International Series on Consumer Science

Elizabeth B. Goldsmith

# Social Influence and Sustainable Consumption

Springer

# International Series on Consumer Science

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# Preface

Welcome to *Social Influence and Sustainable Consumption*, where discussions and critical thinking about consumer well-being take place, where we search for information about who influences who and why, and where we wonder about changes in communication patterns and the impacts on the marketplace.

We used to get our information in person—word of mouth. That expanded to print and other forms of media. Then, our world of interaction exploded with the advent of the Internet and interactions became more complicated. Our daily time management includes hours spent online. Questions arise about privacy and whether our loyalty or views can be easily swayed by people we do not know, "friends" we meet online. Who are the influencers? Are you an influencer? If so, in what ways or categories?

This book is divided into three parts—*Social Influence*, *Consumers*, and *Sustainability*—as a means of understanding consumer behavior in the twenty-first century given new technologies and ways of interacting online and off-line. In Part I, Chaps. 1–4, provides an overview, a theoretical and historical/background of opinion leaders, and a Social Influence Model original to this book. Part II has Chaps. 5–7 focusing on consumption, consumer behavior, decision making, problem solving, and applications to households as consumption units. Part III is led by Chap. 8 contributed by Dr. Ronald Goldsmith of Florida State University and Dr. Todd Bacile of Loyola University New Orleans. They reintroduce social influence as it relates to sustainability and recommend the use of social marketing strategies to promote it. This chapter leads to a discussion of the built environment contributed by Dr. David Goldsmith of Virginia Tech University, who teaches in the Myers-Lawson School of Construction: Where we live and how we live and what it all means. What will the next 50 years look like? The last chapter provides four strategies for improving sustainability.

Be empowered, curious, challenge conventional ways of influencing and being influenced. This book is a guide to creating bonds between sources and receivers with implications for consumers, educators, businesses, public policy, and government.

Elizabeth B. Goldsmith

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Many thanks as always to my academic home Florida State University and to my family: Ron, David, Andrew, Jessica, Orville, Woodrow, and Magnolia for their love and support.

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# Part I
# Social Influence

# Chapter 1
# Introduction to Social Influence: Why It Matters

*Life is the art of drawing sufficient conclusions from insufficient premises.*

Samuel Butler

**Abstract** This chapter introduces the subject of social influence which is how one person or group affects another's opinions, attitudes, emotions, or behaviors. Social influence is applied to sustainable consumption. To illustrate the relationship, a new model of social influence flow is presented. A sub-topic is digital influences, the people who have a voice and loyal following on everything from Facebook to Instagram. These are types of social networks that involve communication and response. Digital influencers write product and service reviews that others read and respond to online or in their consumption behavior. A central theme is that as long as there are humans, there will be social influence.

## What Is Social Influence?

This is the story of the rise in the power of social influence as it applies to consumers and sustainability. The underlying premise is that sustainable behavior is a desirable goal for all of us, a positive striving toward the future. We want better lives, healthier outlooks, and improved well-being. These can not really be effectively discussed without including personal and collective consumption behaviors (Mick et al. 2014).

Sustainable behavior is a multidimensional concept that includes behaviors such as conservation of natural resources through efficient use, recycling, purchase and use of green products, and other behaviors that preserve the natural environment including air and water quality. One means of promoting these desirable behaviors is the use of social influence, that is, the influence that people have over other people. Social influence is how one person or group affects another's opinions, attitudes, emotions, or behaviors. It is part of the broad content area of



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social sciences. One group of social influencers is called digital influencers. These are people with a voice and loyal following on Facebook, LinkedIn, YouTube, MySpace, Pinterest, blogs, Instagram, and other social networks.

Consumers are individuals or groups, such as families who obtain, use, maintain, and dispose of products and services to increase life satisfaction and fulfill needs (Goldsmith 2009). Consumers are heavily researched. The consumer literature including consumer well-being spans over many fields over time (Mick et al. 2014; McGregor and Goldsmith 1998).

The most widely recognized definition of sustainability comes from the Brundtland Report (1987) which states that sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their own needs. It is often described as a three-legged stool with these legs:

- Economic
- Cultural
- Environmental

All three "legs" will be covered in the book and additional definitions of sustainability will be given. Digital influencers have shaken up the conventional ways of influencing others whether about sustainability or other topics. Consider the case study of Jen Hsieh who is a fashion influencer through her blog.

