

KNOTTY PROBLEMS IN CONSUMER EDUCATION

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Four problems which focus on consumer needs and problems that have often not been appropriately covered in consumer behavior courses are:

1. the development of appropriate strategies and systems of purchase by consumers,
2. the evaluation of the recreational value of shopping,
3. the examination of potential strategies that could be pursued by groups, and
4. the appreciation of the impact on society of consumers' economic votes.

While coverage of these problems may vary in emphasis across curricula (consumer science, home economics, psychology, sociology, marketing, textiles and merchandising departments), taken together the consideration of these subjects should increase students' awareness of the manifold impact of firms' actions on society; influence students to become more efficient consumers; and improve students' abilities to understand the behavior of consumers.

Purchase Systems

Studies indicate substantial differences in prices charged for products and services by various retail outlets in the same geographic area at one point in time [2]. These differences suggest that consumers would benefit by developing patterns/strategies that reflect their specific needs and relevant utilities weighted against the costs of particular kinds of shopping and travel strategies [6;4].

A purchasing system does not dictate the adoption of a "buy the cheapest" strategy. The objective of obtaining the best "value" does not establish quality standards. Consumers should evaluate purchases as a cost-benefit tradeoff in regard to individual standards of product/service quality. Psychological, social, and other benefits would be expected to vary in importance with each product/service. Two exercises were designed to help students develop relevant purchasing strategies.

Exercise One

The project entails administering a consumer shopping orientation survey to measure the student's predisposition toward shopping, and asking the student to develop a purchasing system which is efficient as well as low cost.

A purchasing system may incorporate a number of complementary shopping/buying strategies, such as:

- A. Scheduling store visits as a by-product of other travel (e.g., to and from work; doctor visits).
- B. Only shopping discount stores or mainly discounters along with sales at other relevant retail outlets as they occur.
- C. Shopping several stores (3 or more) tracking sales and unadvertised specials.
- D. Taking advantage of advertised sales.
- E. Using coupons and store handouts of various types.
- F. Waiting for seasonal sales, buying on reduced price days (theatre) or hours, days when double couponing is in effect.

Not all strategies apply to all classes of products. The purchasing system is the student's own choice. The system is used for a period of six weeks. During that time, the student should keep records of all purchases on forms appropriate to that activity. At the end of the exercise, the consumer shopping orientation survey (Exercise Two) should be readministered to assess the impact on the student's predisposition toward shopping. Also, the student should provide information on his/her system, the purchase records, and the success of the exercise.

Exercise Two

To measure students' general attitudes toward shopping, one may use five or seven point Likert scales on the dimensions Strongly Disagree/Strongly Agree for statements such as "I shop a lot for specials." Wells and Tigert [16] pretested statements like this on activities, interests, and opinions.

Current shopping behavior can be measured by using five or seven point Likert scales on the dimensions Never/Always for statements concerning purchasing involvement. Slama and Tashcian [13] pretested many statements such as "I often take advantage of coupon offers in the newspapers."

Once the consumer orientation survey is developed, it can be administered before and after the students take part in the shopping purchasing system project. Additional questions that may be pursued regarding the "optimal/best" purchasing system for a consumer include:

A. Should a search process focus on limiting or expanding the number of brand or item alternatives [3; 4]? Everything else being equal, the more items that a purchaser finds acceptable the more likely he/she is to receive a "better buy" from the distribution system. A prime goal in the search may be the elimination of unacceptable alternatives rather than the selection of the most desirable item or brand.

B. What are appropriate costs for storage, discount rates, opportunity costs relevant to a specific consumer and/or groups of consumers?

C. How should consumers compare existing low prices with uncertain (lower or higher) future prices? For instance, should a consumer purchase a \$40.00 apparel item reduced to \$10.00 or should a consumer anticipate the possibility of a better price later in that retail outlet or elsewhere, or perhaps there will be a "better buy" on a similar item?

D. What is the "optimal" quantity to purchase of specially priced items?

E. Will a consumer's perceived psychological rewards increase over time from shopping for value, such as a night spent at a discount store or at a sale?

F. Should purchase for a specific item be planned? How should "sudden great buys" be integrated into such a system?

Consumer Preferences

Shopping utilities (enjoyment or preferences) are considered to be given, and to remain constant throughout the relevant time frame. Product information search and evaluation costs are often based on two assumptions. First, consumers regard shopping time as an element of cost or negative utility (i.e., consumers do not receive utilities from an outing or from shopping). Second, negative utilities from shopping are assumed to be constant and resistant to change.

