Foundations of Consumer Behavior

This introductory section provides an overview of the field of consumer behavior (CB). In Chapter 1, we look at how consumers influence the field of marketing and at how marketers influence us. We describe the discipline of consumer behavior and some of the different approaches to understanding what makes consumers tick. In Chapter 2, we'll look at the broad issue of well-being, at both the positive and negative ways the products we use affect us, and we'll also focus on the central role of ethics in marketing decisions.

••••❯ Chapters Ahead

Chapter 1
Buying, Having, and Being: An Introduction to Consumer Behavior

Chapter 2
Consumer Well-Being

1

Buying, Having, and Being: An Introduction to Consumer Behavior

CHAPTER OBJECTIVES When you finish reading this chapter you will understand why:

1-1 Consumer behavior is a process.

1-2 Marketers have to understand the wants and needs of different consumer segments.

1-3 Our choices as consumers relate in powerful ways to the rest of our lives.

1-4 Our motivations to consume are complex and varied.

1-5 Technology and culture create a new "always-on" consumer.

1-6 Many types of specialists study consumer behavior.

1-7 There are differing perspectives regarding how and what we should understand about consumer behavior.

Gail has some time to kill before her accounting class, so she pulls out her trusty iPhone to see what's going on in her social networks. Between studying for her accounting and marketing exams, she hasn't checked out anything interesting in days—even her Facebook friends around campus have been quiet. Enough of the serious stuff, she decides. It's time for some *really* educational surfing.

So, where to go first? Gail goes straight to Pinterest to see if anyone has pinned any new styles on her Shoe-aholic Board. Yes, definitely some new stuff to post for her sorority sisters. She flicks over to HerCampus ("a collegiette's guide to life[SM]") to get the latest 411 on *The Bachelor* TV show. She's just about to jump to Tobi to check out today's sales when her friend Courtney texts her to check out Kourtney Kardashian's new CZ initial necklace that's just been revealed on the Be Monogrammed jewelry blog.[1] With her PayPal account, it doesn't take Gail long to throw the necklace in the digital cart and order it—and to share a photo of her haul on Instagram. Just on a whim, Gail opens the Tinder app on her phone; yes, as usual plenty of guys who want to meet up if she "swipes right." Not happening with these dweebs—a flurry of left swipes and she's done.[2] As Gail glances at the clock, she realizes she'd better come back to the real world or she'll miss her exam. Okay, enough time for one quick post before she runs to catch the campus shuttle: Gail logs on to RateMyProfessors.com and writes a quick but glowing paragraph about how great her consumer behavior professor has been this semester . . . not to mention that awesome textbook they're using.[3]

OBJECTIVE 1-1
Consumer behavior is a process.

▶ # Consumer Behavior: People in the Marketplace

This book is about people like Gail—and *you*. It concerns the products and services we buy and use and the ways these fit into our lives. This introductory chapter describes some important aspects of the field of consumer behavior and some reasons why it's essential to understand how people interact with the marketing system. For now, though, let's return to one "typical" consumer: Gail, the business major. The preceding vignette allows us to highlight some aspects of consumer behavior that we will cover in the rest of the book.

Gail is a consumer; so let's compare her to other consumers. For some purposes, marketers find it useful to categorize her in terms of her age, gender, income, or occupation. These are descriptive characteristics of a population, or **demographics**. In other cases, marketers would rather know something about Gail's interests in clothing or music or the way she spends her leisure time. Knowledge of consumer characteristics plays an extremely important role in many marketing applications, such as when a manufacturer defines the market for a product or an advertising agency decides on the appropriate techniques to employ when it targets a certain group of consumers.

Gail's sorority sisters strongly influence her purchase decisions. The conversations we have with others transmit a lot of product information, as well as recommendations to use or avoid particular brands; this content often is more influential than what we see on television commercials, magazines, or billboards. The growth of the internet has created thousands of online **consumption communities**, where members share opinions and recommendations about anything from Barbie dolls to baseball fantasy league team lineups to iPhone apps. Gail forms bonds with fellow group members because they use the same products. There is also pressure on each group member to buy things that will meet with the group's approval. A consumer may pay a steep price in the form of group rejection or embarrassment when he or she doesn't conform to others' conceptions of what is good or bad, "in" or "out."

As members of a large society, such as in the United States, people share certain cultural values, or strongly held beliefs about the way the world should function. Members of subcultures, or smaller groups within the culture, also share values; these groups include Hispanics, teens, Midwesterners, and even hipsters who listen to The Lumineers, wear Band of Outsiders clothing, and eat sushi burritos.

Every day Gail comes into contact with information about many competing *brands*. Some don't capture her attention at all, whereas others are just a turnoff because they don't relate to "looks," people, or ideas with which she identifies. The use of **market segmentation strategies** means an organization targets its product, service, or idea only to specific groups of consumers rather than to everybody—even if it means that other consumers who don't belong to this target market aren't attracted to it. That's why they make chocolate and vanilla ice cream (and even candied bacon flavor!).

Brands often have clearly defined images, or "personalities," that advertising, packaging, branding, and other marketing elements help to shape. Even the choice of a favorite website is very much a *lifestyle* statement: It says a lot about a person's interests, as well as something about the type of person he or she would like to be. People often purchase a product because they like its image or because they feel its "personality" somehow corresponds to their own.

This is true even when they evaluate other people; after all, each of us is in a way a "brand" that others like or not—thus the popularity of dating apps such as Tinder that let people quickly choose among competing alternatives! Moreover, a consumer may believe that if he or she buys and uses the product or service, its desirable qualities will

"magically" rub off on to him or her. When a product or service satisfies our specific needs or desires, we may reward it with many years of *brand loyalty*, which is a bond between product and consumer that is difficult for competitors to break.

The appearance, taste, texture, or smell of the item influences our evaluations of products. A good website helps people to feel, taste, and smell with their eyes. We may be swayed by the shape and color of a package on the store shelf, as well as by more subtle factors, such as the symbolism in a brand name, in an advertisement, or even in the choice of a cover model for a magazine. These judgments are affected by—and often reflect— how a society feels people should define themselves at that point in time. Many product meanings lurk below the surface of packaging and advertising; we'll discuss some of the methods marketers and social scientists use to discover or apply these meanings.

Like Gail, we shape our opinions and desires based on a mix of voices from around the world, which is becoming a much smaller place as a result of rapid advancements in communications and transportation systems. In today's global culture, consumers often prize products and services that "transport" them to different places and allow them to experience the diversity of other cultures—even if only to watch others brush their teeth on YouTube.

What Is Consumer Behavior?

The field of **consumer behavior** covers a lot of ground: *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.* Consumers take many forms, ranging from a ten year old child who begs her mother for a smartphone to an executive in a large corporation who helps to decide on a multimillion-dollar computer system. The items we consume include anything from canned peas to a massage, democracy, Juicy jeans, Reggaeton music, or a celebrity like Taylor Swift. The needs and desires we satisfy range from hunger and thirst to love, status, and even spiritual fulfillment. Also, as we'll see throughout this text, people get passionate about a broad range of products. Whether it's vintage Air Jordans, that perfect yoga mat, or the latest computer tablet, there's no shortage of brand fans who will do whatever it takes to find and buy what they crave.

Consumer Behavior Is a Process

In its early stages of development, researchers referred to the field as *buyer behavior*; this reflected the emphasis at that time (1960s and 1970s) on the interaction between consumers and producers at the time of purchase. Most marketers now recognize that consumer behavior is in fact an *ongoing process*, not merely what happens at the moment a consumer hands over money or a credit card and in turn receives some good or service.

The **exchange**, a transaction in which two or more organizations or people give and receive something of value, is an integral part of marketing.[4] Although *exchange theory* remains an important part of consumer behavior, the expanded view emphasizes the *entire* consumption process, which includes the issues that influence the consumer before, during, and after a purchase. Figure 1.1 illustrates some of the issues that we address during each stage of the consumption process.

