

## CHAPTER II

### Understanding Consumption and Consumer Values

By Chloé Anselmo & Stéphane Ganassali

#### LEARNING OBJECTIVES

Learning this Chapter, you will be able to

- Understand the evolution of consumption in EU
- Understand consumer values and their implication in consumption
- Have an overview of misdirected consumption and behavioural misconducts from consumers and businesses

#### ABSTRACT

*This chapter will explore the bases of consumption in the European Union: first of all, how people, and especially households, consume and how the consumption patterns have evolved over the past decades. Then, the chapter will explain consumer values, i.e. functional, affective and symbolic values, and how they influence and justify everyday consumption. Lastly, misdirected and excessive consumption phenomena will be explored: addictions, consumers' misbehaviours, and other anomalies as to understand why consumers might be irrational in their buying processes and how external factors, such as asymmetry of information, are influencing those behaviours.*

**KEYWORDS:** Consumer values, Functional values, Affective values, Symbolic values, Addictions, Conspicuous consumption, Materialism, Addictions, Asymmetry of information, Compulsive shopping

## 1. HOUSEHOLD CONSUMPTION – STATISTICS AND STRUCTURE

As of 2016, the EU-28 was composed of 219 907 500 households (a group of persons sharing the same living accommodation and pooling some or all of their income and wealth and consuming collectively – SNA93).

In 10 years, household expenditures increased by a steady 13.30% despite the decline between 2008-2009 due to the economic crisis.

“Housing, water, electricity, gas and other fuels” represent the main share of expenditure (24.5%), followed by transport (12.9%) and “food and non-alcoholic beverages” (12.2%).

Over the past two decades, the share of “food and non-alcoholic beverages” has decreased (13.7% in 1996). According to Engel’s law (a rising income leads to a decrease of the proportion of it spent on food), this phenomenon reflects an amelioration of life conditions in EU-28 between 1996 and 2016.

## 2. CONSUMPTION EXPLANATIONS

Consumption is influenced by consumer values, defined as a product’s or brand’s capacity to satisfy consumption’s needs (Park, Jaworski and MacInnis, 1986).

### 2.1. FUNCTIONAL CONSUMER VALUES

In a functional point of view, consumers are supposed to choose a product by weighting its functional features in comparison with other substitute products.

Functional consumer values are mainly linked to Maslow’s (1943) and Max-Neef’s (1991) theories.



Maslow’s theory outlined five basic needs, the lowest ones having to be fulfilled in order to fulfil the others.

From bottom to top, those needs are: physiological needs, safety needs, belongingness needs,

ego needs, and self-actualisation needs.

Max-Neef's theory is based on nine needs, with no hierarchy: subsistence, protection, affection, understanding, participation, idleness, creation, identity and freedom.

This theory asserts that different needs can be fulfilled by a sole action or "satisfier" (eg. work can fulfil subsistence needs, protection needs, participations needs, creation needs and identity needs), and no need comes before another.

## 2.2. AFFECTIVE CONSUMER VALUES

Also emotional, hedonic or experiential.

Experiential consumption is a type of consumption that primarily answers a quest of identity through experience, via the research of pleasure, fun, sensory stimulation. It is mostly focused on cognitive processes.

Experiential values are made of the three Fs: fantasies, feelings, and fun. It relies on several stages of consumption, namely: anticipation experience, buying experience, utilitarian experience and memories (Holbrook and Hirschman, 1982).

Also linked to experience, Csikszentmihalyi (1997) established the concept of flow: a state in which the consumer is disconnected from reality and completely immersed into the experience they are currently living. It involves activity and skills from the consumer, but also a more memorable experience.

Experiences are divided into five types by Schmidt (1999): sense (sensory experiences based on the five senses), feel (affective experiences producing emotions), think (cognitive experiences), act (physical experiences), and relate (social-identity experiences, such as storytelling).

Brand attachment, i.e. "the strength of the cognitive and affective bond connecting the brand with the self" (Park, MacInnis and Priester, 2008) is one of the main factors of affective value, as it also explains why consumers might chose a product (of the appreciated brand) over another.

Brand attachment is not to be confused with brand love, which is a construct of passion-driven behaviours, self-brand integration, positive emotional connections, anticipated separation distress and long-term

relationship with the brand (Batra, Ahuvia and Bagozzi, 2012) and goes further than a sole affective bond.

## 2.3. SYMBOLIC CONSUMER VALUES

Mainly influenced by Veblen's theory of conspicuous consumption (1899), stating that consumption is a way to show affiliation to a higher class than the actual class of the consumer.

A symbolic value means that the product or brand transfers its own values to the consumer (young, rebellious, classy, etc.), and therefore convinces them to buy it in order to be assimilated to those values. People consume those goods not only for their utility, but mostly to make a statement about themselves and show their desired self to others.

Consumption likewise often serves a status-enhancing favourable impression or esteem-evoking material possessions (Holbrook, 2006).

