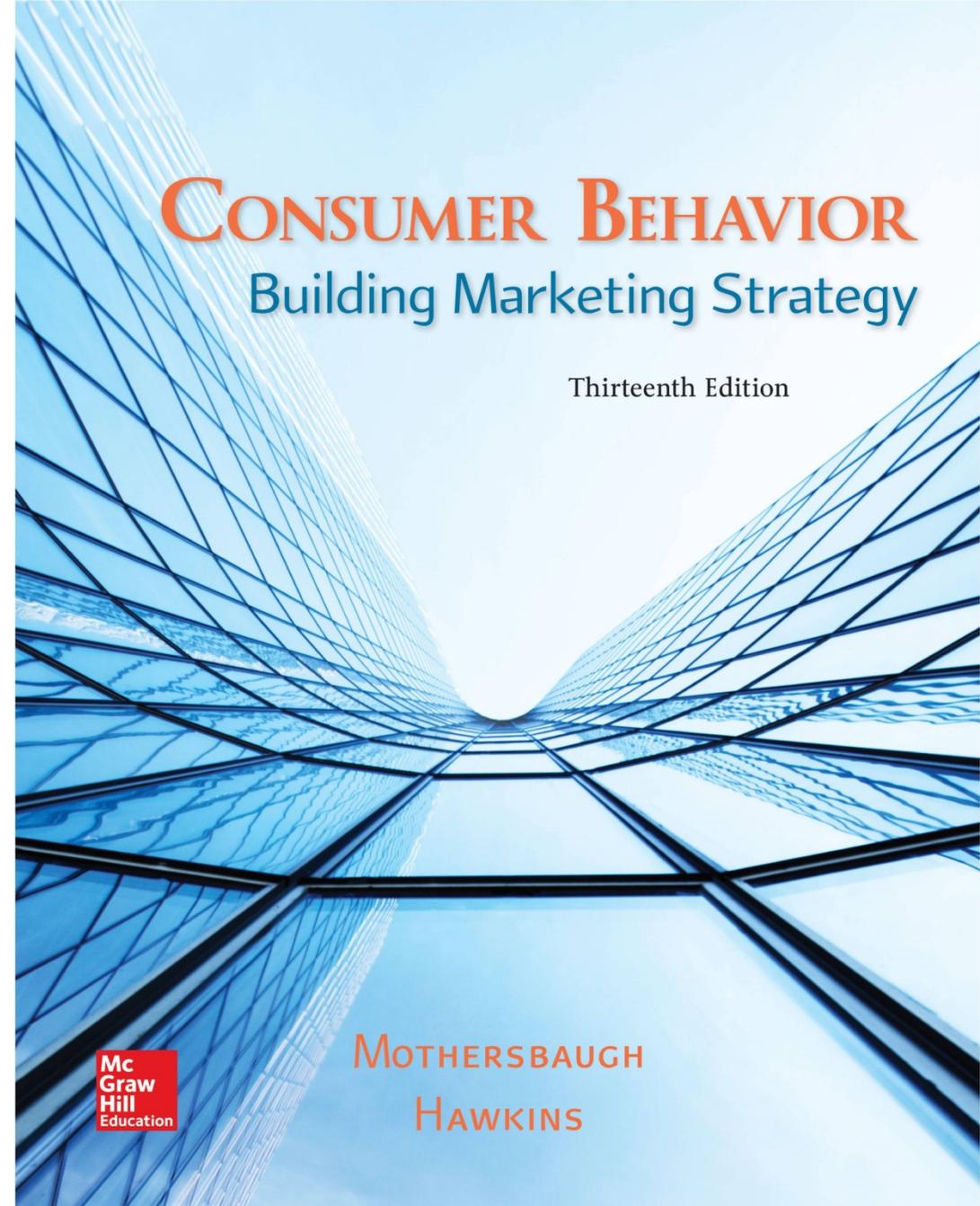


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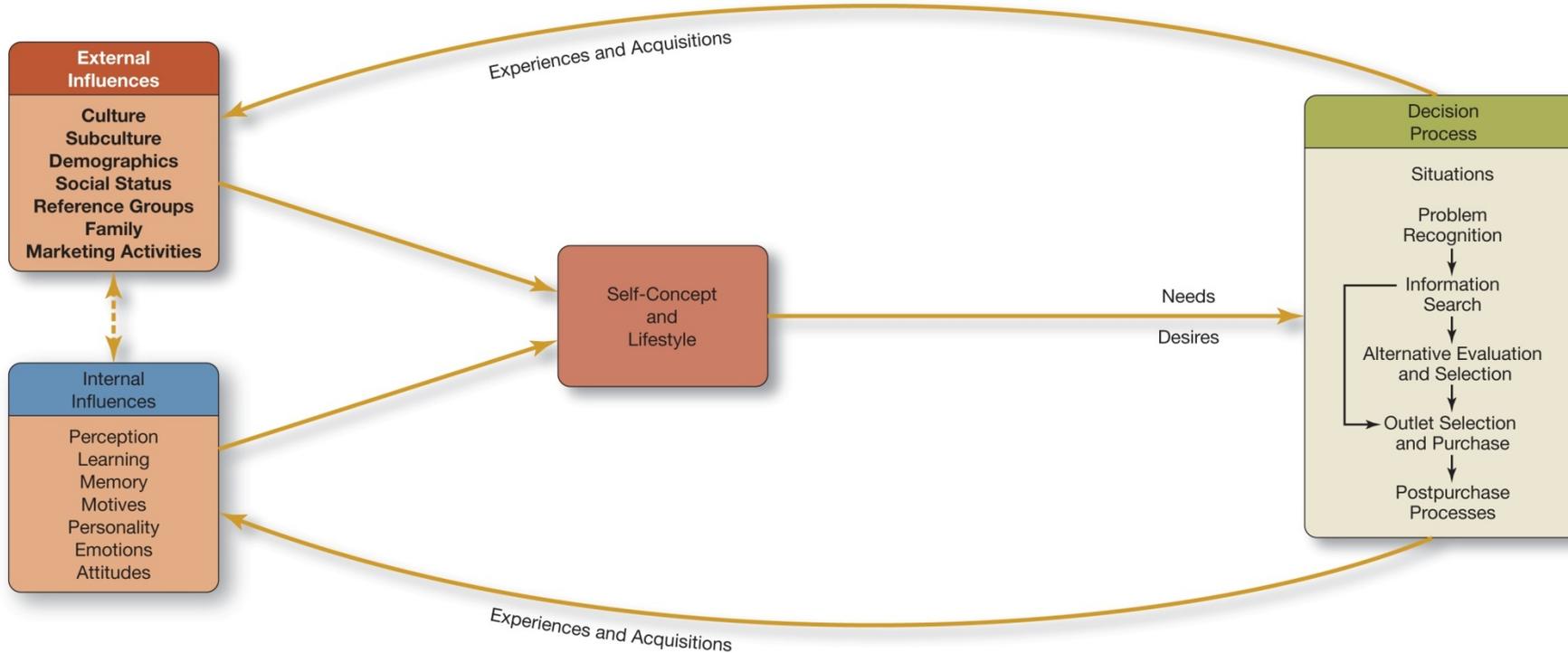
CHAPTER 4

The Changing American Society: Demographics and Social Stratification



PART II: EXTERNAL INFLUENCES

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Demographics and Social Stratification

Demographics

- Population and Size
- Occupation
- Education
- Income
- Age

Understanding American Generations

- Pre-Depression
- Depression
- Baby Boom
- Generation X
- Generation Y
- Generation Z

Understanding American Generations

A Generation or age cohort is a group of persons who have experienced a common social, political, historical, and economic environment.

Cohort analysis is the process of describing and explaining the attitudes, values and behaviors of an age group as well as predicting its future attitudes, values, and behaviors.

