

# New Age Consumer Behavior

## Week 1

### Course Introduction

#### SESSION 1

##### Consumers and consumption

##### 1. Consumers

Purpose: introduce the study of consumer behavior

##### 2. Marketplace

Purpose: examine the changed context of consumption

#### SESSION 2

##### Research in consumption

##### 3. Learning about Consumers

Purpose: outline consumer research

# New Age Consumers

## Activity:

In pairs identify as precisely as possible:

- What digital and analog (non-digital) products you are consuming? (type)
- When these are consumed? (time)
- How much of these are consumed? (quantity)
- Why are these consumed? (motive)

## Activity:

In pairs identify as precisely as possible:

- What digital and analog products you do not consume? (type)
- Why are you not consuming them? (motive)

Typically, consumption is associated with the utilization of resources following one's desire in the face of scarcity and socio-economic and environmental constraints.

For Baudrillard it is associated with 'consummation – i.e. productive waste...'



In the context of new age consumption:

- It is the provision of online commodities/products relative to consumer desires e.g. Wikipedia.
- It is a particular instance of consumption in that we consume commodities/products digitally e.g. products on E-bay.
- It is the development of commodities/products that support digital contents e.g. PCs, iPod, etc.

Being a new age consumer is to have the identity of a digital & analog consumer.

The question is who describes and norms the identity:

- Consumers?
- Producers?
- Governments?

In terms of the “who consumes”:

- Individuals: individual consumers.
- Groups: families, clubs, organizations.





## In terms of the “how to consume”:

- Acquiring: surfing, purchasing.
- Consuming: collecting, displaying, storing, wearing, sharing, devouring.
- Disposing: ...?



If we are disposing of analog products (cradle to grave) what about digital ones? Do they fulfil the promise of regeneration (cradle to cradle)?



## In terms of the “what to consume”:

- Products: any tangible goods on offer via the internet
- Services: any intangible goods on offer via the internet
- Ideas: patents on products and website, creative ads
- Experiences: emotions and impressions when surfing.



# New Age Consumption and its Market

New age consumption is peculiar in terms of

- The socio-economic context of consumption
- The identity construction of consumers
- The way businesses and consumers adapt to change



## *The market & socioeconomic context*

- Globalization of the production of consumer products including those supporting digital content; e.g. computers, wifi, DSL, etc.
- Global distribution of digital content and information e.g. www
- Increased interaction and sharing e.g. websites, social networks
- Security issues e.g. virus, account hacking
- E-resistance and dissatisfaction e.g. credit card scam

## *Consumer identities*

- Surfers: seeking information online
- E-shoppers: purchasing almost exclusively online
- Geeks: digital experts or enthusiasts nearing obsession
- Social networkers: enthusiasts for networking



## E-shoppers in particular:

- Are multi-channel or cross-channel consumers: use online services when convenient; if not they use offline/conventional services
- Have strict expectations in terms of:
  - user-friendliness of the website (precise information, ease of navigation, secured payment)
  - the speed of e-services and response (24 hours)
  - product delivery (quick, efficient, economical)

## *Consequences for businesses:*

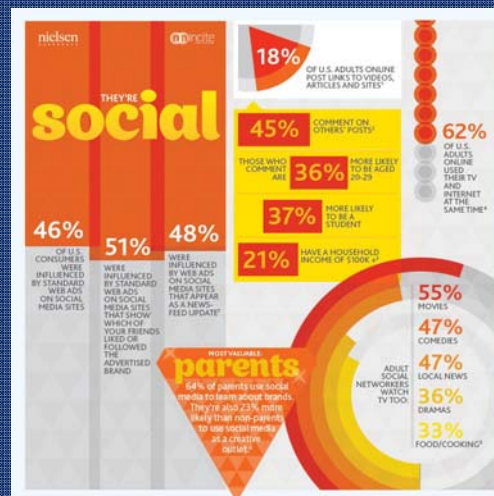
- Adapt to the digitalization of consumption e.g. print on demand
- Provide digital products/services e.g. Amazon Kindle
- Opportunities e.g. take up decline in readership
- Use growing sectors e.g. product positioning and market penetration in social networks



# Learning about New Age Consumers

Learning about digital consumer behaviors involves research in consumption patterns and practices that are digital. In principle it involves:

- Designing data collection tools
- Analyzing collected data



The processes of consumer research involve the following steps

## A Planning phase

1. Establishing the focus of the investigation
2. Identifying available sources (i.e. secondary sources) – deciding on using
  - Syndicated data sources: established marketing databases
  - National data: country databases and statistics
  - Internet: regional information

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### 3. Developing a research approach to the question – deciding on whether research is

- Causal: inquiring into relations between variables
  - Example: does Facebook help increase sales?
- Descriptive: inquiring into outcomes
  - Example: what are the features of Facebook users?
- Explorative: inquiring into the features of phenomena
  - Example: is there any relationship between Facebook users and LinkedIn users?

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- Evaluative: assessing into the effectiveness of procedures
  - Example: what is the most effective social network?
- Predictive: forecasting outcomes
  - Example: what time of the year is best for promoting through social networks?
- Explanatory: identifying the reasons of observed outcomes
  - Example: what is it that makes promotion through social networks difficult?

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- Explanatory: identifying the causes of observed outcomes
  - Example: is there a correlation between social networking and age?
- Control: what happens if the variables change
  - Example: is social networking a gendered activity ?

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4. Identifying population and sample

5. Formulating a research design – deciding on

- Research strategies: evaluation; survey; observation
- Research methods (i.e. primary sources): qualitative techniques (depth interviews; focus groups; projective techniques; word associations; ethnography: observations followed by interviews; diaries; documentary analyses); quantitative techniques (questionnaires), observational techniques (recording and tracing actual behavior); digital (internet based)

<http://www.mind-share.net/>

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6. Establishing the success criteria for assessing both the research process and the verification of hypotheses





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## B Implementing phase

1. Collecting data
2. Analyzing data
3. Drawing first conclusions
4. Pre-evaluating research to bring improvements
5. Carrying out improvements
6. Drawing final conclusions

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7. Comparing final conclusions against available literature
8. Making recommendations for further research

### C Evaluating phase

- Assessing the research process in its entirety

## Activity:

### Research report planning

- Project topic: *to be established by the student*
- Project plan:
  - What is the purpose of your research?
  - What do you do to achieve the purpose of your research?
  - What is the population sample?
  - What methods will you use to collect data?
  - What is the research timetable?