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Consumer Behaviour and Sustainability

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Consumer Behaviour and Sustainability

“Consumer behaviour..... 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.” (Solomon et al., 2010)

The analysis of consumer behaviour is to employ the behavioural principles, generally expanded experimentally, to interpret human economic consumption (Cohen & Murphy, 2001). It suggests economic psychology on one hand and the marketing science- the study of the behaviour of consumers and marketers, especially as they interact- on the other hand. The study will provide a comprehensive analysis of theoretical and empirical view point as this paper put together through vast range of consumer behaviour observations and approaches. The analytical study, further, will also incorporate the social and cultural aspects of international contemporary consumption with strategically designed marketing.

To better understand consumer behaviour, buyers can be classified into five categories according to the time taken to adopt the innovation (Arnold & Eileen, 1994). This classification is distinguished as following:

1. Innovators (2.5%) adopt innovation since its appearance on the market, they like to take risks and have multiple activities;
2. Early-receptors (13.5%) are opinion leaders, open to new ideas and products, but more cautious, they adopt the product after having tested;
3. Early majority (34%) is characterized by reflection; they love novelty but consist mainly of followers;

4. The late majority (34%) is made up of sceptics who do not adopt the product if the product has clearly demonstrated its performance over a long period;
5. Late (16%) turned to the tradition they adopt the innovation when it is integrated into the cultural heritage of society.

This ranking underscores the attitude that the consumer may have with regard to innovation or a new product. The first category adopts an attitude of risk facing the advent of a new product. The second wants more thought and expected to have had to be tested for loyalty. The third reflects train leaves the attitude of the leaders of opinion and ideas which makes it be considered followers. The fourth waiting for the product to sit notoriety; while the fifth category expects the product to be integrated into the culture heritage.

The price is a determining factor in consumer attitudes. The product which wants to reach a larger number of consumers must adopt a policy of penetration must set a low price. It also wants for skimming the policy which is fixed initially at high price. This strategy is often followed by a regression strategy of price. Through policy skimming it can be found that the change request is made in the opposite direction of the price change. As the price decreases demand increases, thus lowering the price incentive according to this theory, consumers consumption.

In contrast, other theories lead one to believe otherwise. Some of them are:

- The Veblen effect: The higher the price of a good, the greater good is required to the extent where it becomes a socially distinctive (conspicuous consumption) (Hunt, 1972);
- The Quality effect: This effect states that the quantity demanded of a good increases with the increase in its price since the price is used as a guarantee of quality. The consumer is

often tempted to use price as an indicator of quality especially when it is difficult to assess the real qualities of a product. Unlike the Veblen effect, it is not a desire to look good, but the search for rationality, quality is at the origin of this unusual behaviour of consumers (Belk, 1995);

- The Giffen effect: When the price of bread increases, families could no longer get more expensive goods such as meat. This forced them to supplement their diet by buying more bread. The rising price of a much lower consumption prevents superior goods and result in a postponement of consumption to well priced, despite its increase, remained the lowest;
- The effect of speculation: it is to buy more than one property whose price increases, in fear of a future increase.

Consumer behaviour from a Cognitive, Behavioural and Experiential perspective:

There are numerous theories and principles of consumer behaviour from a cognitive perspective to undertake the concept of consumers' attitude towards the product/services. These psychological approaches mark the evaluation procedures for the organisations to build the positive relationship between producer of goods and the customer. These approaches have great impact on decision making, consumers' purchasing power and differing traditions of psychology. Foxall (1998) discussed different typological classifications of these works with five major approaches emerging. Each of these five approaches hypothesizes alternate models of man, and emphasise on required in-depth study of the variables. These are:

i. Economic Man: As discussed earlier that researches undertake the man as entirely rational and self interested, making decisions based upon the ability to maximise utility

whilst expending the minimum effort. The term economic man was first used in 19th century in the field. To behave rationally, as per the understanding on the “Economic Man Approach” required an in-depth inquiry of the consumption availability and options in the market. It also depends on the ideal condition of rating the options and to select the optimum course of action. These actions have now been extinct from the consumer behaviours regarding decision making. Furthermore, the consumer must have the complete information and the motivation to make the “perfect decision”; they are described to be more interested in seeking satisfactory choice rather than optimum choices as discussed in Herbert Simon’s Satisfactory Theory (Evans et al, 2009).