Understanding American Generations

How to Target the Mature Market

Gerontographics has identified the following four segments of the mature market:

- Healthy Indulgers
- Ailing Outgoers
- Health Hermits
- Frail Recluses

Social Stratification

- Social Rank and Social Class System
- Status Crystallization
- Social Structure in the United States
- The Coleman-Rainwater Hierarchy
- The Measurement of Social Class
- Social Stratification and Marketing Strategy

Social Stratification

Social rank is one's position relative to others on one or more dimensions valued by society, also referred to as social class and social standing.

A social class system is a hierarchical division of a society into relatively distinct and homogeneous groups with respect to attitudes, values, and lifestyles. "Pure" social classes do not exist in the U.S. or most other industrialized societies.

Social Stratification

Status dimensions, such as parental status, education, occupation and income, set limits on one's lifestyle, including one's residence.

Status crystallization, which is moderate in the U.S., reflects the consistency of these status dimensions.

People Like Us: Social Class in America

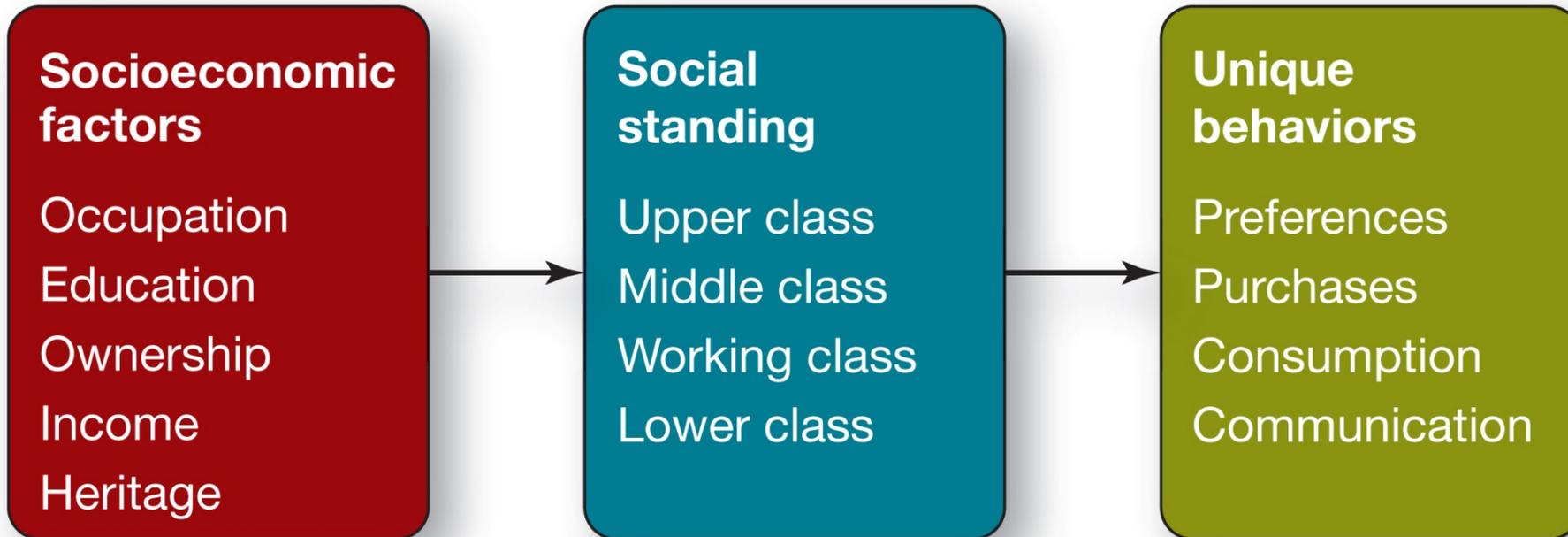


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Social Structure in the United States

Social Standing is Derived and Influences Behavior

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Social Structure in the United States

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TABLE

4-4

The Coleman-Rainwater Social Class Hierarchy

Upper Americans

- Upper-Upper (0.3%). The “capital S society” world of inherited wealth, aristocratic names.
- Lower-Upper (1.2%). The newer social elite, drawn from current professional, corporate leadership.
- Upper-Middle Class (12.5%). The rest of college graduate managers and professionals; lifestyle centers on careers, private clubs, causes, and the arts.

