Consumer Research

CCT - Consumer Culture Theorizing perspectie
Hedon Blakaj

Consumer research – context and few perspectives

The Consumer is King

THE CONSUMER IS KING.





@iPullRank

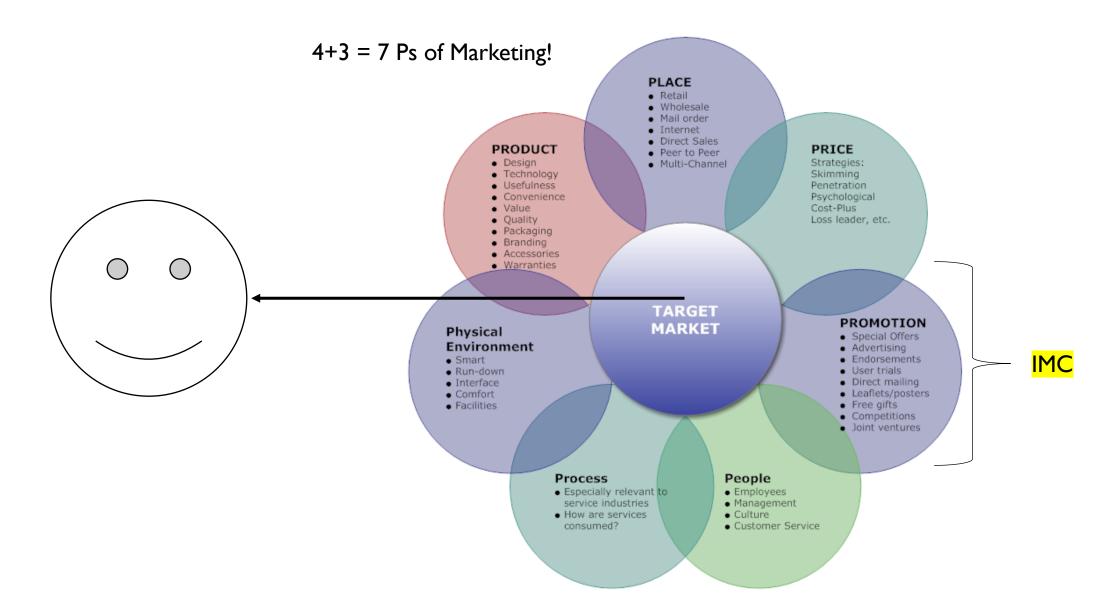
CCT – Consumer Culture Theorizing research

- What is it about?
- Lets start with some basic marketing postulates
- Marketing → a mean of understanding and addressing consumer/customer wants and needs. And, of course, make a ton of money for shareholders while fulfilling consumer wants and needs ☺
- In mainstream marketing, the dominant theories we use to speak and address consumer wants and needs come from mainstream psychology

How do we cater to consumer needs and wants?



How do we cater to consumer needs and wants?





What does this mean and what implications it has for marketing pratice?

- Well, you all are aware of Maslow's hierarchy of needs, right?
- What does Maslow's hierarchy of needs tell us about us, consumers?
 - What is assumed about us, as consumers?
- How do different brands come into play across different hierarchical levels suggested in the figure?
 - How they are positioned and whom they are targeting?
- What kinds of brands tend to satisfy different consumer needs?
 - Differentiating + value proposition!
- How do different brands go about addressing specific needs?
 - How do they position, what is their value proposition, whom they are after segment?

Lets take few minutes to talk about this framework

Self-actualization

desire to become the most that one can be

Esteem

respect, self-esteem, status, recognition, strength, freedom

Love and belonging

friendship, intimacy, family, sense of connection

Safety needs

personal security, employment, resources, health, property

Physiological needs

air, water, food, shelter, sleep, clothing, reproduction

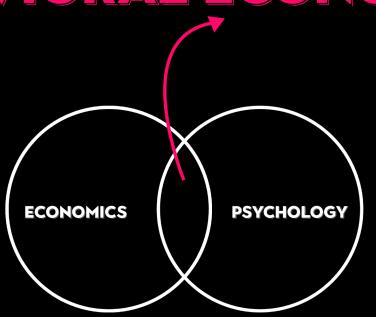
Some assumptions

- Consumers behave based on their needs
- Consumers' satisfaction of the "needs" influences behavior
- Motivation/drive = consumers' and attempt to fulfil the needs identified by them (a natural tendency)
- Needs are hierarchical in order, from bottom up
 - Universal/generalist view!
- Consumers depicted as rational decision makers

So what, then?

