Understanding Low-Income Consumers

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Suzanne Skapyak, MS, RD
Why Study Low-Income?

US Demographic Household Income Breaks

22% High Income
(HH Income $100K+)

43% Middle Income
(HH Income $100K-$50K)

35% Lower Income*
(HH Income $50K-$0K)

*Research Focus
(HH $50-$20K)

Reference: US Census Data
The I³ Process

IMMERSION
Learn From Existing Content

INTERACTION
Develop Consumer Empathy

IDEA CREATION
Convert Knowledge Into Action
Who Did We Talk To?

- 30 families; male and female primary shoppers
- Caucasian, African-American, Hispanic
- Households with incomes of $20,000 - $50,000 (adjusted for household size)
- Minneapolis, MN
- Memphis, TN
- Houston, TX
Reaffirming What We Knew

- The Importance of Community and Family

- Health is a Feeling; Healthy Food is Filling Food

- Saving Money is a Coveted Skill

- Coping with Uncertainty is accomplished by dreaming of a potential future

- When living pay-check to pay-check the needs of the present outweigh those of the future.
We Also Learned

• People place value on food dollars well beyond price. No one wants cheap food.

• Ways to bring value:
  – Show product is made with quality ingredients and materials
  – Give assurances that food will not get thrown away
  – Provide filling foods and foods that provide basic food group nutrition
The Real Stuff

I want to know I’m not being ripped off
Waste Not

I want to know nothing will get thrown away
Guaranteed

Hearty

Cover

the

Basics

Aspirational

Swap

Wholesome Choices
I want to feel good about giving my family the right kind of food
Wholesome Trends

Newfangled

Emerging

Stable

Aspirational Swap

Gluten Free

Organic

Soda Reduction

Guaranteed Hearty

Food is Filling

Cover the Basics

Eat Your Veggies

Kids Need Dairy

Trend Adoption Equation

Aspirational Swap = No Diet Overhaul + Anticipated Performance + Guaranteed Hearty + Affordable

Awareness vs Purchase

Levi consumers know the scripts, but don’t purchase accordingly

Click for audio
Polling Question #3

What % of US adults can’t read?

A. 7%
B. 14%
C. 25%
D. 40%

Show, Don’t Tell Your Benefits

“Honestly I didn’t even notice it was Carbmaster. I just saw the pineapple and wanted that. I love pineapple!” – Breoncia, Houston

- People make split-second decisions based on food imagery
- 14% US adults cannot read

Levi Consumer How they Shop

- Primarily Traditional Grocery Stores and Mass Merchandizers; Not Club

- Circuit Shopping

- Access community through smart phones & social media for recommendations
• Low income consumers comprise a significant and growing percentage of the US population.
• People place value on food dollars well beyond price. No one wants cheap food.
• Ways to bring value:
  – Show product is made with quality ingredients and materials
  – Give assurances that food will not get thrown away
  – Provide filling foods and foods that provide basic food group nutrition
• Show, don’t tell, your benefits.