



Chapter 1

Learning Objectives

After completing this chapter, you should be able to:

- Define the domain of consumer behavior, including some areas of interest to consumer behavior researchers, policymakers, and marketers.
- Describe many examples of consumer behavior in people's daily lives.
- Explain why knowledge of consumer behavior is of value to you.
- Discuss the circle of consumption and how consumption relates to other technological and economic processes.
- Understand that consumer behavior is driven by general human motivations.
- Know the plan of the book.

Introduction

Production, Acquisition, Consumption, and Disposal

A Morning Ritual for Two Consumers

Denver, Colorado At 6:00 A.M. Monica's Timex Triathlon watch alarm buzzes, and she stumbles out of bed to make coffee and pour orange juice. She grinds her own coffee with a little Krups coffee grinder that was cheap and has lasted many years. She views it as one of her best buys. Monica notes that she's almost out of coffee filters. Sometimes she forgets to buy them and ends up using paper towels instead—luckily not this morning. After preparing the coffee, she heads for the orange juice carton in the refrigerator. Monica buys one of the several brands of “not from concentrate” orange juice available at the local grocery store. She buys the cheapest one, although the range in prices is never more than about 60 cents. Monica loves the smell of coffee brewing, but in the interest of efficiency she rushes to grab a shower, groom, and get dressed.

As background noise, she flips on a morning news show on the bedroom television on her way to the shower. Why does it always seem like one commercial after another? The shower feels great. She always enjoys the herbal smell of her shampoo and conditioner. Although it's a little pricey, it seems like it must be healthier and more natural, so she always buys it. Her after-shower grooming includes quite a few products (toothpaste, mouthwash, astringent, face cream, deodorant, hair gel, and a hair dryer). Then, it's that same old problem.

What to wear? Some mornings Monica feels like she's tired of everything in her closet. This is one of those mornings. Her work clothes are just no fun, and she doesn't feel quite like herself when she's in them. Monica settles on something easy



and conservative. She waxes a bit nostalgic as she slips into her cashmere sweater (a gift from a previous boyfriend).

After dressing, she heads for that long-awaited first cup of morning coffee. Finally, she's ready to put on makeup and head out the door. Monica doesn't ever spend more than 10 minutes putting on makeup. She puts it on the way the woman at the Clinique counter showed her two years ago. Occasionally, she tries a new brand of cosmetics or a new shade of something, but mostly she doesn't bother. As she heads out the door at 6:45 A.M., she pauses to dread the 45-minute commute through heavy traffic that has become a necessary evil in her current life.

Zinder, Niger In the dark at 5:00 A.M., Balla rises from the metal four-poster bed he shares with his wife, Aishatou. The bed was part of Aishatou's trousseau, provided by her family. Checked Chinese sheets, resembling an American country tablecloth, and a locally woven tapestry, also wedding gifts, serve as covers. He lights a small Chinese-made kerosene lantern with Boxer wooden matches and goes out of the sleeping alcove, through the front storeroom of the two-room adobe house into the courtyard. Balla retrieves a small plastic teapot with water remaining in it and goes to the entry of his compound.

Seated on a wooden seat locally made from cast-off packing crates, he carefully washes his hands, feet, head, and neck and rinses his mouth with water poured from the spout of the teapot. Then, as the muezzin at the nearby mosque begins to call for the first prayer at 5:30 A.M., Balla tosses his fluffy ram-skin prayer mat onto the ground and, facing to the east (toward the Khabah in Mecca), says his prayers. After prayer, he goes back into his house and slips into a pair of locally tailored, baggy drawstring cotton trousers, a long, faded blue, cotton gown, and a pair of plastic shower shoes, imported from neighboring Nigeria, and goes out through the entry way.

Pulling a short wooden stick from a pocket of his gown, Balla begins cleaning his teeth by chewing on one flayed end as he heads down the street. His first stop is the open-air meat market. Although the butchers aren't active at this hour, the place is bustling with men buying their breakfasts from a group of vendors. Balla finds a seat on a wooden bench with a group of fellow tanners, butchers, and other craftsmen preparing for the day's work. He goes to his regular vendor, Haro.

Without a word, Haro prepares Balla's preferred morning breakfast, having done so on many previous occasions. He dips a plastic mug into an old, steaming kerosene tin that now serves as a kettle and draws a mug full of *shai'i*

(water in which herbs and spices have been steeped) from it. He pours the mug through a sieve into a Ducros glass imported from France. Then he takes a tiny spoon, pops the lid off a tin of Nescafé, and spoons in a half teaspoon of instant coffee. He stirs this vigorously. Next he takes a fat nail and, with the heel of his hand, jams it through the top of a tin of Bebe Hollandaise sweetened condensed milk. Then Haro overturns the tin on top of the glass and allows an inch of thick, creamy milk to flow to the bottom of the glass. Meanwhile he takes a knife, slices a French baguette in two, slits it down the edge, and slathers it with Bluebird margarine. Then Haro removes the condensed milk tin from the glass, stirs the mixture with a flourish, and hands it and the baguette to Balla.

When Balla is finished eating, he flips Haro a 100 CFA franc coin (US\$0.50) and heads around the corner to the tannery to begin his day's work. En route, a boy pushing a handcart with two jute bags full of seedpods from the *bagaruwa* (*Acacia scorpiodes*) tree that the boy has gathered in the bush accosts him. Liking the price, Balla buys the pods that he will use in tanning and sends the boy on ahead into the tannery.

Overview

This book provides an introduction to the art and science of consumer behavior. We define **consumer behavior** as *individuals or groups acquiring, using, and disposing of products, services, ideas, or experiences*. Consumer behavior also includes the acquisition and use of information. Thus, communication with consumers and receiving feedback from them is a crucial part of consumer behavior of interest to marketers.

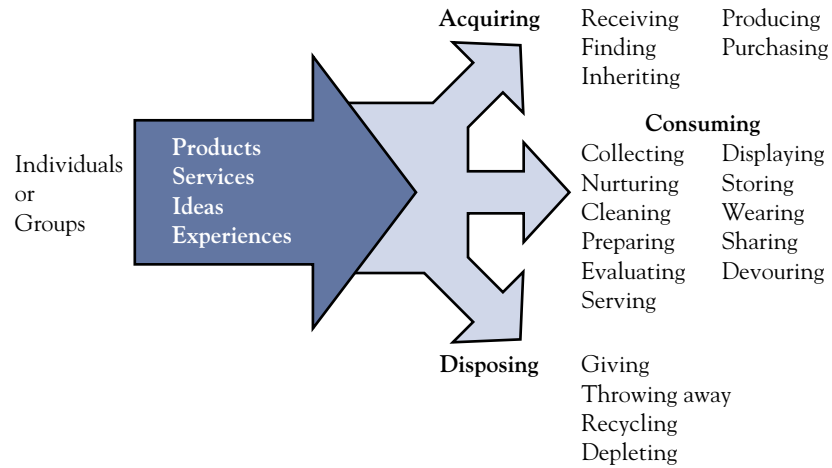
Understanding and managing the production, acquisition, consumption, and disposal of products, services, ideas, and experiences is the focus of businesses, governments, and consumer organizations. Exhibit 1.1 provides a graphic illustration of the **domain of consumer behavior**. Consumers may consist of individuals or groups. Consuming groups include families, clubs and organizations, purchasing units within corporations, and governments, the latter varying from small rural communities to nation-states.

Acquiring includes a range of activities such as receiving, finding, inheriting, producing, and, of course, purchasing. Consuming also encompasses many different behaviors such as collecting, nurturing, cleaning, preparing, displaying, storing, wearing, sharing, evaluating, devouring, and serving. Finally, disposing spans a range of behaviors that includes giving, throwing away, recycling, and depleting.

As shown in Exhibit 1.1, each of these behaviors can involve products, services, ideas, and experiences. For example, many private homes include *products* such as furnishings and appliances that have been received as gifts, recycled, purchased, and inherited. Some travelers, scuba divers, and mountain climbers collect *experiences*, talking about places they have dived and mountains they have climbed. For instance, a recent ad for Yukon

What Is
Consumer
Behavior?

