

CHAPTER 1

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# INTRODUCTION TO CONSUMER BEHAVIOUR

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## LEARNING OBJECTIVES

After reading this chapter you should be able to:

- 1 define consumer behaviour
- 2 explain the sectors that constantly target consumers
- 3 describe how the sectors research consumers
- 4 discuss how consumers make decisions
- 5 debate how marketing activities impact consumers
- 6 discuss an appropriate framework to study consumer behaviour.





## YOUR CONSUMER WORLD

One way or another, you have been a consumer since you were young and have been evolving over the years.

As a baby, you consumed whatever food your parents gave you. You wore nappies, clothes and shoes that your parents chose. As a toddler, you devoured *Sesame Street* shows on television to learn about the alphabet. You tagged along on supermarket trips, insisted on a lolly, and observed how your mum and other people shopped. You probably pestered your parents to buy Coca-Cola soft drink, McDonald's french fries and Happy Meals with special film toys.

As you became more knowledgeable in your teens, you exerted more influence. You specified which brands of clothing and footwear that your parents should buy for you, which attire to wear for your high school social, what household items would be good for the home and where to go for family holidays.

You progressed to making your own decisions. You chose which discipline to study, which university to enrol in after consulting friends and parents, whether to study full-time or part-time and whether to go on a study tour or student exchange.

In your current life, you likely watch favourite films on DVD, online or at the cinema, buy music from the iTunes Store, buy your own smartphone, laptop or tablet, create Facebook and email accounts, join a brand community and vote for *X-Factor* or *The Voice* contestants. You also choose which pubs to frequent, which celebrities to follow, which political party to support, which sport to participate in, which job to work in, whether to have tattoos or cosmetic surgery, whether to buy fake brands or second-hand goods, whether to rent or buy an apartment or house, and whether to plan for your future by buying insurance policies.

Your life now may also involve deciding whether to donate time or money to a fund-raising appeal, whether to sell your possessions to raise funds for charity or cash for newer goods, whether to opt in to donate your organs when you die, whether to be a responsible consumer (for example, throwing your burger wrapper in the bin instead of on the road) or **deviant consumer** (such as a shoplifter), whether to buy organic food or environmentally friendly goods, whether to complain about advertisements, whether to participate in product development activities of companies, and whether to engage in **masochistic behaviour** such as a Tough Mudder event that includes an electroshock therapy.

Welcome to your own wide world of **consumer behaviour**! And to the organisational world that is constantly engaging you with technology and services. See Figure 1.1 on how Samsung connects your multimedia world through its 3D television.

### **deviant consumer**

A consumer who deviates from accepted behaviour, such as engaging in shoplifting

### **masochistic behaviour**

Deriving pleasure from pain

### **consumer behaviour**

The process of how consumers behave in situations involving goods, services, ideas and experiences



FIGURE 1.1  
Samsung 3D TV

## INTRODUCTION

Consumer behaviour is a central part of your life. It is a changing process where you could be a user, buyer, seller, influencer and an environmentally conscious consumer during different stages of your life. You may be involved in the process individually or collectively. You may buy goods or raffle tickets on impulse. You may buy brands habitually or accept alternatives in an out-of-stock situation. You may take some time deciding on high-priced purchases, rationally evaluating the options.

There are many questions surrounding consumer behaviour: What is consumer behaviour? Which sectors constantly target consumers? How do sectors research consumers to gain insights into their behaviour? How do consumers decide from abundant alternatives? How do marketing activities impact consumers? What is an appropriate framework to study consumer behaviour? This chapter addresses all of these questions.

## WHAT IS CONSUMER BEHAVIOUR?

Consumer behaviour is about the behaviour of consumers in different situations. However, there are various definitions of the discipline:

The behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products, services and ideas.<sup>1</sup>

A discipline dealing with how and why consumers purchase (or do not purchase) goods and services.<sup>2</sup>

Consumer behaviour can be thought of as the actions, reactions, and consequences that take place as the consumer goes through a decision-making process, reaches a decision, and then puts the product to use.<sup>3</sup>

The dynamic interaction of affect and cognition, behavior, and environmental events by which individuals conduct the exchange aspects of their lives ... the overt actions of consumers.<sup>4</sup>

It is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.<sup>5</sup>

[C]onsumer behaviour is defined as (1) the mental and physical acts of (2) individuals, households or other decision-making units concerned with ultimate consumption involving (3) the acquisition, own production, use and, in some cases, the dispossession of products and services.<sup>6</sup>

The definitions reveal two central themes about consumer behaviour:

- 1 It is a process of actions covering purchase, usage and/or disposal.
- 2 It involves individual or group consumers in goods, services, ideas and experiences.

Some scholars feel strongly that consumer behaviour must have the three elements of acquisition, usage and disposal.<sup>7</sup> This seems to be a rigid view of consumer behaviour. Is it not consumer behaviour when you search for information but do not buy; when you buy a gift and do not personally use the purchase; and when you do not dispose of your purchase?

While you would discard many goods such as supermarket perishables and worn-out furniture, would you get rid of an expensive watch or diamond? You may keep such



Define consumer behaviour.

purchases for life. Some consumers also have a habit of not disposing drinking cups and food wrappers in bins at fast food outlets.

Would disposing be relevant when you buy an idea to donate to a social cause, such as a tsunami appeal? You may continue to donate to different fund appeals, but would this behaviour be considered disposing of one idea to support another idea? Also, would you dispose your wonderful experiences gained through time at the movies or rides at a theme park?

The definitions also seem to cover new and high-price purchases, which would naturally include a more thorough process of searching, evaluating and selecting before the purchase action. In practice, consumers often make routine or impulse purchases of low-price items. For example, you may buy a certain drink out of habit, convenience or availability when you are thirsty (see more discussion under the section 'How consumers decide').

Hence, a more suitable definition to cover different consumer situations would be:

Consumer behaviour is about how consumers behave in situations involving goods, services, ideas and experiences.

The situations could cover pre-purchase, purchase and post-purchase. The situations could be for trying something new (for example, a new food item offered by a sales promoter in a supermarket), buying a new purchase (for example, a car), making a repeat purchase (for example, buying the same brand of milk), changing a service provider (for example, your internet or telephone provider), supporting a public service campaign (for example, slowing your driving speed) or considering a purchase but not eventually buying it (for example, travel insurance).

Depending on the situation, you as a consumer would behave differently; for example, buying, using and disposing of a simple item; searching, evaluating and buying as a gift; buying, using and keeping an expensive purchase; evaluating but not buying; and so on. Your consumer behaviour situations are diverse and you may have your own definition of the field after learning more about this complex field of consumer behaviour.

## SECTORS TARGETING CONSUMERS

The terms 'private', 'public' and 'non-profit' sectors are often used to distinguish commercial, government and not-for-profit organisations that market to consumers. At different times of your human life cycle, you could be buying commercial goods (for example, bread), government services (for example, water) and not-for-profit ideas (for example, donating to an appeal to save endangered animals). This section focuses first on the non-profit, then the public and lastly the private sector.

### Non-profit sector

**Non-profit institutions** (also known as the voluntary or third sector) organise charitable, cultural, educational, political, recreational, social or sporting activities on a non-profit



Explain the sectors that constantly target consumers.

#### **non-profit institution**

An organisation that organises charitable, cultural, educational, political, recreational, social or sporting activities on a non-profit basis

basis.<sup>8</sup> A non-profit organisation uses commercial marketing concepts for social change or social marketing purposes.<sup>9</sup>

### de-marketing

A marketing activity that aims to *decrease* consumption, such as drugs and binge drinking

Social marketing has two goals: first, to get consumers to *increase* support for a social cause (for example, donations or consumer rights); and second, to convince consumers to *decrease* some behaviour (for example, consumption of drugs or binge drinking—a process described as **de-marketing**).<sup>10</sup> For example, WWF as the independent conservation organisation works with businesses, communities and governments to help ‘people live in harmony with nature’.<sup>11</sup> WWF initiatives include gaining support for its preservation of the Amazon tropical rainforest and reduction of global carbon emissions (see Figure 1.2).

FIGURE 1.2  
WWF



Another non-profit organisation is Consumers International, which has championed consumer rights since 1960 in 120 countries through 240 member organisations. Its eight principles are that the consumer has the right to satisfaction of basic needs, safety, information, consumer education, healthy environment, choice, to be heard and to redress.<sup>12</sup>

A unique nature of non-profit organisations is that they survive on funding or member support, although they do use private sector organisations to assist from time to time. For example, consulting firm Deloitte, which has a website on 'Not-for-profit sector insights', revealed in its 2012 survey the challenge of securing more government funding to service increasing community needs during natural disasters.<sup>13</sup>

A research study of non-profit managers in Britain, the USA and Australia found that promotional marketing was the non-profits' most important activity, with a small percentage acknowledging the importance of market research.<sup>14</sup> Another study highlighted that non-profit organisations are organisation-centred rather than consumer-oriented.<sup>15</sup>

## Public sector

The **public sector** provides government services for consumers and organisations, such as education, electricity, health care, gas, public transportation, roads, police, military, water and tourism. Many nations market their cities or countries to attract tourists, residents and investments.<sup>16</sup>

In some countries, both the public and private sectors supply household services contemporaneously; for example, electricity in the USA and water in Britain and France.<sup>17</sup> Education also can be offered by both the public and private sectors, with the price differential not bothering some parents. For example, an Australian Scholarships Group study revealed that a public education from pre-school to Year 12 in Melbourne, Australia, would cost about \$70,000, compared with a private education of \$500,000.<sup>18</sup>

One study reported that consumers should have access, choice, information, redress and representation concerning public services, especially the health service.<sup>19</sup> Another report recommended the need for more consumer engagement to improve the mental health service in Victoria, Australia.<sup>20</sup>

The public sector also provides useful consumer protection services. For example:<sup>21</sup>

- 1 The Australian Bankers Association advises on identity protection.
- 2 The Australian Department of Communications, through its Stay Smart Online website, advises on securing computers, online interactions and transactions.
- 3 The tourism program within the Department of Industry helps travellers to maximise their visits to Australia.

The Australian Government has also been running numerous social marketing campaigns to influence behaviour change: for example, on health, anti-smoking, cancer awareness, organ donation, life quality and sexually transmissible infections (see Figure 1.3).<sup>22</sup>

### public sector

A sector that provides government services for consumers and organisations, such as electricity, gas and water

**FIGURE 1.3**  
Sexually transmissible  
infections campaign



## WIPE OFF 5: TAC, VICTORIA

CONSUMER  
BEHAVIOUR  
IN ACTION



Speeding on roads has always been an issue. The Transport Accident Commission (TAC) in Victoria, Australia, started addressing the problem in 1990 with speed cameras and laser speed detectors.

Research provided evidence that reducing the driving speed by five kilometres an hour would make a significant difference to the stopping distance in an emergency situation, and therefore help to prevent fatal accidents. After a series of research testing on advertising concepts, the 'Wipe off 5, or wipe out lives' campaign started in 2001.