**Case Study: Digital Influencer Jen Hsieh**

Jen Hsieh ducked out of the office at lunchtime last Friday and took the crosstown bus to Kate Spade's presentation during New York Fashion Week. Ms. Hsieh, 22, has a full-time job at a social-media agency as well as her own personal style blog on the side—and it was the latter that got her the coveted chance to preview the designer's spring collection.

Ms. Hsieh spent about an hour taking pictures from all angles in the space, which was decked out like a garden party. That evening, she posted 27 flattering photos of the preppy clothes and accessories to her blog, which quickly drew praise. "I seriously want THIS ENTIRE COLLECTION," one commentator wrote, to which Ms. Hseih responded "I had to keep myself from drooling."

The Kate Spade invitation, Ms. Hsieh's first official fashion week invite, came through Fohr Card, a database that matches fashion brands and bloggers. Brands are using Fohr Card to identify new "digital influencers"…

Source: Elizabeth Holmes (September 11, 2013). The New Style Influencers. *The Wall Street Journal*, D 1.

In the case study, one might wonder how or why an established well-known company such as Kate Spade would invite a blogger to a fashion event. It turns out that influencers with a small reach can be a big deal because that reach is deep, to the devoted, to the most likely to buy. "Many influencers carve out a niche, whether expertise in a product type or a loyal regional following, and are paid with fees or freebies, sometimes without transparent disclosure" (Holmes 2013, p. D1). Also in the case study, Fohr Card is mentioned. It is a company with two founders, James Nord and Rich Tong, who in less than a year became well-known as researchers of influencers using statistics such as website traffic or followers on Facebook, Twitter, Tumbir, and Instagram which measure an influencer's reach. For example, using metrics the company can measure the number of likes on Facebook or Instagram. Brands pay to login to the database. Later in this book, we will talk about Klout and other companies who measure influencers.

Social influence can take a variety of forms such as persuasion, conformity, motivation, compliance (responding favorably, going along), performance, obedience, leadership, and information exchange. It is applied to many fields including consumer behavior, sales, marketing, education, public health, environmental studies, anthropology, political science, public opinion studies, family relations, child development, communication, psychology, and sociology. As a practical example, in the United States, a first-time bride may conform to tradition or social pressure by wearing a long white wedding dress but show reactance (need to not conform or need for freedom) by wearing flip flops or cowboy boots with it.

Social influence can be categorized into these four main types:

1. Imitation from observations. We observe how others behave such as what they eat, what they wear.
2. Formal, from authoritative sources or as a result of advice seeking.
3. Information from word of mouth, caught conversations, and informal listening.
4. Social groups such as membership in clubs, families, organizations, networks, institutions, and workplaces. These can be commercial such as membership in Costco or Sam's Club or frequent user or loyalty reward programs offered by hotels, stores, restaurants, and airlines.

**Critical Thinking: Commercial Clubs**

Do you think commercial clubs such as Costco or Sam's Club or fitness centers take advantage of our need to belong? By charging money for selling goods and services can they still be considered clubs? Or, is this simply smart marketing and a label or practice that we accept?

To be human is to be social according to Aronson (1972/2008) who wrote the famous book entitled *The Social Animal.* Another influential book is *The People's Choice* by Lazarsfeld et al. (1944) which is about the importance of communication in groups.

Anthropologists report that hundreds of thousands of years ago humans lived in small groups and spent most of their waking hours foraging for food. They communicated to each other where the food was and there were group leaders. Most of us today know where to find food but there are food channels on television telling us how to find unique ingredients or how to prepare food better. There are leading chefs who rise and fall in their popularity. Our friends or co-workers may tell us where a new restaurant is or how good it is. An example is when Sara received a call inviting her to a "Girls Night Out" at a restaurant that just opened.