## 3. EXCESSIVE AND MISDIRECTED CONSUMPTION

Excessive and misdirected consumption is mostly caused by consumers' irrationality. As stated by Marx (1867) in his commodity fetishism theory, the relationship between and with things are taking more importance than the relationship between and with other human beings.

### 3.1. ADDICTIONS

Addiction is defined as a constant and compulsive dependence on a behaviour and/or substance.

#### 3.1.1. SUBSTANCE ADDICTIONS

Most of the well-known and well-studied addictions result from the consumption of certain substances such as nicotine, alcohol, medicines, or illegal drugs.

Those addiction are mostly explained by physiological reasons and in a lesser extent by social reasons and a deviant identity (Reith, 2004).

Most of those addictions are well-documented and generally treatable through medical assistance.

#### 3.1.2. BEHAVIOURAL ADDICTIONS

Some behavioural addictions have been widely studied in the past few years. The most well-known are, for instance, addictions to gambling or eating. Most eating troubles are currently recognized as actual diseases due to psychological issues and can be medically treated.

However, some behavioural addictions are still considered the resultant of a lack of self-control and are fairly recent. It is the case, for instance, of internet, video games, smartphones or social networks addictions.

The lack of self-control is also pointed at in the cases of *binge* phenomena, consisting in doing something the fastest as possible, in an excessive way, and without giving any consideration to consequences.

The two most representative forms are *binge drinking* (not always to alcoholism as it is not a regular behaviour and is mostly performed during social events or under pressure of peers, especially in the student population) and *binge watching*, greatly influenced by the brisk development of online platforms giving access to broad set of series and movies.

Those behaviours have many negative outcomes: lack of social interaction, financial distress, sleep deprivation, etc.

### 3.2. MATERIALISM

A materialist person is commonly defined as someone with a tendency to acquire a lot of goods and conspicuously use them (Ladwein, 2017), also according a high value to material possession and considering them as indicators of success and source of happiness (Pilch and Górník-Durose, 2016).

Belk (1983) explains materialism through the opportunity to consider goods and products as our own and to publicly display them, and defines three dimensions of it:

- Possessiveness, or “the inclination and tendency to retain control or ownership of one’s possession” (Belk, 1983)
- Non-generosity, or “the unwillingness to give possessions to or share possessions with others” (Belk, 1983)
- Envy, or the “displeasure and ill-will at the superiority of [another person] in happiness, success, reputation, or the possessions of anything desirable” (Schoeck, 1966)

As theorised by Richins and Dawson (1992), materialism can be scaled through:

- Acquisition-centrality (seeing acquisition and possession as the centre of one’s life)
- Acquisition as the pursuit of happiness
- Possession-defined success (judging one’s success by their possessions)

## 3.2.1. COMPULSIVE SHOPPING

Also called oniomania or vulgarly, shopaholism, compulsive shopping refers to the repetition of excessive purchases resulting in troubles on a personal, familial and/or social level.

According to Martinez-Novoa and Hodges (2016), the three main thematic of compulsive shopping are: promoting consumption, popular misconceptions, and potential consequences.

## 3.2.2. COMPENSATORY SHOPPING

Compensatory shopping is linked to the satisfaction of needs and is often a way to compensate “powerlessness” – power being “the asymmetric perceived control over resources or people”. It is related to conspicuous consumption as most of the time, compensatory shopping includes buying goods and services that are far beyond one’s means as to fake a desired status to exhibit to others.

In 1997, Woodruffe analysed compensatory consumption within women, and highlighted that women engaging in this kind of behaviour experienced lacks in their lives due to depression, feeling down, marital problems, lack of excitement or low self-esteem.

## 3.3. CONSUMERS’ PATHOLOGIES

Pathologies are behaviours disrespecting rules and norms admitted in society and are expressed in the physical act of buying.

The bold customer is an example of consumer’s pathologies: they act in an improper manner, resulting in troubles for the company, its personnel, and other customers. They can behave so in many ways: being drunk, infringing policies, being uncooperative, and can never be satisfied.

## 3.4. ANTI-CONSUMPTION

Anti-consumption is a set of “phenomena that are against the acquisition, use, and dispossession of certain goods” (Lee et al., 2011). In other words, it is an intentional choice not to consume a certain brand or product or service but is hard to quantify as no figures are available.

It is influenced by “reasons against” specific brands (often to the benefit of other brands on the market), behavioural and product categories (like tobacco or alcohol) and consumer culture.

The field of anti-consumption studies is still to be developed, as it is highly intertwined with other concepts (nonconsumption, alternative consumption...) while still being very distinct from them.

## 3.5. ASYMMETRY OF INFORMATION

Asymmetry of information, and more precisely, lack or gloom of information, also explain a great part of irrational behaviours.

Not having access to all the required information can result in two types of behaviours:

- Buying the product, as there is no mention of potentially harmful components, therefore assuming that it is absent
- Not buying the product, as the lack of information might be “hiding” something, therefore assuming that something is wrong

The “victims” of this asymmetry are not solely consumers: sellers might not be given all the information by the manufacturer/provider and are consequently not able to provide everything to the final consumers (which is a case of incomplete information).