Over the years, the television campaign (see Figure 1.4) has shown a father guilty of a car crash that killed his daughter; women talking about speed-related trauma and the long-term damage of a serious road crash; a father being held responsible for killing a young female cyclist; the ripple effect of a young man's death on family, friends and colleagues; Melbourne Victory football players speaking in Arabic, English, Greek, French, Italian and Portuguese about the need for road control; and Australian Rules football players advocating 'Wipe off 5'.

The integrated campaign has also included the use of posters, stickers, banners and online sites Facebook, Twitter and Instagram to engage people on how to 'Wipe off 5'.

'Wipe off 5' has had a great impact on drivers' attitudes and behaviour—speeding incidence declined over time from 25 per cent to 11 per cent. Fatalities dropped from fifty-two in 2009 to forty-four in 2013.<sup>23</sup>





FIGURE 1.4  
'Wipe off 5'

## Private sector

The **private sector** or business sector is made up of commercial companies marketing goods, services, ideas and experiences to consumers (as well as the private, public and non-profit sectors). It includes commercial research companies collaborating with their global offices and marketers to research consumers for product development, consumer trends and lifestyle changes. It also includes creative services firms in advertising, public relations, marketing communication, media and production who plan and execute integrated campaigns to appeal to consumers. The sector also includes industry associations promoting their product categories, such as beef, milk, fruits and vegetables.

Consumers' purchases of commercial goods and services can be categorised as follows:<sup>24</sup>

- 1 *Convenience goods*—non-durables or **fast-moving consumer goods (FMCG)**, such as dairy items.
- 2 *Convenience services*—such as entertainment, finance, health, news, telephone and travel.
- 3 *Durables*—such as appliances, cars, furniture and clothes.
- 4 *Specialty products*—luxury items such as diamonds and premium watches.
- 5 **Unsought services**—such as blood donations, life insurance and funeral services.

The convenience goods category, naturally, is the most advertised because of its low price, consumption frequency and high volume compared with other categories, which command higher prices but lower purchase incidence. The Nielsen Global AdView Pulse 2013 report (which covered Argentina, Brazil, Croatia, Egypt, France, Greece, Hong Kong, Japan, Kuwait, Lebanon, Mexico, Portugal, Saudi Arabia, Spain, Switzerland and United Arab Emirates) revealed that FMCG had the highest advertising share of 21.3 per cent, with

### private sector

A sector made up of commercial companies that market goods, services and experiences to consumers and also to private, public and non-profit sectors

### Fast-moving consumer goods (FMCG)

Consumer goods that are non-durable, such as dairy items

### unsought services

Services that consumers do not usually seek, such as funeral services and donating blood

entertainment at 13 per cent and industry and services at 11.8 per cent. The convenience goods categories of FMCG and services outspent the durables category by about four times (see Table 1.1).<sup>25</sup>

**TABLE 1.1**  
Advertising share by  
consumer categories

CONSUMER GOODS AND SERVICES CATEGORIES	ADVERTISING SHARE (%)
FMCG	21.3
Entertainment	13.0
Industry and services	11.8
Auto	9.2
Media	9.1
Health care	7.4
Financial	6.2
Telecom	5.8
Durables	5.7
Distribution	5.5
Clothing and accessories	3.4
Miscellaneous	1.6

The world's largest FMCG company, Procter & Gamble (P&G), has billion-dollar brands such as Head & Shoulders, Olay, Oral-B, Pampers and Pantene.<sup>26</sup> P&G spends about 11 per cent of sales revenue on advertising, with about US\$9 billion advertising on its US\$83 billion sales in 2011.<sup>27</sup>

This quote from P&G aptly sums up the goal of the business sector:

Today we reach a little more than half of the world's 6.7 billion consumers. We want to reach another billion in the next several years, and much of that growth is going to be in the emerging markets, where most babies are being born and where most families are being formed. We see growth across our entire portfolio.<sup>28</sup>

One category for P&G growth is the sanitary pad market in India, where 12 per cent of reproductive-age women use sanitary pads and 88 per cent use old fabric, newspapers, dried leaves and grass, husks, ash and sand.<sup>29</sup> This has presented P&G the opportunity to work with the public sector to reach 2.5 million girls in 15,000 schools across India with hygiene messages.<sup>30</sup>

Working with the public and non-profit sectors is a goal of many companies, a concept called **corporate social responsibility** (CSR) where organisations have responsibilities to their society and consumers.<sup>31</sup> CSR dimensions cover legal, ethical and philanthropic expectations.<sup>32</sup> In Australia, the private sector supports the government's National Cultural Policy to facilitate consumer enjoyment of Australian-made films, music festivals, museums, arts centres and orchestras.<sup>33</sup> However, one research report cautioned that

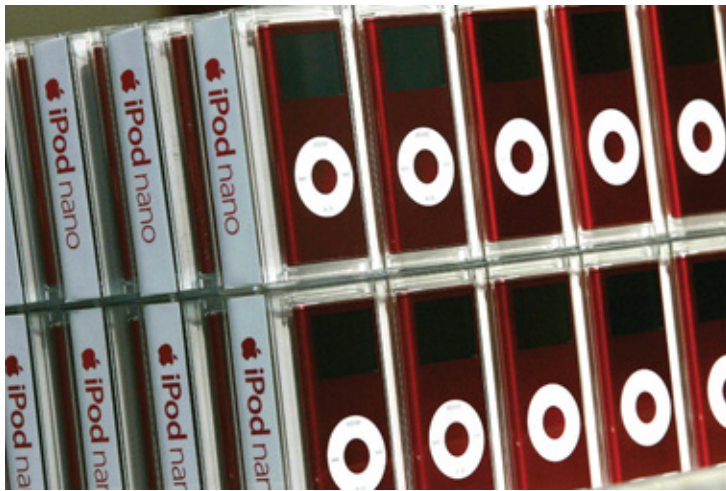
#### corporate social responsibility

The notion that organisations have responsibilities to their society and consumers (often known as CSR)

consumers would dissociate with companies that are insincere in their social initiatives and are not proactively matching the initiatives with corporate mission.<sup>34</sup>

Unilever, a competitor of Procter & Gamble, has a 'Private Sector Outreach' program—in consultation with 300 companies in Brazil, China, Colombo, France, India, Indonesia, Liberia, Mexico, Netherlands, Russia, South Africa, Spain and Britain—to focus on social issues such as education, health and 'early days' child nutrition for 1000 days between conception and the second birthday.<sup>35</sup>

One classic example of private sector collaboration with the non-profit sector is the (Red) campaign. Singer Bono and activist Bobby Shriver started (Red) in 2006 to partner with private companies to develop (Red)-branded goods and services (see Figure 1.5). A percentage of sales turnover goes to its global fund to help HIV/AIDS victims in Ghana, Kenya, Lesotho, Rwanda, South Africa, Swaziland and Zambia. Partners include Apple, Starbucks, Coca-Cola and Live Nation Entertainment. So far, partners have contributed over US\$250 million to assist 40 million people in Africa.<sup>36</sup>



**FIGURE 1.5**  
Apple's red iPod Nano  
raises funds to fight  
AIDS in Africa

Not all private sector companies are in the good books of consumers. A 2014 *Wall Street Journal* article on 'The 10 most hated companies in America' included Abercrombie & Fitch because consumers still remember the controversial 2006 statement that the company was only interested in 'cool kids' but not overweight customers.<sup>37</sup> Some companies' questionable practices were highlighted in award-winning documentary, *The Corporation*, which showed how companies can manipulate marketing, government and the media to achieve their profit focus (see the discussion on dissociative companies in Chapter 4).<sup>38</sup>

In summary, the private, public and not-for-profit sectors serve consumers by providing goods, services, ideas and experiences. The non-profit sector's goal is to have consumers support their programs, whether to increase donations or to dissociate with undesirable

behaviour. The public sector also promotes social cause campaigns, and provides services to consumers and companies, sometimes competing against the private sector for a share of the consumer dollar. The private sector is business driven but also develops CSR initiatives; however, some consumers dislike certain companies based on what they say or do. These three sectors often interact to serve consumers effectively.

## BUYING PLEASURABLE PAIN: TOUGH MUDDER

Would you sign a death waiver and pay to be electrocuted during an extreme outdoor adventure event?

Well, about a million participants have done that through Tough Mudder, which positions itself as ‘the premier obstacle course series in the world’. You swim through ice, walk across a narrow wooden plank or fall into icy water, jump into a deep muddy water pit, climb a slippery mud cliff, drag heavy tyres, run through blazing firewood, crawl underneath dangling live electrical wires, and sprint through 1000, 15-metre-long wires with a charge of 10,000 volts<sup>39</sup> (see Figure 1.6).

**FIGURE 1.6**  
Tough Mudder’s  
electroshock therapy



Each Tough Mudder participant has to pledge before an event:

- 1 I understand that Tough Mudder is not a race but a challenge.
- 2 I put teamwork and camaraderie before my course time.
- 3 I do not whine—kids whine.
- 4 I help my fellow Mudders complete the course.
- 5 I overcome all fears.

Since the event is about challenging oneself over 18–20 kilometres of twenty-five military style obstacles in three to four hours, participants could skip an obstacle without

penalty for medical reasons or a lack of basic swimming skills. The completion rate to date is 78 per cent. One participant drowned in 2013.<sup>40</sup>

Each participant pays an entry fee of about A\$155 plus an A\$11 service fee. Teams with fifteen participants get a free ticket, teams with twenty-five participants receive a Tough Mudder banner and teams with thirty-five participants could be listed on the Tough Mudder website. Spectators pay A\$20 each plus a A\$2 service fee.

At the request of hard-core 'Mudders', Tough Mudder introduced its World's Toughest Mudder Competition in 2011 to select the toughest man, woman and four-person team. Competitors complete as many miles as possible in 24 hours. In 2011, 1004 participants were challenged over forty obstacles, with 103 participants still competing after 24 hours.

There is also the Mudder Volunteer Program for those who wish to 'sample' Tough Mudder. Volunteers are assigned to different tasks, such as helping at registration, face-marking, pumping up the start-line crowd, keeping the ice pits freezing cold, putting headbands on participants and handing out beer at the finish line.

Besides providing challenging events for individuals and teams, Tough Mudder also supports the Wounded Warrior Project in the USA. Participants have raised over US\$6 million to support returning injured servicemen and women through counselling, combat stress recovery, employment services and sports programs. Tough Mudder also supports Help For Heroes in the UK to support the transition to civilian life, Legacy in Australia to support families of deceased veterans and Movember in Germany to support men's health.

Will Dean, an ex-counterterrorism agent for the British Government, conceived the idea for Tough Mudder in 2009 at Harvard Business School. Tough Mudder is now headquartered in New York, with offices in London, Melbourne and Munich. Tough Mudders's official partners now include Advil, Bic, Wheaties and the US Army Reserve.