Researchers Ed Keller and Jon Berry (2003) say that today one American in ten tells the other nine how to vote, where to eat, and what to buy and they call these leaders, influentials. Obviously, political operators would like to identify that one person among ten who has such influence. Do you know someone who you can identify as an opinion leader in politics? The growth in social media and networks indicates that the means of identifying may be shifting along with other spheres of influence. One of the most famous examples of this in the services industry happened when a musician's guitar was ruined by an airline's baggage handling system. His photos of the beat up guitar went viral and affected not only a single company but the entire airline industry. *Consumer complaints are no longer one on one between the customer and the company.*

One of the main drawbacks in discussing social media, a form of social influence, is that it is moving so fast examples can quickly outdate so readers are urged to supply their own examples as they read through the book. Social media was once a start-up, a new concept enhanced by rapid advances in technology. Steve Case, Co-founder of AOL, was one of the pioneers in social media. AOL allowed individuals to communicate with each other over the Web before the companies existed that we are more used to today. He helped make the Web a part of everyday life by adding features to make communication easier. As with so many early pioneers in the Internet and software development such as Bill Gates, he has formed a foundation with his wife, Jean Case, called the Case Foundation. Foundations are another way people connect with each other.

## *Groups and Connections*

Here is an example of social media, social influence, and consumption. Louise was buying a new car after her beloved 22-year-old car started falling apart. She searched for months, talking about it with her husband and friends, finally selecting the make and model she wanted, and then searching on the Internet to find the lowest price. She found a dealership 2 h away who would sell her the car for the price she wanted so she ordered it and almost immediately had buyers' remorse and sought out reassurance from her friends in person and online that she made the right decision. She rented a car to drive over to get the new car and drive home. This trip worried her and required friends' reassurance once again. Louise's story is an example of the interaction of an individual with several groups (six dealerships, personal friends, families, blogs, and Facebook friends).

> Groups are of particular interest to consumer scientists and other applied researchers, and to marketing managers because behavior in groups is usually more readily predictable that that of individuals. In everyday conversation, the word 'group' denotes any collection of human beings, from one the size of a football team to one as large as a football crowd

> or even a nation…A human group involves several people who share common goals or purposes and who interact in the pursuance of these objectives; each member of the group is perceived by others as a member and all members are bound together by patterns and networks of interacting over time (Foxall and Goldsmith 1994, pp. 193–194).

Belonging to groups and interacting with them are vital to us as social beings. Mark Zuckerberg who founded Facebook studied psychology and computer science at Harvard. He recognized that *the fundamental key to invention is understanding human behavior*, in his case, finding a novel means of meeting the human need to connect.

*A central theme of this book is that as long as there are humans there will be social influence*. It is part of our social structure that consists of the relationships, channels, and institutions in which individuals exist, through which he or she expresses him or herself and in which he or she works out a preferred and valued lifestyle. It may spring from the need to be right or the need to be liked. Gathering information is a way to reduce uncertainty and anxiety over decisions. Families, friends, social groups, environments, perceptions, information exchanging, motivation, needs, resources, and personality (introverts vs. extroverts, emotionality, tough-mindedness, impulsiveness, venturesome) all play a role. We want to be connected and to exchange ideas through:

1. Formal associations: As an employee, as a member of a task force, as a member of a political or religious organization.
2. Impersonal associations: As a reader of product reviews or blogs written by people unknown to us.
3. Past associations: As individuals with memories of people and places.
4. Intimate or personal associations: As a family member, as a friend.

These domains often overlap and social influence is the strongest when it is consistent over time. The new car buyer, Louise, accessed all four types: formal and impersonal associations, past associations, and intimate or personal associations. As another example of social influence and associations, forty-year old Connie says her parents were talking about how Katie's hairstyle had changed and they did not like the new style. Connie could not guess who Katie was so she asked and it turned out to be television personality and former news anchor Katie Couric. Her parents were talking about Katie (an impersonal association) as if she was a family member or friend. Another example is that a colleague at work could be both formal (through title and activities) and also a personal friend. People are more swayed by people they like and interact with regularly.

