

SUBSISTENCE CONSUMER MARKETS: A THIRD REVOLUTION FOR MARKETING PEDAGOGY

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ABSTRACT

Marketing pedagogy is highly responsive to technological breakthroughs such as radio, television, cell phones, the Internet, and Web 2.0 social networking, and it has had to reinvent itself twice on account of population shifts that radically altered the needs of markets and students. The first such episode took place in the 1920s and 1930s in response to one of the largest rural-to-urban migrations in recent history; a migration that revolutionized physical distribution and retailing, mass advertising, and the importance of branding, and led to marketing-focused textbooks and courses being added to university curricula. In the span of two decades, millions of consumers traded family farms for urban and suburban lifestyles, and empowered by automobile ownership and improved roadways, encouraged the creation of supermarkets, mass merchandisers, discounters, and strip malls – all with plenty of parking. Evolving transportation modes and shopping strategies, along with new consumer and merchant priorities, led to changes in packaging, retailing, labeling, advertising, and how marketing was taught in universities. Marketing education became a staple in business schools as a result.

A second wave of change followed the rise and maturation of the post war generation; millions of consumers in pursuit of hope and a renewed sense of direction that because of consumption savvy and diversity in their demands rendered then-dominant marketing theories and approaches ineffective. Starting in the 1950s marketing thought leaders worked on concepts such as the 4Ps, segmentation, psychographic profiles, and information processing, and marketing education began its ascendance from practice-informed descriptions based on anecdotes and historical antecedents to theory-based arguments and model applicable across market contexts. This is the educational milieu in which most of us were trained and currently function, and where ideas from scholars such as McCarthy, Kotler, and Sheth replaced those of Converse and his associates.

Radical change in marketing pedagogy may be about to happen again, as millions of subsistence consumers enter global markets, and by virtue of their rising discretionary spending power, sheer numbers, and different ways of thinking about products and consumption, expose deficiencies in the marketing theories and approaches that have shaped the field for the past fifty years. More than 4.5 billion subsistence consumers are dispersed throughout the globe, but they are primarily concentrated in Africa, Asia, and Latin America. They typically make \$2-3 per day, and because of rising daily income it is estimated that an additional 1 billion consumers will enter the market for consumables such as shampoo, packaged foods, electronic products, and the batteries that power them in the next 10-15 years. Almost half of them operate micro-enterprises and blend buying and selling decisions. In addition, more than half are functionally illiterate (e.g., cannot read store signage and package labels), and exhibit tendencies toward concrete thinking and a preference for pictorial information that set them apart from consumers in developed economies. On the other hand, they are intelligent and highly motivated, and hold sophisticated consumption priorities that differ from ours. Moreover, they come to us with wireless devices and Internet access, and with knowledge about what is available and possible that is unencumbered by the progression in evolved expectations that informed past reinventions of marketing pedagogy. Where Converse and Kotler had decades to respond to population shifts that involved tens of millions, we have a few years and face a population shift ten times the size.

Subsistence consumers see the world differently. Concrete thinking, reliance on pictorial representations, rich social networks, and acute constraints are among the factors already identified as affecting how they process marketing messages and consumption experiences, and lead them to different assessments of consumption outcomes and market interactions. In addition, they display an acute desire to understand how markets operate, and are hungry to be taught how to market what they produce and engage markets in safe and profitable ways. It will be difficult, however, to reach them through traditional pedagogical approaches. Ahead of marketing educators in developing effective teaching approaches are governments, NGOs, and other actors in the social marketing arena; entities generally seen as late comers to the field but who are well versed in understanding and influencing consumption among the poor. Their approaches are admittedly applied and not always theoretically rigorous, but many are effective and worthy of our attention. Experiential learning that relies on wireless technologies and pictorial representations, for example, has proved effective with some subsistence populations, as have participatory rural appraisal techniques and delivery methods (songs and rhymes) that align with the oral tradition by which low literacy populations transmit knowledge. We have barely scratched the surface and may not be moving fast enough, but what has already been achieved is exciting. In the same way that rural migration and the post-war generation forced radical change in marketing pedagogy, subsistence consumers are rendering many of our tried-and-true approaches ineffective, and demanding that marketing educators respond to their needs and offer viable solutions. Those that develop such solutions stand to make perhaps even greater contributions than those of our highly celebrated predecessors.