

UNIT 6: UNDERSTANDING CONSUMER BEHAVIOR

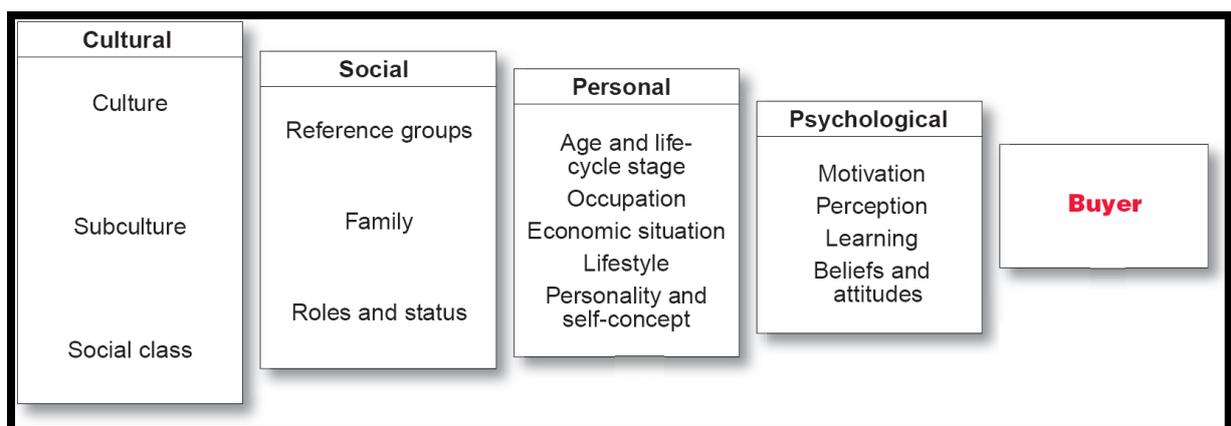
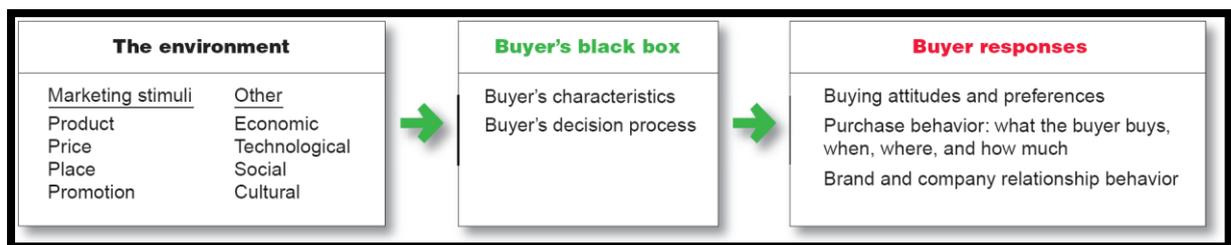
TEACHING NOTE*

This chapter basically consists of two large topics—the factors that influence consumer behavior, and the presentation of a simple model of consumer behavior. Textbooks suggest a positive approach that lists a number of social and individual factors and then propose a common-sense model of consumer decision-making that often only marginally integrates these factors. The psychological assumptions that underlie this learning content are rather weak and assume a rather passive mind. Many textbooks explicitly or implicitly rely on behaviorist assumptions augmented by the omnipresent model of Maslow’s hierarchy of needs. Normative considerations are largely ignored.

Teaching consumer behavior in a Catholic spirit should rectify these deficiencies by (1) presenting a more realistic account of what influences consumer decisions that is grounded in human nature; (2) sketching a more comprehensive and more realistic model of the process of decision-making; and (3) emphasizing pathologies of consumer behavior, especially an excessive consumerism, and how to avoid them.

(1) Factors influencing consumer choice

Textbooks typically assume that the buyer is best represented as a black box that is receptive to external stimuli coming from marketing management and from the economic, technological, social, and cultural environment. The “black box” itself is structured by personal characteristics and psychological factors (example: AK, Ch. 5):



Several assumptions are problematic here: (1) the model assumes that, for example, motivation and perception are “hardwired” and are not themselves dependent on environmental factors; (2) “personal” factors such as lifestyle characteristics or economic situation characterize individual buyers

* Shaded text portions refer to student activities.

but certainly depend, perhaps even more than "psychological" factors, on culture and social class; (3) buyers are understood not as agents making responsible choices following reasoning and their will, but as machines that lastly do no more than automatically balance the effects of several external and internal forces, all of which are given and over which they have little control.

