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Yankelovich MONITOR® LIVE

Marketing 'Below the Median'

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the coming together of  
Henley Centre HeadlightVision  
and Yankelovich

# Spotlight on Below the Median Consumers

58.6 MM  
Households

**Median Household Income: \$50,233**

58.1 MM  
Households

## Group Definitions\*

### Above the Median Consumers

- 21+ years old
- Male or female head of household
- Household income \$50,000 or more

### Below the Median Consumers

- 21+ years old
- Male or female head of household
- Household income \$20,00 < \$50,000

Source: U.S. Census Bureau  
(<http://www.census.gov/prod/2008pubs/p60-235.pdf>)

\* As defined in the Yankelovich MONITOR® 2009/10 for today's LIVE

## Below the Median Consumers: Demographic Highlights

	Below the Median	Above the Median
<b>Male</b>	45%	51%
<b>Female</b>	55	49
<b>Age</b>		
21-34 yrs	25%	23%
35-49	28	35
50-64	25	30
65+	22	13
<i>Average (yrs)</i>	49	47.5
<b>Marital Status</b>		
Married/Living as couple	58%	81%
Separated/divorced/widowed	28	10
Never married	13	9
<b>Parent</b>	78%	76%
<b>Children &lt; 18 in household</b>	34%	40%
<b>Employment Status</b>		
Work full/part time	46%	68%
Temporarily unemployed	11	6
Retired	20	14
<b>Dual-income (Among married/living as couple)</b>	21%	51%
<b>Education: Some college or more</b>	42%	73%
<b>Ethnicity</b>		
White	65%	75%
African-American	14	7
Hispanic	16	12

**Insight  
#1**

*Below the Median consumers are challenged, but not defeated*

Important to the way others see you:  
**Someone who is always positive,  
even in difficult circumstances**

**Below  
the Median**

**67%**

Above  
the Median

**72%**

**Key Take-  
Away**

- Offer *Below the Median* consumers emotional reinforcement:  
Explore new ways to support optimism and a positive outlook

## Insight #2

*Below the Median consumers are living with a sense of financial vulnerability on many fronts*

	Below the Median	Above the Median		Below the Median	Above the Median
Economic Anxiety Level			Very/fairly worried about:		
None	3%	9%	Cost of healthcare	77%	62%
Low	15	28	Having enough money to retire on	68	54
Moderate	26	29	Cost of gasoline	64	47
High	26	20	Keeping up with the cost of living	61	44
Severe	29	13	Getting out of debt	55	35
		55%	Paying your monthly bills	53	31
		33%	Having enough money to put food on the table	47	22
I have enough savings to rely on for a rainy day					
	Below the Median	Above the Median			
	32%	52%			

## Key Take-Away

- 'Trade offs' are likely to be an ongoing necessity in *Below the Median* consumers' lives
- Recognize the importance of making a case for both category *and* brand in messaging to them

**Insight  
#3**

*Below the Median consumers have made many lifestyle 'adjustments' due to the recession*

**Below the Median**

	<b>Activities Done in Past 12 Months</b>	<b>Extremely/Somewhat Painful (among those doing activity)</b>
Went out to eat less	74%	44%
Cut back on amount spent on entertainment	70	52
Cut back on amount of driving you do	63	43
Spent less on personal grooming	59	46
Used your credit card less	58	32
Purchasing fewer services (e.g., house cleaning, car washes)	47	42
Cut back on cell phone plan	40	41
Cut back on cable, satellite, digital TV or pay-per-view channels	40	46
Worked longer hours/took a second job	35	57
Started borrowing/renting instead of buying	27	48

**Key Take-Away**

- Explore opportunities to help *Below the Median* consumers find ways to 'fill the gap' for some enjoyable aspects of daily life (especially, leisure and entertainment) that they've had to sacrifice

