CHAPTER FIVE

Demographic Dimensions of Global Consumer Markets

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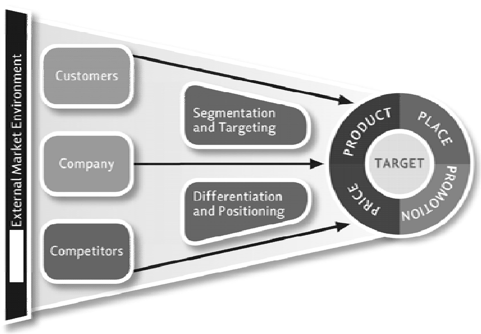
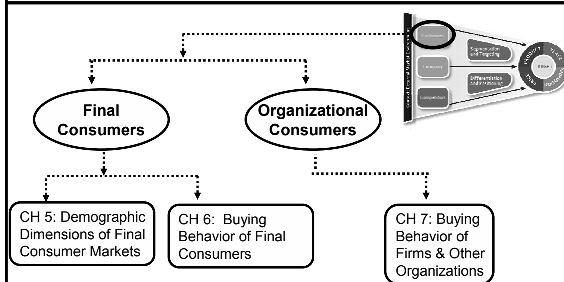
When we finish this lecture you should

1. Know about population and income trends in global markets — and how they affect marketers.
2. Understand how U.S. population growth is shifting in different areas and for different age groups.
3. Know about the distribution of income in the United States.
4. Know how consumer spending is related to family life cycle and other demographic dimensions.
5. Know why ethnic markets are important — and why they are increasingly the focus of multicultural marketing strategies.

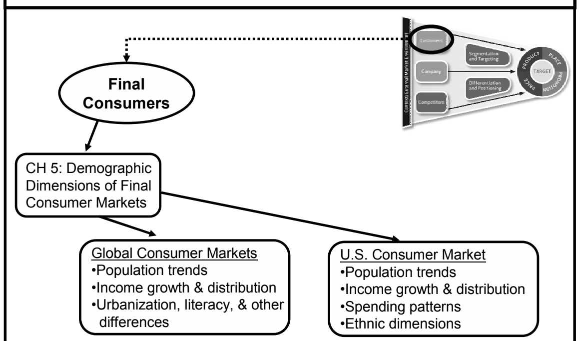
Marketing Strategy Planning and Demographic Dimensions of Final Consumers (Exhibit 5-1)



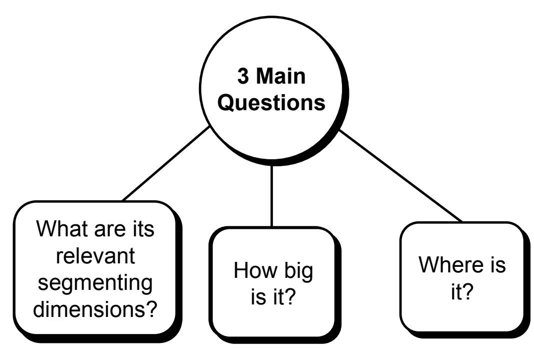
Marketing Strategy Planning and Demographic Dimensions of Final Consumers (Exhibit 5-1)



Marketing Strategy Planning and Demographic Dimensions of Final Consumers (Exhibit 5-1)

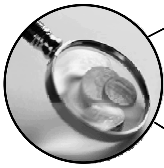


Target Marketers Focus on the Consumer



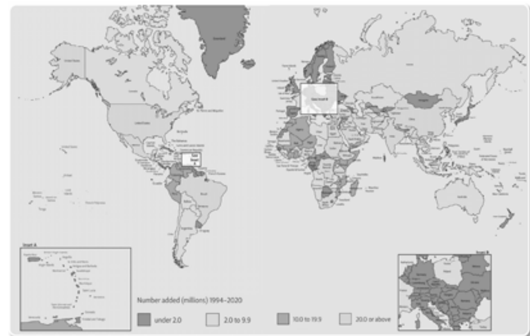
People with Money Make Markets

Search for Growing Markets



- Other Countries
- Current Population
- Population Trends

Worldwide Population Growth (Exhibit 5-2)



Other Population Trends

Increasing Density

Increasing Urbanization

Checking your knowledge

When deciding whether or not to target a potential group of customers, which of the following is **NOT** one of the three important questions you need to be able to answer?