A **consumer** is a person who identifies a need or desire, makes a purchase, and then disposes of the product during the three stages of the consumption process. In many cases, however, different people play a role in this sequence of events. The purchaser and user of a product might not be the same person, as when a parent picks out clothes for a teenager (and makes selections that can result in "fashion suicide" in the view of the teen). In other cases, another person may act as an *influencer* when he or she recommends certain products without actually buying or using them. A friend's
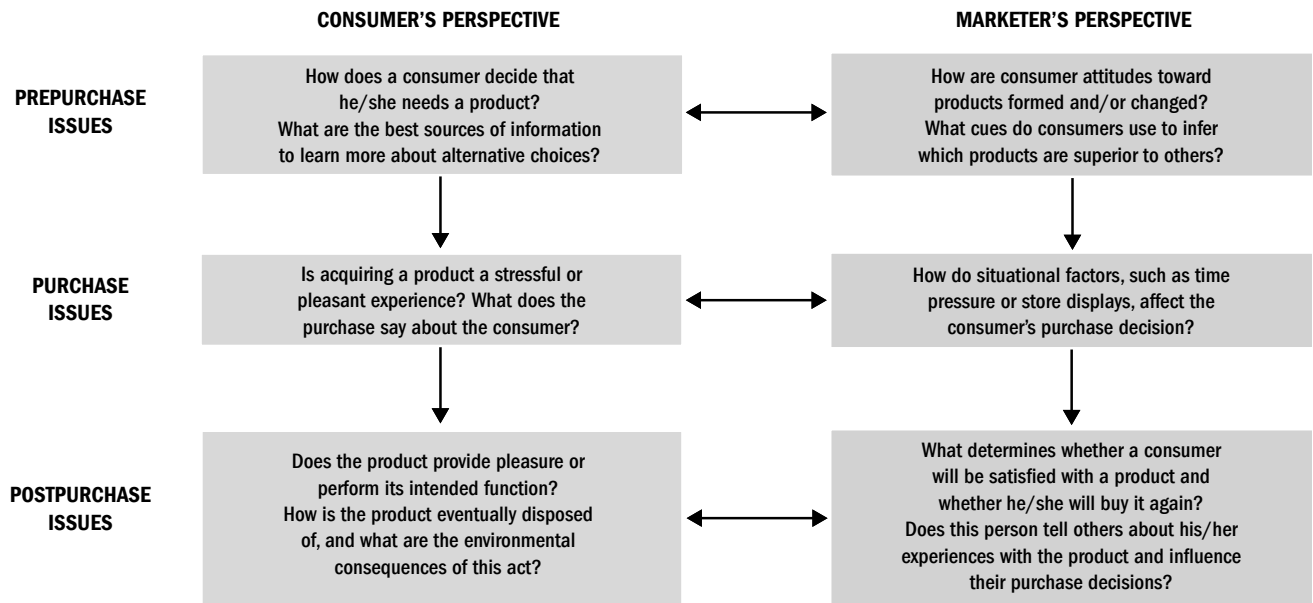
CONSUMER'S PERSPECTIVE		MARKETER'S PERSPECTIVE
PREPURCHASE ISSUES	How does a consumer decide that he/she needs a product? What are the best sources of information to learn more about alternative choices?	How are consumer attitudes toward products formed and/or changed? What cues do consumers use to infer which products are superior to others?
PURCHASE ISSUES	Is acquiring a product a stressful or pleasant experience? What does the purchase say about the consumer?	How do situational factors, such as time pressure or store displays, affect the consumer's purchase decision?
POSTPURCHASE ISSUES	Does the product provide pleasure or perform its intended function? How is the product eventually disposed of, and what are the environmental consequences of this act?	What determines whether a consumer will be satisfied with a product and whether he/she will buy it again? Does this person tell others about his/her experiences with the product and influence their purchase decisions?

Figure 1.1 STAGES IN THE CONSUMPTION PROCESS

grimace when you try on that new pair of pants may be more influential than anything your mother might say.

Finally, consumers may take the form of organizations or groups. One or several persons may select products that many will use, as when a purchasing agent orders a company's office supplies. In other organizational situations, a large group of people may make purchase decisions: for example, company accountants, designers, engineers, sales personnel, and others—all of whom will have a say in the various stages of the consumption process. As we'll see in Chapter 10, one important type of organization is the family, in which different family members weigh in about products and services that all will use.

Consumers' Impact on Marketing Strategy

Why should managers, advertisers, and other marketing professionals bother to learn about consumer behavior? Simply, *it's good business*. The basic marketing concept that you (hopefully) remember from your basic marketing class states that organizations exist to satisfy needs. Marketers can satisfy these needs only to the extent that they understand the people or organizations that will use the products and services they sell. *Voila*! That's why we study consumer behavior.

OBJECTIVE 1-2
Marketers have to understand the wants and needs of different consumer segments.

Consumers Are Different! How We Divide Them Up

Our society is evolving from a *mass culture* in which many consumers share the same preferences to a diverse one in which we each have almost an infinite number of choices. We may have "fifty shades of grey," but just think about how many shades of lipstick or necktie patterns compete for your attention! This change makes it more important

Successful companies understand that needs are a moving target. No organization—no matter how renowned for its marketing prowess—can afford to rest on its laurels. *Everyone* needs to keep innovating to stay ahead of changing customers and the marketplace. BMW is a great example. No one (not even rivals like Audi or Mercedes-Benz) would argue that the German automaker knows how to make a good car (although they may not agree with the company's claim to be "the ultimate driving machine"). Still, BMW's engineers and designers know they have to understand how drivers' needs will change in the future—even those loyal owners who love the cars they own today. The company is highly sensitive to such key trends as:

- A desire for environmentally friendly products
- Increasingly congested roadways and the movement by some cities such as London and New York to impose fees on vehicles in central areas
- New business models that encourage consumers to rent products only while they need them rather than buying them outright

BMW's response: The company committed more than $1 billion to develop electric BMWi models such as its new i3 commuter car and i8 sports car. These futuristic-looking vehicles are largely made from lightweight carbon fiber to maximize the distance they can go between battery charges, and 25 percent of the interior plastic comes from recycled or renewable raw materials. In addition, BMW started a car-sharing service (now in Portland, Seattle, and Brooklyn) it calls DriveNow: Drivers use a computer chip in their licenses to hire a car and leave it wherever they are when they no longer need it. That's forward thinking.[5]

than ever to identify distinct market segments and to develop specialized messages and products for those groups.

As we'll see later, building loyalty to a brand is a smart marketing strategy, so sometimes companies define market segments when they identify their most faithful customers or **heavy users**. As a rule of thumb, marketers use the **80/20 Rule**: 20 percent of users account for 80 percent of sales. This guideline often holds up well, and in some cases even this lopsided split isn't big enough: A study of 54 million shoppers reported that only 2.5 percent of consumers account for 80 percent of sales for the average packaged-goods brand. The 1 percent of pet owners who buy 80 percent of Iams pet food spend $93 a year on the brand, and the 1.2 percent of beer drinkers who account for 80 percent of Budweiser sales spend $170 on Bud each year. Of the 1,364 brands the researchers studied, only 25 had a consumer base of more than 10 percent that accounted for 80 percent of volume.[6] So, just think of the 80/20 rule as a guideline rather than a strict proportion that's set in stone.

Aside from heavy usage of a product, we use many other dimensions to divide up a larger market. As we've already seen, *demographics* are statistics that measure observable aspects of a population, such as birth rate, age distribution, and income. The U.S. Census Bureau is a major source of demographic data on US families, but many private firms gather additional data on specific population groups as well. The changes and trends that demographic studies reveal are of great interest to marketers because they can use the data to locate and predict the size of markets for many products, ranging from home mortgages to brooms and can openers. Imagine trying to sell baby food to a single person or an around-the-world cruise to a couple making $15,000 a year!

In this text we explore many of the important demographic variables that make one consumer the same as or different from others. We also consider other important characteristics that are a bit subtler, such as differences in consumers' personalities and tastes that we can't objectively measure, yet may have a huge impact on our product choices. For now, let's summarize a few of the most important demographic dimensions, each of which we'll describe in more detail in later chapters.

Age

Consumers of different *age groups* obviously have different needs and wants. Although people who belong to the same age group differ in many other ways, they do tend to share a set of values and common cultural experiences that they carry throughout life.