The environment where interactions take place changes all the time. John, a recent retiree age 67, says that the secret to a successful retirement is to get out every day whether it was a trip to the grocery store or to the post office or to take a walk around the block—it did not matter, the point was to get moving and interacting with other people. He said with the Internet and television and no set schedule it was easier to stay home, but he thought getting out of the house was important and that he slept better as a result. John's physician told him the best advice for living a long life was to not smoke and to keep moving. It took John awhile to adjust. The office staff and other co-workers are no longer part of the everyday exchange of information and John reports that the few times he has gone back it did not feel the same so he quit going in for visits or events. He reasoned that his interests had changed and so had those of his co-workers and the commitment level had changed. He had to realize he was no longer part of the workforce. Another example of drastic environment/life change is graduating from college.

The transition from one life course to another may be softened by the increasingly easy way to stay connected through the Internet. Another factor is that location is less important as many friends are those only online or usually online such as relatives who live a long distance away. This comes back to how social influence is changing from a more immediate who you know in person to whom you may know online. Questions surround who are friends or advisors such as those on LinkedIn and how you make contact and how often.

## *Consumers and Social Influence*

On making a resort hotel reservation, I was referred to Debbie. She said her name three times during the conversation about types of accommodations, services, dates, and arrival times. After making the reservation, Debbie said for me to call her directly and that she would call me closer to the reservation. She did do this saying "This is Debbie calling, looking forward to meeting you…" In this case, it was not a recording or a phone call outsourced to another country. This interchange shows that the lines are blurred as to close or real friends and friends only known online or in other ways. I actually started looking forward to meeting Debbie and I am sure this approach resulted in fewer cancellations. I would not want to disappoint Debbie. Within 1 month of the reservation I received emails from the concierge about different spa services, outdoor activities, and children's activities I might want to sign up for in advance. The concierge was referred by Debbie. Perhaps what we are talking about here is the depth of the relationship. Once the vacation is over will Debbie end the relationship or will she try to keep it going by contacting me about future deals and packages?

Note the number of restaurants who encourage the wait staff to say their name to customers "Hi, I'm Sean and I will be serving you today, can I start you off with drinks and appetizers?" Debbie and Sean are building relationships and credibility which are tools of social influence used to build trust. Once established, Debbie and Sean can suggest accommodations and menu items that the customer may like. The relationship with Sean is most likely a one time occurrence but customers are known to have favorite waiters or waitresses and like sitting at the same table at the same time. Henry took his 82-year-old father to the same restaurant every weekday morning for breakfast for 3 years. Everyone knew them and they both enjoyed this ritual. After the breakfast, Henry would drive his widowed dad back home and then Henry would go to his job as an accountant. When his dad passed away, everyone who worked at the restaurant and many of the regular customers mourned his passing and Henry had to quit going there on a regular basis, too many memories.

**Critical Thinking**

What do you think of service industry people such as Debbie and Sean giving their names to customers? Do you like it or find it fake, annoying, or intrusive? What do you think of the companies that require reservationists and servers to say their names to customers? Have you ever been on an airplane and the pilots and flight attendants told you their names over the announcing system? Did you find this reassuring especially to know the pilots' names were Rick and Doug and other information such as, "We are now at 30,000 feet and it is a beautiful day for flying? Sit back and relax and enjoy the flight." The case of the pilots personalizing the flight by saying their names and giving commentary is interesting because as a passenger you probably did not see them on entering the plane and most likely will not ever unless they greet customers after the plane lands and you are exiting. Do you think the practice of saying names (in a variety of occupations) to customers will rise in the future? Why or why not?

As another example, Serena in California wants more information on whether to buy a swimsuit from an online company such as Land's End or L.L. Bean. Her main concern is how it will fit her so she reads product reviews from Linda in Seattle and Ava in Rhode Island. If Serena is on the big side and does not want a snug fit she looks for information on that from Linda and Ava. A pattern develops about what most buyers thought of the fit and Serena makes a decision to take a chance and puts it in her shopping cart or bag. She feels she can trust Linda and Ava who she has never met. Although company-generated product endorsements in advertising have existed for a long time, the online product reviews from consumers are a fairly new phenomenon. More and more consumers say they will not buy items, especially clothes, without first reading consumer product reviews. They also read customer reviews of restaurants and hotels. After a recent hotel stay, Maddie was asked to write and post a review—the hotel encouraged her even without knowing what she would say. There is some thought that not having any reviews of a particular piece of clothing or a hotel may be a bad sign or simply perplexing to the potential customer. If no one else wants it or comments what does that say? On the other hand, 500 reviews give a lot of information.