A distinctively Catholic approach will not dispute the causal effect of all these factors influencing consumer choice but will start from facts about human nature and their implications for understanding decision-making (both positively and normatively). Some of these, and their consequences for questions raised in teaching, would be the following:

- Humans needs are universal whereas wants → may be socially conditioned → ♦ There is a tendency to relativize the distinction between needs and wants. Is this justified? Are there "natural" needs and "created" wants? Can needs and wants be seen on a continuous scale?
- Membership in groups (by race, sex, class, → nationality) is not constitutive for humanity → ♦ Is it justified to assume that a person who is a Latino, or a woman, or belongs to the rural poor, will automatically have a certain buyer behavior? How much generalization is legitimate, and where does categorization start to be demeaning?
- Humans have the power of reason and need → not succumb to external stimuli → ♦ What is deterministic in consumer choice? What can be done to increase the freedom to choose responsibly?
- Being always takes precedence over having → ♦ What is the role of the virtues in developing the personalities of responsible consumers? What is the role of values (which are typically ignored by standard textbooks), and how do values relate to virtues? Is there a structure among virtues and values?

The psychological assumptions in the presentation of several groups of factors may be questioned. While students often react positively to Maslow's hierarchy of needs as a model for explaining motivation, because the theory is easy to understand and seems plausible *prima facie*, neither its truth nor its applicability to marketing are typically scrutinized. Maslow's humanistic psychology and "naturalistic system of values" stand in opposition to Catholic teaching. They also do not square with everyday experience. Some points on which critical questions may be raised are the following:

- According to Maslow, reaching the highest levels is restricted to those that have achieved satisfaction at the lower ones. ≠ ♦ This is clearly debunked by every life based on the Christian faith in God. Everybody is offered the possibility of self-actualization.
- According to Maslow, materially poor people should receive motivation from satisfying biological and physiological needs. ≠ ♦ As a matter of fact, materially poor people often have a spiritually richer life and can "leapfrog" levels of motivation (examples: St. Anthony, Mother Theresa, many saints and hermits).
- According to Maslow, motivation by physiological needs such as sex occurs at the lowest level and self-actualization at the highest. ≠ ♦ According to experience, priests who live celibate lives often rank very highly in self-actualization.
- According to Maslow, deprivation of food or water restricts motivation to the lowest level. ≠ ♦ Several religions know fasting as a practice that concentrates people on their higher needs.
- According to Maslow, the move toward self-actualization is one toward personal autonomy. ≠ ♦ Autonomy is not only illusory but not desirable at all; individual development is a result of grace aided by training in the virtues.

Teaching resources:

“The Persuaders” (PBS Frontline, 2004, 90 minutes)

<http://www.pbs.org/wgbh/pages/frontline/shows/persuaders/> (video available in a continuous and segmented version, plus additional materials)

Abela, Andrew (2011): “Consumption and Family Life.” http://capp-usa.org/social_thought/146

(2) Consumer decision process

Most textbooks suggest some form of the following decision-making process (example: AK, Ch. 5):



Textbooks then often introduce modifications by distinguishing an extensive (or full) process for shopping goods (and high-involvement goods) and a collapsed version for convenience goods (and low-involvement goods). Specialty goods are not an easy fit because they are typically high-involvement yet do not require consumers to run through the full process.

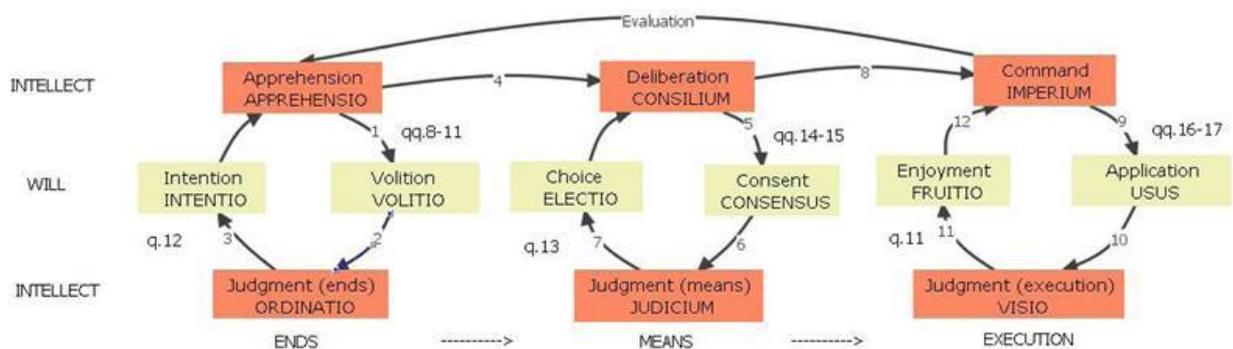
Several assumptions are problematic here: (1) the model is rather deterministic and does not allow for distinguishing between rational and emotional factors of choice; (2) the model is linear whereas consumer decision-making often follows more the form of a loop; (3) the model leaves it open which of the factors influencing the process work at which stages; (4) the model has no role for ethical virtues as influencing consumer choice.

