

**A**ge, race, and gender are given to you by birth and you cannot alter them.

They define “who you are.” Income, social class, and geodemographics are, in contrast, your creation, the outcomes of the path you take in life and the choices you make.

As such they define and serve as markers of “what you are.”

Of these three, income is the most conspicuous. You have been aware of it all your life. You know its immense utility to you as a consumer, and with enough of it, you can pick and choose from the marketplace what you dream of. But if you haven’t had enough of it, you have also learned how to manage your purchases and consumption within the limits of your budget. Marketers fashion their offerings—products, prices, distribution outlets—according to income segmentation of consumers, and it is a good thing so you know where to shop and not burn a hole in your wallet.

Because in common parlance the terms are used interchangeably, it may have been news to you that income and social class are not the same thing. As you know now, they are not. Income is a part of it, sometimes and for some consumers it may be a big part, but social class is truly an index of your social standing rather than merely of your income. Your education could be a means to your income as well, but it brings you social prestige in its own right. So does your occupation, and the perceived prestige of your occupation in your society perhaps already influenced your choice of it. Lastly, your social network determines your influence and prestige. We must confess: this last factor is new to the list—proposed anew here because we see its undeniable role in life around us. Building social networks requires opportunity of access (often enabled by your education, money, and occupation), we agree, but it also takes initiative and certain wherewithal. Pay attention to this factor, cultivate it, and watch how it “upgrades” your social standing.

Social class is more consequential than you might have realized. While we all chase money because it is a tangible target, it is the intangible social class that channels our experience both as a social creature and as a consumer. Implicitly, we identify ourselves with our social class and use members of that class for social comparison.

Perhaps no other variable affects more our tastes and our view of how ‘noble’ and ‘becoming’ our tastes are, or should be. This “should be” issue arises when we are being pulled in different directions by the different components of the social class (i.e., when we are not status crystallized!). The ‘masstige’ trend is good news, satisfying our yearning for more aesthetic and/or upscale tastes hitherto constrained by our out-of-sync income. Yet, it is fair to say that marketers and consumer researchers have not developed enough understanding of consumers’ psyche under lack of status crystallization. Likewise, how consumers navigate their consumption when they find themselves in conditions of being underprivileged or overprivileged is not sufficiently understood.

There is an opportunity for marketers who can understand this stage in consumers’ lives. Most likely, status uncrystallized consumers, and likewise under- and overprivileged consumers warrant being treated as distinct niche segments.

Lastly, geodemographics. What can we say about it? We want to say that it is perhaps the most holistic, most insightful segmentation scheme for marking similarities and differences among consumers, but even that would be an understatement. The scheme’s prowess comes from the fact that it incorporates, simultaneously, both consumers’ psychographics and their demographics. Its building block is ZIP+4, and within it, believe it or not, it implicitly contains age, income, social class and other demographics (such as family lifecycle, even ethnic identity) as well as lifestyle and values and self-concepts and other ingredients of our psychological makeup.

After all, our choice of the place we live in is based on all these factors.

Of course, any single identifier of segment membership (ZIP+4 is the identifier for geodemographics) that is supposed to capture a whole host of consumer characteristics is bound to have internal fission in it. For a considerable number of consumers (but hopefully not for a majority of them), all those supposed characteristics are not going to blend in. Perhaps consumers who would be misfits in the geodemographics scheme are the ones who are status non-crystallized. The basic assumption of PRIZM is that people in a neighborhood are alike, and for some consumers, this assumption is bound to be false. The lack of fit for some consumers notwithstanding, PRIZM clusters are as good a description of neighborhoods as possible.

Indeed, we believe that if you want to know America and read a flesh-and-blood portrait of its people, you can do no better than read Michael Weiss’s timeless classic, *The Clustered World*. If you want to truly understand the vibrant diversity among people—you will find that book immensely enlightening as well as deeply fascinating.

We hope someday you will take the time to read it.