The startup beauty brand Glossier had an eye on young women from day one. The company quickly built a loyal customer base entirely via **social media**. Employees talked directly to customers in a casual voice. The founder was a former style assistant at *Vogue* who started a beauty blog, then realized she was onto something. As she explains, "If I want to know how to do a black cat eye, I'm not going to drive to a department store. I'm going to go on YouTube, cross-check reviews of a product, and then maybe talk about it on Instagram. There wasn't a brand that encouraged me to take ownership of my routine—and understood that everyone is their own expert." At one point Glossier's eyebrow product had a 10,000 person waiting list—and you can bet not too many women over the age of 30 were on it.[7]

Gender

We start to make gender distinctions at an early age—even diapers come in pink versions for girls and blue for boys. Many products, from fragrances to footwear, target

either men or women. These strategies often come from assumptions about what will appeal to each gender. For example, when microwaves first appeared in stores, they were sold alongside TVs and radios and marketed almost exclusively to men. Companies at the time assumed products like this would appeal only to men, so they made them in traditionally masculine colors (presumably men would want to "nuke" a quick snack while watching a game on TV). As a result, these products became known as "brown goods," while appliances for laundry and conventional cooking were largely made in white enamel and were called "white goods." Note: The microwaves gathered dust until marketers threw in the towel (pun intended) and moved them over to the side of stores that sold white goods. Sales soared after manufacturers realized female cooks might want to save time in the kitchen after all.[8]

Family Structure

A person's family and marital status is yet another important demographic variable because this has a huge effect on consumers' spending priorities. Not surprisingly, young bachelors and newlyweds are the most likely to exercise; go to bars, concerts, and movies; and consume alcohol (enjoy it while you can!). Families with young children are big purchasers of health foods and fruit juices, whereas single-parent households and those with older children buy more junk food. Older couples and bachelors are most likely to use home maintenance services.[9]

Social Class and Income

People who belong to the same *social class* are approximately equal in terms of income and social standing in the community. They work in roughly similar occupations, and they tend to have similar tastes in music, clothing, leisure activities, and art. They also tend to socialize with one another, and they share many ideas and values regarding the way they should live.[10] The distribution of wealth is of great interest to marketers because it determines which groups have the greatest buying power and market potential.

Race and Ethnicity

The Black, Hispanic or Latino, and Asian American populations are the three fastest-growing racial and ethnic groups in the United States. Today's global, multicultural world provides businesses with opportunities to introduce consumers to new products from a variety of cultures and to develop specialized products for specific racial and ethnic markets. For example, the success of Fenty Beauty, the makeup brand founded by Rihanna, highlights the benefits of serving and identifying distinct racial and ethnic market segments. Launched in 2017, Fenty offers 50 shades of foundation with the goal of providing an option for every customer.[11]

Geography

Many national marketers tailor their offerings to appeal to consumers who live in different parts of the country. Even the same product may go by different names depending upon where it's sold. For example, people call a sweet carbonated beverage a soda, pop, coke (even if it's a Sprite) or a soft drink in different parts of the U.S.A.[12]

Lifestyles

Consumers also have different *lifestyles*, even if they share other demographic characteristics such as gender or age. The way we feel about ourselves, the things we value, the things we like to do in our spare time—all of these factors help to determine which products will push our buttons or even those that make us feel better. Procter

Marketing Pitfall

When Hurricane Sandy devastated cities on the East Coast in 2012, some marketers rose to the occasion, whereas others stumbled in the wind. Gap, for example, tweeted, "We'll be doing lots of Gap.com shopping today. How about you?" American Apparel offered an incentive to shoppers: "In case you're bored during the storm, just enter SANDYSALE at checkout." Many of the storm victims were not amused. One tweeted, "Hey @americanapparel people have died and others are in need. Shut up about your #Sandy sale."

In contrast, Allstate ran radio commercials to let policyholders know how to file claims quickly. JetBlue Airways waived change and cancellation fees for people who had to rebook. How's that for a relationship builder? Duracell batteries sent a truck to New York City with free batteries and access to charging lockers for mobile devices and computers to desperate people who had been without power (or even worse, access to social media).[13]

& Gamble developed its heartburn medicine Prilosec OTC with an ideal customer in mind based on a lifestyle analysis. Her name is Joanne, and she's a mother older than age 35 who's more likely to get heartburn from a cup of coffee than from an overdose of pizza and beer. A P&G executive observed, "We know Joanne. We know what she feels. We know what she eats. We know what else she likes to buy in the store."[14]

Segmenting by Behavior: Relationships and "Big Data"

Marketers carefully define customer segments and listen to people in their markets as never before. Many of them now realize that a key to success is building relationships between brands and customers that will last a lifetime. Marketers who subscribe to this philosophy of **relationship marketing** interact with customers on a regular basis and give them solid reasons to maintain a bond with the company over time. A focus on relationships is even more vital, especially during the nasty economic conditions we experienced in the years following the Great Recession of 2008; when times are tough, people tend to rely on their good friends for support!

Database marketing tracks specific consumers' buying habits closely and tailors products and messages precisely to people's wants and needs based on this information. Walmart stores massive amounts of information on the 100 million people who visit its stores each week, and the company uses these data to fine-tune its offerings. For example, when the company analyzed how shoppers' buying patterns react when forecasters predict a major hurricane, it discovered that people do a lot more than simply stock up on flashlights. Sales of strawberry Pop-Tarts increased by about 700 percent, and the top-selling product of all is . . . beer. Based on these insights, Walmart loads its trucks with toaster pastries and six-packs to stock local stores when a big storm is approaching.[15]

At this very moment (and every moment thereafter until we croak), we are all generating massive amounts of information that holds tremendous value for marketers. You may not see it, but we are practically buried by data that come from many sources—sensors that collect climate information, the comments you and your friends make on your favorite social media sites, the credit card transactions we authorize, and even the GPS signals in our smartphones that let organizations know where most of us are pretty much anytime day or night. This incredible amount of information has created a new field that causes tremendous excitement among marketing analysts (and other math geeks). The collection and analysis of extremely large datasets is called **Big Data**, and you'll be hearing a lot more about it in the next few years. Hint: If you have aptitude or interest in quantitative topics, this will be a desirable career path for you.

There were 3.8 billion internet users in 2017, a 42 percent increase in just three years! Social media platforms gain 840 new users every minute. And in that same minute, Instagram users upload 46,740 million posts.[16]

In addition to the huge *volume* of information marketers now have to play with, its *velocity* (speed) also enables companies to make decisions in real time that used to take months or years. For example, one group of researchers used the GPS phone signals that were coming from Macy's parking lots on Black Friday to estimate whether the department store was going to meet or exceed its sales projections for the biggest shopping day of the year—*before* the stores even reported their sales. This kind of intelligence allows financial analysts and marketing managers to move quickly as they buy and sell stocks or make merchandising decisions.

It's safe to say this data explosion is profoundly changing the way we think about consumer behavior. Companies, nonprofits, political parties, and even governments now have the ability to sift through massive quantities of information that enables them to make precise predictions about what products we will buy, what charities we

will donate to, what candidates we will vote for, and what levers they need to push to make this even more likely to happen. Walmart alone collects more than 2.5 petabytes of data every hour from its customer transactions (the equivalent of about 20 million filing cabinets' worth of text).[17]

User-Generated Content (UGC)

Do you remember all those crazy Mentos/Diet Coke videos? At least 800 of them flooded YouTube after people discovered that when you drop the quarter-size candies into bottles of Diet Coke, you get a geyser that shoots 20 feet into the air. Needless to say, Mentos got a gusher of free publicity out of the deal, too.[18] Probably the biggest marketing phenomenon of this decade is **user-generated content**, whereby everyone can voice their opinions about products, brands, and companies on blogs, podcasts, and social networking sites such as Facebook and Twitter, and even film their own commercials that thousands view on sites such as YouTube. This important trend helps to define the era of **Web 2.0**: the rebirth of the internet from its original roots as a form of one-way transmission from producers to consumers to a social, interactive medium.

OBJECTIVE 1-3
Our choices as consumers relate in powerful ways to the rest of our lives.