- Adherence to these kinds of assumption, by and large, influences how you do market/consumer research + also how you look at brands
- Because needs and wants are assumed to be universal, then, your consumer/market research efforts will reflect these kinds of assumptions
- Methods of doing consumer/market research:
 - Deductive (top down: theory → assumptions → survey questions → administration
 → (quant)analysis → objective reporting → managerial decision making
 - Surveys, structured predominantly + lab experiments
 - Generate consumer insights \rightarrow make a marketing decision

BEHAVIORAL ECONOMICS





REVISED AND EXPANDED EDITION



"Sly and lucid. . . . Revolutionary." — *New York Times Book Review*

The Hidden Forces That Shape Our Decisions

Richard H. Thaler Winner of the Nobel Prize in Economics

Cass R. Sunstein

Winner of the Holberg Prize

Nudge



Improving Decisions About Health, Wealth, and Happiness

'A lifetime's worth of wisdom' Steven D. Levitt, co-author of Freakonomics

The International Bestseller

Thinking, Fast and Slow



Daniel Kahneman

Winner of the Nobel Prize



Behavioral economics

- Attack on rationality as depicted by the previous perspective
- Consumers not that rational after all
- Consumer (human) brain under scrutiny
- Specifically, decision making processes
- Still, a single individual under scrutiny
- System one and two thinking
 - System one thinking

 impulse decisions making
 - What influences system one decision making \rightarrow biases, a lot of them
 - What is proposed, system two thinking a rational way of decision making



Some biases

- Self-interested biases \rightarrow what's in it for me
- Confirmation bias → additional options/experiences apart from yours
- Anchoring bias → where did the benchmark for your decision came from... more analysis on benchmarks
- Halo effect bias → just because a person is successful in one area will be as successful in your area (influencers advice!)

• • •

What is this perspective good for?

- Good for you, as future top-notch marketers, supposedly
- When you become big marketing shots in the near future, it is expected of you to make well informed decisions
- Enter, behavioral economics perspective
- Managerial tool/heuristic
- Also, use sensibilities from behavioral economics to do consumer/market research
- Consumer experiments as a tool to study consumer behavior
- Individualist view → experiments as a main tool
- Consumer insights → marketing decision making

Consumer Culture Theorizing research



CCT – Consumer Culture Theorizing research

- What is it about?
- So, instead of talking about human wants and needs as Maslow would have it, or the behavioral economics view, we study consumer behavior (wants, needs and so on) from sociological, anthropologicla and cultural theories, by and large
- Wants and needs, and therefore consumer behavior, does not, per se, follow the "universalist" idea as Maslow and mainstream marketing theory would have have it
 - From universalism and individualism to particularism and context (Culture)
- There are a lot of theories informing CCT research, obvioulsy
- You will learn more about CCT as you progress in your studies

- Instead of viewing consumers (humans) as single rational entities, capable of making (bounded) rational decision geared toward satisfying their needs, ...
- Instead of trying to study consumers through structured surveys, questionaires, lab experiments ...
- We view consumer behavior as influencing and influenced by the culture in which they find themselves in
- We try to understand consumer wants and needs and why and how they pursue them in different contexts
- Research methods/tools, then, → ethnogrpahy, long-open-ended interviews, netnogrpahy and so on
- Instead of studying consumers, we <u>learn</u> from them (deduction vs. induction)

- Reversed kind of a logic from previous perspectives
- Learn from consumers
- Understand their needs and wants from their point of view
- Generate insights
- Make a marketing decision

Bottom – up approach!

"The consumption of market-made commodities and desire-inducing marketing symbols is central to consumer culture [...]

CCT conceptualizes culture as the very fabric of experience, meaning, and action [...]