The lack of information sometimes leads to negative reactions, such as concern and weak consumer confidence (Hobbs and Plunkett, 1999).

To avoid the retention of information, governments and lawmakers are attempting to strengthen the obligations notably of labelling, by imposing the mention of components, origins, etc., particularly in the food and drinks sector.

In other cases, consumers might be victims of over-information: the given information are not necessarily clear to them, and the readers might not be able to grab the relevant information they are looking for (obscure terms, unknown symbols, etc.).

As in the case of retention of information, over-information is attempted to be countered through regulations. Initiatives such as, imposing a clearer display of essential information are being implemented, mainly in the food, car or household appliance sector, by means of simpler symbols, obvious colours or grades, etc.

## Reflection



Identify the functional, affective and symbolic values involved in your last important purchase.

[Use the space below to answer.]

## Test



Provide a synthetic example of a compulsive purchase.

[Use the space below to answer.]



## Answers and Comments to Test

A correct answer should take into consideration the following:

- ✓ The definition of a compulsive purchase
- ✓ The negative outcomes of the purchase

## Assessment



Mention few changes in today's consumption patterns.

Write an essay of maximum 300 words starting from the ideas that the role of the governmental regulations can reduce some misdirected behaviours.

[Use the space below to answer.]

## CONCLUSIONS

Consumption is a way for individuals to “draw the outline of their lives, to shape it according to their own scheme” (Ladwein, 2017).

This definition reflects the importance taken by symbolic and affective values over functional values alone, describing consumption as a way to build a desired persona rather than a way to fulfil physiological needs.

However, the central role taken by consumption in people’s lives also leads to misbehaviours and excessive conducts, inducing physical, psychological, social or financial threats.

The current concern is conclusively not only to highlight how to protect consumers, but also to educate them.

## RECOMMENDED READINGS FOR CHAPTER II

- Abbott, L. (1955). *Quality and competition*. New York: Columbia University Press.
- Batra, R., Ahuvia, A., & Bagozzi, R. P. (2012). Brand love. *Journal of marketing*, 76(2), 1-16.
- Belk, R. W. (1983). Worldly possessions: Issues and criticisms. *ACR North American Advances*.
- Csikszentmihalyi, M. (1997). *The masterminds series. Finding flow: The psychology of engagement with everyday life*. New York, NY, US: Basic Books.
- Hobbs, J. E., & Plunkett, M. D. (1999). Genetically modified foods: Consumer issues and the role of information asymmetry. *Canadian Journal of Agricultural Economics/Revue canadienne d'agroeconomie*, 47(4), 445-455.
- Holbrook, M. B. (2006). Consumption experience, customer value, and subjective personal introspection: An illustrative photographic essay. *Journal of business research*, 59(6), 714-725.
- Holbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: Consumer fantasies, feelings, and fun. *Journal of consumer research*, 9(2), 132-140.
- Ladwein, R. (2017). *Malaise dans la société de consommation: essai sur le matérialisme ordinaire*. Caen: Editions EMS.
- Lee, M., Roux, D., Cherrier, H., & Cova, B. (2011). Anti-consumption and consumer resistance: concepts, concerns, conflicts and convergence. *European Journal of Marketing*, 45(11/12).
- Martinez-Novoa, L. M. and Hodges, N. (2016). Beyond Shopaholism: A Socio-Cultural Examination of Compulsive Clothing Buying Behavior. *International Textile and Apparel Association (ITAA) Annual Conference Proceedings*.
- Maslow, A. H. (1943). A theory of human motivation. *Psychological review*, 50(4), 370.
- Max-Neef, M. A. (1991). *Human scale development: conception, application and further reflections*. New York: Apex Press.
- Park, C. W., Jaworski, B. J., & MacInnis, D. J. (1986). Strategic brand concept-image management. *The Journal of Marketing*, 135-145.
- Park, C. W., MacInnis, D. J., & Priester, J. R. (2008). *Brand attachment: constructs, consequences and causes*. Boston: Now.
- Reith, G. (2004). Consumption and its discontents: Addiction, identity and the problems of freedom. *The British journal of sociology*, 55(2), 283-300.

- Richins, M. L., & Dawson, S. (1992). A consumer values orientation for materialism and its measurement: Scale development and validation. *Journal of consumer research*, 19(3), 303-316.
- Schmitt, B. (1999). Experiential marketing. *Journal of marketing management*, 15(1-3), 53-67.
- Schoeck, H. (1966), Envy: A Theory of Social Behavior, in Michael Glennyard and Betty Ross (translators), New York: Harcourt, Brace and World, Inc.
- Veblen, T. (2009). *The theory of the leisure class*. Oxford: Oxford University Press.
- Woodruffe, H. R. (1997). Compensatory consumption: why women go shopping when they're fed up and other stories. *Marketing Intelligence & Planning*, 15(7), 325-334.