A good starting point for understanding this model is to ask students to match the various groups of factors identified above with stages in the decision process at which they appear to be most efficacious. For example, the culture (or subculture) a consumer lives in may influence what is felt as a need in the first place, which information is found and considered, how it is evaluated, and thus which purchase decision is made. Marketing stimuli using price, on the other hand, will be most efficacious in the evaluation of alternatives, purchase decision, and postpurchase behavior. Given the appropriate cues, students will discover that most factors influence most or all stages in the decision process. This is a very formal model that does little else but describe common knowledge about consumer choice at the micro-level.

Another discussion may be held on the question of which virtues—intellectual and moral virtues according to Aristotle’s distinction—are necessary to make good decisions. The exercise may be guided by giving students the list of the four cardinal virtues to choose from: temperance; prudence; fortitude; and justice. Students intuitively tend to concentrate on prudence, which is a good opportunity to dwell on practical reasoning (which may be regarded as equivalent to prudence) as the habit that should guide choices. But the instructor may also try to make students understand that in fact all four cardinal virtues play a role in making good decisions (Cornwall & Naughton 2008). This affords an opportunity to add normative considerations to the (by design purely descriptive) model. For example, temperance may counsel consumers not to regard as a true need what is in fact dispensable. Justice demands that in evaluating alternatives due consideration is given to the needs, abilities, rights, and duties of all persons involved. And fortitude (or courage) is often needed in making a decision particularly if there are close alternatives or if the best choice would take consumers out of their comfort zone. Yet another form of this discussion might be based on applying the four basic

principles of CSD to consumer choice: given a specific example, how would they influence the process?

Depending on the knowledge of the instructor, a more complex and more powerful model may be introduced as an alternative to the textbook model. It is Aquinas' account of the structure of (moral) acts. The model is sequential but may be presented in a cyclical or linear form. Following Aristotle's psychology, it understands reason as composed of two powers—one cognitive, the other appetitive. The cognitive power is the intellect, which enables us to know and understand; the appetitive power is the will, which is a native desire for the good, or for what is choice-worthy (Aquinas, *Summa theologiae* I, q.82, a.1). On this view, all acts of will are dependent on antecedent acts of intellect; the intellect must supply the will with the object to which the latter inclines. In turn, that object moves the will as a final cause "because the good understood is the object of the will, and moves it as an end" (ibid., q.82, a.4). The model assumes teleology—that consumers strive for the resolution of a perceived problem. It starts with the deliberation of ends and then considers the most appropriate means for their achievement; it also includes the execution (or implementation) phase, which only allows consumers to enjoy the desired relief from the original problem. Most importantly, it sees the intellect and the will as interlocking at every stage, as consumers must know and understand their options but cannot decide between them unless they are driven by a will that refocuses the process towards its intended end:



Explanations of the model can be found in a number of texts (MacInerney 1992; Westberg 1994; Gallagher 2002; for an explanation within management theory, see Grassl 2010, 2012a).

The crucial difference from the textbook model is that "will follows upon intellect" (ibid., I, q.19, a.1). It is the reinforcing power of the will that drives decisions by the intellect towards goal attainment. Aquinas' model is not only more realistic; it falls into the class of phase-gate models widely used in marketing, for example in explaining new product development.

Teaching resources:

Aquinas, *Summa theologiae* I-II, qq. 6-17.

Cornwall, Jeffrey & Michael Naughton (2008). *Bringing Your Business to Life*. Ventura, CA: Regal.

