TIME-RICH AND TIME-POOR CONSUMER BEHAVIOR
THE IMPORTANCE OF TIME IN MARKET SEGMENTATION

Helena LINDSKOG and Staffan BREGE

Department of Management and Economics
Institute of Technology, University of Linköping
SE-581 83 Linköping, Sweden
E-mail: helli@eki.liu.se and stabr@eki.liu.se

Some individuals and families are time-rich and others are time-poor. The degree of time-poverty or richness is more or less objectively or subjectively experienced. Therefore, time is an important variable in market segmentation for defining the customer target groups, developing products and services and building the most efficient marketing channels.

1. Introduction

In affluent societies, where services, products and possibilities abound, time is an important parameter. While each day still has 24 hours for everyone, the perception of time varies. Time-rich people feel they have enough or too much time, while time-poor people feel time is a major constraint in their daily life. To some extent this question of time availability is more objectively determined by job and family situation, etc., and to some extent it is more purely subjectively felt. Regardless of the origin, this difference in the perception of time is important to take into account in development of marketing strategy and to be included in any analysis of market segmentation, the development of products and services and the choice of market channels (see Kotler and Armstrong, 1997).

Looking back over time, it seems that our overall consumption patterns in many respects have changed in favor of time-poor behavior. The expansion of the fast-food business and the increased use of prefabricated food are indicators of this trend. At the same time, shorter working hours, increased wealth and less pressure on domestic routines have opened up new segments of leisure consumption. But “freeing” time in certain areas has not, for many people, lead to
an increased feeling of time-richness. In our affluent society the feeling of time-poverty seems to be more prevalent.

Already in the 1960s, the Swedish economist Staffan Burenstam-Linder pointed out in his book “The Hurried Leisure Class” that consumption in an affluent society is limited by our scarcest resource: time. He showed that the mechanism behind time-poverty depends on the increasing amount of products in the market. His predictions such as increasing prosperity is not giving us “…peace and harmony… in reality it is in this case in contrary. The pace increases and life becomes more hectic.” (Burenstam-Linder, 1969) are now becoming evident. The amount of products and services increases dramatically and continues to do so. His words “…not only production but also consumption demands time” are valid today and in the future.

More recently Paul Romer, professor of economics at Stanford University explained: “The decline in the cost of IT hardware has been so rapid that it’s tempting to assume it explains all the changes that take place in the economy and society. But in our lifetime, we’ve witnessed a second price change that’s as jolting as the one in hardware: The cost of time has increased. To be sure, the rate of increase in the cost of time has been much less dramatic than the rate of price declines in IT. But human time is used in every productive process and every consumption activity, so changes in the cost of time have pervasive effects on the economy and society.” (Romer, 2000).

Today’s Information Society brings new opportunities for social exchange and consumer behavior. The diffusion of innovations in mobile telecommunication and Internet are passing its earliest stages on the adoption curve, from early adopters to the majority. So far the development has reached the more wealthy and time-poor part of our population. The laggards are mostly time-rich and also in many instances less wealthy people, with different consumption preferences and patterns.

Several initiatives have been taken in order to reduce the “digital divide” between the initiated and those who do not have access to the world of Internet, WorldWideWeb, PCs, SMS, WAP etc. The technical development of new man-machine interfaces, new devices and the use of Internet-like applications in existing equipment such as TV sets and telephones contribute to improve the accessibility, as do the use of broadband techniques to enterprises, governments and households. More and more people use Internet in their work and also after
working hours. This trend is partly due to and reinforces the importance of being time-poor or time-rich.

2. Purpose of the article

The purpose of this article is to develop the concepts of time-rich and time-poor in the context of consumer behavior and market segmentation and to illustrate the importance incorporating time as a significant variable in developing marketing strategies.

3. Time-rich and time-poor market segments

Market segmentation is a means for increasing the precision in marketing management (Kotler and Armstrong, 1997). Instead of approaching the market in an undifferentiated way, each segment of relatively homogeneous consumers should be treated individually and in different ways.

Furthermore, it should be possible for the market segments to identify, measure and approach them. But identifying e.g. those consumers, who prefer a specific and differentiated offering like a technically advanced WAP telephone, is hard. Most commonly used are socio-economic-demographic variables, such as profession, income, education, geography etc, which may not be enough to capture a specific segment. In addition, identifying behavior, preferences and life styles from socio-economic-demographic variables is also problematic. There is no exact correlation between these different categories of variables.