Social influence, the "who" behind purchasing behavior, is a moving target. It has gone through dozens of permutations. If we consider the influence of different types of communication technology, we would agree that radio was once a bigger influence than it is today. Regardless of type, rather than seeking less social contact we appear to be seeking more, albeit in different forms. Any college professor will tell you that as soon as students leave class, they are on their phones talking with friends and family and in many cases ignoring the hundreds of students around them as they walk down the sidewalk or wait for the bus. One wonders if they are missing out on new relationships (with fellow students whom they have a lot in common with including the recently dismissed class) while they are talking with family and friends back home or maybe somewhere else.

## Social Media and Social Networks: The Need for Connection

What are the lessons of social influence? *One is that we want to be connected so we belong to, seek, or form social networks (types of structures) usually around a common bond, interest or belief, or relationships.* Often these networks involve word-of-mouth (Kozinets et al. 2010). Think of the amount of talking that goes on in each of the social networks to which we belong. Students going home for the summer and holidays usually miss their campus social networks and although online interactions and mobile phone conversations help overcome the loneliness they are not equal to the excitement of in-person conversations, one on one and with groups.

Examples of social networks abound for all age groups. At a retirement community, there were over 1,000 clubs from bridge to pickle ball (similar to tennis with a smaller court, less running involved). After touring several retirement communities, Damon, age 62, tried to convince his wife, age 66, to move to the community that had the most clubs. His idea of retirement is to join as many as possible from exercise clubs to crossword puzzle clubs. At one university, there were over 700 student clubs ranging from paintball clubs to fashion enthusiasts. The clubs are social networks formed within the greater social network of the university and beyond that into national and international clubs or associations. A new club is formed when the existing 700 clubs do not meet the needs of a small band of students. Camille said, "We formed a new club because we did not feel comfortable in Clubs X, Y, Z and we didn't think we could ever become officers. By forming our own club we could become officers immediately and do what we wanted."

*Another lesson is that we seek ease and convenience* and the Internet and cell phones help us do that. When a pharmacy does not open until 9 a.m., a customer can leave a message about what prescriptions need filling and therefore not wait until 9 a.m. to place an order. Another case in point is Starbucks and their success with stored-value cards. During the holiday season in 2014, one in seven Americans received a Starbucks gift card.

> Last year, Starbucks; U.S. customers downloaded $3 billion onto the company's cards and apps. In its latest quarter, new-card activations and reloads increased 32 % over the previous year as customers continued to switch to mobile payments. Consider that the Starbucks' inventory totaled $1 billion in the same quarter. I could argue that I'm financing the Caffe Verona before I buy it, although Adam Brotman, Starbucks' chief digital officer, sees it differently. 'The stored-value card really blossomed when we turned into the epicenter of the customer relationship,' he says. 'We want to make sure we are being relevant and maximize the experience.' That is, giving you offers and information tailored to your preferences (Saporito, The Cost of Convenience: Why You Keep Lending Money to Starbucks, *TIME*, June 3, 2013).

*There are other social network lessons that expand our notion of what it means to be human. As social beings how do we express ourselves? What information exchanges do we seek?* Life is a series of choices and selecting from social media (what, which, how much) are central to modern life. Are we reading less or more? How are we reading or listening (print or electronic or audiobooks)?

*Another lesson is that our daily lives are changing incredibly fast*. Time-honored ways of doing things are challenged or aided (depending how you look at it) by the new technologies. Airlines do not print tickets anymore. If we need to deposit a check, do we prefer to go to the bank and talk to the teller or are we more content to photograph the check and deposit it that way? In the long run, how will this affect the employment of tellers or the need for bank branches placed in community neighborhoods? As another example, do we want to go to the pharmacy to pick up a prescription or would we rather get prescriptions by mail? Or, is this decision made for us? A state medical insurance system required state employees to use online services for medication delivery rather than go to a pharmacy. How does this type of mass decision affect small town businesses? When someone goes inside the pharmacy to pick up medicine do they also usually buy something else? The answer is yes. It also explains why some grocery stores give away low-cost prescription medicine for free. Steve found out he could get his diabetes medicine for free from the grocery store he regularly shops at whereas it cost $7 a bottle across the street at a drug store. When he asked the pharmacist why it was free he was told "because we know you will buy other things when you are here." Putting several errands together in one place is a time saver that stores can capitalize on.

