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SOMARC
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**CHARACTERIZING THE SOCIO-
ECONOMIC STATUS OF CONSUMERS
IN DEVELOPING NATIONS—NEW
METHODS FROM THE FIELD
IN THE DOMINICAN REPUBLIC**

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SUMMARY. Research recently conducted for an ongoing SOMARC social marketing program in the Dominican Republic has yielded a useful new methodology for empirically distinguishing the socioeconomic status of consumers in developing nations. Such a capability is frequently needed for the social marketing process--including determining appropriate market segmentations for products, determining which market segments are being reached in product sales, and selecting a useful range of participants for focus groups. This report summarizes the major aspects of the methodology, reviews its use in the Dominican Republic, and considers applications in other cultural settings.

INTRODUCTION

Field work in advance of implementation of a contraceptive social marketing program in the Dominican Republic indicated that local researchers--especially market researchers--were using essentially subjective criteria to define social classes. Further, there was often disagreement among these researchers as to the appropriate definitions. In the case of Santo Domingo, for example, researchers would classify whole neighborhoods on the basis of the predominant type of dwelling and then determine the socioeconomic status (SES) of particular individuals on the basis of these neighborhood classifications. In need of objective indicators, SOMARC program staff in the field (John Short & Associates, Inc.) conducted a study to empirically derive indicators that could reliably measure SES characteristics in the Dominican Republic and help distinguish among urban social classes.

The objectives for the program did not include marketing products to the wealthiest market segment (Class A) or to the poorest (Class E). Rather, classes between these extremes (Classes B, C, and D) were of primary interest. Relatively precise, objective definitions of these three social classes were needed in order to: (1) determine whether the program's oral contraceptive, Microgynon, was reaching an appropriate target audience; (2) analyze survey-derived data in terms of SES, perhaps by statistically collapsing several useful SES variables into a single, composite SES variable; and (3) screen potential focus group participants in terms of SES.

OVERVIEW OF THE RESEARCH CONDUCTED

As a first step, 79 Santo Domingo neighborhoods were classified on the basis of predominant social class, based on independent (although essentially subjective) assessments of eight local experts in marketing or sociological research. Only Classes B, C, and D neighborhoods were selected for empirical investigation, and also only those for which there was complete (or very good) consensus as to social class classification. Once 20 neighborhoods that met these criteria were selected, a series of 15 questions deemed potentially useful in discriminating between Classes B, C, and D were asked in a systematic sample of households that appeared typical of the neighborhoods. The household rather than the individual was the unit of analysis because SES relates to factors that often transcend the circumstances or background of an individual respondent.

Some of the potentially useful SES indicator questions were taken from the Westinghouse DHS Survey then under way in the Dominican Republic. Others--those relating to biweekly food expenditures, highest level of education in the household, employment and seeking employment among household members, and source of cooking fuel--were original and were based on recent research experience and common sense. A quick pre-test showed that the questionnaire was easily understood, nonthreatening, and very quick to administer. Only the question about food expenditures required more than a few seconds to answer because less well educated respondents sometimes needed help from interviewers in calculation.

Four hundred men and women--divided as equally as possible between Classes B, C, and D neighborhoods--were interviewed. As expected, some of the questions tested in the SES Study proved useful in future market research and others did not. In fact, after analysis of data, 6 of the 15 questions tested proved to be useful SES indicators.

Questions were judged useful if answers to them showed statistically significant differences between at least two of the three classes of neighborhoods, and there were a sufficient number of cases (answers) to prove useful on a practical level. A question was judged not useful for our purposes if fewer than 60 percent of any social class made a particular response, no matter how statistically significant the differences between the responses were. We found, for example, that fully

90 percent of respondents who reported cooking with charcoal were from Class D. This would appear to be a useful indicator of Class D in future studies except that only 34 percent of Class D respondents reported cooking with charcoal.

SUMMARY OF FINDINGS ON THE INDICATORS

o Most Useful:

- Does anyone in this household own a car?
- Who is the person living in this house who has achieved the greatest number of years of education? (Name)
- Did (Name) graduate from a university?
- Over the past two weeks, approximately how much was spent in this household for food? (Not including drinks)

o Fairly Useful:

Included here are questions about . . .