A.How big the market is.
B.The market's relevant segmenting dimensions.
C.The products or services the customers currently use.
D.Where the market is.

No Money, No Market!

Gross National Income (GNI)

Income earned by foreigners in the nation

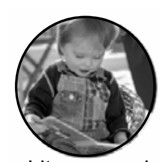
Gross Domestic Product (GDP)

GNI / Country's Population Size = Per Capita Income

Issues Related to Development

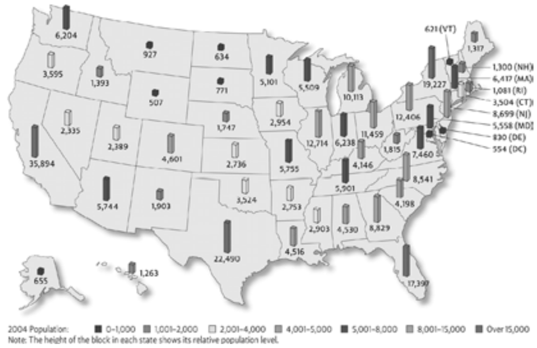
What do third world consumers really need?

Much segmenting may be required

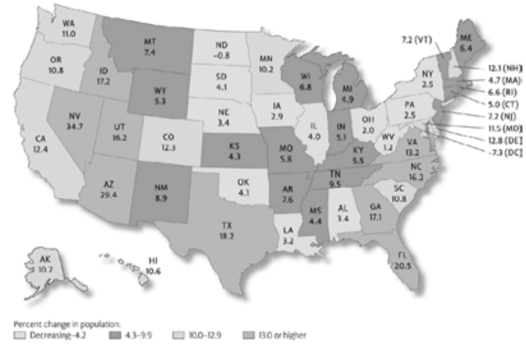


Literacy and marketing problems

Where Does Your State Stand? (Exhibit 5-4)



Population Change (in %) By State 2000 - 2010
(Exhibit 5-5)

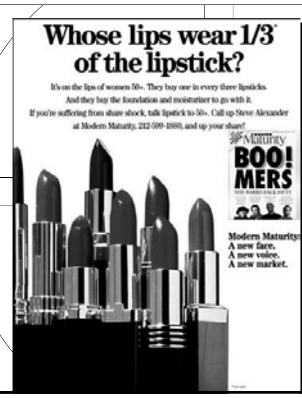


Growth Trends Young and Old

Key Trends

- Population Growing, but…
- Birthrate – Boom or Bust?
- Graying of America

Appealing to the "Matures"

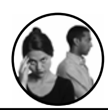


Not Just for the Younger Generation

Trends in US Households and Families

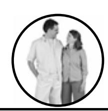
Married Couple without children

"Traditional" Family



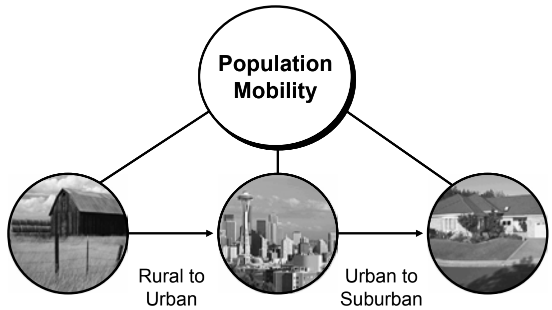
High Divorce Rate

Single Adult Households



Unmarried Living Together

US Population Mobility

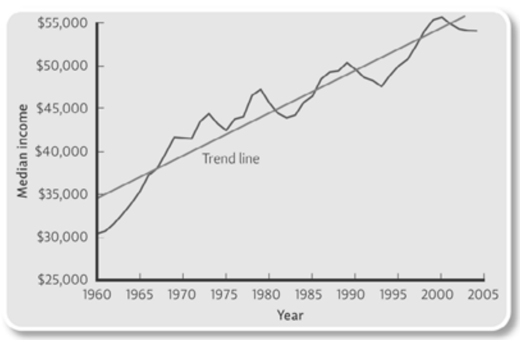


Checking your knowledge

Of the 13% of Americans that move every year, which category captures the majority (almost 60%) of those moves?