ii. Psychodynamic: The psychodynamic tradition within psychology is broadly attributed to the work of Sigmund Freud (1856-1939). Human behaviour is subject to biological influence through ‘instinctive forces’ or ‘drives/motives’ which act outside of conscious thought. On the other hand Freud (1923) identified the three facet psyche id, ego, and superego; the most influential drives of the individual’s consciousness. The key component of human behaviour influence by the biological drives rather environmental or external stimuli.

iii. Behaviourist: the approach strongly discredited the psychodynamic approach of biological instincts. Behaviourists believe that behaviour can be modified or adapted by the external forces. Fundamentally Behaviourism is embedded the philosophy that behaviour is elucidated by external events, and that all things that organisms do, including actions, thoughts and feelings can be regarded as behaviours. A number of branches of research that conform to the chief tenets of behaviourism but differ subtly in other ways.

Initially ‘Classical Behaviourism’, established by John Watson (1878-1958), required the entirely objective study of behaviour, with no mental life or internal states being accepted.

Human thoughts were regarded by Watson as 'covert' speech (Sternberg 1996), and strict monism was adhered to (Foxall 1998).

Another proponent during 1930 and 1950, Skinner advanced "Radical Behaviourism" that acknowledges the subsistence of the feelings, thoughts and introspection, however still regards these factors as epiphenomenal (Evans, 2007). Leading to more cognitive approaches with a new branch of study 'Cognitive Behaviourism' is claiming that intrapersonal cognitive events and processes are causative and the primary irreducible determinants of overt behaviour.

iv. Cognitive: Cognitive theorists believe in the change of the behaviour of an organism through intrinsic and extrinsic stimuli. It deals to a large extent with the persons' consciousness whether covertly or overtly. In this term it ascribes the consumer's observed behaviour to intrapersonal cognition. The individual is taken as an 'information processor'.

This intrapersonal causation peculiarly challenges the explicative strength of environmental variables (stimuli) discussed in Behavioural approaches, somehow the potential part of the environment and social exposure of availability is acknowledged, with consumers actively seeking and receiving environmental and social stimuli as informational inputs facilitating internal decision making or conscious choice making. The theory of cognitive developed in the middle of the 21st century when the cognitive psychology emerged in the study to observe the individuals' behaviour and Stimulus-Organism-Response involving the decision making. From this point many writers suggested that Cognitivism had taken over from Behaviourism as the dominant paradigmatic approach to decision research. Although coming from a Radical Behavioural perspective, Foxall (1998) identifies four key strengths of cognitive theory as a means of explaining consumer behaviour:

- It is related to the common-sense experiences of routine make it an intuitively attractive means of offering exposure of everyday behaviours such as purchasing and consuming;
- Consumers' ability to describe their experiences in terms of their attitudes, needs and motives ensure the explanation on its streamline meaning;
- It comes up with a measure of unity and compromise to a still young field of inquiry;
- Cognitive explanation has assisted the conceptual development of consumer behaviour research through possibilities of theoretical and methodological inputs.

v. **Humanistic:** The cognitive approach is well covered the consumers behaviour in a certain manner and is often portrayed as providing the best available explanation of consumer decision making. The new approaches of cognitive can be described as humanistic as they seek to explore concepts introspective to the individual consumer rather than describe generic processes of getting reliable information for decision making (Stewart 1994). Cognitive approach relies upon the perspective of the consumer being a rational decision maker; this emerges to disregard the role of emotion in decision making. Natarajan & Bagozzi (1999) comment:

“There is a pressing need in the field to balance the rational, cognitive side of marketing thought and practice with new ideas and research on the emotional facets of marketing behaviour”

The new emerging approach, Humanistic, is in quest of to understand and address the gap between consumer's stated purchase intentions and their actual final purchase behaviour by understanding the volitional stages to decision making.