## Insight #4

### Debt is casting a long shadow over *Below the Median* consumers' lives

My level of debt is ruining the quality of my life

**Below  
the Median**

**39%**

**Above  
the Median**

**31%**

I am not confident that I will ever be able to get out of debt

**Below  
the Median**

**42%**

**Above  
the Median**

**29%**

My options for the future have become more limited because of my debt load

**Below  
the Median**

**52%**

**Above  
the Median**

**42%**

Very/fairly worried about: What my life in general will be like in the next few years

**Below  
the Median**

**55%**

**Above  
the Median**

**38%**

## Key Take-Away

- Consider opportunities to give *Below the Median* consumers a sense of progress towards the future
- Re-imagine the 'lay-a-way' idea in innovative ways

## Insight #5

*To confirm the obvious, price is important to Below the Median consumers*

	Below the Median	Above the Median
Important in choosing a brand to purchase:*		
Provides the best value for the money	81%	<b>85%</b>
Important in your personal life today:		
Getting the best price on everything you buy	<b>59%</b>	49%
Sticking to a budget	<b>58%</b>	49%
Describes you:		
I get the best price on everything I buy	30%	29%
I always stick to a budget	<b>26%</b>	20%

\* 5-7 on a 7-point scale, where 7 means extremely important, and 1 means not at all important

## Key Take-Away

- Until – and even after – the economy stabilizes and then into recovery, brands need to be mindful of keeping entries at accessible price points in order to retain *Below the Median* consumers
- Consider ways (e.g., tools, ideas, examples) to facilitate ‘budgeting’



**Insight  
#6**

*...but price is not the only criterion for Below the Median shoppers*

**Decisions About Which Products to Buy: Top “Deal Breakers”**

(Below the Median vs. Above the Median Consumers)

FOOD	PERSONAL CARE	HOUSEHOLD CLEANING	TECHNOLOGY
Price is lower than similar products ( <b>32%</b> vs. 24%)	Works well & lives up to its claims (36% vs. <b>41%</b> )	Product cleans effectively (43% vs. 47%)	Price is lower than similar products ( <b>34%</b> vs. 27%)
Tastes better than similar products (31% vs. <b>36%</b> )	Price is lower than similar products ( <b>30%</b> vs. 23%)	Price is lower than similar products ( <b>32%</b> vs. 24%)	It won't be obsolete any time soon (32% vs. 32%)
Good for you & contributes to a healthy diet (24% vs. 27%)	Product not tested on animals (24% vs. 20%)	Has a pleasant smell (19% vs. 18%)	Purchasing this brand will keep more jobs in the U.S. ( <b>29%</b> vs. 18%)

**Key Take-Away**

- Product performance must be convincingly conveyed – and delivered – to stay competitive with *Below the Median* consumers
- Know the specific ‘value added’ attributes that are key for your category

## Insight #7

*Below the Median consumers are wary of businesses – and less sure of their ability to ‘protect themselves’*

If the opportunity arises, most businesses will take advantage of the public if they feel they are not likely to be found out

**Below the Median**

**64%**

**Above the Median**

**63%**

It's impossible these days to find trustworthy information

Below the Median

**67%**

Above the Median

**55%**

Describes you: I am intelligent<sup>1</sup>

Below the Median

**53%**

Above the Median

**62%**

<sup>1</sup> 6-7 on a 7-point scale, where 7 means describes me completely and 1 means does not describe me at all

## Key Take-Away

- Build relationships with *Below the Median* consumers with clarity and simplicity (not ‘dumbing down’!)
- Encourage a positive perception of their competence and ‘smarts’

**Insight  
#8**

*Below the Median consumers value a 'chord of familiarity' to help minimize risk*

Prefer or relate to more:	<b>Below the Median</b>	Above the Median
Something familiar & comfortable	<b>62%</b>	52%
vs.		
Something new & exciting	38	<b>48</b>