## RESEARCHING CONSUMERS

In a competitive environment where private, public and non-profit sectors pursue consumers' dollar, time and feedback, research helps companies to understand their consumers better and to plan effective strategies. The nature of research is that yesterday's research informs today's strategies, which in turn guide tomorrow's plans. This is the 'building block effect', where researchers add new knowledge to previous research to use existing knowledge creatively. Hence, this section looks at the industry perspective, the interdisciplinary nature of consumer behaviour research from academic literature, models of thinking about the consumer, and macro and micro research on consumer behaviour.

### Industry perspective

The American Advertising Federation (AAF) has inducted many research pioneers and leaders into its Advertising Hall of Fame, including J Walter Thompson, George Gallup, Raymond Rubicam and Arthur C Nielsen Sr.<sup>41</sup>



Describe how the sectors research consumers.

Thompson started as a media buying and selling agency but later expanded to advertising services in 1885. He established a marketing research department in 1915 with behavioural scientists to help create consumer panels that led to successful campaign strategies.

Gallup's doctoral thesis was 'A scientific method of measuring reader interest in the content of newspapers'. He joined the Young & Rubicam advertising agency in 1932 to establish the first advertising copy research department and the national radio audience measurement system. Gallup started his Gallup Organization in 1935 and recruited David Ogilvy, who later set up his own advertising agency. They conducted research of film consumers through diagnostic studies and preview screenings to help Hollywood produce better films. Gallup later collaborated with research academics to establish the Gallup International Research Institute, with members across fifty countries reporting consumer opinions on diverse life issues. Gallup's famous opinion polls now run in 160 countries.<sup>42</sup>

Rubicam was the co-founder of Young & Rubicam in 1923. With his philosophy that the advertisement should 'mirror the reader', Rubicam and Gallup pioneered new consumer and media research methods, such as scientific telephone sampling to measure advertising effectiveness. Rubicam also pioneered the use of comic strips as an advertising medium.

Nielsen is credited as a worldwide pioneer in consumer research as the founder of what is now the largest global marketing research firm in 100 countries and the creator of the 'cost per thousand' method for media measurement performance and the industry standard for television audience ratings (see the Consumer behaviour in action box).

In 2010, the AAF for the first time inducted a corporation—Procter & Gamble (P&G)—into its Advertising Hall of Fame, based on its global advertising leadership.<sup>43</sup> P&G is reputed to be the first marketing company to conduct consumer research, in 1924, to understand consumer needs and develop relevant products. This consumer-focused research helped the company to create innovative products, such as the first disposable nappy.<sup>44</sup> In 2012, the AAF Advertising Hall of Fame inducted AG Lafley, P&G's former president, who advocated engagement with consumers' 'moments of truth'. Lafley was the ninth P&G staff member to be inducted into the Advertising Hall of Fame for improving consumers' lives.<sup>45</sup>

The pioneering work of Thompson, Gallup, Rubicam, Nielsen and P&G have led to a worldwide marketing research industry estimated to be worth about US\$34 billion. Peak international market research body, ESOMAR, with 4900 members in 130 countries, reported that the marketing research industry is growing by about 4 per cent yearly, with more turnover in Europe than North America<sup>46</sup> (see Table 1.2).

**TABLE 1.2**  
Global market  
research turnover,  
2011

REGIONS	TURNOVER (US\$ BILLION)
Europe	14.1
North America	11.2
Asia–Pacific	5.7
Latin Americas	1.9
Middle East and Africa	0.6
<b>Total</b>	<b>33.5</b>

Marketers have also benefited over the last decade from the Euromonitor International book, *World Consumer Income and Expenditure Patterns*. The 2014 edition compares data over the last 20 years on seventy-five categories of goods and services in seventy-one countries.<sup>47</sup> Euromonitor also publishes 'Consumer Lifestyles' of eighty nations, including Asia–Pacific countries. The *Consumer Lifestyles in Australia* book indicates that many Australians are saving more, spending less, buying more online and taking shorter holidays, and are unprepared for retirement. On the other hand, New Zealanders are more value-conscious because of higher costs for food, fuel and housing.

## NIELSEN KNOWS THE PULSE OF CONSUMERS

Engineer Arthur C. Nielsen started his Chicago research business in 1923 with a US\$45,000 loan to evaluate conveyor belt and turbine generator quality.

The Nielsen company produced its first consumer market survey in 1929, measured consumer sales during the 1930s depression, determined sales patterns through store shelves audits, recorded radio listening habits, launched the consumer index in 1947, opened Australian and New Zealand offices in 1948 and 1953, started the television index in 1950, established a coupon clearing house in the USA in 1957, implemented a service to measure sales of new consumer goods in 1961, offered daily national television program ratings in 1973, acquired the Survey Research Group in Asia in 1994, launched a weekly internet usage service in 2000, measured online campaign ratings in 2011, and became the first official market researcher for the 2012 Olympic Games in London.<sup>48</sup>

The Nielsen company has expanded its services to gain deeper insights into the consumer subconscious. Its 'consumer neuroscience' service uses electroencephalography (EEG) technology to measure brainwaves and gauge consumer reactions to marketing elements, such as advertising, branding, in-store displays, product packaging and product experience of taste and touch.<sup>49</sup>

The Nielsen Global Survey of Consumer Confidence, started in 2005, is based on polling of 30,000 online consumers across sixty countries in Africa, Asia–Pacific, Europe, Latin America, the Middle East and North America. Nielsen obtains consumer sentiments about the global economy by asking questions on job prospects, finance, savings and spending intentions, plus changing habits, attitudes and desires over time. Twice yearly, Nielsen obtains information on food safety, loyalty, online shopping and product innovation.<sup>50</sup>

Nielsen reported that Asia–Pacific was the only region showing an increase in consumer confidence every quarter in 2013, with more consumer confidence within Indonesia than in other countries<sup>51</sup> (see Table 1.3).

A recent Nielsen research compared Australians' online habits between 2003 and 2013. Surveying 5000 respondents aged 16 and above online, Nielsen reported that 82 per cent of Australians spent 23.3 hours online weekly in 2013, compared with 73 per cent of Australians and 6.7 hours in 2003. The report also revealed that marketers have responded to this change in online behaviour by increasing online advertising from 3 per cent of the advertising pie in 2003 to 27 per cent in 2013.<sup>52</sup>



**TABLE 1.3**  
Consumer confidence  
index in Asia–Pacific,  
2013

COUNTRY	CONFIDENCE INDEX
Indonesia	124
India	115
Philippines	114
China	111
Thailand	109
Hong Kong	105
New Zealand	100
Vietnam	98
Malaysia	98
Singapore	97
Australia	95
Japan	80
Taiwan	73
South Korea	49

## Interdisciplinary research

Consumer behaviour has been a marketing sub-discipline since the 1950s.<sup>53</sup> However, academic literature reveals that many other disciplines have influenced the scope of consumer behaviour from the 1960s, such as anthropology, economics, linguistics, neuroscience, psychology and sociology.<sup>54</sup>

Psychology and sociology have significantly contributed to the consumer behaviour concepts of prestige, reference group, role, social class and status.<sup>55</sup> Anthropology's techniques of analysing primitive human societies have been used on urban consumers to help marketers understand consumer kinship, gift giving, buyer–seller interactions and changes in fashions and styles.<sup>56</sup>

Scholars in an anthropological qualitative consumer research study explored the problem-solving behaviour of environmentally concerned consumers during their grocery shopping. The scholars interviewed 100 German and UK consumers across three groups: German green consumers, British green consumers and British non-green consumers. The scholars recommended that green marketing communication should be factually tailored to different consumer groups through seminars, leaflets, posters, advertising and community-based marketing, where experienced green consumers advise novices in green consumption.<sup>57</sup>

From an applied perspective, Adidas hired anthropologists to gain consumer insights. Adidas designers spent weeks with Germany's Bayern Munich football club before designing a light football boot to increase the speed of players<sup>58</sup> (see Figure 1.7).

Other marketers are also now relying on **behavioural economics**, which combines psychology and economics to understand the emotional and irrational decisions of

### behavioural economics

An interdisciplinary study that combines psychology and economics to understand the emotional and irrational decisions of consumers





**FIGURE 1.7**  
Adidas football boots:  
designing through  
anthropology

consumers.<sup>59</sup> Consulting firm McKinsey offers four suggestions in its report, *A Marketer's Guide to Behavioural Economics*.<sup>60</sup>

- 1 Make a product's cost less painful; for example, to allow small delays in paying for a purchase.
- 2 Harness the power of a default option; for example, crediting a customer with 100 free phone calls.
- 3 Don't overwhelm consumers with choice; for example, a retailer sold five times more jam by sampling six jam choices compared to 24 varieties.
- 4 Position your preferred option carefully; for example, a jewellery shop could not sell its turquoise collection despite the efforts of its sales staff and displays, but sold the whole collection by doubling the price to create a quality perception.

## Research phases

The interdisciplinary nature of consumer behaviour has led to two main **research paradigms** or approaches to research consumers. **Positivist research** is quantitative, objective, scientific and emotionally detached. **Interpretivist research** is qualitative, subjective, involved and constructivist. Some scholars combine both approaches into a third research paradigm of mixed methods because qualitative and quantitative methods are useful to gain insights into meaningful experiential consumption.<sup>61</sup>

The positivist paradigm has been dominant since the 1950s because of its reliability and validity features. While anthropology and sociology had used interpretivist research during the 1950s and 1960s,<sup>62</sup> consumer behaviour researchers began to adopt more interpretivist research in the 1980s.<sup>63</sup>

### research paradigm

A particular research approach, such as positivist or interpretivist research

### positivist research

Research that is quantitative, objective and emotionally detached

### interpretivist research

Research that is qualitative, subjective, involved and constructivist

Academic researchers have highlighted six stages of consumer behaviour research:

- 1 *Early empirical phase (1930 to late 1940s)*. Applied commercial research based on economic theory focused on sales effects of advertising, distribution and promotion decisions of the company.
- 2 *Motivation research phase (1950s)*. Clinical psychologists with Freudian concepts uncovered consumer motivations through depth interviews, focus groups and projective techniques.
- 3 *Formative phase (1960 to 1965)*. Marketing consumer behaviour specialists focused on single purchase behaviour constructs such as cognitive dissonance, perceived risk, personality and social character or social class.
- 4 *Utopian grand theories phase (1966 to early 1970s)*. Researchers attempted to build comprehensive integrated concepts or theories about consumers' pre-purchase decision processes.
- 5 *Information processing phase (early 1970s to 1980)*. Pragmatic researchers focused on how consumers process and use information in the short term or long term.<sup>64</sup>
- 6 *Consumer culture theory phase (1980s to present day)*. The push was towards promoting the macro research perspective of consumers as human beings rather than as computers.<sup>65</sup> This resulted in the consumer culture theory (CCT) of focusing on the dynamic consumer–marketplace–culture relationships to produce knowledge on the experiential, ideological, sociocultural and symbolic dimensions of consumer behaviour.<sup>66</sup>

CCT researchers study consumer behaviour through multiple lenses of anthropology, feminist studies, media studies and sociology.<sup>67</sup> Such an approach illuminates consumer behaviour across the buying, using or disposing process, particularly about consumer identity, consumer society structures, marketplace cultures and consumer ideology.<sup>68</sup> Some scholars have even suggested that CCT is a sub-discipline of the multidisciplinary field of consumer behaviour.<sup>69</sup>

## Models of thinking about the consumer

Gordon and Valentine highlighted seven models of thinking about the consumer from the Second World War to the twenty-first century:<sup>70</sup>

- 1 The **marginalised consumer**. This approach held sway in the seller's market in the post-war years, where sellers produced goods and services without consulting consumers.
- 2 The **statistical consumer**. This approach was dominant during the buyer's market of the 1950s, where positivist research methods were used to determine what consumers wanted. However, the consumer was profiled objectively in averages and facts—the 'what' and 'how many'.
- 3 The **secretive consumer**. This approach evolved in the 1960s, when researchers focused on the 'why' of consumers' hidden motivations. This era of motivational research led to interpretivist research techniques borrowed from psychology and psychoanalysis. Researchers in the 1970s through the 1980s also leveraged the disciplines of science, sociology and social anthropology to understand the consumer as a social being.