▶ Marketing's Impact on Consumers

Does marketing imitate life, or vice versa? After the movie *Wedding Crashers* became a big hit, hotels, wedding planners, and newlyweds across the United States reported an outbreak of uninvited guests who tried to gain access to parties.[19] For better or for worse, we all live in a world that the actions of marketers significantly influence.

Popular Culture Is Marketing Is Popular Culture . . .

Marketing stimuli surround us as advertisements, stores, and products compete for our attention and our dollars. Marketers filter much of what we learn about the world, whether through the affluence they depict in glamorous magazines, the roles actors play in commercials, or maybe the energy drink a rock star just "happens" to hold during a photo shoot. Ads show us how we should act with regard to recycling, alcohol consumption, the types of houses and cars we might wish to own—and even how to evaluate others based on the products they buy or don't buy. In many ways we are also at the mercy of marketers, because we rely on them to sell us products that are safe and that perform as promised, to tell us the truth about what they sell, and to price and distribute these products fairly.

Popular culture—the music, movies, sports, books, celebrities, and other forms of entertainment that the mass market produces and consumes—is both a product of and an inspiration for marketers. It also affects our lives in more far-reaching ways, ranging from how we acknowledge cultural events such as marriage, death, or holidays to how we view social issues such as climate change, gambling, and addictions.

Whether it's the Super Bowl, Christmas shopping, national health care, newspaper recycling, medical marijuana, body piercing, vaping, tweeting, or online video games, marketers play a significant role in our view of the world and how we live in it. And, we increasingly live in a branded world, where advertisers promote events and places of all kinds. A county in Washington State is selling naming rights to park trails, benches, and even trees. To plug the release of the movie *Superman: Man of Steel*, the producers supplied pastors with notes for a sermon entitled "Jesus: The Original Superhero."[20]

This cultural impact is hard to overlook, although many people do not seem to realize how much marketers influence their preferences for movie and musical heroes; the latest fashions in clothing, food, and decorating choices; and even the physical features that they find attractive or ugly in men and women. For example, consider the product icons that companies use to create an identity for their products. Many imaginary creatures and personalities, from the Pillsbury Doughboy to the Jolly Green Giant, at one time or another were central figures in popular culture. In fact, it is likely that more consumers could recognize such characters than could identify past presidents, business leaders, or artists. Although these figures never really existed, many of us feel as if we "know" them, and they certainly are effective *spokescharacters* for the products they represent.

All the World's a Stage

The sociological perspective of **role theory** takes the view that much of consumer behavior resembles actions in a play.[22] We as consumers seek the lines, props, and costumes necessary to put on a good performance. Because people act out many roles, they sometimes alter their consumption decisions depending on the particular "play" they are in at the time. The criteria they use to evaluate products and services in one of their roles may be quite different from those they use in other roles. That's why it's important for marketers to provide each of us "actors" with the props we need to play all of our varied roles; these might include "up-and-coming executive," "geek," or "hipster."

As we have seen, one trademark of marketing strategies today is that many organizations try very hard to build relationships with customers. The nature of these relationships can vary, but these bonds help us to understand some of the possible meanings products have for us. Furthermore, researchers find that, like friendships and love affairs with other people, our relationships with brands evolve over time. Some resemble deep friendships, whereas others are more like exciting but short-lived flings.[23]

Here are some of the types of relationships a person might have with a product:

- Self-concept attachment—The product helps to establish the user's identity.
- Nostalgic attachment—The product serves as a link with a past self.
- Interdependence—The product is a part of the user's daily routine.
- Love—The product elicits emotional bonds of warmth, passion, or other strong emotion.[24]

OBJECTIVE 1-4
Our motivations to consume are complex and varied.

What Does It Mean to Consume?

What's the poop on Peeps? Every year, people buy about 1.5 billion of these mostly tasteless marshmallow chicks; about two-thirds of them sell around Easter. The newer version called Peeps Minis encourages people to eat them at other times as well, including quirky and obscure "holidays" such as "Bubble Wrap Appreciation Day" and "Lost Sock Memorial Day."[25]

Peeps have no nutritional value, but they do have a shelf life of two years. Maybe that's why not all Peeps get eaten. Devotees use them in decorations, dioramas, online slide shows, and sculptures. Some fans feel challenged to test their physical properties: On more than 200 Peeps websites, you can see fetishists skewering, microwaving, hammering, decapitating, and otherwise abusing the spongy confections.[26]

This fascination with a creepy little candy chick illustrates one of the fundamental premises of the modern field of consumer behavior: *People often buy products*

not for what they do, but for what they mean. This principle does not imply that a product's basic function is unimportant, but rather that the roles products play in our lives extend well beyond the tasks they perform. The deeper meanings of a product may help it to stand out from other similar goods and services. All things being equal, we choose the brand that has an image (or even a personality!) consistent with our underlying needs.

For example, although most people probably couldn't run faster or jump higher if they wear Nikes instead of Reeboks, many die-hard loyalists swear by their favorite brand. People choose between these archrivals (or other competitors) largely because of their *brand images*—meanings that have been carefully crafted with the help of legions of rock stars, athletes, slickly produced commercials, and many millions of dollars. So, when you buy a Nike "swoosh," you are doing more than choosing shoes to wear to the mall; you also make a lifestyle statement about the type of person you are or wish you were. For a relatively simple item made of leather and laces, that's quite a feat!

Our allegiances to sneakers, musicians, and even soft drinks help us define our place in modern society, and these choices also help each of us to form bonds with others who share similar preferences. This comment by a participant in a focus group captures the curious bonding that consumption choices can create: "I was at a Super Bowl party, and I picked up an obscure drink. Somebody else across the room went 'yo!' because he had the same thing. People feel a connection when you're drinking the same thing."[27]

As we'll see in Chapter 5, our motivations to consume range from the practical to the fanciful. In some cases, we decide to try a product because we want to learn more about the experience and in some way grow personally. For example, in one study undergraduates who were asked to try a new (fictitious) brand of beer were more likely to do so when they believed their level of expertise with the product was relatively low (imagine that!), and thus there was an opportunity to enhance their knowledge about different attributes of beer.[28] In other cases, our choice of a product links more to our broader identity as a member of a larger entity such as an ethnic group or a country. In another study researchers found that emerging Chinese luxury brands such as Shanghai Tang and Shang Xia resonate with local consumers because they place a renewed value upon Chinese craftsmanship, values, and aesthetics.[29]

What Do We Need—Really?

One large survey explored some profound questions: How can we predict if someone will be happy? How does that feeling relate to living a meaningful life? The researchers concluded that happiness is linked to satisfying wants and needs, whereas meaningfulness relates to activities that express oneself and impact others in a positive way. Not surprisingly, people whose needs were satisfied were happier, but the findings went beyond that connection:

- Happiness was linked to being a taker rather than a giver, whereas meaningfulness went with being a giver rather than a taker.
- Happy people are more likely to think in the present rather than dwelling on the past or contemplating the future.
- Respondents who reported higher levels of worry, stress, and anxiety were less happy but had more meaningful lives. They spend a lot of time thinking about past struggles and imagining what will happen in the future. They are likely to agree that taking care of children and buying gifts for others are a reflection of who they are.

- The researchers concluded that "happiness without meaning characterizes a relatively shallow, self-absorbed or even selfish life, in which things go well, needs and desires are easily satisfied, and difficult or taxing entanglements are avoided."[30]

The distinction between a "happy" and a "meaningful" life brings up an important question: What is the difference between needing something and wanting it? The answer to this deceptively simple question actually explains a lot of consumer behavior! A **need** is something a person must have to live or achieve a goal. A **want** is a specific manifestation of a need that personal and cultural factors determine. For example, hunger is a basic need that all of us must satisfy; a lack of food creates a tension state that a person is motivated to reduce. But, the way he or she chooses to do that can take a lot of forms: One person's "dream meal" might include a cheeseburger, fries, and double-fudge Oreo cookies, whereas another might go for sushi followed by vegan and gluten-free chocolate cake balls.

OBJECTIVE 1-5
Technology and culture create a new "always-on" consumer.