Middle Americans

- Middle Class (32%). Average pay white-collar workers and their blue-collar friends; live on “the better side of town,” try to “do the proper things.”
- Working Class (38%). Average pay blue-collar workers; lead “working-class lifestyle” whatever the income, school background, and job.

Lower Americans

- Upper-Lower (9%). “A lower group of people but not the lowest”; working, not on welfare; living standard is just above poverty.
- Lower-Lower (7%). On welfare, visibly poverty-stricken, usually out of work (or have “the dirtiest jobs”).

Social Structure in the United States

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Typical Profile				
Social Class	Percent	Income*	Education	Occupation
Upper Americans				
Upper-upper	0.3%	\$1,300,000	Master's degree	Board chairman
Lower-upper	1.2	990,000	Master's degree	Corporate president
Upper-middle	12.5	330,000	Medical degree	Physician
Middle Americans				
Middle class	32.0	61,000	College degree	High school teacher
Working class	38.0	33,000	High school	Assembly worker
Lower Americans				
Upper-lower	9.0	19,700	Some high school	Janitor
Lower-lower	7.0	10,900	Grade school	Unemployed

* Income is 2010 inflation-adjusted dollars using U.S. Consumer Price Index (CPI) data.

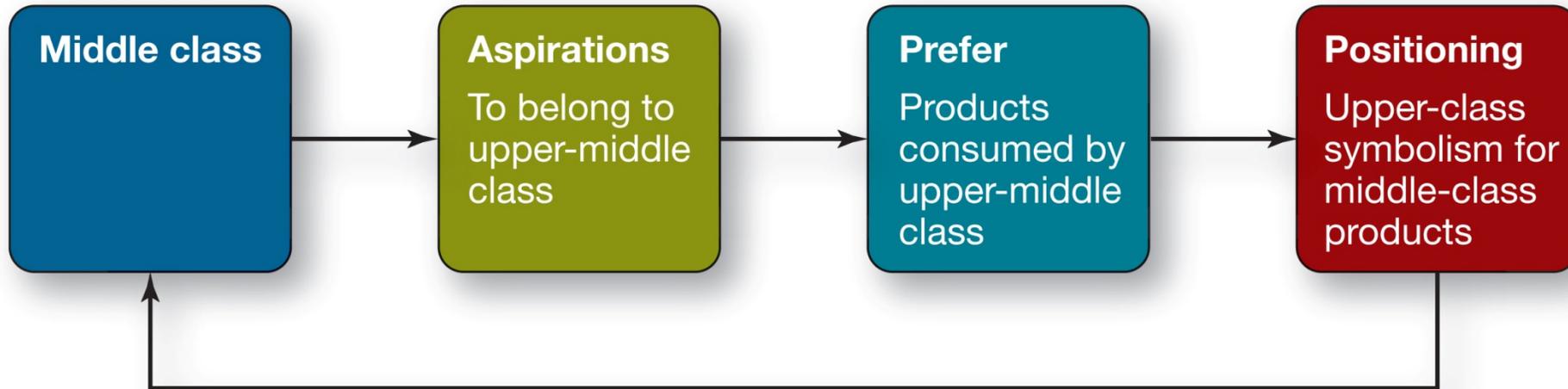
Source: R. P. Coleman, "The Continuing Significance of Social Class in Marketing," *Journal of Consumer Research*, December 1983, p. 267. Copyright 1983 by The University of Chicago. Used by permission.

Social Structure in the United States

Middle Americans

Upward Pull Strategy

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Measurement of Social Class

Demographics or Social Status?

Social status is largely derived from demographics; that is, one's income, education, and occupation go a long way toward determining one's social class or status.

Should marketers use an overall measure of social status (a multi-item index) or a demographic variable such as income?

Unless the marketer is interested in social standing per se, he/she will most likely focus on demographic characteristics as direct influencers on consumer behavior!

Social Stratification and Marketing

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