One trait stands out our need as consumers for information. We have an insatiable need for news, to know what is happening. During the aftermath of the Boston Marathon explosions, a few years ago and the hunt for suspects, a male student, Mike, said to another "I can't decide whether to go to biology class or to keep up with the news." The other male student looked at him and said "I'm going to class" and the first student said "Ok" and followed. This is an example of compliance and the mix of in-person exchange and online information and the tug of war between two competing activities. In this case, the going to class male student had the most influence.

This book on social influence cannot be written without addressing advances in technology and how this affects how we conduct our daily lives. Mike would not have had that choice 20 years ago. He would most likely have stayed home and watched the news breaking on television (or he would not have been aware of the event at all as it was happening) rather than following the story on a handheld device. Recent surveys indicate 51 % of American access news on a handheld device and this percentage is rising. It also calls into question how marketing research companies can track television viewing. It turns out that a large audience is viewing "out of the home" in places such as offices and airports. Evelyn had the experience of watching a small television placed in an elevator in a high-rise city hotel and everyone in the elevator commenting on the story that was unfolding.

A visual example of the passage of time is watching old television show reruns or movies when the main method of communication across distances was the telephone. Carrie, a character in the television show Sex in the City now in reruns, relies on her phone messages on her answering machine to find out what is going on (or not going on) and to make plans. If there are no messages she is disappointed. The first thing she does when she walks in the door is hit the message button on her answering machine. What would she more likely do today? Certainly not wait to get home to check messages. She would use a mobile device.

*Social Influence and Sustainable Consumption* is not only about place but also about wealth, access, and desire. Not everyone has the latest communication equipment or even wants it. They may not be able to afford it or they may think what they already have is good enough. Others are the first to buy or the first to know, they may stand in line overnight to buy the latest device because they can get it faster that way than by buying online. Others wait until the price comes down or the new model is more tested. This phenomenon called the adoption process or innovation curve will be covered in Chap. 2. In September 2014 when Apple's iPhone6 was introduced, waiting-to- purchase lines circled around buildings. Ten million were sold within a few days showing rapid adoption.

Future issues and possible realms of discoveries will be raised throughout the book leading to conclusions addressed specifically in Chap. 10. Questions that may arise in a search for information may include:

"What answer am I looking for?"
"How do I fit into this picture?"
"Will this new device make my life better?"
"Is the new device worth the expense?"
"Is the search worth the time and effort it will take?"

Jon and Eric were talking about reading books in print versus other ways. Jon, a 29-year-old IT guy, likes to read books on his phone, but Eric aged 58 said that screen size was too small for him. He reads books using his Kindle app on his iPad.

## Social Influence: Connectedness Is Changing Rapidly

Social influence has always been with us, but the means and modes are changing rapidly and significant questions arise about the worth and use of some of the new technology. In writing this book, I went to speeches and lectures on apps and all sorts of new technological advances and their impacts on time use and gaining information, read countless books, journal articles, magazine and newspaper stories, and online websites. I observed a college lecture where students were asked to pull out their smartphones or other devices to track the apps the professor was showing them on the big screen in the front. I was sitting in the back of the room so I could observe that at first students complied and followed the lecture, but fairly soon they started scouring the web looking at all sorts of things not at all related to the lecture.

Workplace applications abound. Sam, a stockbroker, observed that coworkers can be online for 3 h, and at the end of 3 h they have not accomplished a single thing and come away with an empty feeling. The head of the firm has to decide how effective online time is during working hours and how much it moves business along. Some workplaces control email behaviors by relegating them to a single hour a day such as 11–12, others let it be limitless. Depending on the work situation, it is nearly impossible to regularly monitor online behavior of a personal nature versus work-related. Jane, a supervisor, knew that at 3:00 p.m. every day, her office assistant would message or call her son to make sure he got home okay from school and everything was all right at their house. Jane approved of this because then her office assistant could return assured to her work and continue to the end of the day at 5:00 p.m.