Exhibit 1.1 The Domain of Consumer Behavior



Tourism tries to promote the magic and mystery of experiencing the Yukon. Prior to moving, many consumers visit their doctors, dentists, hairdressers, and restaurants to say good-bye and to acquire services that will tide them over until they establish new service relationships in a new community. We might say these consumers are trying to store *services*. Some corporations have disposed of the old functional specializations (e.g., research and development, engineering, marketing, customer service, materials handling) and have adopted new organizational forms such as parallel engineering and quality circles. These corporations are disposing of and acquiring *ideas*.¹

Because the subject is so far ranging, topics that consumer behavior researchers study are limited only by their imaginations. For example, a consumer behavior researcher employed by a commercial firm may study how individuals differentiate among and choose brands of shampoo. Consumer behavior researchers may study how individuals and families acquire a pet or a preference for particular species of pet; plan, take, and remember a family vacation; celebrate the Chinese midsummer festival; prepare their morning coffee; or dispose of old telephone books. Consumer behavior researchers are also likely to study how firms choose and evaluate suppliers or even how a city chooses a landfill engineering company. Further, they are likely to study how these decisions are related to other psychological, demographic, sociological, cultural, and economic factors. For example, researchers have sought to relate changes in households' acquisition of consumer durables like microwave ovens or microcomputers to changes in gender and work roles.² Thus, many academic disciplines provide insights for understanding consumer behavior. Think about the principles you learned in course work in anthropology, sociology, economics, history, psychology, or political science. Principles from all of these fields can be useful in explaining consumer behavior.³

Why Study Consumer Behavior?

Studying consumer behavior is exciting and fun, but it is also important to you for a number of reasons. First, if you plan to go into business, understanding consumer behavior is critical. In market economies, businesses stay in business not by producing products, building accounting systems, generating dividends for their owners, or managing employees. Businesses stay in business by *attracting and retaining customers*. They do this by engaging in exchanges of resources—including information, money, goods, services, status,

Behold.

In
the
stillness
she
unveils
herself.

Her face.

The
beauty
I have
spent
a lifetime
searching
for.

1-800-78-YUKON www.touryukon.com

Yukon
Magic & Mystery

Yukon

Promoting Consumer Experiences: The Yukon.

Source: Outside (magazine)

and emotions—with consumers, exchanges that both businesses and customers perceive to be beneficial.⁴ When companies ask Who are our customers? How do we reach them? What should we sell them? What will motivate them to buy? What makes them satisfied? they are asking questions that require a sophisticated understanding of consumer behavior. Let’s take an everyday example. A knowledge of the principles of perception (Chapter 9) can help you design a restaurant menu to encourage people to notice and choose some items more than others. The placement on a page, vividness of presentation, and use of various kinds of perceptual surprises, as shown in the Ruby Tuesday menu below, can influence diners’ choices. For example, items featured in the photos may be highly profitable for the restaurant, and merely by seeing them pictured on the menu, customers may be more likely to purchase them.

Marketers can benefit from both understanding what problems consumers have and understanding how consumers’ themselves solve these problems. For example, about 15 years ago Rubbermaid introduced a product called Rough Totes that was intended for everyday storage. In fact, consumers are quite inventive in adapting this product for many kinds of uses. Rough Totes have been hugely successful because consumers have too much stuff; in the words of the CEO, “It’s a classic example of how consumers’ creativity drives solutions that you never even dream of and you just keep feeding the animal.” In this same spirit, Microsoft uses the slogan “Where do you want to go today?” claiming, “We do a lot of our best work trying to keep up with your imagination.” Many companies have learned that successful marketing often means keeping up with their customers’ imaginations.

As the world grows smaller and the global reach of businesses expands, the job of at-



Practical Consumer Research: Ruby Tuesday menu design.

tracting and retaining customers grows ever more challenging. As in many other aspects of human behavior there are important universal elements but equally important local particularities governing consumer behaviors. For example, companies may have a hint that their customers are dissatisfied (e.g., sales may be declining), but they may not know the exact nature or content of this dissatisfaction. For instance, if managers at Ford Motor Company

notice that sales of Ford Fiestas in the most recent quarter in Thailand are much lower than expected, they know that there is a problem in the marketplace. However, they may not know the specific cause of the problem. Do changing consumer tastes, preferences for new competitive products, changing economic conditions, inappropriate engineering, or something else cause it? (See Chapter 3 to find out.) Consumer behavior research is dedicated to deciphering, explaining, and predicting human needs and wants and measuring and understanding people's satisfaction (see Chapter 17) with various consumption activities—everything from buying a car, donating to a local charity, visiting church or selecting a university to attend. By studying and understanding consumers, organizations can establish and maintain a competitive advantage in the marketplace.

An understanding of customer behavior can also be useful in business-to-business (B2B) marketing. In the B2B case, it is a business that is the customer. As customers, these businesses have experiences, perceptions, and preferences. Thus, some of the same tools that are used to understand behavior in consumer markets can also be applied to organizational markets.

Even if you don't plan to go into business, there's a good chance that understanding consumer behavior will be an important tool in your job. Many not-for-profit organizations (governments, arts organizations, and charities) define their mission in terms of satisfaction of human needs and wants of some sort. Knowledge of consumer behavior helps non-profit organizations understand donors' motivations, produce effective communication programs, and change behaviors (e.g., public service announcements that encourage the use of seat belts). As private individuals, we "market" ourselves to other members of society (e.g., to attract and solidify personal relationships, to get a job). Thus, it is good practice to imagine ourselves in another person's shoes—to think about other people's needs and motivations.

As implied above, understanding consumer behavior can be important from a personal perspective. We live in a marketing age where almost anything can be offered to someone as a possible object of consumption. Further, thousands of organizations and organizational groups work hard to persuade people to consume in ways beneficial to their goals. People need tools to help them understand the persuasive messages that bombard them and to devise strategies for sorting out what is meaningful to them and what is not. After completing this course, you will be better informed and prepared to exercise effective control over your own consumer behavior, because you will know more about the strategies and tactics marketers use to influence your behavior in the marketplace. You might also relate your ideas (e.g., through a website that solicits consumer comments) to companies so that they can improve their offerings and, in the long run, enhance overall life quality. You will also begin to understand more of the *why* behind some of your own consumption activities. Understanding the *why* can be useful. In this book, we invite you to think about how marketing activities relate to your own patterns of consumer behavior and consumption. In this vein, some consumer behavior specialists have even helped juvenile offenders reevaluate their criminal behavior and motives by discussing the ways in which marketing had influenced them.⁵

An Introduction to This Book

We offer several approaches for explaining the themes and organizational scheme of this book. In the next section we describe consumer activities in daily life. Following that discussion we identify some major themes and concepts in the field of consumer behavior; at the same time, we connect these concepts to the opening vignettes (short stories) and to other relevant examples.

Consumer Activities in Daily Life

If you stop and think for a moment, you'll realize that during a large part of your day you are involved in consumer activities. If you are anything like the two consumers we described in the introductory vignettes in this chapter, just the first hour of your day includes lots of consumer behaviors framed by your culture and lifestyle. Take a few moments right now and think about your first hour this morning. What are your morning routines and habits? What products or brands did you use? Do you regularly use or feel loyal to some of these brands? Do some of them have special meanings or remind you of certain people or events in your life?

The two consumers in the opening vignettes (Monica and Balla) live in different parts of the world and obviously lead very different lives. However, they probably share many patterns of consumption with you, including eating a routine morning meal, using branded consumer products, engaging in routine consumption behavior, consuming products imported from different countries, using and enjoying gifts, engaging in grooming rituals, making choices, purchasing products and services, and so forth.

To be successful, marketers need to understand the role of consumption activities in the daily lives of consumers like Monica, Balla, and you. And increasingly they need to have a more broad understanding of consumption. For example, Wolfgang Schmitt, chairman and CEO of Rubbermaid, Inc., stresses this very thing: the need to understand consumer trends in their broadest sense, including more than just demographics or lifestyle, but also fashion, color, technology, government, and law. He also emphasizes the necessity of firms to gain real insight into consumers' lives. Rubbermaid doesn't just use marketing communication tools to sell products; of equal importance to the firm is sharing experiences about how to use those products—how consumers might organize their kitchen or solve space problems in their child's room.⁶ Visit their website featuring lots of stories about consumers' novel experiences with Rubbermaid products.



www.rubbermaid.com

As pointed out earlier, it is also important for marketers to understand customer needs and wants in a B2B setting. Some examples of business needs include low cost, high quality, prompt delivery time, inventory management, and profit maximization. If B2B marketers have a good understanding of their customers, they have a better chance to build a relationship that will last a long time and be mutually beneficial for buyer and seller.

Consumer Behavior as It Relates to the Organization of This Book

This section sketches in some topics in consumer behavior that the opening vignettes suggest to us. We use this sketch to give you an idea of the topics we discuss in the other 18 chapters of the book.

