

WHO IS OUR CUSTOMER?

We need a younger customer! Our primary demographic target as we enter the '90's is:

Age: 25-44

Income: \$15,000 to \$50,000

Lifestage breakdown:

Younger singles - unmarried, no children, income: \$15,000 - \$37,499.

Younger couples - married, no children, income: \$25,000 - \$49,999.

Younger parents - have children, income: \$15,000 - \$44,999.

The three key middle market groups represented above, have an income range that is in line with the K mart shopper profile.

These groups now account for 25% of U. S. population. The population is getting gradually older. In 1995, those aged 25-44 will account for 24% of the total U.S. population.

Key trends like environmentalism, tolerance, diverse flexible lifestyles, inconspicuous consumption, substance over form and a trend away from "status" products are a natural outcome of two key influences: value formation occurred in the '60's and the baby boomer is in midlife.

Keep in mind that these families are not typical or traditional as they were in the '50's/'60's -- i.e. dad working, mom at home, two kids. Within these new family structures there is a diversification of buying power: husbands, teens.

What are the overall implications for communications?

- Focus on the primary target unless merchandise offering makes it inappropriate.
- Reflect the "updated" lifestyle of the primary target.
- It's okay to be aspirational.
- Be clear, concise, informative.
- Warm tonality is appropriate -- as long as it is not old-fashioned and speaks to the needs and values of the primary target.
- Provide *substance* via interpersonal warmth, quality, etc., not empty status.
- Reinforce the basic internal values and the diminished ability to achieve the "good life" by making consumers feel good about the purchases they can afford to make.
- Time is a precious commodity and low-risk purchases will be made faster, by convenience, to satisfy time constraints. Thus, communications should be concise, simple and direct; offering the needed information clearly and quickly, to ease the shopping experience.