[T]o broaden their focus to investigate the neglected experiential, social, and cultural dimensions of consumption in context"

"Consumer culture theory explores how consumers actively rework and transform symbolic meanings encoded in advertisements, brands, retail settings, or material goods to manifest their particular personal and social circumstances and further their identity and lifestyle goals

[T]he marketplace provides consumers with an expansive and heterogeneous palette of resources from which to construct individual and collective identities"

Arnould and Thompson (2005: 870-871)

What do we study in CCT?

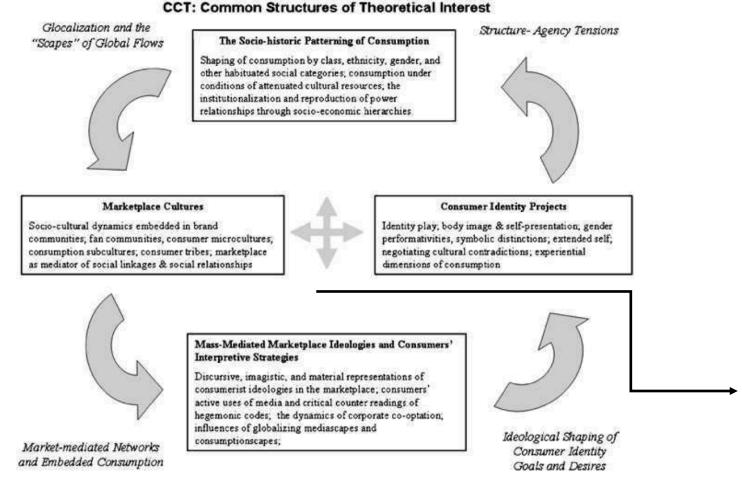


Fig. 1. CCT – Common Structures of Theoretical Interest.

Market level studies:

How consumers and consumption may contribute to the formation or change in markets

Consumer identity projects

- Marketplace as a repertoire through which we pick and <u>choose</u> brands to construct as sense of self or personal identity
- Consumers as identity seekers
- Marketplace → scripts + brands consumer identity projects
- Marketplaces offer scripts (symbolic value) and props (brands) consumers choose which scripts to ride on and with that, choose brands that best help perform a particular sense of self/identity



American Psycho (2000) – movie.



Yappie!



Lumberjack!



Hipster!

So what does this mean for marketing practice?

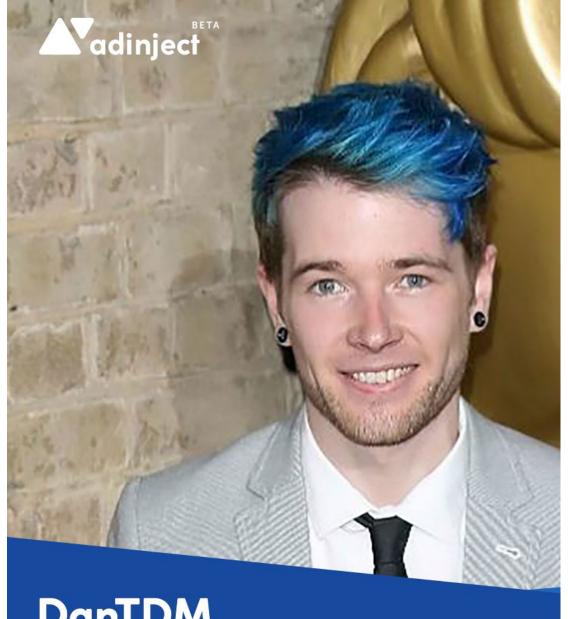
- If the future, brand(s) you may manage belong to an identity brand category, then, learnings from CCT might be a fruitful approach to a successful development and management of brands
- Always learn what (symbolically) rocks consumers' boats, then, offer a brand that helps them perform their identity projects
- Other brands will seek to do the same
- The point is that you do it better than competitors
- Method of market/consumer research: learn from consumers →
 ethnographies, in-depth-open-ended interviews, netnographies →
 generate insights → from insights marketing decision making → strategy and implementation

Marketplace cultures

What is foregrounded/what are we looking at:

- Consumers as cultural producers → "Influencers"
- Subcultures of consumption → "brand communities"