These approaches have the marginal amenable for the empirical implementations on the consumer behaviour regarding decision making. Despite of being empirical the cognitive

theories are more hypothetical and believe on abstract or unobservable explanatory variables that seldom prove empirical evaluation of consumer decision making.

Social and Cultural aspects of consumption

The past 20 years of consumer research have produced an outbreak of research addressing the socio-cultural, experiential, symbolic, and ideological aspects of consumption. Most of the theories I undertook for the analysis have failed to build a positive and productive linkage among them. For the evaluation of socio-cultural aspects the economists termed a theory of CCT: 'Consumer Culture Theory'. This is not a grand research theory rather it is a band of theoretical perspectives that address the dynamic relationship between consumer actions, the marketplace, and cultural meanings.

Consumer Culture Theory (CCT) explores the heterogeneous allocation of significance and the multiplicity of extending beyond cultural groupings that exist within the broader socio-historic frame of globalization and market capitalism. Furthermore, consumer culture denotes a social agreement that relates the lived culture and social resources, and even the relation between meaningful ways of life and the symbolic and material resources on which they depend, are mediated through markets. The consumption of market-made commodities and desire-inducing marketing symbols is central to consumer culture, and yet the perpetuation and reproduction of this system is largely dependent upon the exercise of free personal choice in the private sphere of everyday life (Holt, 2002).

The consumer culture theory has significantly developed the empirical emerges of the 'distributive view of culture'. The theory also analyses how particular manifestations of consumer culture are constituted, sustained, transformed, and shaped by broader historical forces

and beached in characteristic socio-economic state of affairs and marketplace schemes. The consumer culture is oriented around microeconomic theory, cognitive psychology, experimental design, and quantitative analytical methods of the consumption. Consumer culture theory is developed on a core set of theoretical queries associated to the relationships among consumers' personal and collective identities; the cultures created and embodied in the lived worlds of consumers; underlying experiences, processes and structures; and the nature and dynamics of the sociological categories.

Business to Business buying behaviour

The researches express the model of purchasing behaviour of the buyer; foremost step is the need recognition or problem awareness that proceeds to information search and evaluation of the alternatives. The middle term is known as the purchase that leads to post evaluation or evaluation after purchasing. The post-purchase evaluation is somehow relevant to the cognitive dissonance. Generally, consumers experience the concerns after making a purchase decision. The customer, having purchased a product, may feel that an alternative would have been preferable. These steps from the consumer side are vivid to the marketing management of the organisation to develop a strategy of marketing the product that satisfies the consumer need. The five-stage process should not be conceived of as being necessarily unidirectional in a simple fashion. First, it is reasonable to believe that there are feedback relationships between "later" and "earlier" stages. For example, post-consumption activities may affect problem-recognition processes in the next cycle. Second, the actual sequence of stages may deviate from the regular pattern. With regards to the consumer-market relation the researches analyse certain consumer behavioural patterns. The suggested model of consumer purchasing a product is fairly affected the marketing strategy and process. Certain buying decisions are strategic in a way that they are concerned with

long-term bindings of resources. They affect the budget available for other products and services. Examples are expensive durable goods such as houses, cars, etc. A decision may be considered strategic since purchase of one item usually entails purchase of other items (Belk & Richard, 1999).

