

Of almost 400 million people across Latin America, more than 50% live below the poverty line. *Ogilvy & Mather* set out to understand the marketing opportunity they represent. Here is a snapshot of the findings on Chile.

# HIGH HOPES

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# LOW INCOME

Chile is a small and slender country with barely 15 million inhabitants, which always seems to be on the point of falling off the map and crumbling into the sea, especially in the more Southern areas of the country; a country that has suffered from several earthquakes of different nature throughout its history.

It is also its geographic location that has shaped Chileans, because they live between a high mountain chain and the sea, or the other way around. From a tourist's point of view, Chile is a long way away and a small market from a commercial standpoint.

A country with the same characteristics as an island, an unmanageable nature and scanty resources, are the factors that create courageous



people, somewhat shy, friendly with anybody from outside, helpful and hardworking, persevering and tremendously self-critical.

With an intermittent notion of belonging to a wider world called planet Earth, Chileans work hard, in silence and alone in the hopes that a protective state will include them in its plans, that it will carve up among them its resources and also give them good news.

The low-income consumer (LIC) represents 57% of the total population and receives on average a monthly income of between US\$250 and US\$500.

They all live on the outskirts of cities and they subsist on very tight budgets, which means they are obliged to do a juggling act when it comes to administering, inventing, and putting into practice alternative resources, efforts and a maximization of the non-renewable ones. This is done with great creativity and responsibility by the women in each home.

### **Everything for the family**

The role women play in this segment of society is key. They are the ones who do whatever it takes to keep the home going; they hold the purse strings, they stretch budgets, they are concerned with how their children are educated, that there is food on the table; serving them, shopping, and even to the extent of also going out to work. 76.7% of all purchases of electrical appliances and white line products are decided by the housewife.

She is the very embodiment and purveyor of values. Her mission in life is a permanent improvement of everything around her within her family environment; to fulfil the dreams of achieving a better social status and that her children accomplish a better lifestyle than she has had. 25% are heads of households, with four persons on average per home.

There are less children than before (although this trend is less noticeable in LIC). 2.5 children is the birth-rate in Chile, down from 5.4 in the sixties.

### **Expanding street fairs**

Although 100% of the population makes its purchases in supermarkets, almost any day you tread the streets of Santiago (except Monday), you will come across a street fair in full swing.

A recent study conducted by the international

consulting firm of LatinPanel revealed that there are over 370 fairs throughout the 34 municipalities of Greater Santiago (over twice the number of supermarkets). These street fairs grew by almost 10% in 2000.

Two-thirds of all Santiago inhabitants make regular visits to them when they go shopping and where they can find not only fresh produce but also the gradual incorporation of such products as: pet food, toilet paper, cooking oil, dentrifice and fizzy drinks.

### **Having a good time despite everything... and life in the neighborhood**

There is a stark scarcity of places for leisure, recreation and activities for the LIC where they can make their lives more enjoyable and bearable. It is for this reason that wherever they can share certain moments, such as a visit to the supermarket or a street fair, etc. it takes on another dimension that goes beyond the simple need to go shopping.

A visit to a large supermarket and a shopping mall like the ones that have been erected on the outskirts of the city, has now become a must during any weekend and for the whole family. Entering this fantasy world of bounty offsets the ever more perceived sensation the LICs have that modernity has passed them by on the other side of the street; that not everybody has reaped its benefits and that they have been left on the fringe.

The malls have become the new centers of an active and intense social and collective life as well as a key meeting point. This has been quickly understood by publicists and agencies, using them as key and direct converging points for products and brands with consumers.

In spite of depressing living conditions, the need for socializing persists and is in constant demand. Activities such as getting together in a house to see a film on the VCR or just meeting one another in community centers and in squares are fashionable. ■

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*The Challenge of the  
Low Income Consumer  
in Latin America*