The study of consumer behavior includes focusing on relationships between what people think, feel, and do and the role of marketing strategies in molding these processes. For example, the introductory vignette describes Monica's beliefs and feelings about her shampoo. Monica thinks that the brand of shampoo she buys is healthy; she also feels good using it because of its herbal smell. Thus, Monica has a positive **attitude** toward her brand of shampoo. Her beliefs and feelings are compatible, and they are also consistent with her **purchase behavior**. As a consequence, we could describe Monica as brand loyal in her shampoo purchases.⁷ **Brand loyalty** is more than just repeat purchase behavior; it also includes a preference for a particular brand and a positive emotional response to the brand. Chapter 2 expands on the relationship between marketing strategy and consumer behavior, and Chapter 13 describes how attitudes evolve and change. Chapter 17 expands on the relationship between consumer satisfaction and brand loyalty. Attitudes and behaviors are not formed in isolation. Very often other people influence our attitudes and behaviors (Chapter 15), such as in the case of Monica's purchase and use of Clinique cosmetics.

Learning about consumers is the key to successful marketing. We outline different

ways to learn about consumers in Chapter 3. Consider a simple decision like the purchase and use of shampoo. Monica is loyal to her shampoo, but other consumers may be likely to experiment with different shampoos, choose the cheapest brand, or buy one they saw advertised on television. Companies such as Procter & Gamble, Unilever, or L'Oréal that produce a variety of shampoos and distribute them internationally are interested in research to establish how consumers around the world evaluate different brands and make shampoo decisions. Many of the chapters in this book will help untangle how these choices are made. For example, Chapter 9 describes how perceptions influence attention and processing of advertisements and product packaging, and Chapter 13 describes some different choice rules or heuristics that consumers employ in making purchase decisions. Monica is part of a **market segment** of consumers who value shampoo and other personal care products that are “healthy” and “natural.” Companies in different parts of the world have found it profitable to target this segment with marketing appeals. For example, Herbaria is a leading player in the Hungarian herbal products market, targeting this segment in Hungary, Germany, Switzerland, Austria, and Italy.⁸ Throughout this book, and especially in Chapters 2, 6, and 8, we will discuss how marketers identify, select, and target market segments.

To explain the consumer activities of Monica and Balla, we need to understand how their cultures and historical period inform their behaviors. For instance, Monica washes her hair every day. The frequency of this grooming ritual, a topic we discuss in Chapter 5, varies around the world.⁹ In Hungary, Procter & Gamble is a market leader in the shampoo category with its shampoo Pantene. Procter & Gamble would like to grow the shampoo market by encouraging Hungarians to wash their hair more frequently than once or twice a week. However, many Hungarians believe it is unhealthy to wash hair more often.¹⁰ In other countries, such as Mexico, water is a scarce resource, and daily hair washing would be a luxury that to many would appear wasteful. In Chapters 4 and 5, and throughout this book, we will talk about important cultural differences in virtually every aspect of consumer activity.

It's also important to observe that even a simple behavior like shampooing is tied to gender, social class, ethnicity, and age. For example, many hairstylists in Canada and the United States have loyal clienteles of middle-class and upper-middle-class senior citizen females who come each week to have their hair shampooed and styled. So, be careful not to assume that all American consumers buy shampoo. The impact of social and economic structures on consumer behavior is the topic of Chapter 6. Like culture, we often take for granted attitudes, feelings, and behaviors that reflect our own gender, social class, or ethnic background.

Both Monica and Balla also engage in morning grooming rituals, although the routines are somewhat different. Grooming rituals are important because they prepare people to enter the outside world and allow them to communicate specific messages about themselves. But Monica's and Balla's grooming rituals also reflect their self-concepts (Chapter 7), the way they live or their lifestyles (Chapter 8), their motivations (Chapter 11), as well as past experiences, learning, and knowledge (Chapter 12). Grooming rituals also reflect variations in household structures and stage in the family life cycle. Monica lives alone, like a growing segment of consumers in Europe and North America, whereas Balla is a family man, as are most people in his country. Household influences on consumption are described in Chapter 14. Do you think Balla's consumption routines would change if he had school children to get out the door in the morning?

Monica, Balla, and Haro use and reuse products in new ways to solve particular consumption problems. Monica sometimes uses paper towels as coffee filters. Balla uses a plastic kettle as a tool for washing, and Haro reuses an old kerosene tin as a big tea kettle. They engage in **use innovativeness**.¹¹ That is, *they are constantly on the lookout for novel ways*

to solve familiar problems or address familiar needs. Many consumers and organizations are concerned with creating innovative solutions to consumption problems. The diffusion and adoption of innovative products in consumer and industrial contexts is an important field within consumer behavior. Diffusion refers to *the spread of a new product through a population*. Balla's breakfast of French bread, Dutch milk, Nigerian margarine, and Swiss (Nescafé) coffee drunk from a French glass are a good example of the effects of diffusion and are related to the fact that Niger was a French colony and borders Nigeria. Other diffusion research has revealed that over 90 percent of married couple homes in the United States by 1989 possessed microwave ovens, whereas virtually none did in 1970. In Japan, researchers explore the popularity of the Argentinean tango, a dance that has diffused to Japan via France. Innovation and resistance to innovation is the subject of Chapter 16. Notice too that Haro's kettle is recycled. In Chapter 19 we focus on consumers' and organizations' recycling, reusing, and disposal behaviors, and in Chapter 10 we describe alternatives to purchasing products, including the multibillion dollar "do it yourself" industry.¹²

An Expanded Overview of Consumer Behavior

In the previous section we offered a brief introduction to consumer behavior by focusing on the opening vignettes. In this part of this chapter we provide a broadened overview of consumer behavior. First, we briefly introduce the idea of consumer culture. Next, we discuss the global nature of this consumer culture. Finally, we describe the circle of consumer behavior. This provides a summary of the relationships between production, acquisition, consumption, and disposal activities. The model introduces the notion that product categories, products, and even particular acquisitions have a kind of biography or life history.¹³

Consumer Culture

Consumer culture reflects a general shift in the basic emphasis of economic and social systems from exchange or production to consumption. A consumer orientation is associated with a model of well-being that measures economic health in terms of consumer confidence and spending. At the individual level, it measures consumer well-being with self-expression, possessions, stylistic expertise, proficiency, and flair.¹⁴ **Consumer culture** refers to *an organized social and economic arrangement in which markets govern the relationship between meaningful ways of life and the symbolic and material resources on which they depend*.¹⁵ Even though there is a strong link between such a culture and materialism, this approach can also include the pursuit of nonmaterialistic goals such as happiness and quality of life.

At the dawn of the new millennium, the existence of a developed consumer culture dictates that organizations must adapt. Specifically, firms must be customer focused and customer oriented. They must determine the nature of consumer demand; then, they create products and services to satisfy demand. Such an approach is superior to the philosophy of mass producing an item and only then trying to figure out how to sell it to the general public.

A consumer culture perspective contrasts with past ways of thinking about economic affairs. For example, the economies of many premodern cultures were dominated by a concern with exchange, that is, with the circulation of goods and persons among social groups. Premodern communities measured wealth and well-being not by what one had but instead by who and how many persons one influenced or controlled through gift obligations.¹⁶

In Europe and North America, the production orientation was a precursor of our pres-

ent consumer culture. The **production orientation** is a model of wealth and well-being measured in stocks of productive assets and ownership of machinery and factories. This model is enshrined in Adam Smith's eighteenth-century classic economic treatise, *The Wealth of Nations*. The philosophy that inspired Smith is called *mercantilism*. Mercantilism is concerned about improving the well-being of the nation-state not individual consumers; nonetheless, it led to the early development of the production of both industrial and consumer goods for national consumption. Indeed, Smith even held that "consumption is the sole end and purpose of all production."¹⁷ Toys, stockings, pins and nails, starch, soap, knives, tobacco pipes, pots, ribbons and lace, and linen were among the early manufactures destined for consumer markets in the eighteenth century. The production orientation is also associated with the emergence of the **Protestant ethic**, as the great sociologist Max Weber termed it. This is a worldview that emphasized individual initiative, hard work, and self-perfection. This worldview spread through northern Europe and the United States from the seventeenth to the nineteenth centuries.