▶ The Global "Always-On" Consumer

Today many of us take for granted things that our grandparents only dreamed about. We instantly access people, places, and products with the click of a link. Many consumers travel to remote countries in a day rather than the weeks or months our ancestors needed, if they ever left their places of birth at all.

The majority of us now live in urban centers that bustle with people from many countries and that offer exotic foods from around the world. The United Nations defines a **megacity** as a metropolitan area with a total population of more than 10 million people. By 2011, there were already 20 such areas in the world. Researchers estimate that by 2030 three out of five people will live in cities.[31]

This concentration in urban centers, combined with population growth in developing countries and increasing demands for modernization by billions of people in booming economies such as India and Brazil, is both a blessing and a curse. Quality of life for many everyday citizens is better than even that of the elite who lived several centuries ago (even kings bathed only once a month). On the other hand, millions live in squalor, children around the world go to bed hungry, and we all feel the effects unbridled growth contribute to pollution of our air, soil, and water. As we'll see later in the text, all of these issues relate directly to our understanding of consumer behavior—and to the impact companies and customers have on our future and the world that we will leave to our children.

The Digital Native: Living a Social [Media] Life

If you're a typical student, you probably can't recall a time when the internet was just a static, one-way platform that transmitted text and a few sketchy images. And believe it or not, in the last century even *that* crude technique didn't exist. You may have read about this in a history class: People actually *handwrote* letters to each other and waited for printed magazines to arrive in their mailboxes to learn about current events! The term **digital native** originated in a 2001 article to explain a new type of student who was starting to turn up on campus. These consumers grew up "wired" in a highly networked, always-on world where digital technology had always existed.[32]

It's fair to say that 24/7 access to smartphones and other social media devices has kindled a fascination among many of us with documenting *exactly* what we're doing and sharing the exciting news with others. A meal in a nice restaurant doesn't get touched until the diner posts a photo of it on Instagram. We may not learn that the person we're dating has broken up with us until we see they have changed their relationship status on Facebook. Today some of us wear tiny cameras that allow us to create a **lifelog** of every event we experience throughout the day.[33]

There's little doubt that the digital revolution is one of the most significant influences on consumer behavior, and the impact of the internet will continue to expand as more and more people around the world log in. Many of us are avid surfers, and it's hard to imagine a time when texting, tweeting, Facebooking, or pinning favorite items on Pinterest weren't an accepted part of daily life.

Electronic marketing makes our lives a lot easier. You can shop 24/7 without leaving home, you can read today's newspaper without getting drenched picking up a newsprint copy in a rainstorm, and you don't have to wait for the 6:00 PM news to find out what the weather will be like tomorrow—whether at home or around the globe. With the increasing use of handheld devices and wireless communications, you can get that same information—from stock quotes to the weather—even when you're away from your computer.

But our lives are about to change even more: We're just entering a new era of The **Internet of Things (IoT)**. This term refers to the growing network of interconnected devices embedded in objects that speak to one another. Analysts estimate that there are 20 billion connected devices out there now, with another 10 billion to be added over the next four years. You can see the impact of the IoT all around you, from the advent of **autonomous vehicles** (self-driving cars) to the "smart home" products that can automatically adjust your thermostat, control your windows, and even turn on your oven before you get home.[34]

We are witnessing a revolution in **M2M (machine-to-machine communication)** that will profoundly change our lives. Self-driving cars are just the tip of the iceberg.[35] **Artificial intelligence (AI)** applications that get better over time via **machine learning** already interact with us in the form of voice recognition software in digital assistants like Siri and Alexa, systems that process insurance claims, trade stocks, and diagnose exotic illnesses, as well as marketing applications that help advertisers to improve the precision of their ad placements, the speed with which they can deliver goods to their customers, and even help salespeople to predict which responses to consumers' queries are more likely to result in a purchase.[36]

Computer engineers are also introducing us to **robot companions** that serve us drinks and help disabled people to carry out routine tasks.[37] And yes, it's true: Already several companies are working on **sexbots** that combine the physical realism of silicon dolls with the AI functionality that (ostensibly) allows the user to maintain an actual relationship with his or her special android.[38]

OBJECTIVE 1-6
Many types of specialists study consumer behavior.

▶

Consumer Behavior as a Field of Study

By now it should be clear that the field of consumer behavior encompasses many things, from the simple purchase of a carton of milk to the selection of a complex, networked computer system; from the decision to donate money to a charity to devious plans to rip off a company.

There's an awful lot to understand, and many ways to go about it. Although people have certainly been consumers for a long time, it is only recently that consumption per se has been the object of formal study. In fact, although many business schools now require that marketing majors take a consumer behavior course, most colleges did not even offer such a course until the 1970s.

Where Do We Find Consumer Researchers?

Where do we find consumer researchers? Just about anywhere we find consumers. Consumer researchers work for manufacturers, retailers, marketing research firms, governments and nonprofit organizations, and of course colleges and universities. You'll find them in laboratories, running sophisticated experiments that involve advanced neural imaging machinery, or in malls interviewing shoppers. They may conduct focus groups or run large-scale polling operations. For example, when an advertising agency began to work on a new campaign for retailer JC Penney, it sent staffers to hang out with more than 50 women for several days. They wanted to really understand the respondents' lives, so they helped them to clean their houses, carpool, cook dinner, and shop. As one of the account executives observed, "If you want to understand how a lion hunts, you don't go to the zoo—you go to the jungle."[39]

Researchers work on many types of topics, from everyday household products and high-tech installations to professional services, museum exhibits, and public policy issues such as the effect of advertising on children. Indeed, no consumer issue is too sacred for researchers: Some intrepid investigators bravely explore "delicate" categories such as incontinence products and birth control devices. The marketing director for Trojan condoms noted that, "Unlike laundry, where you can actually sit and watch people do their laundry, we can't sit and watch them use our product." For this reason, Trojan relies on clinical psychologists, psychiatrists, and cultural anthropologists to understand how men relate to condoms.[40] You'll find more detail about careers in consumer behavior in Appendix I.

Interdisciplinary Influences on the Study of Consumer Behavior

Many different perspectives shape the young field of consumer behavior. Indeed, it is hard to think of a field that is more interdisciplinary. You can find people with training in a wide range of disciplines—from psychophysiology to literature—doing consumer research. Universities, manufacturers, museums, advertising agencies, and governments employ consumer researchers. Several professional groups, such as the Association for Consumer Research and the Society for Consumer Psychology, have been formed since the mid-1970s.

To gain an idea of the diversity of interests of people who do consumer research, consider the list of professional associations that sponsor the field's major journal, the *Journal of Consumer Research*: the American Association of Family and Consumer Sciences, the American Statistical Association, the Association for Consumer Research, the Society for Consumer Psychology, the International Communication Association, the American Sociological Association, the Institute of Management Sciences, the American Anthropological Association, the American Marketing Association, the Society for Personality and Social Psychology, the American Association for Public Opinion Research, and the American Economic Association. That's a pretty mixed bag.

Clearly there are a lot of researchers from diverse backgrounds who are into the study of consumer behavior. So, which is the "correct" discipline to look into these

issues? You might remember a children's story about the blind men and the elephant. The gist of the story is that each man touched a different part of the animal and, as a result, the descriptions each gave of the elephant were quite different. This analogy applies to consumer research as well. Depending on the training and interests of the researchers studying it, they will approach the same consumer phenomenon in different ways and at different levels. Table 1.1 illustrates how we can approach a "simple" topic such as magazine usage from a range of perspectives. We'll take a closer look at some of the diverse methods researchers use to study consumer behavior in Appendix II.