Researchers included research approaches such as brain science, cultural analysis, ethnography and semiotics.

- 4 The **sophisticated consumer**. Under this approach, the consumer was seen to be consuming advertising and experiences as well as goods and services. Marketers consulted sophisticated and aware consumers on marketing activities.
- 5 The **satellite consumer**. During the 1970s and 1980s, marketers developed a brand-centric model to pull consumers to brands—brand repertoire, brand positioning, brand equity and brand personality. The brand was considered a planet while the consumer was regarded as a moon drawn towards the planet.
- 6 The **multi-headed consumer**. This model of thinking considered the different ‘need states’ of the consumer, depending on the context of the environment, the situation, external factors and emotional needs. The consumer has repertoire behaviour or multi-wants; for example, ordering a beer in a pub one day and wine in the same pub another day, depending on the social company, the occasion, the weather and the atmosphere.
- 7 The **mutable consumer**. The twenty-first-century consumer is described as a thinking person who dynamically constructs multiple identities continually over time and space. Hence, a consumer could play the role of a cook or Santa Claus in different situations; or be a family member, ‘couch potato’ and internet surfer on other occasions. These are ever-changing ‘moments of identity’.

This book’s proposed definition of consumer behaviour as a situational phenomenon supports the thinking of the consumer as multi-headed and mutable. The Volkswagen ‘Welcome to the Family’ television commercial tries to capture the mutable consumer by showing some parents as sons and daughters, siblings, family drivers, cricket players and birthday celebrators (see Figure 1.8).



**FIGURE 1.8**  
Volkswagen and  
multiple identities

### Micro and macro consumer behaviour

Research paradigms from interdisciplinary concepts have also led to a debate on whether the field should focus on micro or macro consumer behaviour. **Micro consumer behaviour**

#### micro consumer behaviour

Research that focuses on the effects of marketing on individual purchase behaviour, rather than the societal impact of such behaviour

### macro consumer behaviour

Research that focuses on the social effects of marketing activities and buying on culture and societal well-being, rather than on individual purchase behaviour

focuses on the individual's purchase behaviour of buying, using or disposing, while **macro consumer behaviour** considers the impact of consumer behaviour on society.<sup>71</sup> Macro consumer behaviour is analogous to the societal marketing concept, where marketers need to consider long-term societal impact of marketing rather than focus only on satisfying consumer needs.<sup>72</sup>

The earlier research phases in consumer research tended to focus on micro issues of sales effects of the marketing mix, consumer motivations, single purchase behaviour, pre-purchase decisions and consumer decision-making processing. It does not mean that such micro focus should stop. It is just that there is life beyond consumption, hence macro consumer behaviour relates to human behaviour as a whole.<sup>73</sup> See Table 1.4 on the distinctions between micro and macro consumer behaviour.

**TABLE 1.4**  
Micro and macro consumer behaviour

SPECIFICATIONS	MICRO CONSUMER BEHAVIOUR	MACRO CONSUMER BEHAVIOUR
Focus	Focus on individual consumer: effects of marketing mix on consumers' purchase behaviours	Focus on social impact: effects of marketing activities and buying on culture and well-being
Dependent variables	Buying choices	Individual, interpersonal and cultural effects
Independent variables	Marketing variables and individual differences	Marketing variables and consumer choices

Table 1.5 captures the thoughts of Russell Belk, a strong advocate on macro consumer behaviour research who has raised many issues on the personal, interpersonal and cultural effects of consumer acquisition, usage and disposal.<sup>74</sup>

**TABLE 1.5**  
Macro consumer behaviour: what it entails

	ACQUISITION	USAGE	DISPOSAL
Personal focus	<ul style="list-style-type: none"> <li>Relationship between consumption and well-being</li> <li>Trade-offs between tangibles and experiences</li> </ul>	<ul style="list-style-type: none"> <li>Consumption objects as status symbols</li> <li>Preference for tangibles and intangibles</li> </ul>	<ul style="list-style-type: none"> <li>Ability and 'security blanket' of goods</li> <li>Conspicuous waste of prior generations</li> </ul>
Interpersonal focus	<ul style="list-style-type: none"> <li>Motivation for irrational gift giving</li> <li>How organ transplant affects self-image</li> </ul>	<ul style="list-style-type: none"> <li>Sharing as a natural inclination</li> <li>Shared consumption of rituals (e.g. Santa Claus)</li> </ul>	<ul style="list-style-type: none"> <li>Identity preservation and wills</li> <li>Withdrawing of goods and attitudes</li> </ul>
Cultural focus	<ul style="list-style-type: none"> <li>How consumer culture affects China</li> <li>Advertising effect on cultural values</li> </ul>	<ul style="list-style-type: none"> <li>Shared consumption of symbols (e.g. Statue of Liberty)</li> <li>Media portrayals of consumption</li> </ul>	<ul style="list-style-type: none"> <li>Flea markets or garage sales and sense of charity</li> <li>'Kleenex culture' or junk as collectible</li> </ul>

The **Kleenex culture**<sup>75</sup> of throwing things away has had tremendous societal impact. Garbage from food, paper, plastic, glass and metal contribute to the 1.2 billion tonnes of global waste.<sup>76</sup> The 'Great Pacific Garbage Patch' (see Figure 1.9), which pulls garbage from Asia, North America and Hawaii, has increased 100 times since the 1970s and poses other problems, such as increased insects that eat away food sources of fish, 9 per cent of which also have plastic in their stomach.<sup>77</sup> The resultant action is a ban on plastic bags and Styrofoam in many Californian stores.

**Kleenex culture**

The culture of throwing things away

**FIGURE 1.9**

A sample of water from the Great Pacific Garbage Patch

Other countries are also attempting to reduce the reliance on single-use plastic shopping bags. The plastic bag litter in Ireland dropped from 5 per cent to 0.32 per cent after the introduction of a plastic bag levy in 2002 and the use of plastic bags in Wales decreased by up to 96 per cent after a levy of 5 pence per bag.<sup>78</sup> After lobbying by the Surfers Against Sewage group through its 'Break the Bag Habit', the British government will introduce a 5 pence levy in October 2015 on single-use plastic bags.<sup>79</sup> In South Australia, there is a ban on 'checkout-style plastic bags'.<sup>80</sup>

Aldi supermarket, which started in Germany in 1913 and now has 300 stores in Australia, prides itself on its plastic bag policy:

We have championed a number of environmental initiatives over the years, but we are particularly proud of our plastic bag policy. Since opening our first store in 2001 we have never stocked single-use plastic bags and remain the only major grocery retailer in Australia who does not offer free plastic bags across all stores. We encourage our customers to bring their own shopping bags, or alternatively they can purchase durable shopping bags which can be reused time and time again.<sup>81</sup>

In summary, this section has explored how marketers and academics have researched consumers. There is cumulative learning of research conducted by global advertising experts, research companies, marketing leaders and scholars. We understand consumers better because we have borrowed from disciplines such as anthropology, economics, neuroscience, psychology and sociology. We measure and/or interpret empirical evidence collected from consumers and have various models of thinking about the consumer. We have researched the micro dimensions of consumers' motivations, decision process and purchase behaviour as well as the macro impact of consumer behaviour on society. The next section looks at how consumers make decisions.

## GOT MILK?

Milk consumption in California had declined for 15 years from the 1970s to early 1990s, even with advertising that 'Milk does a body good'. Consumers were aware of the benefits of daily milk consumption, including nutrition, health and calcium.

However, youths considered milk to be boring and dull when compared with the active lifestyle projected by brands of beverages and soft drinks. Unlike the bulky milk packaging, competitive beverages were more conveniently and innovatively packaged in different forms, shapes, sizes and colours. Hence, youths were consuming soft drinks in different situations and places.

Creative advertising also helped competitive beverages. Mountain Dew's 'Do the Dew' campaign projected the brand as more potent than ultra-dangerous feats. Gatorade featured basketball celebrity Michael Jordan, with the tag 'Be like Mike'. Sprite appealed to playful cynicism, using rap artists to convey hip-hop culture in its 'Obey your thirst' campaign.

The California Milk Processor Board (CMPB) took action in 1993. The largest milk producers contributed three cents per gallon to fund the yearly advertising budget of US\$23 million. CMPB targeted the existing 70 per cent of Californians who were frequent milk consumers to get them to drink more milk at home.

Working on an initial strategy that milk complements brownies, cookies or sandwiches, research showed that consumers were upset if there was no milk at home. Thus emerged an emotional deprivation advertising appeal. The expression of this milk-deprived moment became 'Got milk?'

The first television commercial featured a history buff whose correct answer to a radio contest question was unintelligible to the DJ—all because the history buff had no milk to wash down the peanut butter sandwich in his mouth. The commercial won the advertising 'Oscar' at the 1994 Clio Awards.

Milk sales increased by 15 million gallons in 1994. A second television commercial featured an obnoxious yuppie in Hell, where milk cartons were empty. Milk was then seen as 'cool'. Another entertaining commercial later depicted a fictional 'Town without milk'. 'Got milk?' messages also appeared on billboards, bus stops, shopping floors and stickers on bananas (which were popular with cereals).<sup>82</sup>



Jeff Manning, who was the then Executive Director of CMPB, shared his lessons from the successful 'Got milk?' campaign:

- 1 *Seek strategic partners.* 'Got milk' appeared on Nestlé Nesquik box tops, Nabisco cookies and Dole bananas. There was also co-branding with Barbie Doll, Girl Scouts of America and *Sesame Street's* Cookie Monster.
- 2 *Address changing trends.* When foods and beverages were calcium-fortified, the 'Got milk?' campaign leveraged current events and medical research to reinforce milk's calcium benefits.
- 3 *Target ethnic markets wisely.* For example, the large Hispanic segment did not think that the milk deprivation situation was funny; in fact 'Got milk?' in translation came off as 'Are you lactating?' Hence, CMPB focused on milk-based recipes and cooking, which appealed culturally to Hispanics.
- 4 *Leverage strategic publicity.* Use the news media proactively to write about new executions of the advertisements. News media also picked up stories on the successful Hispanic strategy.
- 5 *Create association assets.* CMPB licensed the 'Got milk?' trademark and campaign in 1997 to dairy organisations around the country. The famous mnemonic milk-moustache campaign emerged from this association (see Figure 1.10).