One of the dramatic events of the closing decades of the twentieth century is the sudden and recent **globalization** of markets and marketing. By globalization, we mean that the constraints of geography on consumption and social and cultural arrangements are rapidly lessening. As the definition implies, the world is becoming more interconnected and the variation among national markets is decreasing. Due to globalization, many companies are finding it necessary to design their marketing strategy across cultures. When developing a global marketing strategy, organizations should consider several factors, including market, cost, competitive, and environmental factors.

Geography is becoming much less important in where people shop and what they buy. Take one simple example. *Cosmopolitan* magazine claims to be more than a magazine; it's a lifestyle. The message is targeted at the young, career-oriented woman, and consumers can access *Cosmopolitan* from just about anywhere in the world. In 1998 there were 36 international editions of the magazine, making it the largest magazine franchise of its kind in the world. By the time this book comes to print, *Cosmopolitan* aims to expand to 50 different editions. Of course, if you can't find it at your local newsstand, you can check it out on the magazine's website.

Although acquiring and consuming goods and services is restricted by access to money, consumption is, in principle, an activity open to everyone all over the world. Similarly there is no principle restricting what can be consumed. Marketing, design, public relations, and media professionals produce and distribute not just consumer goods but meaningful consumer goods. A number of these goods are beginning to acquire a global meaning. Thus, brands like Levi's, Sony, Benetton, Coke, Royal Dutch Shell, and McDonald's are recognized the world over.

The nature and dynamics of consumer behavior vary widely around the world because the factors that influence production, acquisition, consumption, and disposal vary widely from place to place. In addition, today's consumer cultures have evolved in different ways in different areas of the world. As we have said, modern consumer culture evolved first in Europe and North America. Nevertheless, the 150 years between 1850 and 2000, marked by steadily rising incomes and the advent of mass production and mass marketing, has led to a democratic shift in desire. More people than ever before have the right and opportunity to consume as they see fit.

The Internet represents one way that consumer culture becomes global. It is now quite possible to sit at a computer terminal and gather information about products for sale in six other countries, all within the space of a few minutes. At the same time, with the click of

Consumer Behavior around the World



www.cosmomag.com

Consumer culture in the less affluent world: Mali



Source: The Material World

a mouse, products and services can be purchased via the Internet. These acquisitions can sometimes be delivered directly over the Internet (e.g., software, music, banking services). In other instances, the purchases arrive via the speed and convenience of overnight delivery services. In brief, the Internet and its multimedia component, the World Wide Web, serve to quicken the pace of consumer globalization.

Consumer culture is marked both by the commercialization of homegrown products, but especially by the adoption of a great many foreign product categories, products, and brands.¹⁸ In the **newly industrialized countries (NICs)** of Japan and East Asia, so-called because they have *entered industrial manufacturing age in the last 50 years*, this desire for foreign goods is notable. **Adoption** refers to *the decision of consuming units to purchase new products and services regularly*. At the same time, these imported products are adapted to fit in with the local culture. In Japan, the impact of Western consumer culture is present in daily life. Westerners visiting Japan are struck by a combination of the exotic and the familiar. But even the familiar has been adapted and changed to fit Japanese culture. Consider the pizza parlor in Tokyo's fashionable Ginza district that features a squid topping. MosBurger (a Japanese imitator of the very successful McDonald's Japan) features a "riceburger" composed of *kimpira* (burdock root), bacon and seaweed served on *onigir* (grilled rice) pressed into the shape of a bun. These examples illustrate the important way in which products are changed to suit local desires as they cross cultural boundaries.

In the **less affluent world (LAW)**, including many of the countries of Asia, Africa, and Latin America, the spread of Western-style consumer culture is encouraged by the extension of media access via satellite transmission, improvements in transportation, and an accelerated movement of migrants to the developed world and back again.¹⁹ Indeed, the image of the "good life" in such countries is more and more one of being a successful participant in a consumption-oriented society. Nonetheless, the spread of consumer culture in

the less affluent world tends to be limited by stagnant economic growth, unequal income distribution, and sometimes conflicts with traditional consumption values. In many of these countries, as the photo of a Malian family and their possessions suggests, consumption of basic necessities remains a challenge for many, while the few enjoy a luxurious consumption style on par with the most developed countries.²⁰

Transitional economies include the former socialist bloc countries of eastern Europe and other economies that were formerly dominated by the public sector. Many of these were socialist economic systems where marketing concepts are being slowly introduced. In such economies, consumers sometimes express ambivalent (both positive and negative) attitudes towards consumerism and marketing. Over the past 10 years, eastern Europeans have experienced an absolute explosion of consumption alternatives. For eastern Europeans who grew up under communism, the availability of many different products and brands creates a fundamental tension between the individualism and self-expression offered by consumption and the communist ideological goals of equality and classlessness. They long to express their identity with the new clothes, perfumes, toys, and automobiles that surround them but still feel guilt and shame about these longings. In addition, the economic hardships faced by most eastern Europeans, like the Russian family pictured below,



Consumer culture in transitional economies: Russia.

Source: The Material World (book)

makes Western shopping malls more like museums than places to purchase products. Although satellite TV familiarizes eastern Europeans with Western brands and lifestyles, for many these consumer goods are frustratingly unattainable. We'll have more to say about consumer culture and the challenges that face global marketers in different regions of the world in Chapter 4.²¹

Just as consumer culture varies in different locales such as different countries and cities, **organizational cultures** can be unique. In different corporations, organizational culture *can differ with respect to dress, communication, learning, and decision-making styles; ethics; and so forth*. Just as consumer marketers strive to understand the cultural forces that influence the behavior of their customers in the developed world, transitional economies, and the less affluent world, so to do B2B marketers attempt to take account of the influence of corporate cultures on the organizational buying process.

The Circle of Consumption

The **circle of consumption** is illustrated in Exhibit 1.2. The circle of consumption refers to the fact that *the production and acquisition of goods and services, their consumption, and the disposal of used goods are part of a cycle of managerial and socioeconomic activities*. We will refer to this simple description of consumption throughout the text. Understanding each phase and the relationships between each phase is critical for marketers. Consumption is a thing that people do, along with productive work, exchange, and noneconomic activity. Consumption typically involves using things, and sometimes using them up, rather than making them or transferring them.

The processes of production, acquisition, consumption, and disposal are universal. In every society, consumption is organized into behavioral systems involving varying constellations of goods and persons. As illustrated in Exhibit 1.2, the order in which the processes of production, acquisition, consumption, and disposal occur, and the participants in

Exhibit 1.2 Circle of Consumption

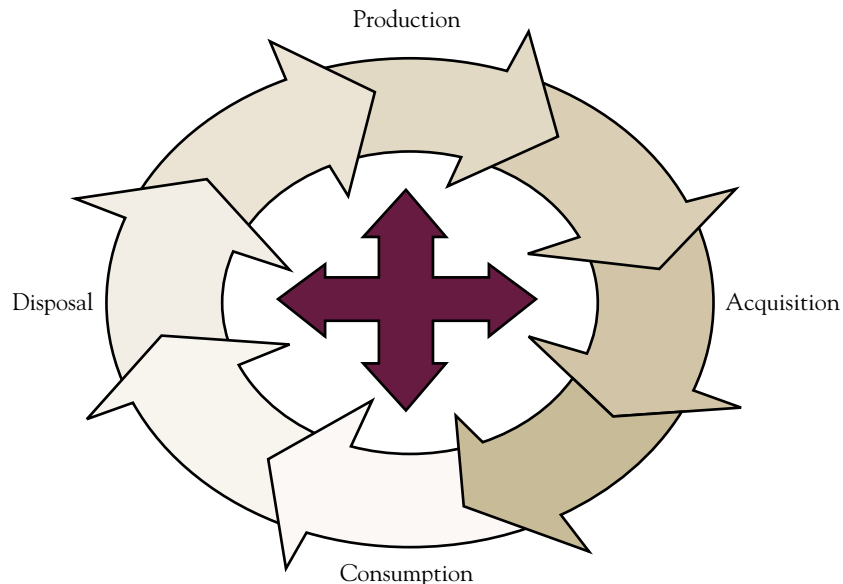
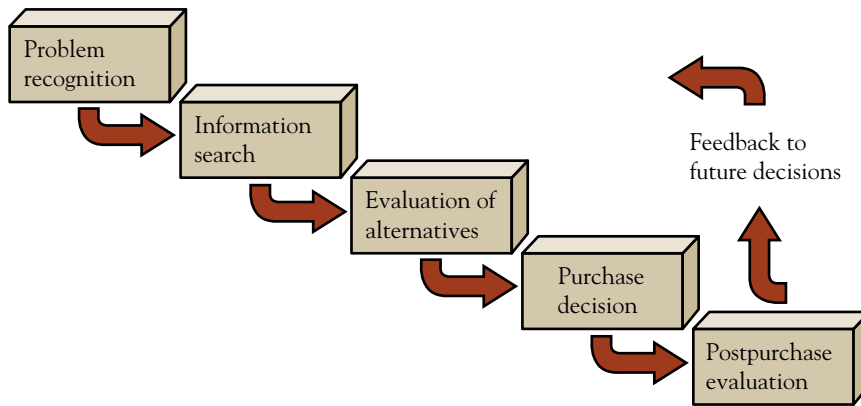


Exhibit 1.3 A Basic Model of Purchase Decisions



the processes, vary widely both within and between societies. Some are commercial processes and some are not. In marketing, we ordinarily think of the circle of consumption as moving from production by a manufacturer to acquisition by an industrial buyer or end consumer, who then consumes the product in industrial production or in final consumption. Both types of consumers then dispose of the waste generated by their consumption activities in some way. Indeed, we focus primarily on this type of consumption cycle in this book. However, the number of steps in the circle of consumption, as well as the order in which these steps occur, varies.