TABLE 1.1	**Interdisciplinary Research Issues in Consumer Behavior**
Disciplinary Focus	**Magazine Usage Sample Research Issues**
Experimental Psychology: product role in perception, learning, and memory processes	How specific aspects of magazines, such as their design or layout, are recognized and interpreted; which parts of a magazine people are most likely to read.
Clinical Psychology: product role in psychological adjustment	How magazines affect readers' body images (e.g. do thin models make the average person feel overweight?)
Microeconomics/Human Ecology: product role in allocation of individual or family resources	Factors that influence the amount of money a household spends on magazines.
Social Psychology: product role in the behavior of individuals as members of social groups	Ways that ads in a magazine affect readers' attitudes toward the products they depict; how peer pressure influences a person's readership decisions
Sociology: product role in social institutions and group relationships	Pattern by which magazine preferences spread through a social group (e.g. a sorority)
Macroeconomics: product role in consumers' relations with the marketplace	Effects of the price of fashion magazines and expense of items advertised during periods of high unemployment
Semiotics/Literary Criticism: product role in the verbal and visual communication of meaning	Ways in which underlying messages communicated by models and ads in a magazine are interpreted
Demography: product role in the measurable characteristics of a population	Effects of age, income, and marital status of a magazine's readers
History: product role in societal changes over time	Ways in which our culture's depictions of "femininity" and masculinity in magazines have changed over time
Cultural Anthropology: product role in a society's beliefs and practices	Ways in which fashions and models in a magazine affect readers' definitions of masculine versus feminine behavior (e.g. the role of working women, sexual taboos)

Figure 1.2 provides a glimpse of some of the disciplines that work in the field and the level at which each tackles research issues. We can characterize them roughly in terms of their focus on micro- versus macro-consumer behavior topics. The fields closer to the top of the pyramid concentrate on the individual consumer (micro issues), and those toward the base are more interested in the collective activities that occur among larger groups of people, such as consumption patterns members of a culture or subculture share (macro issues). As we make our way through this text, we'll focus on the issues at the top (micro) and then make our way to the bottom of the pyramid by the end of the course. Hang in there!
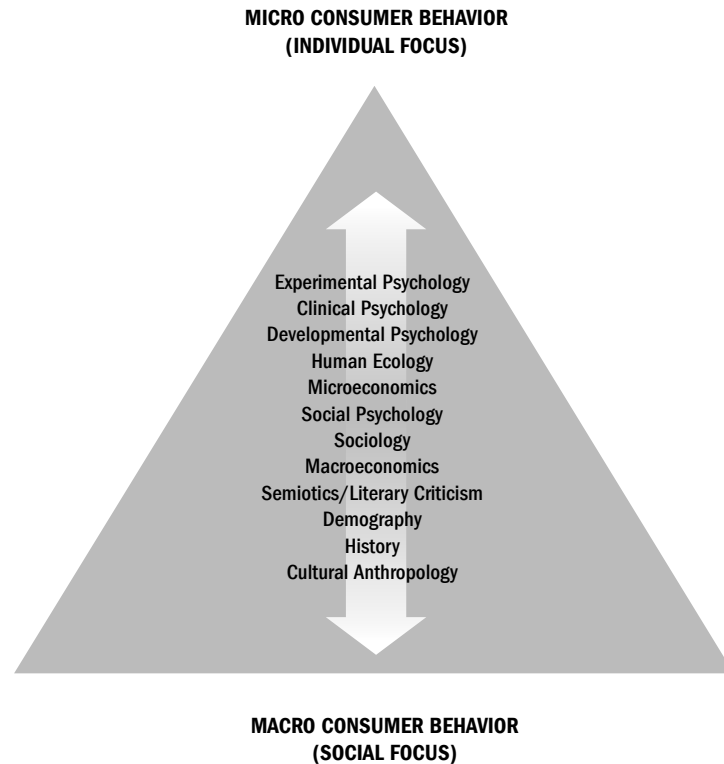
MICRO CONSUMER BEHAVIOR
(INDIVIDUAL FOCUS)

Experimental Psychology
Clinical Psychology
Developmental Psychology
Human Ecology
Microeconomics
Social Psychology
Sociology
Macroeconomics
Semiotics/Literary Criticism
Demography
History
Cultural Anthropology

MACRO CONSUMER BEHAVIOR
(SOCIAL FOCUS)

Figure 1. 2 THE PYRAMID OF CONSUMER BEHAVIOR

Two Perspectives on Consumer Research

One general way in which we classify consumer research is in terms of the fundamental assumptions the researchers make about what they study and how to study it. We call a set of beliefs that guide our understanding of the world a **paradigm**. As in other fields of study, a paradigm dominates the discipline of consumer behavior. However, some believe the discipline is in the middle of a *paradigm shift*, which occurs when a competing paradigm challenges the dominant set of assumptions.

The basic set of assumptions underlying the dominant paradigm at this point in time is **positivism** (sometimes called *modernism*). This perspective has significantly influenced Western art and science since the late 16th century. It emphasizes that human reason is supreme and that there is a single, objective truth that science can discover. Positivism encourages us to stress the function of objects, to celebrate technology, and to regard the world as a rational, ordered place with a clearly defined past, present, and future.

The newer paradigm of **interpretivism** (or *postmodernism*) questions these assumptions.[41] Proponents of this perspective argue that our society emphasizes science and technology too much, and they feel that this ordered, rational view of behavior denies or ignores the complex social and cultural world in which we really live. Others feel that positivism puts too much emphasis on material well-being and that its logical outlook is directed by an ideology that stresses the homogenous views of a culture dominated by (dead) white males. And, as we'll see in the next chapter, some adherents to this view also believe researchers should not just study consumer issues, but act on them as well.

Interpretivists instead stress the importance of symbolic, subjective experience, and the idea that meaning is in the mind of the person—that is, we each construct our own meanings based on our unique and shared cultural experiences, so there are no right or wrong answers. In this view, the world in which we live is a **pastiche**, or mixture of images and ideas.[42] This perspective rejects the value we assign to products because they help us to create order; instead, it focuses on regarding consumption as offering a set of diverse experiences. Table 1.2 summarizes the major differences between these two perspectives on consumer research.

TABLE 1.2	Positivist versus Interpretivist Approaches to Consumer Behavior	
Assumptions	**Positivist Approach**	**Interpretivist Approach**
Assumption	Positivist view	Interpretivist view
Reality is. . .	objective	socially constructed
Knowledge is. . .	context independent and time-free	context dependent and time-bound
The researcher and the respondent are. . .	separate and independent	interactive and the researcher is part of the phenomenon he or she studies

Source: Adapted from Laurel Anderson Hudson and Julie L. Ozanne. Alternative Ways of Seeking Knowledge in Consumer Research. *Journal of Consumer Research,* Mar 1988, Vol. 14(4), 508–521.

In recent years the interpretivist focus has gained momentum and although it's still not the dominant focus of consumer researchers, it's quite commonplace to see research studies that adhere to this perspective, or its current incarnation that many refer to as **Consumer Culture Theory (CCT)**. This label refers generally to research that regards consumption from a social and cultural point of view rather than more narrowly as an economic exchange. CCT studies embrace a variety of topics that range from how the media shapes our conceptions of our bodies or how disadvantaged people cope with poverty to how Harley-Davidson riders participate in an active community of bike lovers.[43]

OBJECTIVE 1-7
There are differing perspectives regarding how and what we should understand about consumer behavior.

▶ Consumer Trends: Keep Ahead to Keep Up

It's crucial for marketers of all stripes to stay on top of **consumer trends**. This term does not refer to specific brands or styles that may be in vogue today, but rather underlying values that drive consumers toward certain products and services and away from others. As we'll see, these values evolve over time. For example, some analysts argue that our focus on acquiring physical objects is shifting toward the consumption of experiences instead. This consumer trend is consistent with research that shows experiential purchases provide greater happiness and satisfaction because they allow us to connect with others in an increasingly impersonal society.

Why is it so important to understand consumer trends? Very simply, a brand that aligns with a dominant value stands a much better chance of success. Because companies often need substantial lead time to launch a new product or reposition an existing one, it's crucial to track not just where consumers are, but where they're going. That way you can be there to greet them when they arrive.

Consumer trend forecasting is big business, and many organizations devote huge resources to monitoring the "bleeding edge" of consumer behavior. Companies like Mintel, Euromonitor, and GfK publish consumer trend reports that alert clients to what the companies view as basic changes in customers' priorities.

It can seem at times that there are as many consumer trends as there are trend watchers, and sometimes their predictions create a bit of a self-fulfilling prophecy. For example, Pantone publishes an influential color forecasting report that many manufacturers use to guide their choices of future color palettes for cars, clothing, house paints, and other products. Since so many companies heed these predictions, perhaps it's not too surprising to find the very hues Pantone predicted on store shelves!