DanTDM

Digital Star, Vlogger

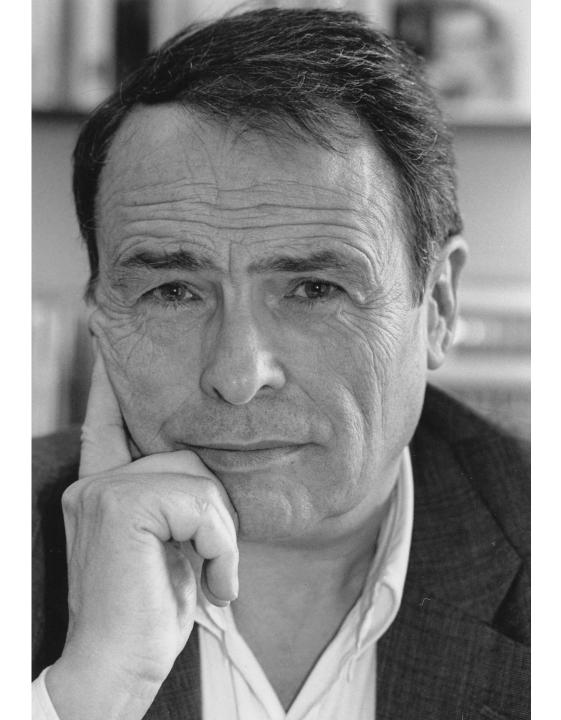


 Informed understanding of influencers from this perspective may give you good ideas and insights about how to utilize them, for example, as endorses in a campaign → celebrity endorsement, product placement, PR and so on...

 Brand communities understanding the hierarchies and values within a brand community may help you with branding strategy and branding efforts

The Socialhistoric Patterning of Consumption

"The third domain that CCT addresses is the institutional and social structures that systematically influence consumption, such as class, community, ethnicity, and gender ... consumer culture theorists investigate the processes by which consumption choices and behaviors are shaped by social class hierarchies "—Arnould and Thompson (2005: 874)



Pierre Bourdieu

I August 1930 – 23 January 2002 French sociologist, anthropologist and philosopher

Some main concepts:

- Class
- Field
- Cultural capital
- Social capital
- Institutional capital

- This perspective may give you good ideas about how consumers sociohistoric patterning may ifluence choice
- Good for segmenting
- Good for positioning
- Good for developing consumer insights

Mass-Mediated Marketplace Ideologies and Consumers' Interpretive Strategies

"Consumer culture theory examines consumer ideology—systems of meaning that tend to channel and reproduce consumers' thoughts and actions in such a way as to defend dominate interests in society (Hirschman 1993)." Arnould and Thompson (2005: 874)

- Critical marketing research
 - E.g.: sustainability and greenwashing

• What normative messages do commercial media transmit about consumption (macro)

• How consumers make sense of the these messages and formulate critical responses (*micro*)

Speaking of Fashion: Consumers' Uses of Fashion Discourses and the Appropriation of Countervailing Cultural Meanings

CRAIG J. THOMPSON DIANA L. HAYTKO*



This article explores the ways that consumers use fashion discourse to inscribe their consumption behaviors in a complex ideological system of folk theories about the nature of self and society. Verbatim texts of 20 phenomenological interviews concerning consumers' perceptions and experiences of fashion are interpreted through a hermeneutic process with specific consideration given to gender issues. Whereas critics of consumer culture frequently argue that fashion discourses enshroud consumer perceptions in a common hegemonic outlook. our analysis suggests that this ideological system offers a myriad of countervailing interpretive standpoints that consumers combine, adapt, and juxtapose to fit the conditions of their everyday lives. By appropriating fashion discourse, consumers generate personalized fashion narratives and metaphoric and metonymic references that negotiate key existential tensions and that often express resistance to dominant fashion norms in their social milieu or consumer culture at large. A theoretical model is derived that portrays a dialogical relationship between consumers and this cultural system of countervailing fashion meanings. The implications of this model for future research on the meaning transfer process and the sociocognitive dimensions of consumer beliefs are discussed.

- Good for understanding consumer behavior
- How they understand and interpret particular market discourses
- And so on...

Q&A!