Much of the attention of marketers has focused on acquisition as the critical phase in the circle of consumption. In fact, marketers have focused mostly on one kind of acquisition—purchase decisions. They have studied how consumers and organizational buyers gather information, evaluate and decide which products, services, and ideas to buy. A basic model of purchase decision making is provided in Exhibit 1.3.

This model suggests that consumers purchase products to solve identified consumption problems. Consumers engage in search and evaluation of alternatives and judge their purchase decisions in terms of how well the purchases solved their consumption problems. You can probably think of many of your own purchase decisions that fit this model. For example, perhaps you felt you needed easier access to a computer for schoolwork so you decided to purchase a personal computer. You may have engaged in a process very like the one described in Exhibit 1.3, including information search and alternative evaluation.

However, this model captures only one aspect of acquisition. For example, consider your first roller coaster ride. A manager wanting to understand how people decide to purchase a roller coaster ride would probably not get much help from Exhibit 1.3. To understand and market roller coaster rides, managers need to understand group dynamics (many people go on their first roller coaster ride because someone drags them on it) and the experience itself (the fantasy, feelings, and fun associated with consumption). As another example, consider expenditures on weddings. In many nations, families spend large percentages of their household resources on their children's weddings. Again, Exhibit 1.3 doesn't offer a very good explanation. To understand this pattern of spending, marketers need to understand culture, the role of the family in social life, and the importance of consumption memories. For example, a mother tells her daughter, "this is a day you will always remember," and it will "help you get through the hard times." In many countries a

great number of pictures are taken to ensure that the event is remembered. In the United States, the more money spent on the wedding, the more money that is spent on photographing it. For many consumption experiences, value comes not only from acquisition or consumption experiences but also from the knowledge and memory of the consumption experience.²² Kodak's "moments to remember" advertising campaign capitalizes on consumers' desire for vivid recording of important consumption events.

Exhibit 1.2 invites you to think about products—physical products, services, ideas, and celebrities, for example—as having biographies. Think of your collection of possessions. How were your possessions acquired? Consumption is not a simple outcome of a single purchase. For example, a consumer may purchase a koala bear doll on a holiday taken in Australia. She may then display the doll in her home. Perhaps following a move or a lifestyle change, the consumer may give the koala doll away to a young niece. It's conceivable that someday the doll could become what people call a collectible. At this point, the niece may decide that she would prefer to sell the doll rather than keep it. The biography of things can contribute value to objects beyond the value of consumer goods that are merely offered for sale. The American Girl Collection and Patek Philippe both use the idea that things may have a biography to promote different categories of consumer goods—a line of collectible dolls and high-end watches, respectively.

The idea that products have a biography may apply to industrial goods as well. Machinery such as printing equipment may be purchased new, resold as used equipment to a lower-tech producer, eventually donated to a charity, and finally lovingly restored and preserved in a museum of arts and industries. You have probably already realized that for both the consumer and industrial cases, each of the transfers present the current owners with entrepreneurial opportunities to manage the movement, use, and disposal of goods.

In the last few years, managerial focus has evolved to include the full circle of consumption. Understanding acquisition, which is very important to marketers, requires an understanding of the other steps because consumer beliefs, values, and attitudes are affected

The American Girl

Felicity 1774
A spunky, spirited school girl

Josefina 1824
An Hispanic girl of heart and hope

Kirsten 1854
A pioneer girl of strength and spirit

Addy 1864
A courageous girl of the Civil War

Samantha 1904
A bright Victorian beauty

Molly 1944
A feisty schemer and dreamer

The American Girl Collection is for you if you love to curl up with a good book. It's for you if you like to play with dolls and act out stories. It's for you if you want to collect something so special that you'll treasure it for years to come.

Meet Felicity, Josefina, Kirsten, Addy, Samantha, and Molly, six lively American girls who lived long ago. You'll learn what growing up was like for them: the friends they made, their struggles and successes in school, their birthday surprises, Christmas secrets, and fun adventures. You'll see that some things in their lives were very different from yours. But others, like families, friendships, and feelings, haven't changed through the years. These are the important things that American girls will always share.

2 To Order, Call 1-800-845-0008

Source: American Girl Catalog

A Message to Parents

When people ask me if I am a doll collector, my answer has always been no. But during a recent stint of housecleaning, I realized I had collected more dolls than I thought.

In a basket beside my dressing table, I came upon the doll given to me by my grandmother the day I was born. Sadly, the doll had been put away during my entire childhood because she was thought too fragile to play with. Today, her dear face and faded silk bonnet remind me of the grandmother I adored.

In a closet, I came upon a box of family movies capturing the Christmas mornings of my childhood. But I didn't need to look at them because tucked in my heart is a vivid memory of the time my sisters and I got baby dolls from Santa. The clothes had been trimmed with blue ribbons and embroidered bows, lovingly sewn by my mother, grandmother, and aunt after my sisters and I had gone to bed.

In my dresser drawer, I found a tattered rag doll with a beguiling face. I bought it years ago in an antique store, simply because I delighted in some little girl's cherished treasure, crafted lovingly out of scraps from her mama's mending basket.

In my jewelry box, I came upon a miniature doll that fits in the palm of my hand, a gift from my sister Barbara as a token of luck when I set out to build Pleasant Company. Never did we imagine how much luck that tiny talisman would bring!

Then I tucked the little-used sleeping kit, when I found the first American Girl—Kirsten, Samantha, and Molly—with all their accessories. The kit had been named "the platens" by my goddaughter, Leah, who played three years ago with her friends.

Of course, when my housecleaning was over, the dolls remained next to my dressing table, in the jewelry box, and on "the platens." I want them there as tender reminders of people, places, and moments that I love. Am I a doll collector? Not really, but I would never part with the memories these dolls stir in me.


If the dolls we make at Pleasant Company and the books and treasures we create have given you and your American girl even one moment as memorable as my own, then our labors have been repaid a hundredfold. Memories made in childhood warm us for all our days and leave an indelible mark on our spirit. When it comes to memories, we are all collectors.

Pleasant B. Portland
Pleasant B. Portland
Founder and CEO of Pleasant Company
and creator of American Girl
American Girl

AMERICAN GIRL COLLECTION
Page 2
TODAY
Page 70
Bitty Baby
Page 88


Source: American Girl Catalog

Appeals based on the biography of possessions as illustrated in this advertisement for the American Girl Dolls.



Appeals based on the biography of possessions: American Girl dolls and Patek Philippe.

You never actually own a Patek Philippe. You merely take care of it for the next generation.



PATEK PHILIPPE
GENÈVE

Begin your own tradition.

Source: New Yorker, 1998–1999

by these links. By understanding the links between these phases, managers can implement strategies to influence the timing and sequence of these phases, which in turn can affect demand for their product. For example, disposal refers to those processes by which consumers divest themselves of consumer goods. By looking at disposal, the circle of consumption highlights the importance of “thinking green” and the value to organizations of developing sustainable marketing practices (e.g., practices that are environmentally friendly and do not unnecessarily deplete the planet’s resources).²³ The following examples are presented to help you understand the full implications of the circle of consumption.

