

Issues for Exploration of Differing Values among Sub-groups of Young-Adult Consumers

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Abstract

Youthful buyers in general, and college students specifically, have been raised in a credit card society; they grow up with debt and use credit freely (Manning and Smith, 2005). In prior generations, credit debt was reserved for only certain types of purchases: cars, houses, vacation trips, etc. Today, everyone enjoys owning multiple items as values are different than in the past. The demand of today's materialistic, "now," society has changed the usage and application of why consumers make purchases. These days, the mantra of "buy now, pay later," is portrayed in the mass media and popular culture as primary new values of the "Just Do It!" generation. Too often, financial irresponsibility is portrayed as a being a rite of passage as youth make the transition to the personal responsibilities of adulthood. Personal satisfaction has become the driving force in consumer-purchase decisions. In reality, many youth find their personal relationships and professional careers ruined without an informed view of the power of plastic, and control of their wants vs. needs (Manning and Smith, 2005). This research looks at a providing a template for chronicling the changing in the values of society at large and adolescent consumer-behavior in particular, with respect to shopping, saving and spending habits. The focus is on how 'got to have it now' may have ruinous effects on the long term picture that includes home ownership and higher education.

Introduction and Social Values

Consumption values refer to subjective beliefs about desirable ways to attain personal values. People achieve personal values (or goals) through actions or activities, such as social interaction, economic exchange, possession, and consumption (Sheth et al. 1991). According to means-end chain models of consumer product knowledge (Peter and Olson 1990), people may have ideas and preferences about various actions that can help them achieve personal values. Therefore, relative to personal values, consumption values are instrumental in nature. For example, owning an elegant house and acquiring a prestigious car are for some people desirable ways of achieving self-fulfillment. Attending football games (especially those of favorite teams) and taking a vacation trip are favorable activities which lead to personal fun and enjoyment. Furthermore, individuals may hold several personal values by which they direct or evaluate consumption activities. Therefore, the consumption values of these types of activities (or possessions) are sophisticated and do not simply satisfy one single personal value (Sheth et al. 1991).

As we can observe in ourselves or others, consumption activities usually include an assortment of goods and services (Boyd and Levy 1963). For example, "owning an elegant house" requires house owners to acquire many goods and services in addition to the house itself, just as "taking a vacation trip" involves many other related acquisitions. In many cases those "acquisitions" fall under the category of the lifestyle that accompanies the consumption. McCracken (1988) observes that "the consumer goods in any complement are linked by some commonality or unity." From a social interaction perspective, Solomon (1983) maintains that consumers employ product constellations in "setting the stage" for the social roles they play. Product unions and associations occur, because individuals use entire complements of products to achieve personal values. Product groupings carry the same information about individual values. The education plus the house plus the car plus the type of leisure activities (vacations, events, hobbies, etc.) tell information about the consumer. Furthermore, Lai (1994) maintained that consumers may obtain satisfaction holistically from the related consumption activities and the groupings of products in use.

What a consumer "values" involves a customer's ideas about what they want and believe they get from buying and using a product or service (Bagozzi and Dholakia, 1999). Putting a value on ownership of a product or service basically comes down to what is important in terms of products and value proposition (i.e., what a person sees as a purchase that is important). Those cultural "value propositions" are developed via the individual's particular cultural value constructs:

- (1) *a consumer's personal values and goals* - their central beliefs about right and wrong and goals that motivate them,
- (2) *a consumer's use-situation* - the specific context, purpose, and relevant circumstances surrounding their purchase decision, and
- (3) *a consumer's perceptions of the product* – how a product is broadly defined to encompass any combination of products or services being offered.

Value resides at the heart of this *interaction of product, person, and purpose* (Woodruff, 1997). Of course, value decisions are mitigated by the influence of the various cultures that influence consumer behavior. At the heart of the individual is the ethnic culture which tends to be embedded in the family environment via the ethnic component possessed by that family. Those cultures also derive from the following:

Family - learning how to abide by house rules and the basics of learning how to live among a family unit (ethnic culture is embedded here).

Church - learning about morality, faith and beliefs via initial exposure relative to your culture.

School – the socialized learning process.

Friends - learning how to care for and about each other and how to have fun.

Television – learning about what is happening in the world, and about trends in fashion, relative to choices people make of the same or dissimilar cultures.

Popular culture – things around us that impact our meaning and understanding, both in and out of one's category - e.g., age, gender, lifestyle, and geography [rural, suburban and urban].

Internet - learning about what's new in games, gadgets, and websites, events and usage, and how to be socially active and connected electronically.

News stations – learning about how others live in other parts of the world, and learning their economics and politics.

Grandparents (specifically) and parents – learning how things were in the past.

Business establishments – how to act and respond in certain business environments and the changes therein that are necessary.

Over the years the cultural values constructs (i.e., those cultural values that influence consumer decision processes) have increased in both multitude and magnitude, as more and more contextual interaction between cultures impact decisions.

This means that customer value is uniquely *perceived by customers* and different from a popular concept like "*customer lifetime value*," which takes a seller's viewpoint, the latter trying to calculate what a customer's patronage is worth in dollars over the lifetime of the relationship. Also, customer value is strongly related to, yet distinct from, *customer satisfaction*. Satisfaction is a customer's positive or negative feelings about the value they received as a result of using a product or service. *Customer value, on the other hand, is a customer's perceived trade-off between benefits (what you get) versus sacrifices (what you give) in a given situation* (Smith and Colgate, 2007). Some consumers have a totally different and unique understanding as to what some purchases innately mean.