The same goes for the identification of time-rich and time-poor market segments. However, a first approximation could be found from a socio-economic analysis, focusing on the more objective overall aspects of age, employment and family status. In specific situations, regarding specific services and products etc., the time-rich and time-poor clusters could be formed by quite different variables.

3.1 Time-rich market segments

The time-rich are people/consumers with the perception that time abounds and often associates with “killing time”. This group is large, larger than in any other period of human history. However, only a fraction of the time-rich are
also the money-rich. This group contains the following important socio-economic segments:

- retired people
- children and youth
- unemployed.

The main reasons for having such a large group of time-rich are:

- retirement with pension
- longer life
- no child work
- increased prosperity.

To be retired with a pension is a new idea in a historical perspective. The number of retired people with pension is increasing rapidly. Life expectancy is also constantly increasing. All in all, this is an increasingly interesting segment from a commercial perspective.

In most countries, the law forbids child-work and the work debut is every year taking place later. Many young people study and many are postponing their family and work responsibilities much longer than just a generation ago.

Many people fluctuate between time-rich and time-poor, depending on the state of the economy. This group consists of the unemployed.

3.2 Time-poor market segments

Most professionals and parents with small children are time-poor. Many of the time-poor perceive time as their scarcest resource and the term "saving time" is often associated with time-poor. The main reasons for having an important group of time-poor are:
- those employed have to work hard freely or as a consequence of organizational pressure
- the distinction between work and leisure is becoming more blurred
- the increasing supply of goods, services and choices to fill up our time
- the need to always be prepared for changes, to learn and acquire new knowledge
- the consciousness that you yourself are in charge and responsible for your future.
The attraction of work

Time-poverty is associated with economic success. Work identity is for many becoming more and more important. In addition, work itself has become more exciting. It gives new challenges every day and a big dose of satisfaction. Many begin to value everything from the benefits they can get in their work-life or job career. Anthropologist Jan English-Lueck, puts it this way: “We call it techno-optimism. There is an addiction to opportunity and if you don’t see it that way, why are you even here?” (Newman, 2001). Although the time-rich group is equally large, most of the interest in the media is devoted to the time-poor.

Work and leisure

We are used to go to job, work there, then go home from work and be free for leisure activities, to relax, to be with family and friends, go fishing etc. Our time has been divided between work and non-work or leisure activities. The intention related to the idea of home- or distance-work is largely to improve the situation of many who do or can work like this, but it often results in both long hours at work combined with early or late working hours at home. The information technology and telecommunications give us all the possibility to work and get in touch with the office anywhere, anytime, and soon even anyway. Only few people can avoid the temptation to check the voice and e-mail messages when they are out of their office if they have the possibility to do that.

Supply and choices to fill up our time

We have never before had so many choices of goods, services and activities and we must constantly take decisions at home, at work, and other places. An independent job gives more degrees of freedom. Internet, TV, radio, books, games, children, parents, friends, movies, sports or shopping compete for your time and each of these activities have almost unlimited amount of choices. “Promulgators of the 24-hour society begin by identifying (correctly) two themes of modern life; first a consumerist hunger designed to be unappeasable, and second a time-sickness at the heart of an over-hurried society; too much to do, too little time” (Griffiths, 2000).

Possessions demand more time than we realize. If we buy a camera, a pair of skis, a food processor or a hundred other similar items, we will also like to use them. These items are meant to make our life easier, but instead they occupy
space and need to be looked after. Sometimes, our possessions seem to demand us to use them.

**Need to always be prepared for change, to learn and acquire new knowledge**

The technical development goes very fast and speed is likely to accelerate. Today’s knowledge in many fields will be obsolete tomorrow. Life-long learning is not only a buzzword. It is in all professions becoming a reality.

**You are yourself responsible for your future**

Your decisions can change your situation. It is important to meet the right people and to have the right education, be slim and tanned, wear the right clothes, read the right magazines, and have the right new ideas in time that can be keys for success in the professional and social life. Many preach *Carpe Diem*. However, it might be difficult to combine with the responsibility for your own future.

**4. Time and money – a historical perspective**

The antagonism between the haves and have-nots has to a large extent shaped our economic and political development. To be rich has in different epochs been expressed in various forms such as the possession of land, slaves, forest, mines, precious metals, machines or buildings, to have the right position in the administrative apparatus, or today - by knowledge.