From Disposal to Acquisition

At the urging of 11-year-old Austen, his family acquires a kitten unwanted by another family and advertised in the local newspaper as “free to good home.” In the Netherlands, thousands of bales of used, unwanted clothing are collected from individual households through a public works program for the unemployed and shipped to less developed countries where they are refurbished and resold. Private dealers in the United States have been buying beat-up old British sports cars like MGs, Triumphs, and Austin Healeys and shipping them to Europe for restoration and resale at premium prices. In the United States, consumer durables such as washers, refrigerators, and air conditioners are almost all scavenged by parts dealers. Very few end up in landfills. Young married couples often put new households together from extra and leftover housewares retrieved from their parents’ garages and basements.²⁴

From Disposal to Production

An Arkansas firm called Advanced Environmental Recycling Technologies developed a process to recycle waste materials, including using ground-up plastic and wood chips to make termite- and weather-resistant window frames. A Tennessee company has found a way to recycle old newspaper to make pencil bodies. Consumers have long produced new products from old ones (e.g., women making use of fabric scraps to create beautiful quilts). Safety Kleen Corporation rinses the used industrial solvents it collects from garages so that the solvent can be reused; the solid waste products are incinerated and used in making

concrete. Artificial vanilla flavoring is a by-product of the wood pulp industry and is used in a large number of confections. In West Africa, empty kerosene tins are used to deliver water from public pumps to home storage jars. In Senegal, craftsmen mold empty tuna fish and beer cans into attaché cases.

From Disposal to Consumption

In a worldwide advertising campaign, Patek Philippe suggests that consumers think of giving their watches as heirloom gifts: that is, one consumer's disposition is another's consumption. One of the authors owns a photograph showing a paper 7-Eleven Slurpee cup holding flowers placed on a grave on the Mexican Day of the Dead in Arizona. A nationwide organization of restaurant owners in the United States donates unused food to a non-profit firm that provides it to shelters for the homeless. Cast-off rubber tires are used as planters and children's swings in the United States and as hoops in children's games in the less affluent world.

From Production to Consumption

Many firms make component parts that are consumed in the course of further industrial production, such as ball bearings used in the manufacture of conveyor systems. Mrs. Wood, a middle-class consumer, produces her family's evening meal from scratch, by baking a casserole in her gas convection oven. Rick, a mild-mannered professor, makes several trips to Home Depot and builds a deck for his family to enjoy on summer evenings. Farmers in the LAW produce and consume an important fraction of their own food, shelter, and clothing.

From Acquisition to Consumption

This category refers to items received for immediate consumption. Buying restaurant meals is a good example. On major life transition events such as weddings and on some calendrical rituals such as Mother's Day, Christmas, Hanukkah, or Id-l-Adha, consumers receive gifts of cards, flowers, food, and other things from relatives and friends. Hunter-gatherer groups in the Arctic, South America, Africa, Australia, and South Asia harvest natural products for immediate consumption, as do amateur game hunters and mushroom gatherers in the developed world.

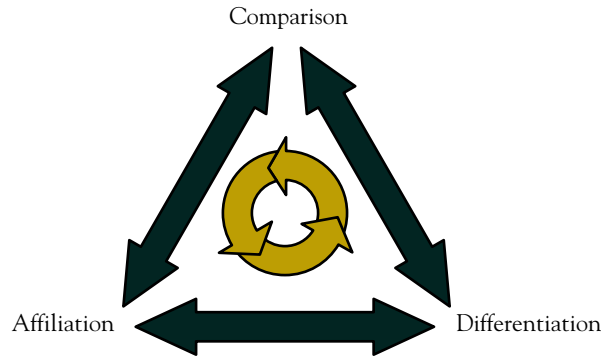
From Acquisition to Disposal

The U.S. \$6 billion gift industry involves the purchase of goods for immediate disposal through gift giving. Japanese tourists take the purchase of *omiyage*, souvenirs of foreign travel, for distribution as gifts to friends at home to a high art.²⁵ Some people frequent garage sales and flea markets to provision their own subsequent selling activities. Some impulse shoppers purchase expensive clothing for the thrill of the purchase and later return the goods unused to the retail store or even hide them away in drawers and closets unused.²⁶

Motivational Dynamics in Consumer Culture

Consumer behavior is a dynamic aspect of our social life. Production, acquisition, consumption, and disposal of consumer products are driven in part by universal human motivations. We discuss motivation in more detail in Chapter 11. But we would like to

Exhibit 1.4 Motivational Dynamics



introduce a simple motivational model here since we relate a number of behaviors to it in the following chapters.

Within society two opposing motivational tendencies together drive many consumer behaviors. One we may call the motive toward integration or affiliation with other people, the other is the motive toward differentiation or distinction from other people. For example, sports fans communicate their affiliation with a team and fellow fans by sporting team colors and merchandise; at the same time, they communicate their differentiation from other teams and fan groups.

Consumers' taste preferences are expressed through recurring patterns of acquisition, consumption, disposal, and production. In consumer culture, marketers encourage people; to go to the market to purchase goods and services that help them define with whom they are affiliated and from whom they are separated. These patterns of consumer preference are defined and refined through a third motivational process, a process of individual and social comparison. In other words, most of us are motivated to scan our social environment continuously for cues in the consumer behavior of others to help us define who we are and who we are not and the social groups to which we belong and the groups to which we do not.

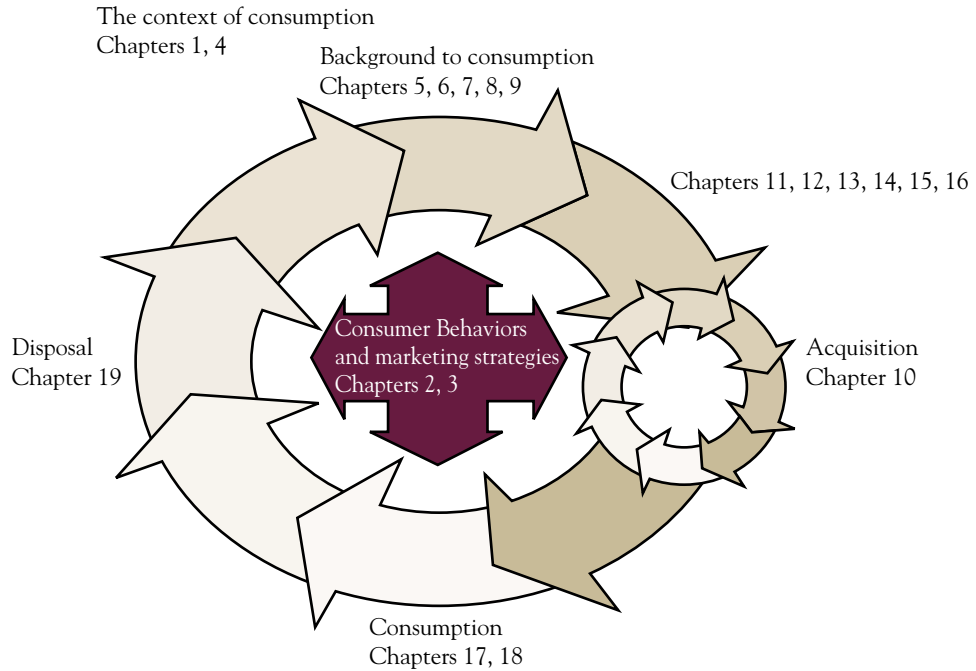
These motivational drivers may not always be conscious, but they are reflected in the large number of consumption choices we make daily, choices that reflect and maintain the division of societies into distinct classes, ages, neighborhoods, ethnicities, lifestyles, occupations, personalities, nationalities, and so on. In other words these motives and the consumer behaviors they stimulate integrate individuals with some groups and distinguish them from others. Thus, we are able to say that Germans differ from the French in their avid consumption of beer rather than wine. And within Germany we may distinguish groups of Germans by their preferences for brands of beer produced in particular regions.

Thus, the simple motivation model pictured in Exhibit 1.4 suggests that the needs for integration, differentiation, and comparison drive many decisions around the circle of consumption. We will refer to this simple model at a number of points in our text.

The Plan of the Book

This book is divided into four parts. The organization of the book is graphically displayed in Exhibit 1.5, where it is overlaid on the circle of consumption. In this chapter and Chapter 4, we provide an overview of the global marketplace context of consumption. Chapters

Exhibit 1.5 The Circle of Consumption and the Plan of the Book



2 and 3 define the role of consumer behavior in marketing and the ways in which knowledge of consumer behavior is obtained and linked to marketing strategy. In Exhibit 1.5 these two chapters are shown on the crossed arrows in the middle of the diagram to suggest that marketing strategies play a direct role in influencing production, acquisition, consumption, and disposal.