It's an amazing time to study consumer behavior. In so many ways our basic assumptions about how companies and people relate to one another are being disrupted. Throughout this text, we're going to learn about the "bleeding edge" of consumer behavior; the many ways that these relationships change on almost daily basis. These are some of the important consumer trends that I believe will impact marketing strategies in the near future:

- Sharing economy: A continued blurring of the boundary between producers and consumers, as everyday people take on the roles of hoteliers, taxi drivers, and even advertising agencies. We will see a de-emphasis on the value of owning products such as automobiles and power tools as opposed to leasing them on an as-needed basis. Today consumers want to avoid ownership and the financial costs and responsibilities that come with it. We would rather "rent" an experience than own a thing.
- Authenticity and personalization: An aversion to corporate "hype," as consumers place a premium on knowing the lineage of the companies they patronize. They also will demand more individualized experiences rather than buying mass-market products and services. There will be an increase in "artisanal" products and continuing growth of the "maker movement," augmented by wider availability of 3D printing technologies. Shoppers are willing to pay more for an item when they know exactly where it comes from, and they are assured that "real people" have thoughtfully selected the things from which they choose. This process of curation, which used to refer to an expert who carefully chose pieces to include in a museum exhibit, now applies to a range of consumer products such as food, clothing, and travel.
- Blurring of gender roles: The continuing movement away from "gender binarism" as sexual identity becomes more fluid and more people refuse to identify themselves as male or female. Already, California has changed requirements to allow residents to register as nonbinary.
- Diversity and multiculturalism: Racial and ethnic divisions will blur as people are exposed to other groups both in person (e.g. at the workplace) and online. Intermarriage rates continue to accelerate; a growing number of countries (including the United States) no longer adhere to strict categories when they ask citizens to identify racial identity. A recent study that surveyed over 2,000 people reported that 80 percent of parents like to see diverse families in advertisements. Sixty-six

percent said that brands that showed reverence for all kinds of families was an important factor when they chose among competing options.

- Social shopping: The traditional lone decision maker will become harder to find, as ready access to product reviews and others' immediate feedback on potential purchases turns many buying situations into committee decisions. A 2016 Pew Research Center survey found that 65 percent of Americans say they compare prices they see in stores with those they can find online and buy whichever is cheaper, while 40 percent say they almost always consult online reviews before they buy something new. We will see continued growth of video as the go-to medium for posting and sharing.

- Income inequality: The gap between rich and poor will continue to grow in the United States, which will exacerbate pressure toward a dual society of haves (in gated communities) and have-nots. The most affluent 160,000 US families have as much wealth as the poorest 145 million families.

- Healthy and ethical living: A continued focus on wellness, physical fitness, and environmental sustainability. This priority is likely to divide along social class lines, as growing economic inequality makes it difficult for less affluent consumers to afford healthy and sustainable products.

- Simplification: A movement away from hyperchoice and toward decluttering one's life and possessions. There will be more priority on experiences rather than acquiring things.

- Interconnection and the Internet of Things: The rapid growth of AI will facilitate the popularity of products such as wearable computers that monitor physical activity and many other functions. We will see growth in the consumer trend of smart homes.

- Anonymity: Data hacking, cyberbullying, and advertising tracking will fuel a desire for "the right to be forgotten." Consumers will flock to platforms like Snapchat that don't retain posts, or that allow users to create alternative identities. There will be greater emphasis on regulating online businesses as public utilities and forcing advertisers to reveal when they have paid for online advertising.

Consumer trends are a moving target. Keep ahead to keep up!

Taking It from Here: The Plan of the Book

This book covers many facets of consumer behavior, and in the chapters to come we will highlight many of the research perspectives that we only briefly described in this one. The plan of the text is simple: It goes from micro to macro. Think of it as a sort of photograph album of consumer behavior: Each chapter provides a "snapshot" of consumers, but the lens used to take each picture gets successively wider. First we'll focus on the crucially important topic of consumer well-being in the next chapter of Section 1, as we consider some of the consequences of our decisions for our environment and ourselves. In Section 2 we'll dive deeper into the facets of individual consumer behavior as we look at internal factors such as how we learn about products and services and then use this information to decide how we feel about them—and about ourselves as individuals. In Section 3 we zoom in on how exactly we choose products and services from a field of competitors and how we decide to purchase, use, and even dispose of these products. Finally in Section 4 we expand the lens to consider external influences on these decisions such as the groups to which we belong and the opinions of others we access via both traditional and new media.

CHAPTER SUMMARY

Now that you have finished reading this chapter, you should understand why:

1. **Consumer behavior is a process.**

   Consumer behavior 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. A consumer may purchase, use, and dispose of a product, but different people may perform these functions. In addition, we can think of consumers as role players who need different products to help them play their various parts.

2. **Marketers have to understand the wants and needs of different consumer segments.**

   Market segmentation is an important aspect of consumer behavior. Consumers can be segmented according to many dimensions, including product usage, demographics (the objective aspects of a population, such as age and sex), and psychographics (psychological and lifestyle characteristics). Emerging developments, such as the new emphasis on relationship marketing and the practice of database marketing, mean that marketers are much more attuned to the wants and needs of different consumer groups.

3. **Our choices as consumers relate in powerful ways to the rest of our lives.**

   Marketing activities exert an enormous impact on individuals. Consumer behavior is relevant to our understanding of both public policy issues (e.g. ethical marketing practices) and the dynamics of popular culture.

4. **Our motivations to consume are complex and varied.**

   Marketers try to satisfy consumer needs, but the reasons people purchase any product can vary widely. The identification of consumer motives is an important step to ensure that a product will satisfy appropriate needs. Traditional approaches to consumer behavior focus on the abilities of products to satisfy rational needs (utilitarian motives), but hedonic motives (e.g. the need for exploration or for fun) also play a key role in many purchase decisions.

5. **Technology and culture create a new "always-on" consumer.**

   The internet and social media transform the way consumers interact with companies and with each other. Online commerce allows us to locate obscure products from around the world, and consumption communities provide forums for people to share opinions and product recommendations.

6. **Many types of specialists study consumer behavior.**

   The field of consumer behavior is interdisciplinary; it is composed of researchers from many fields who share an interest in how people interact with the marketplace. We can categorize these disciplines by the degree to which their focus is micro (the individual consumer) or macro (the consumer as a member of groups or of the larger society).

7. **There are differing perspectives regarding how and what we should understand about consumer behavior.**

   Researchers who study consumer behavior do so both for academic purposes and to inform marketing organizations about practical decisions. We can roughly divide research orientations into two approaches: The positivist perspective emphasizes the objectivity of science and the consumer as a rational decision maker. The interpretivist (or CCT) perspective, in contrast, stresses the subjective meaning of the consumer's individual experience and the idea that any behavior is subject to multiple interpretations rather than to one single explanation.

REVIEW

1-1 Provide a definition of consumer behavior.

1-2 What are demographics? Give three examples of demographic characteristics.

1-3 What is market segmentation? Give three examples of market segments.

1-4 What is role theory, and how does it help us to understand consumer behavior?

1-5 What do we mean by an exchange?

1-6 Why is it important for businesses to learn about their heavy users?

1-7 What is "Big Data?"

1-8 What is popular culture, and how does this concept relate to marketing and consumer behavior?

1-9 What do we mean by the term *global consumer culture*?

1-10 Name two different disciplines that study consumer behavior. How would their approaches to the same issue differ?

1-11 This chapter states "people often buy products not for what they do but for what they mean." Explain the meaning of this statement and provide an example.

1-12 What are the major differences between the positivist and interpretivist paradigms in consumer research?

CONSUMER BEHAVIOR CHALLENGE

▶ DISCUSS

1-13 As robot companions become increasingly common, what are the ramifications for human relationships?

1-14 What aspects of consumer behavior would interest a financial planner? A university administrator? A graphic arts designer? A social worker in a government agency? A nursing instructor?