**FIGURE 1.10**  
Celebrity  
milk-moustache  
advertisement

## HOW CONSUMERS DECIDE

You are bombarded daily with marketing activities from the private, public and non-profit sectors to support their goods, services and ideas. How do you decide when faced with a diversity of messages from advertising, online blogs, product reviews, word-of-mouth

recommendations, online offers and store displays? While Chapter 10 explores the consumer decision models in greater detail, this section provides another perspective on the decision-making process, buying process roles and the simultaneous roles of consumers.

## Consumer decision-making process

Positivist researchers theorise that consumers act rationally in a complex linear way.<sup>83</sup>

*Problem recognition*

>Information search

>Alternative evaluation

>Choice (or purchase decision)

>Outcome evaluation (or post-purchase behaviour)

Consider this process in your life.

- 1 On what occasions did you go through the five-step process from beginning to the end? Perhaps you needed a car, searched information on cars through friends and other sources, evaluated selected cars against your criteria, decided on your car and then evaluated whether you had made the right decision. Or did you stop at alternative evaluation, thereby completing only the first three steps?
- 2 Did you need a holiday, decide immediately to return to your favourite holiday destination (a search of your memory, perhaps) and then share your satisfaction after your choice? You would then not have gone through the five steps of the decision-making process.
- 3 Have you recognised a problem (for example, replacing your printer cartridge or designer bag) and gone directly to choice, without outcome evaluation because you are already familiar with the product category?
- 4 Maybe you were in a supermarket and bought potato chips on special, even though the item was not on your shopping list. With your impulse purchase, you would have skipped several steps of the decision-making process.

The above scenarios show that the traditional cognitive decision-making process does not apply in all situations for all product categories. It generally applies when you have to buy something very important and consider the financial, personal and social risks.<sup>84</sup> In most cases, however, there are emotional, personal and situational factors for first-time and repeat purchases where the traditional decision-making model does not apply. Hence, interpretivist researchers advocate a subjective situational approach to consumer decision making.<sup>85</sup>

One interpretivist scholar suggested a simple approach:

*Stimulus of a situation or object*

>Person receives stimulus

>Person acts.<sup>86</sup>

From an industry perspective, consulting firm McKinsey has advocated moving away from the 'funnel' process of awareness–familiarity–consideration–purchase–loyalty. Based on research of 20,000 consumers in three continents, McKinsey recommends a circular rather than a linear process covering brand consideration, evaluation, purchase



Discuss how consumers make decisions.



and post-purchase. Consumers consider brands that they are familiar with; they then actively seek internet reviews and word-of-mouth recommendations of family and friends before purchasing; and then become active loyal consumers or passive loyalists.<sup>87</sup>

## Buying process roles

Similar to the linear positivist process of consumer decision making, there is also the buying process where consumers may play roles of initiator, influencer, decider, buyer and user<sup>88</sup> (see Chapter 10 for more details). The initiator suggests buying a good or service; the influencer has some authority to influence the process; the decider determines whether/what/where/when/how to buy; the buyer does the actual purchase; and the user consumes the purchased good, service or experience. Some authors also include the gatekeeper role for keeping the information flow.

The buying process roles also overlap the traditional decision-making model; for example, the initiator would be similar to the problem recognition stage. See Table 1.6 for comparison between the two theories.

<b>DECISION-MAKING MODEL</b>	Problem recognition	Information search	Evaluation	Choice	Outcome evaluation
<b>BUYING PROCESS ROLES</b>	Initiator	Influencer	Decider	Buyer	User

**TABLE 1.6**  
Comparing the decision-making model and buying process roles

Let's apply the buying process roles against the consumer goods and services categories (described in the section on the private sector) to see if you have to go through all the stages for different purchase categories. As a variation in this chapter, the gatekeeper role is subsumed under influencer. There are many possible scenarios but Table 1.7 offers one scenario for a single person.

<b>ROLES/CATEGORIES</b>	<b>INITIATOR</b>	<b>INFLUENCER</b>	<b>DECIDER</b>	<b>BUYER</b>	<b>USER</b>
FMCG (e.g. margarine)	—	—	You decide on a repeat purchase.	You buy.	You use.
Services (e.g. cinema)	—	—	You decide after reading film reviews.	You buy.	You use.
Durables (e.g. laptop)	You need a new laptop.	You consult an expert.	You decide.	You buy (or do not buy).	You use (or do not use).
Specialty goods (e.g. diamonds)	A friend wants to buy for his girlfriend.	You have no knowledge to influence.	Your friend decides.	Your friend and girlfriend buy.	Your friend's girlfriend uses.
Unsought services (for example, niche for funerary ashes)	Your aged single mum raises idea.	You consult someone.	You and your mum decide.	You and your mum buy (or do not buy).	Your mum uses (or does not use) when she dies.

**TABLE 1.7**  
Buying process for a single person

Hence, for repeat purchase of FMCG goods such as margarine, you may simply decide, buy and use. If you are buying margarine for the first time, someone who knows more about which brand to buy may influence you. If you go to the cinema on your own, the buying process could also be decide–buy–use.

Buying a durable product or specialty item could involve the whole process, with the influencer and decider stages taking a longer time when the product is higher priced or may have safety risks. Depending on your situation, an unsought service may not be a priority and hence you do not decide, buy or use. The scenario above also demonstrates that the buying process depends on situations, goods and services.

## Simultaneous roles

Our broad roles in macro consumer behaviour do not just focus on buying, using or disposing goods and services. As a mutable consumer, you have other roles besides being a student or an employee. Your other roles could include being a son or daughter, a sibling, an uncle or auntie, a keep-fit enthusiast, a keen photographer, a blogger, a Facebook fan, a coordinator in your social network and a community council member. Your roles would change at different stages of your life cycle; for example, you could be a parent, a manager and a homeowner, too. Hence, your various roles would influence the decision-making and buying processes.

Two theories can help to explain our roles and behaviours: the role theory of concepts (such as role taking, conflict, conformity and consensus)<sup>89</sup> and the theory of consumer dimensions.<sup>90</sup> These are now looked at in more detail.

### role-taking concept

A role theory that suggests that we take on roles as part of social interaction and a means for self-development

### conformity concept

A role theory that is about social imitation, where there is compliance to some expectation

### preferential consensus

A role theory that suggests that groups share similar attitudes, common stimuli and equitable social status; such groups tend to meet regularly over coffee or a meal, or travel together

## ROLE THEORY

The role theory explores role taking, consensus, conformity and conflict.

### Role taking

This **role-taking concept** suggests that we take on roles as part of social interaction and a means for self-development. Role takers expect others to have matching attributes such as altruism, empathy, transparency and leadership. This explains why consumers have multiple roles and connect more with certain relevant messages of goods, services, ideas and experiences.

### Consensus

This **consensus concept** theorises that cohesive, longer-lasting groups with shared norms tend to agree on expectations of diverse members. This is also known as normative consensus. There is also **preferential consensus**, where there are similar attitudes, common stimuli and equitable social status. Such groups tend to meet regularly over coffee or a meal, or perhaps travel together.

## Conformity

This **conformity concept** is about social imitation, where there is compliance to some expectation. There is **instrumental conformity**, where people conform to avoid sanction for non-compliance from someone with more authority. There is also **internalised conformity**, when people feel it is right to accept the norms of others. This explains why some people are influenced by peer pressure and may have the same tattoo, body piercing or coloured hair.

## Conflict

This **conflict concept** implies incompatible expectations against personal norms and skills, which lead to stress, negotiations, conflict resolutions, adjustments to behaviour or viewpoint, and compromise or withdrawal from some roles. There could be conflict between domestic and professional roles, particularly for women. There also could be **role overload** with too many roles and expectations. This explains why some consumers cope with stress through positive thinking, music, reading, smoking or drinking.<sup>91</sup>

## CONSUMER DIMENSIONS

In 2013, consulting firm Accenture surveyed 600 corporate executives and 10,000 consumers in ten countries to gain insights into changing consumer behaviours. Accenture identified ten consumer dimensions under the broad themes of consumers as networked, co-productive and cooperative:<sup>92</sup>

- 1 **Connected consumers**, who constantly check emails and use the internet.
- 2 **Social consumers**, who use social media to connect with family, friends, companies and institutions.
- 3 **Co-productive consumers**, who provide feedback and co-design products for companies.
- 4 **Individual consumers**, who prefer customised offerings to express individual uniqueness and personality.
- 5 **Experiential consumers**, who also seek non-digital experiences such as live events and travelling.
- 6 **Resourceful consumers**, who engage in online auctions, selling to online communities and buying used goods online.
- 7 **Disconnected consumers**, who choose certain periods to disconnect from the digital world.
- 8 **Communal consumers**, who value social causes.
- 9 **Conscientious consumers**, who make their own things, buy locally, consider the environment and give away unneeded purchases.
- 10 **Minimalist consumers**, who reuse goods, buy second-hand products and participate in car-sharing schemes.

### consensus concept

A role theory that theorises that cohesive, longer-lasting groups with shared norms tend to agree on expectations of diverse members (also known as normative consensus)

### instrumental conformity

A role theory of conformity that suggests that people conform to avoid sanction for non-compliance from someone with more authority

### internalised conformity

A role theory of conformity that suggests that people feel it is right to accept the norms of others

### conflict concept

A role theory that implies incompatible expectations against personal norms and skills, which lead to stress, negotiations, conflict resolutions, adjustments to behaviour or viewpoint and compromise or withdrawal from some roles

### role overload

A role theory that suggests that some people overload with too many roles and expectations

This section explored the decision-making process, the buying process roles and the simultaneous roles played by consumers. Positivist researchers state that the traditional decision-making process is rational and linear, but interpretivist researchers advocate for a simpler situational process. Practitioners are also moving away from the traditional funnelling concept of decision making to a simple circular process of connection, evaluation and post-purchase loyalty. Just like the traditional decision-making process, the buying process is linear but should be contextual, depending on many variables such as individuals, groups, situations and cultures. The role theory concepts also explain how consumers behave in different contexts. The perspectives of consumer dimensions reinforce the concept of many situational roles in consumer behaviour. The next section looks at impact on consumers.

## KLEENEX AND EMOTIONAL RELEASE

Kleenex has been a part of consumers' lives since 1924, when it was launched as a make-up remover. Kleenex made life better for consumers by giving them control of situations involving spit, sweat and tears. However, sales began to decline in the early 2000s after decades of success.

The reason? Consumers had taken the brand for granted. Kleenex had to reconnect with consumers emotionally. The advertising idea to release emotions came from a radio show when an army nurse mentioned that she and her colleagues in the operating room had felt better by letting go of bottled-up tears into Kleenex tissues.