**4.1 Until now**

Historically, two groups have dominated. The minority was time-rich/money-rich and had power. The majority was time-poor/money-poor and without power.

The minority group time-rich/money-rich represented power and money but also culture, fashion and trend setting. They accounted for the largest part of consumption of entertainment, products and services.

The vast majority of the population was time-poor/money-poor. All members of the family had to contribute to family survival. The possibilities to change one’s situation were limited. People used most of their time to produce
for others and themselves. They had no time or money to consume more than the essentials.

Time-rich/money-poor were few. It was simply difficult to survive in this group. If somebody became sick or lost his job it easily became a catastrophe for the person himself and his whole family. In the end it could lead to famine and death.

Few became rich from their work. Time-poor/money-rich were made up by a small group of successful scientists and artists.

Over-time, the sharp distinction gradually changed. The majority of both groups moved toward the center.

4.2. Today

Today, the picture is completely turned upside down. The two most dominant groups are time-poor/money-rich and time-rich/money-poor. These two groups are more or less of the same size in the developed countries.
Figure 2. Time and money in the information society (Helena Lindskog, 2001)

Today’s elite is time-poor/money-rich. This group is the trendsetter. People on higher positions with big salaries work more. To get to the top means more working hours, less contact with the family and old friends. Ross Gittens points out: “… the people pulling in those big salaries are, as a general rule, working much longer hours than people in less-paid jobs. Consider the official figures for the hours worked in August by men with full-time jobs. Almost 60% managers and 40% professionals and associated professionals worked more than 48 hours a week. By contrast, only 25% of tradesmen and 18% of laborers worked that long.” (Gittens, 2000).

Time-poor/money-poor in our society are low-income single parents. This group is relatively small and of little economical and political interest.

The time-rich/money-poor of today in most developed countries would not have been considered poor in the past. In this group we find many retired people with limited pensions, unemployed, and many young people. This group is often marginalized. “What worries people about persistently high rates of unemploy-
ment... is not just that unemployed may be poor but that they are likely to be “socially excluded” (Bittman, 1998).

The time-rich/money-rich group still exists but the members have lost their prominent positions.

5. Implications for market segmentation

From a marketing segmentation perspective the question of time-richness and time-poverty in consumer behavior is important in several strategic aspects. The unit of analysis for consumption could be either at the individual level or the aggregate family level. Individuals could be time-poor, but collectively the family could be regarded as time rich with children and retired elderly taking part in the buying and consumption processes.

Two major questions come forward in a differentiated market segmentation approach:

1. What products and services are especially attractive for the time-rich and for the time-poor consumers?

- How much time for consumption? For example, computer games are designed for time-rich consumers, especially our younger people. To be good at playing these kinds of games you have to spend a lot of time in front of the computer screen. Maybe there is an underestimated potential in designing games for time-poor people. Another example is the consumption of banking and financial services over the Internet (according to a self service model), that are more quickly executed than going to a bank or insurance office and about equal to using a telephone service (another self service offering).

- How much time for learning about the product or service? How long does it take to learn how to handle WAP telephones and other technically advanced products? Another example, the newly introduced BMW 700 series represents a major step in bringing the automobiles further into information technology. Accompanying the new model is an instruction book of the size of about 300 pages and the core issue of driving the car seem to be “put in the back seat” compared to all the information technology.
2. Is the choice of marketing channel well adapted to different consumers’ perceptions of time-richness or time-poverty? When we talk about services of the Internet the service and the marketing channel seem almost inseparable.

- How much time is the consumer willing to invest in information seeking and comparison of alternatives? Internet as a marketing channel has many features well adapted to a time-poor decision making. To begin with, it provides comparatively quick information seeking and comparison between alternatives. Several Internet services are designed to improve these parts of consumer decision making, for example information brokerage when buying a used car. But the Internet is also a very interesting marketing channel towards the time-rich, surfing over the net and taking part in different communities.

- How much time is the consumer willing to spend on the actual purchasing activities and at what time of the day? Again, the comparative success of Internet banking is due to the fact that this marketing channel is perfectly adapted to a time-poor consumption pattern, more quickly executed and more flexible in time (24-hours availability). Buying groceries over the Internet is another area, which so far has not proven especially successful (at least not in Sweden). There are many explanation to this failure – from bad execution from the seller side regarding web sites, deliveries etc to consumers not being willing to pay extra for home deliveries. One explanation is also that not so many consumers are time-poor at the family level, especially not outside the large cities

References
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