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

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.”

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 Web sites, you can see fetishists skewering, microwaving, hammering, decapitating, and otherwise abusing the spongy confections.

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

Successful products satisfy needs and improve our lives in ways large and small. This South African ad subtly reminds us that our plans might go astray if we don’t have a reliable form of transportation – and of course the quality auto parts that help to make that happen.

Source: Courtesy of Honda Motor Southern Africa.

Don’t be that guy.

HONDA GENUINE PARTS

*Your seat, in a packed theatre that you’re about to walk into 30 minutes late.
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 ‘yof’ because he had the same thing. People feel a connection when you’re drinking the same thing.”

As we’ll see in Chapter 5, our motivations to consume range from the practical to the fanciful (see the Peeps discussion). 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. 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.

What Do We Need—Really?

A recent 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.”

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, and more than 2 billion people will live in slums. Already, China boasts four shopping centers that are larger than the massive Mall of America in Minnesota, and soon it will be home to seven of the world’s largest malls.

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 China, India, and Brazil, is both a blessing and a curse. Quality of life for many everyday citizens is better than even the elite who lived several centuries ago (even kings only bathed 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 contributes to pollution of our air, soil, and water. As we’ll see later in the book, 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

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
New products like the Narrative Clip allow people who feel the need to document their activities to do so easily. 

Source: Courtesy of Narrative.

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 you can even wear a tiny camera called the Narrative Clip that automatically snaps a photo every 30 seconds for those who feel the need to post an ongoing documentary of their everyday movements for posterity.

There’s little doubt that the digital revolution is one of the most significant influences on consumer behavior, and the impact of the Web will continue to expand as more and more people around the world log in. Many of us are avid Web 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—not to mention those who compulsively check in on FourSquare at their local Starbucks 10 times a day!

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.

Also, it’s not all about businesses selling to consumers (B2C e-commerce). The cyberspace explosion has created a revolution in consumer-to-consumer activity (C2C e-commerce): Welcome to the world of virtual brand communities. Just as e-consumers are not limited to local retail outlets in their shopping, they are not limited to their local communities when they look for friends or fellow fans of wine, hip-hop, or skateboarding.

Picture a small group of local collectors who meet once a month at a local diner to discuss their shared interests over coffee. Now multiply that group by thousands and include people from all over the world who are united by a shared passion for sports memorabilia, Barbie dolls, Harley-Davidson motorcycles, refrigerator magnets, or massive multiplayer...
online games (MMOGs) such as World of Warcraft. The Web also provides an easy way for consumers around the world to exchange information about their experiences with products, services, music, restaurants, and movies. The Hollywood Stock Exchange (hsx.com) offers a simulated entertainment stock market where traders predict the 4-week box office take for each film. Amazon.com encourages shoppers to write reviews of books, and (just as Gail did) you can even rate your professors at RateMyProfessors.com (don’t tell your prof about this one; it’ll be our secret). The popularity of chat rooms where consumers can go to discuss various topics with like-minded “Netzense” around the world grows every day, as do immersive virtual worlds such as Second Life, Habbo Hotel, and Kaneva. News reports tell us of the sometimes wonderful and sometimes horrific romances that have begun on the Internet as people check out potential mates on sites such as Match.com or OKCupid. In one month, the dating site Plenty of Fish alone had 122 million visits. Or, chew on this today in the United States, one-third of married couples met online.

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 hand-wrote 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.

Fast-forward a decade: Today the Internet is the backbone of our society. Widespread access to devices such as personal computers, digital video and audio recorders, webcams, and smartphones ensures that consumers of practically any age who live in virtually any part of the world can create and share content. But information doesn’t just flow from big companies or governments down to the people: today each of us can communicate with huge numbers of people by a click on a keypad, so information flows across people as well. Indeed, the recent decision by the Federal Communications Commission (FCC) to back the principle of net neutrality ensures that everyone—individual users and behemoth companies—is guaranteed equal access to the “pipes” we rely on to access cyberspace.

That’s what we mean by a horizontal revolution. This horizontal revolution is characterized in part by the prevalence of social media. Social media are the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility.

The Internet and its related technologies that gave birth to Web 2.0 make what we know today as social media possible and prevalent. Every day the influence of social media expands as more people join online communities. Facebook, a social utility that offers synchronous interactions (those that occur in real time, like when you text back-and-forth with a friend) and asynchronous interactions (those that don’t require all participants to respond immediately, like when you text a friend and get an answer the next day), photo-sharing, games, applications, groups, e-retailing, and more, has more than one billion active users.

People aren’t just joining social communities. They are contributing too! Users upload 72 hours of video to YouTube every minute. In just 30 days on YouTube, more video is broadcast than in the past 60 years on the CBS, NBC, and ABC broadcasting networks combined. Consider these mind-boggling social media stats:

- If you were paid $1 for every time an article was posted on Wikipedia, you would earn $156.23 per hour.
- It took radio 38 years to reach 50 million listeners. TV took 13 years to reach 50 million users. The Internet took 4 years to reach 50 million people. In less than 9 months, Facebook added 100 million users.
About 70 percent of Facebook users are outside the United States.

- Social networks have overtaken porn as the number-one online activity.
- Eighty percent of companies use LinkedIn as their primary recruiting tool.
- Twenty-five percent of search results for the world’s top 10 brands are to user-generated content.
- People share more than 1.5 billion pieces of content on Facebook—every day.
- Eighty percent of Twitter usage is from mobile devices, and 17 percent of users have tweeted while on the toilet.

This is all exciting stuff, especially because social media platforms enable a culture of participation; a belief in democracy; the ability to freely interact with other people, companies, and organizations; open access to venues that allow users to share content from simple comments to reviews, ratings, photos, stories, and more; and the power to build on the content of others from your own unique point of view. Of course, just like democracy in the real world, we have to take the bitter with the sweet. There are plenty of unsavory things going on in cyberspace, and the hours people spend on Facebook, on online gambling sites, or in virtual worlds like Second Life have led to divorce, bankruptcy, or jail in the real world.