The campaign idea in 2007 was expressed as 'Let it out'. Advertising showed people telling their stories and releasing their emotions in different ways. The 'Let it out' message appeared on television and radio, at live events, in theatres and on website videos. Various news media featured the campaign, such as talk shows, print media, blogs, brand communities and message boards.

The feel-good campaign even increased quality perceptions when there was no actual product improvement. Sales increased by US\$50 million. The campaign by advertising agency JWT won many advertising awards, including the 2008 Effie Gold Awards in the household products and supplies category.<sup>93</sup>

**FIGURE 1.11**  
Kleenex 'Let it out'  
campaign



## IMPACT ON CONSUMERS

There is obviously an information overload with messages from the private, public and non-profit sectors reaching out to consumers. One media source estimates that an American adult is exposed to about 600 advertisements daily through the television, newspaper, radio, magazine and the internet, but that only about ten messages may have an impact on the adult.<sup>94</sup> Add the barrage of news media, online blogs and social media and you can reach an information overdose. This section looks at the positive benefits as well as the undesirable impact of consumer decisions in the face of marketing from the three sectors, and particularly from the private sector.

### Positive side

Technology has helped consumers to be more computer literate, tech-savvy and more informed compared with previous generations. For example, thousands of global consumers can now learn from famous universities through the free massive open online course system (MOOC).<sup>95</sup>

Technology has also influenced trends in consumer behaviour. Examples include:

- 1 *Mobile applications (apps)*. Apple has over a million apps for the iPhone, iPad and iPod touch. Popular apps are for messaging, socialising, productivity and utilities. It is estimated that by 2016, about 95 per cent of mobile apps will be free.<sup>96</sup> You or someone you know may be involved in co-producing a mobile app.
- 2 *Online banking*. This has increased in developed markets. One US report indicated that 53 per cent of banking transactions are now made online.<sup>97</sup> It is so much more convenient to pay bills through your bank account and to transfer money across accounts while you are online. Citibank has introduced an online security device that provides one-time PIN for online transactions.<sup>98</sup>
- 3 *Online fashion shopping*. Australian online shopping is predicted to grow by 14 per cent to \$27 billion, with more online retailers entering the market, more current online retailers improving their products and services, more manufacturers selling online direct to consumers and more consumers searching and buying clothing, footwear, jewellery and fashion accessories through their mobile devices.<sup>99</sup>
- 4 *Online grocery shopping*. Grocery shopping online in the UK is expected to double in five years from its current 5–6 per cent.<sup>100</sup> While 52 per cent of UK consumers have purchased groceries online, only 35 per cent of Australians have done so.<sup>101</sup>
- 5 *Self-service in supermarkets*. Woolworths Australia has introduced self-checkout technology in more than 10 per cent of its stores nationwide, with one Melbourne store reporting that over 50 per cent of its customers use the service.<sup>102</sup>
- 6 *Airline self-service check-in*. Check-in has been made easier for travellers. A World Passenger Self-Service Survey revealed that 85 per cent of passengers in Atlanta, USA, used self-service check-in through the internet, mobile phones and self-service kiosks.<sup>103</sup>



Debate how marketing activities impact consumers.

- 7 *Online research and consumer engagement.* Marketers are also using the internet more to obtain consumer feedback. For example, 'My Hungry Jack's Experience' enables consumers to indicate their satisfaction and then provides a code for a free cheeseburger at the end of the survey.<sup>104</sup> Procter & Gamble has a Vocalpoint website for women to share their consumer stories or provide feedback and then gain access to free samples or promotions.<sup>105</sup>
- 8 *Contactless credit card payments.* There are now Visa payWave and MasterCard PayPass credit cards (see Figure 1.12) where you simply wave your card above a transaction device for purchases below \$100. You do not have to swipe your card, enter your PIN or sign a slip of paper for such transactions. For transactions above \$100, you have to enter your PIN or sign for extra security.<sup>106</sup>

There are also other positives from the marketing efforts of the private sector:

- 1 Popular dance shows such as *So You Think You Can Dance* and *Dancing with the Stars* have not only entertained millions of consumers but also motivated them to take up dance classes.<sup>107</sup>
- 2 Cooking shows such as *MasterChef* and *My Kitchen Rules* have triggered more interest in healthy eating and home cooking, with consumers buying ingredients, cookbooks and kitchenware featured on the shows.<sup>108</sup> Even children have benefited from the *Junior MasterChef*, helping them to have a positive attitude towards cooking and improving their knowledge of ingredients.<sup>109</sup> In Britain, weekly home baking jumped from 33 per cent in 2011 to 60 per cent in 2013 because of the *Great British Bake Off* talent show.<sup>110</sup>
- 3 *The Biggest Loser* reality show has also pumped up consumer spending on gym training, dietary supplements and weight loss services in Australia.<sup>111</sup>

**FIGURE 1.12**  
Visa payWave and  
MasterCard PayPass  
credit cards



## Negative side

The marketing onslaught and consumer decisions have created undesirable consumer behaviours, such as obesity (you may also wish to read up on eating disorders), credit card debts, credit card fraud, identity fraud, internet addiction, shoplifting, gambling addiction (also social media addiction), drug addiction, alcohol addiction and one-punch violence.

### Obesity

The World Health Organization reports that obesity has doubled since 1980, with 500 million men and women being obese and 1.4 billion being overweight. The problem is caused by physical inactivity and intake of high-fat and high-sugar foods. Diabetes and heart disease are linked to overweight and obesity.<sup>112</sup> Tackling overweight, obesity, diabetes and heart disease could cost the world \$30 billion in the next two decades.<sup>113</sup> Research has shown that public service advertising does influence children's nutritional habits,<sup>114</sup> but the public or non-profit sector spends much less than the private sector to make an impact on reducing obesity.

### Credit card debts

The total credit card debt in the USA in 2012 was close to US\$800 billion. The debt per household was about US\$16,000. About 26 per cent of consumers said that their debt had increased over the previous year.<sup>115</sup> Australian consumers owe about A\$50 billion in credit card debt.<sup>116</sup>

### Credit card fraud

Losses from credit, debit and prepaid cards amounted to over US\$11 billion globally in 2012, an increase of about 15 per cent over 2011.<sup>117</sup> Fraudsters work in various ways, such as card skimming of information from the magnetic stripe, hacking into card accounts, producing counterfeit cards, card theft, fraudulent application and **phishing**.<sup>118</sup>

### Identity fraud

Fraudsters steal personal information to obtain credit cards, open bank accounts, apply for a passport, start an illegal business or commit a serious crime.<sup>119</sup> The Microsoft Computing Safety Index, a survey of 10,000 adults in twenty countries, revealed that 15 per cent of respondents had been victims of phishing, where someone had stolen their personal details for financial fraud. The report also stated that the global cost of phishing, recovering from identity theft and repairing one's professional reputation could be as high as US\$10 billion.<sup>120</sup>

### Internet addiction

Some consumers use the internet to download or swap pornography, participate in casual cybersex, engage in online dating, play games, gamble, trade shares or shop excessively.<sup>121</sup> Young Australian consumers now spend 2.5 hours online daily compared with 1.9 hours

#### phishing

False emails that trick consumers into revealing their credit card information

in 2008.<sup>122</sup> A research study of 278 teenagers (studying in Years 7–9) found that there are addicted, heavy and light users of the internet for information search, opinion exchange, social networking and self-development.<sup>123</sup>

### Shoplifting

The Global Retail Theft Barometer for 2012–13 reported that retailers lost US\$112 billion from shoplifting, employee theft or supplier fraud. The losses came from 160,000 stores of 157 companies in sixteen countries. The thefts covered accessories, allergy treatments, Apple products, electronic games, footwear, jeans, lingerie, milk formula and mobile devices.<sup>124</sup> Australian stores in 2011 lost A\$7.5 billion from shoplifting of baby food, batteries, cosmetics, pet care products, petrol, razor blades and toothpaste.<sup>125</sup>

### Gambling addiction

Gambling online and in casinos is also a problem for some people who are not able to limit their money and time. It is an issue that could affect the persons involved, their families, friends and employers, medical practitioners, the community and the government. It is estimated that while 2.5 per cent of Australians are moderate to severe gamblers, the ripple effect means that up to five million Australians feel the financial, health and social impact of the addiction.<sup>126</sup>

### Drug addiction

Cannabis, cocaine, ecstasy, heroin, methamphetamine, opium and new psychoactive substance (NPS) abuse pose a problem globally. The 2013 World Drug Report expressed concern that NPS has grown by 50 per cent between 2009 and 2012, largely because it is sold openly and online as low-risk fun under names such as ‘bath salts’, ‘meow-meow’ and ‘spice’.<sup>127</sup> A research of electronic and conference databases found that public service advertising had limited effect on the respondents’ intention to use illicit drug or usage levels.<sup>128</sup>

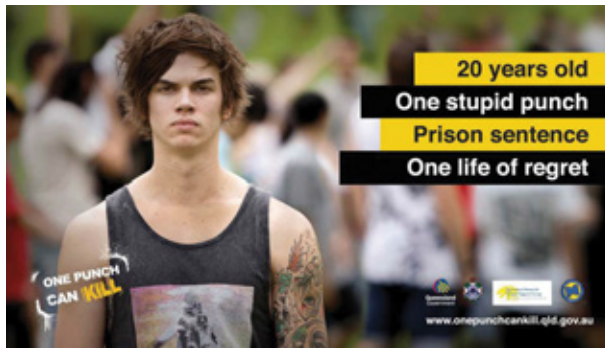
### Alcohol addiction

Alcohol addiction is a global problem, with 2.5 million people reported to have died from alcohol abuse. Such an addiction often leads to workplace absenteeism, child abuse, traffic accidents and violence.<sup>129</sup> Alcohol intoxication has led to ninety deaths in Australia since 2000 through one-punch assaults.<sup>130</sup>

### One-punch violence

In 2014, the New South Wales state government in Australia announced tough measures to combat fatal assaults by people under the influence of alcohol and drugs. The tough measures include sentencing the guilty attackers to a minimum of eight years in jail; time restrictions on serving alcohol in bars and clubs; and police power to test suspected alcohol and drug offenders.<sup>131</sup> See Figure 1.13 on a ‘One Punch Can Kill’ campaign started by the





**FIGURE 1.13**  
Advertising on 'One  
Punch Can Kill'

state of Queensland, Australia in 2007 after alcohol-fuelled violence caused the death of a teenager.

This section has highlighted marketing's positive and negative impact on consumers. On the positive side, technology has enabled consumers to be more computer literate, more tech-savvy, more informed, more apps-driven, more efficient with online banking, shopping, airline check-ins or credit card payments, and more engaged with leisure and physical activities because of reality television shows. On the negative side, there are issues of obesity, credit card debts and fraud, identity fraud, internet addiction, shoplifting, gambling, drug, alcohol and fatal one-punch violence. The next chapter looks at how you can study this complex world of consumer behaviour.