The model is more closely depend on individual choice of consumption as discussed Holt (2002). Similarly, commercial marketing researchers are often theoretical in the approach taken as they perceive their role as providing managers with information bearing directly on the decisions to be made. Though researchers in many ways share other practitioners' realistic interest, they usually attempt to widen the scope of managers by moving further to more detailed descriptions of market behaviour of consumers. As compared to consumer purchases, a business purchase or commercial marketing usually encompasses more decision participants and a more professional purchasing strives. Often, business buying is practiced by trained purchasing agents who spend their working lives learning how to make better buying decisions. Buying committees made up of technical experts and top management is common in the buying of major goods.

Strategic Marketing Management

A specific element of strategic marketing that the behavioural economics research could not analyse is the *markets* in terms of reciprocal reinforcement contingencies. Numerous papers portray an array of different styles of operant research on consumer behaviour and marketing management. In fact, the analysis of the terms is confined to the behaviour of consumers in relation to price; analysis does not examine the relation that of producers in relation to price or examine price as an indication about what and how much to produce and for whom?

The need for the development of a common theory of marketing depend on a compatible approach of consumer behaviour. This is a genuine prerequisite of a valid intellectual

understanding of marketing, and behaviour analysis offers a conceptual framework which can achieve the obligatory integration. Foxall (1998) designed an interpretation of the nature of the 'marketing firm' derived from the understanding of the factors that influence consumer choice to which the behavioural perspective model draws attention. Marketing research, for instance, remains largely uninformed by work on consumer behaviour by behaviour analysts, even though this work has profound implications for the ways in which consumer choice and marketing action are comprehended. Mention of behaviour analysis in the marketing literature is usually confined to the supposed relevance of operant conditioning to the promotional tactics of retailers. Critical awareness of its philosophical basis or the theoretical and methodological implications of its adoption as a theoretical device generally go unappreciated and it is rare for the merits and demerits of behaviourism as a philosophy of psychology to be debated and for its contribution to consumer psychology and marketing to be assessed. Behaviourism has been a central focal point for the creation of psychological observations of mankind; the invalid observation that it has been superseded in some kind of Kuhnian revolution reflects an inaccurate philosophy of science and removes from deliberation the important work on behavioural economics and the economic psychology of consumption that is highly relevant to consumer research and marketing. Consumer research within the business area is not only mainly cognitive: it is almost exclusively non-experimental in its methodology (Wagner, 2003).

Challenges regarding Sustainable Consumption

The level of human consumption and the evaluation of environmentalists have provided a deep concern that emerges the economic development. The notion of sustainability and the concept of sustainable consumption have recently emerged as key elements in the academic and policy debates that consider the environmental impacts of consumption. This has given rise to

various academic research articles explicitly framed around sustainable consumption, both in the marketing and consumer behaviour literature. Rapidly increasing levels of consumption of materials, energy, and services are one of the fundamental drivers of global and local environmental change (Parsons & Maclaran, 2009).

According to the 'individual choice' theorists' primarily concerned that the consumption is needs-driven as in discussed the extrinsic stimuli in Humanistic approach of consumer decision making. On the other hand, Social theories of consumption view consumption as a group experience, a form of collective behaviour that assists form groups and particular membership. As the third paradigm of the consumption theories 'cultural theory' depicts the consumption as the collective expressive act. Populace interchanges goods to communicate to others, and to produce a culturally harmonious environment. Most theorists argue that in modern societies, mass consumer goods purchased in the market have widely displaced local, indigenous, creative rituals, objects, and meanings. Terms like ideology, semiotics, custom, and worldview are hallmarks of a cultural approach.

On a global basis the demand for consumer goods is not a simple consequence of income levels. Economic historians now argue that consumer demand has historically been highly variable, and is a fundamental cause of economic growth, rather than a consequence of it. It is also apparent that populations at the same income levels can have drastically different levels of environmental impact, consuming different bundles of resources, using different mixes of energy resources, and emitting widely varying amounts of greenhouse gases. For these reasons, consumption is a key issue in both predicting future environmental change, and in formulating policies that can lead towards sustainable consumption.

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