

Rising middle class offers marketing opportunities

The middle-class or middle market in South Africa of LSM 4-7 offers the perceptive marketer a wealth of opportunity, as this class begins to grow in disposable income.

The segment can be defined loosely as individuals who have average income and assets, as compared to the rest of their country, which normally represents about 30% of the population.

The global Target Group Index (TGI) definition of middleclass is Socio Economic Level 3, which is derived from several measures on an individual's ownership of consumer durables, assets and prospects (eg education level achieved, white goods owned etc.). The Socio Economic Levels (SELS) measures similar to LSMs, are used to provide a social grading system, which can be applied across all TGI countries and analysed by the global user.



Amps figures

Ads24's mass market newspaper titles reach over 6,9 million readers, weekly magazines targeting this market reach over 5,6 million readers (AMPS2013AB). Mass market newspaper titles have the advantage of reaching a broad and diverse audience.

According to AMPS2013AB, the average personal income of the mass market is about R3,600 per month, with a large percentage of this spent on fast food. On average, someone in this market would spend between R50-100 every time he or she buys take-away food. Not only is the current spending power significant, especially if you consider numbers, but this market segment is rapidly growing in economic stature. The mass-market average personal income has grown by 16% over the past four-year period. This market is brand conscious and 77% are loyal to well-known brands and shops.

The most common myth about this market is that it is impoverished and therefore not worth spending advertising budget on. However, especially in South Africa, this would mean missing the potential of a substantial return on investment (ROI).

Measuring success with money

According to TGI, the South African middle market is growing and overall, emerging nations tend to measure success in terms of money.

"In the richest countries, the middleclass is affluent enough for this not to be a driver of who they are. However, the middleclass in developed countries have far greater incomes than those in developing markets, so comparative affluence has a key role in response. In developing countries, they are more materialistic and career driven. Those who have the most are less materialistic, while those with the least are the most," said Maria Petousis, TGI director at Ask Afrika.

Education levels in the South Africa compare favourably to the global standard, just over 9% of the middle market in South Africa have a Bachelor's Degree compared to 8% globally (TGISA2013C). Unilever's Majority Report (2012) revealed that the mass market spend 38% of their household expenditure on food, followed by 13% on personal items and 10% on education.

TGI research shows that the middleclass in Egypt, China, India and South Africa are highly ambitious in comparison to Western counterparts and are willing to sacrifice family time to get ahead. The biggest opportunity to create a loyal market segment is amongst 15 -44 year-olds.

By targeting the youth, brands are both influencing the current decision maker and creating a sustained audience. The call

to action must move from selling products to building brand relationships with the consumer. This instils a connection, involvement and true engagement and experience.

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