The second part of the book consists of five chapters and looks at what we call **preacquisition phenomena** that provide the background to consumption. In other words, we describe the various cultural, economic, social, and psychological influences that channel consumer behavior toward particular kinds of acquisition, use, and disposal behaviors. Important preacquisition phenomena include culture (Chapter 5), social class and ethnicity (Chapter 6), the self (Chapter 7), lifestyles (Chapter 8), and perception (Chapter 9). These phenomena both strongly influence and are strongly influenced by consumer behavior.

The third part of this book is concerned with purchase and acquisition behaviors. In Chapter 10 we discuss acquisition tactics themselves, focusing not only on purchase but also on alternatives such as barter and gift giving. In Chapters 11, 12, 13, 14, and 15 we examine the social, interpersonal, and individual processes and behaviors that steer groups and individuals toward particular acquisition behaviors and tactics. Needs, motivations, and involvements (Chapter 11) and experience, learning, and knowledge (Chapter 12) provide individuals with the drive and information they need to engage in acquisition behaviors. Placing the chapters that discuss them on a circle around Chapter 10 graphically portrays the fact that household organization, interpersonal influence, and individual consumer behaviors affect what and how consumers acquire goods.

The fourth and final part of the book discusses what happens after people acquire things. The four chapters in this section explore consumption and disposal. Our discussion includes both the processes that may accelerate demand for new products and those processes that lead consumers to resist and reject marketplace offerings (see Chapter 16). In Chapter 17 we investigate consumer satisfaction. This topic is crucial for marketers, since customer satisfaction is essential to marketing success and organizational survival. We inquire into the meaning of consumption in Chapter 18. Finally, in Chapter 19 we survey how consumers dispose of goods and services they no longer want when their value and meanings change.

Each chapter in this book has distinct sections. For instance, each chapter begins with a short list of learning objectives. These learning objectives focus on the key issues that you should understand once you have read the chapter. If you discover that you don't understand them, then turn back to the chapter to fill in the gaps in your understanding. Next, we introduce each chapter with one or more vignettes, short stories that we feel dramatize the key theories, concepts, and applications. The vignettes are followed by an overview that discusses the aims of the chapter. The body of the chapter follows, and we then provide a short chapter summary. Each chapter is followed by a short case example titled "You Make the Call" that includes some questions. These cases are designed to provide an applied example of theory and concepts discussed in the chapter. We aim to provide cases that are not unlike situations that you may encounter in your career. Finally, each chapter includes key terms and some review and discussion questions. If you read and think about these questions and write down the ideas that come to you, you should find yourself beginning to synthesize ideas from this chapter with other marketing and consumer behavior knowledge.

Welcome to the world of consumer behavior. We define consumer behavior as individuals or groups acquiring, using, and disposing of products, services, ideas, or experiences. This definition includes the search for information and actual product purchase. The study of consumer behavior includes an understanding of consumers' thoughts, feelings, and actions and an understanding of relevant marketing strategies. Topics that consumer behavior researchers study are limited only by their imaginations.

Consumer behavior includes or is related to a wide variety of human activity. Consumers in different parts of the world lead very different lives. However, they share many patterns of consumption, including brand and service loyalties, using and enjoying gifts, partaking in rituals, making choices, and purchasing products, to name a few.

Consumer behavior is exciting and fun, but it is also important to you for a number of reasons. Organizations stay in business by attracting and retaining customers. However, even if you don't plan to go into business, there's a good chance that understanding consumer behavior will be an important tool in your job. Consumer behavior research is useful in any job for which the mission includes satisfaction of human needs and wants. Finally, understanding consumer behavior will make you a better-informed consumer.

Consumer culture reflects a general shift in the basic emphasis of economic systems from exchange or production to consumption. The nature and dynamics of consumer behavior vary widely from place to place depending on historical, macroeconomic, and cultural factors. The production and acquisition of goods and services, their consumption, and the disposal of used goods are part of a cycle of social and economic activities that we call the circle of consumption. The processes of production, acquisition, consumption, and dis-

posal are universal, but the order in which the processes occur and the participants in the processes vary widely both within and across social systems. Much marketing attention has focused on one aspect of acquisition—purchase decisions. However, purchase decisions are just one aspect of consumption. In recent years, managerial interest has evolved to include the full circle of consumption. Several links are important for marketers to understand and manage, including disposal to acquisition, disposal to production, disposal to consumption, production to consumption, acquisition to consumption, and acquisition to disposal.

adoption 000	market segment 000
attitude 000	mercantilism 000
brand loyalty 000	newly industrialized countries (NICs) 000
circle of consumption 000	organizational cultures 000
consumer behavior 000	preacquisition phenomena 000
consumer culture 000	production orientation 000
diffusion 000	Protestant ethic 000
disposal 000	purchase behavior 000
domain of consumer behavior 000	transitional economies 000
globalization 000	use innovativeness 000
less affluent world (LAW) 000	

1. Think of one of your important possessions. Write out its biography or life history from production to the present, paying special attention to its movement in and out of the marketplace.
2. Describe two purchase decisions that match the model shown in Exhibit 1.3 fairly well. Then describe two purchase decisions that don't seem to fit very well. Explain.
3. List three additional examples of products (including things, services, ideas, people, and places) that move from one stage of the circle of consumption to another with or without movement through the marketplace.
4. List several examples of products you have acquired both through various kinds of markets—retail outlets, flea markets, garage sales, wholesale warehouses—and through other acquisition processes mentioned in the text. Can you identify patterns of acquisition associated with particular product categories? Explain.
5. List several examples of products used in the ways described in Exhibit 1.1. Identify patterns of use associated with particular product categories.
6. List various ways in which you have disposed of particular products recently. Identify patterns of disposition associated with particular product categories.
7. Over the course of several days, set aside some time to make some diary entries about consumer behaviors you engage in that involve the basic motivational dynamics mentioned in the text. Pay attention to times that you consume something in order to be with or be like other people important to you. Pay attention to times that you consume

something in order to be unlike other people, to stand out, or to act on your own. Finally, pay attention to the comparative judgments you make in these consumption choices.

You Make the Call

Managing Conbini

Hidetoshi Nakatz is a Japanese soccer star who has been playing for Rome in a European football league. He is asked by the press to name the one thing he most misses about Japan. His answer? “*Conbini!*”

Conbini are Japanese neighborhood convenience stores. They are very popular with customers, and their popularity has been increasing in recent years. The 30,000 convenience stores have a special place in the Japanese economy, where frequent shopping is a necessity, since consumers often don’t have much space to store things in their homes. Conbini are always open, and they are much smaller (average size only 100 meters) than the typical convenience store in the United States. An average Conbini receives 700 to 900 customers per day, and the average customer visits once every other day. Major corporations that operate chains of Conbini in Japan include Seven-Eleven, Family Mart, Circle K (UNY Corp), and Daiei Inc. (In Japan, the “Seven” is spelled out in the corporate name of the U.S. corporation 7-Eleven.)

Conbini are always looking for new products and services to add to the store selection. However, there is a problem because shelf space is so limited in the small stores. One recent solution is to add virtual products to the shelves through the introduction of an in-store Internet service called Loppi. In each store, Loppi appears as a terminal that connects to a portion of the Internet, thus forming a compact e-commerce system. Using Loppi, customers can order concert tickets, train/plane reservations, books (Yahoo!, Seven-Eleven, and a leading Japanese book distributor are part owners of the book-ordering system), hot meals, horoscope forecasts, and other offerings. Each of these services is delivered to the customer in a different way. For instance, customers pick up books at the same Conbini where they ordered them, a few days later. The hot meals, targeted at the children of older, homebound parents, are delivered to customers’ homes. The concert tickets or the plane tickets can be printed out on the spot. At present, what do you think is the most popular service offered over Loppi? It turns out to be the horoscope forecasts.

What are the major challenges for a fledgling e-commerce firm? Among others, marketing expenses are high for start-up firms; and it is difficult and expensive to attract attention in an increasingly crowded market. Conbini are good partners for new e-commerce ventures, because in-store promotional expenses are low. In addition, as indicated by Hidetoshi Nakatz, customers flock to Conbini. The stores provide an excellent distribution system, both in terms of the existing warehouse system and the convenience of the stores as a final pick-up point for customers. For all of these reasons, Conbini make attractive e-commerce partners for start-up firms. Through Loppi, Conbini have a way to add product lines when shelf space is limited. Loppi also provides a way to overcome existing barriers to e-commerce in Japan, where the technology and infrastructure is not as developed as it is in the United States and where regulatory hurdles can sometimes be a problem for large stores. In the near future, customers will be able to surf the entire web from the convenience of Loppi.