1-15 Critics of targeted marketing strategies argue that this practice is discriminatory and unfair, especially if such a strategy encourages a group of people to buy a product that may be injurious to them or that they cannot afford. For example, community leaders in largely minority neighborhoods have staged protests against billboards promoting beer or cigarettes in these areas. However, the Association of National Advertisers argues that banning targeted marketing constitutes censorship and thus is a violation of the First Amendment. What are your views regarding this issue?

1-16 The chapter discussed a study that compared and contrasted people who lead "happy" lives versus those with "meaningful" lives. How does this distinction relate to the way you decide to spend your time and money? How does it relate to consumer behavior more generally?[44]

1-17 A book bemoans the new wave of consumer-generated content, labeling it "the cult of the amateur." It compares the social networking phenomenon to the old story about the monkeys: If you put an infinite number of monkeys in a room with an infinite number of typewriters, eventually they will (by hitting keys randomly) reproduce all the major works of literature. In other words, the large majority of user-generated content is at about the same level, and the future of professionally produced, quality work is in doubt.[45] Do you agree or disagree with this assertion?

1-18 A few years ago a publicity campaign for a late-night cartoon show backfired when it aroused fears of a terrorist attack and temporarily shut down the city of Boston. The effort consisted of one-foot-tall blinking electronic signs with hanging wires and batteries that marketers used to promote the Cartoon Network TV show *Aqua Teen Hunger Force* (a surreal series about a talking milkshake, a box of fries, and a meatball). The signs were placed on bridges and in other high-profile spots in several US cities. Most depicted a boxy, cartoon character giving passersby the finger. The bomb squads and other police personnel required to investigate the mysterious boxes cost the city of Boston more than $500,000—and a lot of frayed nerves.[46] Is there a line between attention-getting pubicity stunts and activities that should be illegal or forbidden?

▶ APPLY

1-19 Talk to car owners and probe to see what (if any) relationships they have with their vehicles. Do these feelings correspond to the types of consumer/product attachments we discussed in this chapter? How are these relationships acted on? (Hint: See if any of the respondents give their cars a nickname, or if they "decorate" them with personal items.) To give you some additional insight, check out a YouTube video titled *I Love My Car*! that originally aired on the TV show *My Strange Addiction*.

1-20 The specific way we choose to satisfy a need depends on our unique history, learning experiences, and cultural environment. For example, two classmates may feel their stomachs rumble during a lunchtime

lecture. If neither person has eaten since the night before, the strength of their respective needs (hunger) would be about the same. However, the ways each person goes about satisfying this need might be quite different. Conduct this exercise with classmates: "As you probably know, a prisoner who is sentenced to die traditionally gets to choose his or her 'last meal.' If you had to do this (let's hope not), describe your last meal in detail." Compare the responses you get, especially among people from different ethnic or cultural backgrounds. What similarities and differences emerge?

CASE STUDY   Hey Alexa—What Is Consumer Behavior?

Amazon's Echo is the market leader in smart speakers, with a nearly 72 percent market share.[47] Powered by the Alexa digital assistant software, customers use the Echo to listen to music, as an alarm clock, as a tool for getting answers to questions, and even as a source of jokes to brighten their day. Alexa and competitive products are also becoming a major factor in consumer decision making that may radically change the relationship between brands and their customers.

First released to the general public in 2015, the Echo is a small desktop speaker that users place in their bedroom, living room, or kitchen—sometimes all three. Users interact with it by calling out "Alexa" followed by a question or command. Through its basic functionality, the unit responds to commands to play music, report the weather, or to read your appointments for the day.[48] A wider array of capabilities is provided through the installation of "skills"—third party apps that use Alexa to accomplish tasks. Amazon says there are more than 30,000 of these and that four out of five registered customers have used at least one.[49] Need to find a breed of dog that behaves in apartments? Purina can help with their Ask Purina skill. Tide Stain Remover will help you remove that spot on your favorite shirt. And you can just shout out to Campbell's Kitchen skill and a helpful assistant will read you a recipe while you cook![50,51]

While it operates primarily on the Amazon Echo, Alexa can run on a variety of devices, including in selected automobiles. Alexa fits into a broader category of technology known as AI (artificial intelligence) assistants. This category includes tools such as Apple's Siri, Microsoft Cortana, and Google Assistant, the latter of which is available on 400 million devices.[52] In one way, Alexa and her humanoid friends simply provide another way to access the internet, by voice instead of keystrokes. However, the embedded AI capabilities combined with the human touch of voice command/voice response are significant differences that are changing the game for brand marketing, and not necessarily in positive ways.

AI assistants offer consumers savings in time by automatically ordering routine items, and by evaluating the many options for nonroutine purchases, making logical choices based on algorithms or customer-defined criteria. For example, shopping for shoes can be fun, but choosing the perfect electric toothbrush can be painful. The AI assistant can do the heavy lifting for you, sorting through reviews and ratings and picking out the toothbrush that best fits your needs at a price you can afford. Through its understanding of your needs, its access to the full spectrum of product options, and its algorithms, your trusty AI assistant provides the trifecta of shopping pleasure: convenience, lower costs, and risk reduction.

The rise of AI assistants as a dominant channel has important implications for brand management. We often buy the same brand repeatedly to lower the risk of a bad decision. If consumers start to trust Alexa with product choices, brands lose an important benefit. Loyalty can be very fleeting and more dependent upon being in sync with the algorithms of the AI assistant than with the positioning in the mind of the customer. Brand loyalty–building activities such as understanding/filling needs, assuring quality, and focusing on customer interests may be better performed by AI.

Customer satisfaction becomes a more sophisticated proposition in a world dominated by AI assistants. Much of marketing research is focused on understanding the levels and dimensions of satisfaction; what if AI platforms could do a better job of assessing—and projecting—satisfaction than the consumers themselves? Smart assistants could be able to anticipate, for example, how much room in a car an auto shopper would sacrifice for improved fuel efficiency.

In the age of AI, promotion will likely be directed more to "push" activities (focused on the distribution channel) than "pull" activities (focused on the consumer). This is not so different from convincing retailers to put products on their shelves. Except now that "shelf" is digitally embedded in the algorithm of an AI assistant. In this environment, the power of the AI assistants increases significantly, most notably

Amazon, which now has a long list of its own "private label" brands.[53] This could also radically change the amount of promotion devoted to advertising, particularly of the image-oriented variety. Alexa may not care if she purchases the same shampoo as all the cool AI assistants buy.

The personal touch that the ability to interact with a human and humanlike voice provides is another important aspect of the use of AI assistants. The movie *Her* explored the connection that could exist with a computer-generated voice-only being.[54] Although that was a fictional account, research has found that that some AI assistant users are passionate about their devices, with over 30 percent reporting that Alexa or Google Assistant is "like a friend to me."[55]

Could that feeling affect your trust in the recommendations of the AI assistant?

So, does Alexa know consumer behavior and, even more important, will she and her AI friends drive it? AI assistants are still in an early stage of adoption. Although hundreds of millions of consumers could use AI via Google, only one in five U.S. consumers has access to a smart speaker and just over 2 percent make a purchase daily. The majority of Alexa users have never used any of the 30,000 skills available.[56] As use of AI assistants grows, the "Age of Alexa" will likely involve hits and misses for brand marketers who must determine the optimal strategy for taking advantage of this new technology.

DISCUSSION QUESTIONS

CS 1-1 Choose two of your favorite brands and devise an idea for an Alexa "skill" that consumers could find useful. How would these skills help sell more of the brands' products and/or increase customer loyalty?

CS 1-2 How can brands remain relevant in the Age of Alexa? What strategies should brand managers employ to continue to influence consumer purchase decisions if consumers become more reliant on AI assistants?

CS 1-3 What kinds of products or brands will most likely be either negatively or positively affected by an increased use of AI assistants? Explain your answer.

WRITING ASSIGNMENTS

1-21 List the three stages in the consumption process. Describe the issues that you considered in each of these stages when you made a recent important purchase.

1-22 This chapter states that people play different roles and that their consumption behaviors may differ depending on the particular role they are playing. State whether you agree or disagree with this statement, giving examples from your personal life. Try to construct a "stage set" for a role you play, specifying the props, costumes, and script that you use to play a role (e.g. job interviewee, conscientious student, party animal).

ENDNOTES

Scan for Endnotes.