But individuals greatly differ in their utilities for shopping. Some consumers enjoy shopping while some derive immense pleasure from bargain hunting [14; 9; 7; 12]. On the other hand, some shoppers

have a very high disutility for shopping activities [10]. Given the wide range of satisfaction derived from shopping, a common treatment for all shoppers appears quite inaccurate.

Moreover, utilities can be altered through marketing effort, learning experiences, and social interactions. As a research exercise employed to assess shopping orientation, Bhasin et al. [1] directed subjects to develop "efficient" purchasing strategies. After utilizing these shopping strategies for six weeks, the subjects were readministered the consumer shopping orientation survey. The results demonstrated that subjects did indeed differ on the utilities derived from shopping. Further, utilities changed as a result of the simulated shopping experience.

Results such as these raise issues that are relevant to consumerists concerning the creation of "information seekers" [15], to consumers managing information search and shopping activity, to managers in understanding segmentation and promotional opportunities, and to academicians/regulators/legislators in considering public policy issues regarding social benefits/costs of alternative marketing strategies.

Consumers As Members of Groups

Marketers often treat consumers as environmental elements, close to a state of nature. Consumers are not perceived as participants in game situations but as independent members of society. But would consumer interests be more effectively served if their actions were effectively coordinated?

Currently several groups attempt to influence market offerings to the best interest of members. The American Association of Retired Persons (AARP) intercedes in the market place by offering prescription drugs and various insurances to members. Other groups have tried to change the programs and political orientation of broadcast media while others have organized to more fully take advantage of coupons [11]. Recently some Maryland small businesses coordinated their efforts by using their collective checking accounts as a means of substantially reducing interest rates [5].

At least three important questions are raised with respect to consumers and group action. **First**, is it moral, ethical, or even legal for consumers to formally join in a common cause in order to intercede in a marketing system? For example, might very large groups (citizens of a city, members of a trade union, constituents of a political party) organize and negotiate an agreement with a company to buy

only that company's goods under stipulated conditions? And if this action is determined to be unethical or illegal, what criteria will be used to organize such groups? **Second**, should consumer groups structure their organization in order to compete with firms (e.g., consumer and producer cooperatives) or should groups negotiate with existing marketing entities so that the consumers trade off the costs of cooperating entities? Relatedly, why are consumer cooperatives successful in some countries like Sweden, Switzerland, and England, and not in the United States? **Third**, should the social impacts of the groups' actions be a key consideration? For example, should the group consider the impact of its actions on the levels and types of employment? This issue is considered in the next section.

Consumer Voting

Most members of society believe that their political votes should be cast with consideration of a "larger good" and not for selfish reasons. Consumers also vote by their purchases. Economic votes create and maintain trading areas, shopping centers, individual stores, products and so forth. Accordingly consumers create the marketing institutions, products, and services that they vote into and out of existence. However, consumers have not been educated in nonselfish economic voting. Thus in the purchasing process, greed supposedly facilitates a flourishing economy which by its nature is responsive to societal needs. Self-concern (greed) is often thought to be the most efficient course of action in the economic arena. This raises the question of whether or not consumers should use economic voting to influence such areas as current and future prices, the current and future environment, and the current and future lives of others.

Few problems related to consumer voting are simple or obvious in the many subjects that a class might consider [8]. For example, should a wealthy consumer travel on a discount airline if that action is expected to help sustain the discount airline and result in lower prices on all airlines over time? Relatedly, should a wealthy consumer purchase one of the few seats offered at low prices by "higher priced" airlines? Should a consumer buy a prestigious though highly energy inefficient automobile? These issues' complexities defy simple answers.

Conclusion

Shopping strategies can be developed and implemented to improve or change consumer shopping utilities. Group alternatives can be considered, as can the alternative of considering the impact of economic votes.

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A SHORT TEST OF CONSUMER DECISION-MAKING STYLES

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Consumer educators have a need for methods to characterize the particular decision-making styles that individuals use when making purchases. This can help us understand the varied approaches consumers use, educate consumers on the decision-making approaches they pursue, and develop educational and informational strategies that improve these approaches.

Background and Statement of the Problem

A **consumer decision-making style** is defined as a mental orientation characterizing a consumer's approach to making consumer choices. A consumer's style has cognitive and affective characteristics, for example quality consciousness and fashion consciousness. In essence, it is a basic consumer personality, analagous to the concept of personality in psychology.

Our problem was to develop a short, yet relatively complete instrument which would measure fundamental characteristics of