1. What is it that makes an American invention (i.e., the convenience store) so popular in Japan?
2. How has the original concept of the store evolved to fit the local culture and circumstances?
3. What do Japanese buyers like about Conbini?
4. What other kinds of new products or services could be introduced in the Conbini?
5. How should these new offerings be distributed (e.g., in store, delivered to the home, delivered over the local Internet)?

This case was adapted from Stephanie Strom, "E-Commerce the Japanese Way," New York Times, March 17, 2000, pp. A1, A4.

1. For a discussion of attempts to store services, see Robin A. Higie, Linda L. Price, and Julie Fitzmaurice, "Leaving It All Behind: Service Loyalties in Transition," in *Advances in Consumer Research*, vol. 20, Leigh McAlister and Michael L. Rothschild, eds. (Provo, UT: Association for Consumer Research, 1993), pp. 656–61.
2. R. S. Oropresa, "Female Labor Force Participation and Time-Saving Household Technology: A Case Study of the Microwave from 1978 to 1989," *Journal of Consumer Research* 4 (March 1993), pp. 567–579.
3. Daniel Miller, *Acknowledging Consumption* (London and New York: Routledge, 1995).
4. Richard Bagozzi, "Marketing as Exchange," *Journal of Marketing* 39 (October 1975), pp. 32–39; George Homans, *Social Behavior: Its Elementary Forms* (New York: Harcourt Brace and World, 1961); and John O'Shaughnessy, *Why People Buy* (New York: Oxford University Press, 1987)
5. Julie, Ozanne and Ron Paul Hill, "Juvenile Delinquents' use of Consumption as Cultural Resistance: Implications for Juvenile Reform Programs and Public Policy," *Journal of Public Policy and Marketing* 17, no. 2 (1998), pp. 185–96.
6. "Grand Masters of Marketing," *Marketing Management*, Summer 1998, pp. 22–28.
7. Jacob Jacoby and Robert W. Chestnut, *Brand Loyalty: Measurement and Management* (New York: John Wiley, 1978).
8. See the website www.itaiep.doc.gov/eebic/countryr/hungary/research/cos97.htm for a profile of the cosmetics industry in Hungary.
9. For a discussion of grooming rituals, see Dennis Rook, "The Ritual Dimension of Consumer Behavior," *Journal of Consumer Research* 12 (December 1985), pp. 251–64.
10. This is based on an interview with the Procter & Gamble marketing manager for shampoo in Hungary. As a note of comparison, the average French person bathes or showers 4.4 times a week, compared with 3.7 times in Britain and 3.8 times in Italy, according to the *Tampa Tribune*, October 23, 1998, p. 20A.
11. For a discussion of use innovativeness, see Elizabeth C. Hirschman, "Innovativeness, Novelty Seeking and Consumer Creativity," *Journal of Consumer Research* 7 (December 1980), pp. 283–95; Nancy M. Ridgway and Linda L. Price, "Development of a Scale to Measure Use Innovativeness," in *Advances in Consumer Research*, vol. 10, Alice Tybout and Richard Bagozzi, eds. (Provo, UT: Association for Consumer Research, 1983), pp. 679–84; and Nancy M. Ridgway and Linda L. Price, "Creativity under Pressure: The Importance of Consumption Situations on Consumer Product Use," *Proceedings of the American Marketing Association Summer Educator's Meetings*, 1991, pp. 361–68.
12. Marta E. Savigliano, "Tango in Japan and the World Economy of Passion," in *Re-made in Japan: Everyday Life and Consumer Taste in a Changing Society*, Joseph J. Tobin, ed. (New Haven, CT: Yale University, 1993), pp. 235–52.
13. Igor Kopytoff, "The Cultural Biography of Things: Commoditization as Process," in *The Social*

- Life of Things*, Arjun Appadurai, ed. (Cambridge: Cambridge University Press, 1986), pp. 64–94.
14. Colin Campbell, *The Romantic Ethic and the Spirit of Modern Consumerism* (Oxford: Basil Blackwell, 1987); Neil McKendrick, John Brewer, and J. H. Plumb, *The Birth of a Consumer Society: The Commercialization of Eighteenth Century England* (Bloomington: Indiana University Press, 1982); Chandra Mukerji, *From Graven Images: Patterns of Modern Materialism* (New York: Columbia University Press, 1983); and Rosalind H. Williams, *Dream Worlds: Mass Consumption in Late Nineteenth Century France* (Berkeley: University of California Press, 1982).
15. Don Slater, *Consumer Culture and Modernity* (Cambridge: Polity Press, 1997), p. 8.
16. Paul Bohannan and Laura Bohannan, *Tiv Economy* (Evanston, IL: Northwestern University Press, 1968); Frank Cancian, *Economics and Prestige in a Maya Community: The Religious Cargo System in Zinacantan* (Stanford: Stanford University Press, 1965); Jerry W. Leach and Edmund Leach, eds., *The Kula: New Perspectives on Massim Exchange* (Cambridge: Cambridge University Press, 1983); Claude Levi-Strauss, *The Elementary Structures of Relationship*, trans. by James Harle Bell, John Richard von Sturmen, and Rodney Needham (Boston: Beacon Press, 1969 [1947]); Claude Meillassoux, *Maidens, Meals, and Money* (Cambridge: Cambridge University Press, 1981); and Marshall Sahlins, *Stone Age Economics* (Chicago: Aldine, 1967).
17. Adam Smith, quoted in Slater, *Consumer Culture and Modernity*, p. 22.
18. Much of this section draws from Joseph J. Tobin, ed., *Re-Made in Japan: Everyday Life and Consumer Taste in a Changing Society* (New York: Yale University Press, 1993).
19. Mike Featherstone, ed., *Global Culture* (London: Sage Publications, 1990); Mike Featherstone, *Consumer Culture and Postmodernism* (London: Sage Publications, 1991); Güliz Ger and Russell W. Belk, “‘I’d Like to Buy the World a Coke’: Consumptionscapes in the Less Affluent World,” *Journal of Consumer Policy* 19, no. 3 (1996), pp. 271–304; and Deborah Sontag and Celia W. Dugger, “The New Immigrant Tide: A Shuttle between Worlds,” *New York Times*, July 19, 1998, pp. A1, A12–14.
20. Eric J. Arnould, “Toward a Broadened Theory of Preference Formation and the Diffusion of Innovations: Cases from Zinder Province, Niger Republic,” *Journal of Consumer Research* 16 (September 1989), pp. 239–67; and Güliz Ger, “Human Development and Humane Consumption: Well-Being and the ‘Good Life,’” *Journal of Public Policy and Marketing* 16 (Spring 1997), pp. 110–25.
21. Clifford Schulz II, Russell W. Belk, and Güliz Ger, eds., *Consumption in Marketizing Economies* (Greenwich, CT: JAI Press, 1994); and Güliz Ger, Russell W. Belk, and Dana-Nicoleta Lascu, “The Development of Consumer Desire in Marketizing and Developing Economies: The Cases of Romania and Turkey,” in *Advances in Consumer Research*, vol. 20, Leigh McAlister and Michael L. Rothschild, eds. (Provo, UT: Association for Consumer Research, 1993), pp. 102–7.
22. Deborah J. MacInnis and Linda L. Price, “The Role of Imagery in Information Processing: Review and Extensions,” *Journal of Consumer Research*, March 1987, pp. 473–91; and Eric J. Arnould and Linda L. Price, “River Magic: Extraordinary Experience and Hedonic Aspects of Service Encounters,” *Journal of Consumer Research*, 20 (June 1993), pp. 24–45.
23. Don Fuller, *Sustainable Marketing: Managerial-Ecological Issues* (Newbury, CA: Sage, 1999).
24. Some of the examples in this section can be found in William Rathje and Cullen Murphy, *Rubbish! The Archaeology of Garbage* (New York: Harper Collins, 1992).
25. Terrence H. Witkowski and Yoshito Yamamoto, “*Omiyage* Gift Purchasing by Japanese Travelers in the U.S.,” in *Advances in Consumer Research*, Rebecca H. Holman and Michael R. Solomon, eds. (Provo, UT: Association for Consumer Research, 1991), pp. 123–28.
26. Thomas C. O’Guinn and Ronald J. Faber, “Compulsive Buying: A Phenomenological Exploration,” *Journal of Consumer Research* 16 (September 1989), pp. 153–54.