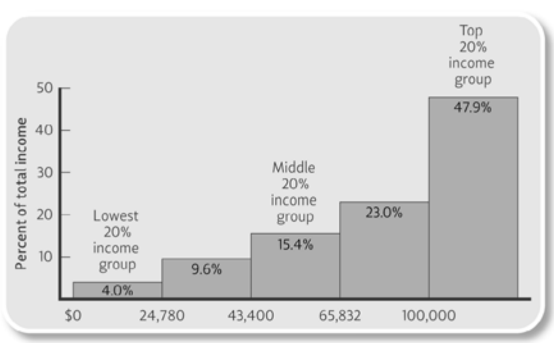
A. Out of the U.S.
B. From one region to another
C. Within the same state
D. Within the same county
E. Within the same neighborhood

Changing US Income Patterns (Exhibit 5-8)

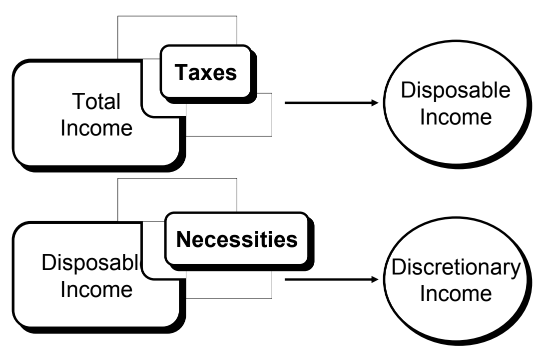


Appealing to Higher Income Consumers

Income Dimensions of the US Market (Exhibit 5-9)

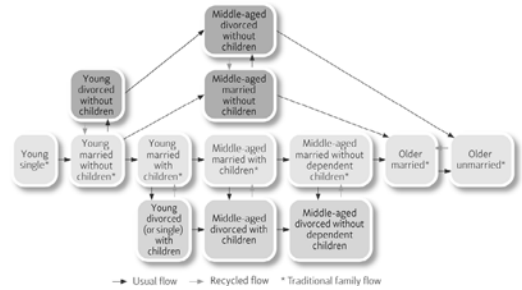


Different Types of Spending



A Luxury Item

The Family Life Cycle (Exhibit 5-10)

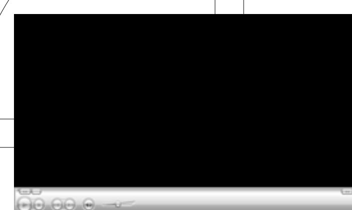


Family Life Cycle Implications

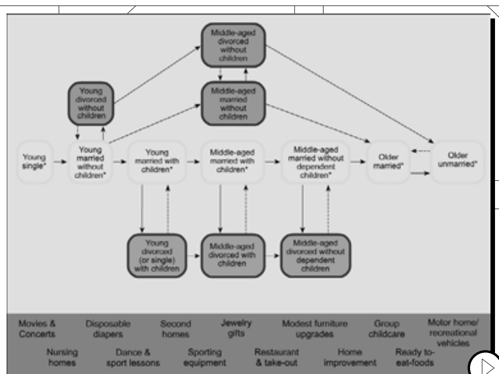
Key Issues

- Acceptance of new ideas
- Reallocation for teenagers
- Senior citizens
- Empty nesters

Family Life Cycle



Interactive Exercise: Family Life Cycle



Checking your knowledge

Which group likely spends the most money on durable goods?

A.Young single.
B.Young married without children.
C.Young married with children.
D.Middle-aged married with children
E.Older married without children

Ethnic Dimensions of the US Market

Buy Differently

Increasing Median Income

Avoid Stereotypes

High Growth Rate

Appealing to Minority Consumers

You now

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Key Terms

- Gross Domestic Product (GDP)
- Birthrate
- Metropolitan Statistical Area (MSA)
- Real Income
- Disposable Income
- Discretionary Income
- Empty Nesters
- Senior Citizens