The word "value" has discrepant meanings in the marketing literature, especially between two key areas: marketing strategy and consumer behavior. What marketing strategists mean by "customer value" is quite different from the meanings of the "consumer values" discussed in consumer behavior research (Clawson and Vinson 1978; Kahle 1977; Peter and Olson 1990; Sheth, Newman and Gross 1991; Vinson, Scott and Lamont 1977; Wilkie 1990). Generally speaking, "customer value" focuses on the buyers' evaluation of product purchase at the time of buying, while "consumer values" stress people's valuation on the consumption or possession of products.

Personal Values

Personal values are the individuals' beliefs about what is desirable to them. In that case, the values signify one's self-concept, relative to others inside and outside of one's reference group. They are self-centered; that is, personal values are closely linked to needs. Moreover, they are derived from, and modified through, personal, social, and cultural learning (Clawson and Vinson 1978). From a cognitive perspective, personal values are the mental representations of underlying needs after the modification (Wilkie 1990). For example, the cultural value of "self-fulfillment" might be manifested quite differently in the minds of two individuals with different familial and personal backgrounds. At play here are a number of culturally-directed feelings received from family, friends, associates, peer groups, etc.

According to Rokeach (1973), personal human values have two main types: terminal and instrumental. Terminal (or end-state) values are beliefs people have about the goals for which they strive (e.g., self-fulfillment, or enjoyment in life). Instrumental (or means) values are beliefs about desirable ways to attain these terminal values (e.g., owning an elegant house, or taking a vacation). Therefore, personal values generally correspond to terminal values, while values of desirable activities are comparable to instrumental values. Personal values are enduring beliefs which guide various actions and judgments across specific situations.

Consumption Values

Consumption values refer to subjective beliefs about desirable ways to attain personal values by consuming items. People achieve personal values (or goals) through actions or activities, such as social interaction, economic exchange, possession, and consumption.

Sheth et al. (1991a, 1991b) conceptualized a model to help comprehend how consumers make decisions in the marketplace. They based their model on the principle that the choices consumers make are based on their perceived values in relation to what the authors called "market choice," and that the perceived values contribute distinctively to specific choices. Because their model examines what the product values are that attract consumers, it can be viewed as a way to understand the attitude toward the product, making this a proactive way to understand product acceptance and adoption.

Consumers attach different values to products and product groups and this affects their motivation to purchase. These values include the following: functional value, social value, emotional value, epistemic value, and conditional value. All consumption values influence consumers' purchase behavior. People seek to satisfy their needs and desires with modern possessions and view themselves as modern consumers because different consumption values have been fulfilled. A decision may be influenced by any or all of the five consumption values. Various disciplines (including economics, sociology, several branches of psychology, and marketing and consumer behavior) have contributed theory and research relevant to these values (Sheth, Newman, Gross, 1991).

Functional Value. The functional value is defined as: The perceived utility acquired from an alternative's capacity for functional, utilitarian, or physical performance. Functional value may be derived from characteristics or attributes.

Social Value. The social value of an alternative is defined as: The perceived utility acquired from an alternative's association with one or more specific social groups. Social value is acquired via associations with positively or negatively stereotyped demographic, socioeconomic and cultural-ethnic groups. Items purchased for their social value include those items that are highly visible and high in image to selected individuals. Products supply symbolic and/or conspicuous consumption value.

Emotional Value. The emotional value of an alternative is defined as: The perceived utility acquired from an alternative's capacity to arouse feelings or affective states. An alternative acquires emotional value when associated with specific feelings or when aroused. Often these items stir emotion when acquired.

Epistemic Value. The epistemic value of an alternative is defined as: The perceived utility acquired from an alternative's capacity to arouse curiosity, provide novelty and /or satisfy a desire for knowledge. Being first in the group to discover a new social venue, or to have a new product, has discernible epistemic value.

Conditional Value. The conditional value of an alternative is defined as: The perceived utility acquired by an alternative as the result of the specific situation or set of circumstances facing the choice maker. Conditional values can be seen as the value that results in completeness, as the appropriate additive in a given situation. Having these items/products/service is seen as the correct thing to do.

According to means-end chain models of consumer product knowledge (Peter and Olson 1990), people may have ideas and preferences about various actions that can help them achieve personal values. Therefore, relative to personal values, consumption values are instrumental in nature. For example, owning an elegant house and acquiring a prestigious car are, for some people, desirable ways of achieving self-fulfillment. Attending football games (especially those of favorite teams) and taking a vacation trip are favorable activities which lead to personal fun and enjoyment. Furthermore, individuals may hold several personal values by which they direct or evaluate consumption activities. Therefore, the consumption values of these types of activities (or possessions) are sophisticated and do not simply satisfy one single personal value but multiple values (Sheth et al. 1991).

Values in principle provide more information than demographics. Demographically similar people who endorse sense of accomplishment vs. self-fulfillment both share educational, economic, psychological and social prosperity as important goals. However, buying products/services, educating children, home ownership, going out to dinner and taking vacations all have quite different meanings for different groups.

Exploration of Differing Values

What is being proposed is to determine, via questionnaire, how these different types of values have changed over time, and how they differ for different subgroups of young consumers. Several key sub-groupings would be interesting to investigate. Key among them would be race, gender, and age. We would choose our primary set of respondents to be college students, both undergraduates and graduates. This is a population which is "qualified" to ponder such issues and answer the questions we pose on a questionnaire. We would compare our results with previous literature to address the issue of changing over time. We would do an extensive statistical analysis of the current data to investigate the degree to which the "new values" differ by segment along the race, gender, and age dimensions. Other dimensions might also bear investigating – such as selected family demographics.

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