*Which doesn't mean defaulting to 'big brands'...*

It's risky to buy a brand you're not familiar with

<b>Below the Median</b>	Above the Median
<b>48%</b>	44%

Important in choosing a brand:  
Is a recognized market leader\*

<b>Below the Median</b>	Above the Median
<b>37%</b>	<b>46%</b>

\* 5-7 on a 7-point scale, where 7 means extremely important, and 1 means not at all important

**Key Take-Away**

- *Below the Median* consumers are apt to be looking for 'safety nets'
- Think: Interesting-not-exotic varieties, guarantees, 'presence' (distribution, promotional)

## Insight #9

*Below the Median consumers are less concerned about what brands say about them*

	Below the Median	Above the Median
The brands you buy tell a lot about the type of person you are	36%	<b>40%</b>
I like brands that show I have good taste	35%	<b>41%</b>
I like to buy brands that show others I am successful	17%	<b>23%</b>

## Key Take-Away

- *Below the Median* consumers are not likely to find an overt “status” positioning appealing
- Consider aspirational lifestyles in messaging, focusing on brand providing a better quality of life

## Insight #10

*The Internet plays a less prominent role in Below the Median consumers' lives than in others' lives*

### % Using the Internet

56%

vs. 84%  
for Above the Median

Of the 60 online activities covered in MONITOR, fewer Below the Median consumers participate in 42 of the activities than do Above the Median

35% visit social networking sites (37% for Above the Median)

### Average # of TV Hours Past Week

20

vs. 17  
for Above the Median

80% have cable/satellite TV (vs. 91% of Above the Median)

13% have free network only (vs. 7% of Above the Median)

Only 34% watch TV programs after they've aired (e.g. online) (vs. 51% of Above the Median)

### Average # of Radio Hours Past Week

10

10  
for Above the Median

## Key Take-Away

- Keep more traditional media in the mix when reaching out to *Below the Median* consumers
- Include non-Internet-based options for participating in promotions

**Insight  
#11**

*Managing time pressures is an ongoing challenge – and ‘buying help’ is likely less of an option*

	<b>Below the Median</b>	Above the Median
Need to find ways of reducing stress in my life	<b>70%</b>	64%
No matter how hard I try, I never have enough time to do all the things I want to do	<b>70%</b>	65%
I often feel too tired to do the things I want to do	<b>57%</b>	48%
Need to take something to calm my nerves	<b>30%</b>	23%

I would like to slow down, but I can't afford the luxury of doing less

<b>Below the Median</b>	Above the Median
<b>52%</b>	46%

Important to me, but I am generally not willing to pay more for it:<sup>1</sup>

**Convenience**

<b>Below the Median</b>	Above the Median
<b>50%</b>	43%

<sup>1</sup> Source: Dollars & Consumer Sense: CPG/Grocery 2009; primary/shared grocery responsibility, HHI \$25<50K, \$50K+

**Key Take-Away**

- Offering convenience, ease of use and time-savings is a great avenue – even for ‘value’ brands – for bonding with *Below the Median* consumers
- Consider attributes (tangible or intangible) that provide energy or stress relief

*In tune with Below the Median Consumers*



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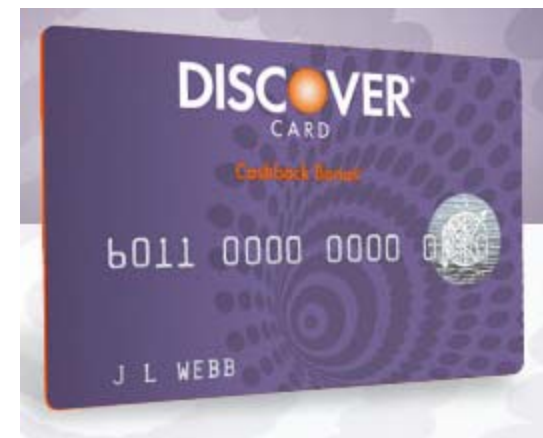


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Wed., October 14, 2009, at 12:00 Noon Eastern Time

To be presented by Ann Clurman  
Executive Vice President, Trends & Futures Consulting

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