Grassl, Wolfgang 2010, 2012a

MacInerney, Ralph (1992). *Aquinas on Human Action: A Theory of Practice*. Washington, DC: Catholic University of America Press, ch. 3

Westberg, Daniel (1994). *Right Practical Reason: Aristotle, Action, and Prudence in Aquinas*. Oxford: Oxford University Press, 119ff.

Gallagher, David M. (2002). "The Will and Its Acts (Ia IIae, qq.6-17)." In: Stephen J. Pope (ed.): *The Ethics of Aquinas*. Washington, DC: Georgetown University Press, 69-89.

(3) Consumerism

A good start in addressing the problems of consumerism is to raise the question of whether there are natural and artificial desires. Students are often ready to make such a distinction and to call natural desires "needs" and artificially created desires "wants". Realism demands that instructors point to the limitations of any strict demarcation, for the same product may be needed for life in one region but be a luxury good elsewhere. A good compromise is to understand products as arranged on a scale that goes from necessities for everyone (as satisfying "absolute needs") to "mere" wants.

A brief class discussion on the topic of needs and wants has sometimes worked well. The starting point may be two paragraphs each from John Paul II's encyclical *Centesimus Annus* and from Benedict XVI's encyclical *Caritas in Veritate*. John Paul II makes several points here: (1) that markets cannot satisfy all human needs; (2) that there are fundamental human needs the satisfaction of which for others is a duty for those who have the means; (3) that need may refer not only to a lack of quantity but also of the quality of goods; (4) consumerism arises from a wrong picture of man which allows for consumer attitudes and lifestyles to be created which are "objectively improper and often damaging to his physical and spiritual health" (John Paul II 1991, §36); (5) there is a form of "artificial consumption contrary to the health and dignity of the human person", for which drugs and pornography are examples; (6) "having more" is often a trade-off with "being more".

Magisterial teaching has indeed made it a hallmark of true development that "being" trumps "having." Although these terms have never been defined clearly, John Paul II stated: "The evil does not consist in 'having' as such, but in possessing without regard for the quality and the ordered hierarchy of the goods one has. Quality and hierarchy arise from the subordination of goods and their availability to man's 'being' and his true vocation" (John Paul II 1987, §28).

Benedict XVI condemned excessive consumerism, especially among the youth (Benedict XVI 2007):

"I am thinking of today's young people, who grow up in an environment saturated with messages that propose false models of happiness. These young men and women risk losing hope because they often seem orphans of true love, which fills life with true meaning and joy. This was a theme dear to my Venerable Predecessor John Paul II, who so often proposed Mary to the youth of our time as the 'Mother of Fair Love'. Unfortunately, numerous experiences tell us that adolescents, young people and even children easily fall prey to corrupt love, deceived by unscrupulous adults who, lying to themselves and to them, lure them into the dead-ends of consumerism; even the most sacred realities, like the human body, a temple of God's love and of life, thus become objects of consumption, and this is happening earlier, even in pre-adolescence. How sad it is when youth lose the wonder, the enchantment of the most beautiful sentiments, the value of respect for the body, the manifestation of the person and his unfathomable mystery!"

Benedict XVI not only condemned seducing people into a consumerist attitude. He also recognized a duty of consumers to avoid "a purely consumerist and utilitarian view of life" (Benedict XVI 2009, §34). Since no decision lacks a moral character, "*the consumer has a specific social responsibility, which goes hand-in-hand with the social responsibility of the enterprise*" (ibid., §66).

Against the background of CSD, several questions may be raised in the classroom: (1) What is a realistic distinction between natural and artificial desires that responds to the concerns of CSD? (This is advisable particularly if the discussion about needs and wants suggested earlier was not held) (2) What exactly is the social responsibility consumers have? How do the principles of CSD apply here? (3) What can individuals, what society, and what the Church do to reduce consumerism?

Teaching resources:

John Paul II 1991, §§34, 36

Benedict XVI (2007). Angelus Prayer, St Peter's Square, Solemnity of the Immaculate Conception of the Virgin Mary, 8 December 2007

"Consumed - Is Our Consumer Culture Leading to Disaster?" (Journeyman Pictures, 53:53 minutes)
<http://www.youtube.com/watch?v=bOKI04TWVsU>

Problems of Consumerism: http://capp-usa.org/contemporary_issues/19

Beabout, Gregory R. & Eduardo J. Echeverria (2002) [critical of consumerism]

Cavanaugh, William T. (2008) [very critical of consumerism]

Gilbride, Timothy J. (2013) [defensive of consumerism]