## CANCER AND BIRTHDAYS

The American Cancer Society (ACS) has a slogan that reads 'The official sponsor of birthdays'. Its website has an appeal to 'Save the birthdays' from cancer.<sup>133</sup>

The birthday proposition emerged after 2007 when the 100-year-old ACS discovered a problem. The target audience did not really understand the value of the not-for-profit sector. This affected donations and volunteers.

ACS wanted women to understand that the organisation saves lives. A life saved means a birthday celebrated. The big idea was to celebrate a world of more birthdays. About 6000 staff and three million volunteers served as brand ambassadors to spread the message. ACS launched the campaign in 2009 through national advertising, social media, e-marketing, bloggers and a 'more birthdays' website, as well as an online community.

ACS teamed up with the Culinary Institute of America to launch a healthy birthday cake contest (see Figure 1.14). Hundreds of women downloaded the winning recipe. The whole campaign generated billions of social media impressions and 300 million media impressions. The campaign won the Public Relations Society of America Silver Anvil award in 2010.<sup>134</sup>



**FIGURE 1.14**  
American Cancer  
Society and birthdays

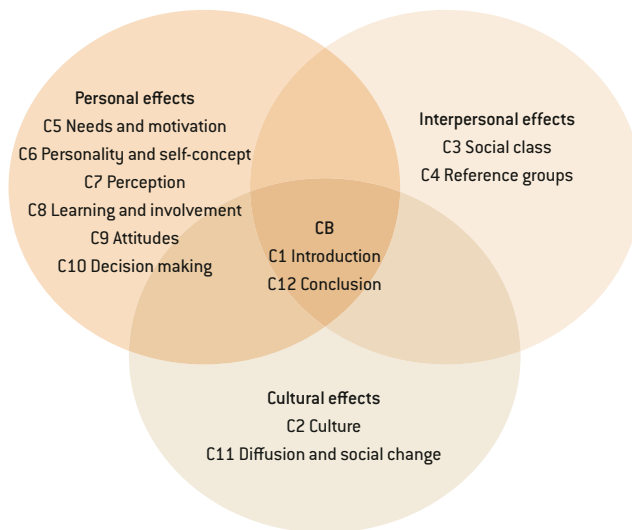


Discuss an appropriate framework to study consumer behaviour.

## CONSUMER BEHAVIOUR FRAMEWORK

What is a suitable framework to study consumer behaviour? Various books have different models of studying consumer behaviour. Since this book is about consumer behaviour in action, our framework is adapted from Belk's model of personal, interpersonal and cultural effects to convey key theories, applications and research studies on micro and macro consumer behaviour (see Figure 1.15).

**FIGURE 1.15**  
Framework to study  
consumer behaviour



This chapter has introduced key themes that will be expanded upon throughout the text. Chapter 2 focuses on cultural matters; Chapters 3 and 4 elaborate on interpersonal topics of social class and reference groups; and Chapters 5–10 highlight the personal elements of consumer behaviour (i.e. needs and motivation, personality and self-concept, perception, learning and involvement, and attitudes and decision making). Chapter 11 integrates cultural effects through diffusion of innovations and social change. The final chapter synthesises the cultural, interpersonal and personal elements of the preceding chapters. Chapters are listed in a particular circle of the framework but the topics often overlap in theory, research and practice across the personal–interpersonal–cultural elements. See Figure 1.16 for the framework to study consumer behaviour in this book (depicted as CB in the nexus), with the chapters highlighted as C1 to C12.

Here is a brief description of each chapter.

- Chapter 1 (Introduction to Consumer Behaviour) highlights how consumer behaviour is a central part of our lives. Key learning covers consumer behaviour definition, sectors targeting consumers, research on consumers, how consumers decide, impact on consumers and framework for study.
- Chapter 2 (Culture and Consumer Behaviour) highlights the evolving process of culture. You will learn what culture means to you; why culture is an evolving process; how you learn about culture through socialisation, enculturation, acculturation, Coca-colonisation, creolisation, ethnocentrism and xenophobia; what subcultures you could belong to; how diverse cultures could be different and yet common in Australasia; and how ethnographic research provides insights into culture.
- Chapter 3 (Social Class and Consumer Behaviour) highlights the many manifestations of social class in cultures. You will learn about social class concepts, categories, variables, measurements, symbols and marketing strategies that include fighting producers of fake products and the trend of making prestigious products more affordable.
- Chapter 4 (Reference Groups and Consumer Behaviour) highlights the many social influences on consumer behaviour. You will learn about reference groups, influences of reference groups, types of reference groups, and the influences of associative, aspirational and dissociative reference groups.
- Chapter 5 (Needs, Motivation and Consumer Behaviour) highlights how consumers' interrelated needs motivate them to behave. You will learn about key concepts on needs and motivation, such as basic needs, needs and wants, theories of motivation, interconnections of theories, advertising appeals to connect with consumer motivations, and motivational research to discover latent subconscious motivations.
- Chapter 6 (Consumer Personality and Self-Concept) highlights the theme that personality and self-concept often guide overall consumer behaviour but not specific brand choice. You will learn about important aspects of personality; Freudian, neo-Freudian and trait personality theories; how personality reflects consumers' responses to marketing messages; how consumers use goods and services as part of their self-image; and how marketers create brand personality traits to attract consumers.

- Chapter 7 (Consumer Perception) highlights the theme that information processing and consumer perception are a central part of communicating with consumers. You will learn about the sensory dynamics of perception, the effectiveness and ethics of subliminal perception, the elements of perception and information processing, and the application of perception theory to marketing strategies.
- Chapter 8 (Learning and Consumer Involvement) highlights consumer learning as one of the most common types of consumer behaviour for frequently purchased goods and services. You will learn about the process of learning, how behavioural learning is applied to consumer behaviour, the process of cognitive learning and information processing as applied to strategic influences, the effect of consumer involvement on consumer behaviour, the elements of brand loyalty and brand equity, and how to develop and measure brand loyalty in consumers.
- Chapter 9 (Consumer Attitudes and Attitude Change) highlights attitude formation as a complex process of perceptions, consequences and experiences. You will learn about the different conceptualisations of attitude, the components of attitude, how attitudes are formed and the relationships between attitude and behaviour.
- Chapter 10 (Decision Making and Consumption Experiences) highlights decision making as a process of need recognition, information gathering and decision. You will learn about the classic consumer decision model, the moderating effect of involvement on the decision process and how consumers' past experiences drive expectations and judgement criteria.
- Chapter 11 (Social Change and the Diffusion of Innovations) highlights the networks that affect our knowledge values and behaviours. You will learn about the diffusion process, the social and behavioural influences on diffusion, how networks affect communication flows within a community, and different approaches to modelling the diffusion process.
- Chapter 12 (Conclusion) brings together the many concepts, theories and research on consumers as social beings and individuals discussed throughout the book. You will review key concepts about culture, social class, reference groups, needs and motivation, personality and self-concept, consumer perception, learning and consumer involvement, consumer attitude, decision making, and diffusion of innovation and social change.

PRACTITIONER  
PROFILE

## ADAM FERRIER

Adam Ferrier is the chief strategy officer and partner at independent creative media agency Cummins and Partners (2014 Independent Agency of the Year). Adam is a registered psychologist, and began his career working in a maximum security prison, before making the natural move to marketing consultancy, working for Added Value. His clinical psychology doctoral thesis was titled *Identifying the Underlying*



*Constructs of Cool People*, and for a short while he was a global 'cool hunter'. Adam then joined Saatchi & Saatchi as a strategic planner. During this time he invented a board game, *The Analyst*, which was translated into three languages (and is still selling well in the Benelux countries). He then co-founded and sold strategy agency Naked Communications.

Adam is a panellist on television shows such as *Gruen Planet*, and has a weekly national radio show on Triple M; he also writes for *The Australian*. Adam has won most of the world's major advertising awards, including Gold in 2012 at Cannes Lions, the ADMA (Grand Prix) and CommsCon Grand Prix in 2013, the WARC World Prize for innovation, and the prestigious Cannes Chrimera in 2014, awarded by the Bill and Melinda Gates Foundation. Adam tweets @adamferrier.

***How did your career start?***

When I was at school I didn't know what I wanted to do, so I asked the school counsellor. He asked me what I was interested in and I replied 'money and people'. He told me I should become a consumer psychologist. With that insight (he was right—it appealed immediately), I set off to get a masters degree in psychology and a Bachelor of Commerce (marketing). After graduation I got sidetracked into forensic psychology working in the prison system, but then a friend who had become a brand manager for a large FMCG company rang me and suggested I get into marketing. I then joined a brand strategy agency (Added Value), and loved it from day one. At Added Value I was a researcher paid to look for emerging trends and what was cool. This meant travelling around the world trying to spot trends and feed them back to my clients. With a start like that I was hooked to the dark side.

*What advice would you offer a student studying consumer behaviour?*

My first bit of advice would be to supplement your degree with a psychology degree. True, the two disciplines overlap, but being a registered psychologist is a great competitive advantage. The other bit of advice would be to start a brand or a business immediately. Employers are interested in people who marry academic achievement with real-world success; not only that, it gives you a playpen within which to put the academic learning to practice. Many of the people I employ have a track record of trying to do their own thing/build their own brands, as well as having a day job.

More broadly speaking I'd encourage people to use their university years to increase their own personal brand differentiation (who you are and why you are different from and better than those around you). What can you do while at university to ensure you are interesting and stand out from other people? Employers are after proven entrepreneurialism, and the demonstrated ability to think differently or creatively. Think of the degree as the bare minimum you should achieve while studying.

Please note I just got by at university and didn't work on my personal brand or anything like that and still did okay. So if you choose to just cruise by—well, that can work okay too.

*How important are consumer insights to what you do and to your organisation?*

Consumer insights are everything. Whoever best understands the consumer, what they want from brands, and how to best communicate with them will win in business. However, genuine consumer insights are difficult to come by, and people often confuse deep penetrating insights with what's useful. In the world of consumer behaviour context is extremely important, and lots of what we do is about shifting behaviour in context specific situations (i.e. trying to get someone to walk down a certain shopping aisle, or understanding what content people choose to share rather than just consume). People need to celebrate the superficial and useful insight as much as they celebrate the deep and profound.

However, people's careers can get stuck if they just remain in the insights bit of the process. Being able to realise insights and turn them into business building action is where the fun is.

*What is the hardest decision you've had to make to date?*

I can't think of any really hard decisions I've had to make. If a decision is hard to make, then perhaps it wasn't the right decision? Someone once told me no matter what the decision is, think about it for up to 30 minutes and then make a decision. If you think about it for any longer than 30 minutes you're just going over the same information and you'll end up confusing yourself.

*How important is social media to you?*

I have a love–hate relationship with social media. On a business level we believe that all ideas need to, to some extent, be socially propelled. They need to be good enough for one person to want to pass onto another. However, at a personal level I think social media is a little like Big Brother—everyone watching everyone and cutting each other down to size. Further, the data trail we leave in social media, while useful to my ‘I’m a marketer side’, is terrifying to my ‘I believe in civil liberties’ side. However, it’s here to stay. In short, I see it as an instant amplifier and intensifier of what would have happened anyway. If you don’t have your head around social media you’re well and truly on the back foot.