- The principal material of the roof of the interviewee's house
- Bottled water as principal drinking source
- Bicycle ownership
- Water heater ownership
- Washing machine ownership.

o Not Useful:

Included here are questions about . . .

- Walls of house
- Refrigerator ownership
- Cooking fuel
- Motorcycle ownership
- Type of toilet in house
- Percentage of people over 15 in household who are employed compared to those seeking work.

It should be remembered, of course, that these conclusions pertain only to defining and discriminating between Classes B, C, and D in Santo Domingo, or probably in other large cities. Also, some questions not useful for our purposes may be useful when investigating class differences in rural Dominican Republic or when including a full range of SES, from Classes A through E.

Examination of the SES study findings show that there is usually sharper differences between Classes D and C than between Classes C and B. This means that Class D stands somewhat apart from both C and B. Also, it is relatively difficult to distinguish Class C, at least as distinct from Class B. Indeed, this difficulty appeared well before the data collection phase of the study. During the classification of the 79 Santo Domingo neighborhoods prior to selecting those actually used, there proved to be a great deal of consensus about Class D neighborhoods (i.e., all eight authorities usually classified these the same way); there is far less consensus, though, about B or C neighborhoods.

This limitation, however, does not pose a great problem. The primary target market for a CSM program is Classes C and D. Class D, though, is more important in numerical significance and need for CSM than Class C. Thus, programmatically it is more important to distinguish Class D from Classes B and C than it is to distinguish between Classes C and B.

USING THE CLASS INDICATORS

For data analysis purposes--or for screening people by social class--it may be useful to create a single SES variable rather than deal with six individual SES variables that have different predictive strengths. In the Dominican SES study, answers to the four most useful questions, as well as to the two best "fairly useful" questions, were given numerical values, then weighted on the basis of the predictive capability of each question. Specifically, the question on food expenditures was given a maximum "score" of 30 points; questions on car ownership and education were given maximum scores of 20 points each; and questions on roof materials, bottled water, and bicycle ownership were given maximum scores of 10 points each. The food expenditure question was given the greatest value not only because of its predictive power but also because it is the only question that provides a direct measure for Class C.

Cumulative scores were then derived from answers to the six SES questions. Subsequently, the distribution of cumulative scores was examined, and cut-off points to distinguish among the three social classes were established. With 100 points as the total possible score, a score of 0 to 33 indicated Class D; a score of 34 to 67 indicated Class C; and a score of 68 to 100 indicated Class B.

APPLICATIONS OF THE METHODOLOGY

This procedure has several merits. First, it makes it possible to summarize the results of six (or any number of) questions in a single measure--or nominal variable--that can then be used in analysis or screening. It also provides a direct measure for the elusive Class C, which otherwise might have to be defined largely by default; i.e., people are in Class C if they do not fall into either Classes B or D. In the Microgynon consumer intercept study in the Dominican Republic conducted in late 1986, the six SES questions described above were asked, the scoring procedures followed, and a single, composite SES variable derived. It was then possible to quickly and easily analyze SES in relation to various dependent variables such as being a new Microgynon acceptor or learning about Microgynon from television.

It should be noted that analyses of consumer intercept data or knowledge-attitudes practices (KAP) surveys typically require two types of "respondent characteristics" questions as possible independent variables: (1) those in which the individual is the unit of analysis and questions refer to a respondent's age, sex, education, marital and employment status, contraceptive user/nonuser status, etc.; and (2) those in which the household is the unit of analysis (in order to determine SES on the basis of factors or characteristics that transcend the circumstances or background of the individual respondent) with questions referring to household expenses, the highest level of education achieved in the household, etc.

The constituent SES questions and the composite SES measure were also used to screen participants for the SOMARC-sponsored focus group discussions held in Santo Domingo in late 1986. These procedures and measures will be used in future urban-based CSM market research. In fact, there are now plans to conduct a rural SES study in order to derive rural SES indicators to support rural market research.

The specific questions identified in this study as usefully predictive of SES may not, of course, be as useful in social/cultural contexts outside the urban Dominican Republic. The experience here, nevertheless, clearly indicates that systematic indicators can be developed empirically. The general methodology applied in the Dominican Republic should be fully applicable in other settings.