*What has been your favourite project to work on?*

I’ve got two: Coke Zero and the Art Series Hotels. Coke Zero had previously launched with mixed success in the USA, and we worked closely with Coke in Australia to make it one of the most successful new product launches in Australia’s history. The scale of the project, and rigour of the thinking that went into every detail, was great to be a part of. I love the Art Series work because, as well as winning many of the world’s award shows, I just really like the ideas we developed: ‘Steal Banksy’, asking people to try to steal a work of art (one of only nine campaigns in the world to win a Gold Cannes Lion and a Gold Effie—the holy grail of advertising) and ‘The Overstay Checkout’, letting people stay on in their room indefinitely for free if no one else needed their room (winner of the World WARC Innovation Award for 2013). All of these projects had a massive amount of creativity, but were grounded in strong consumer insights.

*The way consumers shop and behave is being changed and challenged by technology. What are your thoughts about the future?*

There are only two ways to change consumer behaviour. You can either increase motivation to make something happen, or you can make it easier for something to happen. Historically, advertising has been obsessed with increasing motivation for consumers to do whatever is asked of them. However, the rise of technology means that ‘ease’ is where the uncharted territory is. Technology will make it easier for people to consume, promote or engage with brands. If technology can make it easier to consume or use a brand then people will consume it more often—even if their motivation to use that brand does not increase. Exciting times.

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## SUMMARY

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This chapter focused on a broad introductory coverage of consumer behaviour. The following is a summary of various concepts under stated learning objectives, with metaphors to help illustrate each learning outcome.

1 Define consumer behaviour.

Consumer behaviour is like a chameleon, where consumers adapt differently to situations involving goods, services, ideas and experiences. Some definitions specify that consumer behaviour should include the acquiring, using and disposing process. However, there are situations where 'disposing' may not happen due to the nature of the purchase and the habits of the consumer. There are situations where you buy something but do not use the product or you do not buy anything after considering it.

2 Explain the sectors that constantly target consumers.

The private, public and not-for-profit sectors that target consumers would be like a joint military exercise involving the army, navy and air force. Not-for-profit organisations try to get consumers to support a social cause or decrease consumption such as drugs, a method called de-marketing. The public or government sector provides general services, such as electricity, gas and water, and consumer education or protection services. It also runs public service or social marketing campaigns on, for example, health and lifestyle behaviours. The private sector targets consumers to buy convenience goods, convenience services, durables, specialty goods and unsought services such as funeral planning. The convenience goods and services categories are more frequently purchased and hence outspend other categories in advertising. The private sector is business driven but also develops corporate social responsibility (CSR) initiatives; however, some consumers dislike certain companies based on what they say or do. The three sectors often work together to target consumers more effectively.

3 Describe how the sectors research consumers.

Marketers and academics are like forensics experts who research consumers in different ways over the decades. They look at both the big and small pictures in every situation, often digging up the past to inform the current situation and predict the next steps. There is cumulative learning of research conducted by global advertising experts, research companies, marketing leaders and scholars. Research is interdisciplinary, with concepts borrowed from anthropology, economics, linguistics, marketing, neuroscience, psychology and sociology. Research involves different research paradigms to study consumer behaviour, primarily the positivist quantitative and interpretivist qualitative approaches. Some research focuses on the micro dimensions of consumers' motivations, decision processes and purchase behaviours. More research is now conducted on various models of thinking about the consumer and the social impact of consumer behaviour (macro consumer behaviour).



4 Discuss how consumers make decisions.

The decision-making process is like a piece of elastic that could be stretched extensively for rational thinking but could return to a normal mode of impulsive or habitual behaviour. The positivist way of thinking is that consumers decide rationally through a structured mode of problem recognition, information search, alternative evaluation, choice and outcome evaluation; or through a buying process of initiator, influencer, decider, buyer and user. Interpretivist researchers advocate a simpler decision-making process, such as stimulus, person acceptance and action. Consumers may adopt the linear decision process for high-price items or purchases with higher financial, personal and social risks. Due to situations and cultures, consumers may behave impulsively or habitually and bypass other levels of decision and buying processes. Practitioners believe consumers decide simply, hence they propose a decision model covering connection, evaluation and post-purchase loyalty. A consumer also plays many roles that could lead to consensus, conformity, conflict, connectedness, co-productiveness and cooperativeness.

5 Debate how marketing activities impact consumers.

The marketing impact on consumers is like a reality television show, which could be good or bad. The marketing practices of companies and the decisions of consumers have led to positive and negative impacts. On the plus side, technology enables consumers to be more computer literate, more tech-savvy, more informed, more apps-driven, more efficient through service and product innovations, and more engaged with leisure and physical activities because of television shows. On the negative side, there are issues of obesity, credit card debts and fraud, identity fraud, addictions to the internet, shoplifting, gambling, drugs and alcohol, and fatal one-punch violence.

6 Discuss an appropriate framework to study consumer behaviour.

The framework to study consumer behaviour is like a country's transport system involving cars, buses and trains. This book approaches the study of consumer behaviour in action by focusing on the personal, interpersonal and cultural effects framework adapted from Belk, an advocate of macro consumer behaviour research. The cultural effects include culture and diffusion of innovation in society. The interpersonal effects highlight social class and reference groups. The personal effects cover needs and motivation, personality, perception, learning and involvement, attitudes and decision making.

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## KEY TERMS

behavioural economics

communal consumer

conflict concept

conformity concept

connected consumer

conscientious consumer

consensus concept

consumer behaviour

co-productive consumer

corporate social

responsibility

de-marketing

deviant consumer

disconnected consumer

experiential consumer

fast-moving consumer goods  
(FMCG)

individual consumer

instrumental conformity

internalised conformity

interpretivist research

Kleenex culture	non-profit institution	role overload
macro consumer behaviour	phishing	role-taking concept
marginalised consumer	positivist research	satellite consumer
masochistic behaviour	preferential consensus	secretive consumer
micro consumer behaviour	private sector	social consumer
minimalist consumer	public sector	sophisticated consumer
multi-headed consumer	research paradigm	statistical consumer
mutable consumer	resourceful consumer	unsought services

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## END-OF-CHAPTER QUESTIONS

- 1 What is a day in your consumer world like?
- 2 What is your personal definition of consumer behaviour?
- 3 Which sectors target consumers?
- 4 How has the industry contributed to research on consumers?
- 5 What campaigns or services of the not-for-profit sector have you come across?
- 6 What campaigns or services of the public sector have you come across?
- 7 Which goods and services categories of the private sector do you buy or use the most often?
- 8 Which fast-moving consumer goods and services' advertisements have you seen lately?
- 9 What examples of advertising have you seen that combine the efforts of the private, public and not-for-profit sectors?
- 10 Which disciplines have influenced the field of consumer behaviour?
- 11 What are the research paradigms used by consumer behaviour researchers?
- 12 Distinguish between micro and macro consumer behaviour.
- 13 What are your views on the 'Kleenex culture' in society?
- 14 When do you use or not use the traditional decision-making model and the buying process model?
- 15 What roles do you play in life and how do you manage these?
- 16 How have you been impacted positively and negatively as a consumer?
- 17 Why has the book adopted Belk's macro consumer behaviour concepts as a framework to study consumer behaviour?

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## FURTHER READING

Bain & Company Insights—

[www.bain.com/publications/articles/taking-a-new-consumer-goods-category-from-zero-to-100.aspx](http://www.bain.com/publications/articles/taking-a-new-consumer-goods-category-from-zero-to-100.aspx)

Behaviour articles, *New York Times*—

[http://topics.nytimes.com/top/reference/timestopics/subjects/c/consumer\\_behavior](http://topics.nytimes.com/top/reference/timestopics/subjects/c/consumer_behavior)

Harvard Business School, Marketing: Consumer Behaviour—

<http://hbswk.hbs.edu/topics/consumerbehavior.html>

Keller Fay Group, The Consumer Conversation Experts—

[www.kellerfay.com](http://www.kellerfay.com)

Marketing Science Institute, Marketing Topics: Consumer Behaviour—

[www.msi.org/topics/consumer-behavior](http://www.msi.org/topics/consumer-behavior)

McKinsey on Marketing & Sales, Topic: Consumer Behaviour—

<http://mckinseyonmarketingandsales.com/topics/consumer-behavior>

Science Daily: Consumer Behavior News—

[www.sciencedaily.com/news/mind\\_brain/consumer\\_behavior](http://www.sciencedaily.com/news/mind_brain/consumer_behavior)

The Consumer Psychologist—

[www.theconsumerpsychologist.com/tag/behaviour-change](http://www.theconsumerpsychologist.com/tag/behaviour-change)

This Time it's Personal: From Consumer to Co-creator—

[www.ey.com/Publication/vwLUAssets/This\\_time\\_it\\_is\\_personal\\_-\\_from\\_consumer\\_to\\_co-creator\\_2012/\\$FILE/Consumer\\_barometer\\_V9a.pdf](http://www.ey.com/Publication/vwLUAssets/This_time_it_is_personal_-_from_consumer_to_co-creator_2012/$FILE/Consumer_barometer_V9a.pdf)

Trend Watching—

[www.trendwatching.com](http://www.trendwatching.com)

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## WEBLINKS

International Journal of Consumer Studies—

[http://onlinelibrary.wiley.com/journal/10.1111/\[ISSN\]1470-6431](http://onlinelibrary.wiley.com/journal/10.1111/[ISSN]1470-6431)

International Journal of Nonprofit and Voluntary Sector Marketing—

<http://au.wiley.com/WileyCDA/WileyTitle/productCd-NVSM.html>

Journal of Consumer Behavior—

[http://onlinelibrary.wiley.com/journal/10.1002/\[ISSN\]1479-1838](http://onlinelibrary.wiley.com/journal/10.1002/[ISSN]1479-1838)

Journal of Consumer Marketing—

[www.emeraldinsight.com/journals.htm?issn=0736-3761&show=latest](http://www.emeraldinsight.com/journals.htm?issn=0736-3761&show=latest)

Journal of Consumer Psychology—

[www.sciencedirect.com/science/journal/10577408](http://www.sciencedirect.com/science/journal/10577408)

Journal of Consumer Research—

[www.jstor.org/action/showPublication?journalCode=jconresre](http://www.jstor.org/action/showPublication?journalCode=jconresre)

Journal of Humanistic Psychology—

<http://jhp.sagepub.com>

Journal of Learning and Motivation—

[www.sciencedirect.com/science/journal/00239690](http://www.sciencedirect.com/science/journal/00239690)

Journal of Personality and Social Psychology—

[www.apa.org/pubs/journals/psp/index.aspx](http://www.apa.org/pubs/journals/psp/index.aspx)

Psychological Review—

[www.apa.org/pubs/journals/rev](http://www.apa.org/pubs/journals/rev)

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[www.emeraldinsight.com/books.htm?issn=0885-2111](http://www.emeraldinsight.com/books.htm?issn=0885-2111)

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