Increasingly, people feel uncomfortable being away from their cell phones or iPads or whatever device they use to stay connected. The question arises, at that particular moment, is the person right in front of them or next to them more important than who is online? Have you noticed signs in medical offices or in businesses that say "please turn off cell phones so we can serve you better?" A phenomenon to observe within yourself is how long can you stand to be away from a device that makes you feel connected? How long do you suppose it takes for the discomfort level to set in with family and friends and more generally by other age groups, education levels, and locations? In short, we vary in our need for attachment with others and need for news and in our access to and use of technology.

The story of the two male students discussing going to class versus keeping up with the Boston news was overheard while I was waiting to go to my class in another building.

A lot of social influence is picked up informally meaning not information directly sought but overhead or observed like reading billboards on an interstate highway as a way to break up a dull drive. No one drives to look at billboards, they do not actively seek the information on them, but sometimes they are surprised that they are indeed interested in a restaurant or hotel or other bits of information such as "Divorces, our specialty, $399." Who knew a divorce could be obtained so inexpensively?

Following sources of social influence is a path of discovery. During the course of this investigation, the roots of social influence (from mass media to today) became more and more significant as a way to understand our present lives. Building awareness is a goal of this book. Most of us do not realize the pervasiveness of social influence and how much it is a powerful driver of human behavior and most relevantly to this book, consumer behavior. Companies who use social media as a way to sell products and services know how essential it is for modern life and that it is becoming more and more a force in consumer behavior and nonprofits as well understand its power to influence behaviors such as donating or volunteering behaviors. They are aware that the time to build capacity can be short. They know that industries or businesses can bounce back or can lose the game such as the short-lived Borders (books), Blockbuster (videos, movies), and Circuit City (electronics). An often repeated phrase reportedly attributed to the Chief Executive Officer (CEO) of a now defunct computer store chain was that "No one will ever buy their electronics online." To be fair, when personal computers first came on the mass market, customers wanted to try out the machines before buying. This quickly changed. To succeed business leaders should have foresight. They have to offer a better price, a better or unique product or service, or a promise of more status or a better lifestyle. *The consumer has to believe a product or service will improve their lives* or help them maintain the lifestyle they already have. A student in one of my consumer classes said:

> I'm not entirely sure why I bought the $299 orange designer purse. I went into the store with the idea of getting a colorful or summery looking purse with no set price in mind. Then I saw this display and I had to have one of them. I was shopping with Jessica and she said to go ahead and buy it because it had been a rough semester.

Several things are clear from this decision. First, Jessica had an influence in the purchase decision and she linked it to a reinforcing "you deserve it" message which advertisers from hair coloring products to cars have used for a long time. Shoppers often consult another person or several people before making a major purchase. Stores knowing this encourage friends or families shopping together as way to capitalize on social influence and hence, increase sales. Second, decision making is complex involving many factors. The longer a customer is in a store, the more likely they will make a purchase.

What makes choice making difficult is that often there are many alternatives to consider, and each alternative has many important, consequential attributes. The most difficult choices occur when there are negative correlations among the values of the attributes across the alternatives, forcing us to make difficult trade-offs because there is no perfect alternative; Cheap apartments are usually small, noisy, and poorly furnished; easy-to-reach vacation spots tend to be overrun with people; popular, useful courses are often crowded…" (Hastie and Dawes 2010, p. 218).

## Who Influences Us?

As noted earlier, Keller and Berry say that one American in ten tells the other nine how to vote, where to eat, and what to buy. They say that highly influential people use multiple channels of communication (as all of us do) but they tend to use some forms of communication more than others. For example, highly influential people tend to use electronic means such as computers and email and other online services especially heavily.

Adding to this discussion is Gabriel Weimann's book entitled *The Influentials: People Who Influence People*. In the Preface he writes that "there are certain people among us, the people whose advice and guidance we seek. They are the 'influentials,' the people who influence people. Who are they? How do they influence us? Why do we turn to them?" (1994, p. xiii). He goes on to say that his book transverses "various domains of influence from fashion to science, from health care to politics, or from agricultural innovations to family planning, *The Influentials* provides a true journey through the world of human decision making and personal influence." His research has a tremendous impact on the present book which seeks to update the information with the latest ways people are interacting (such as taking advice from more individuals not personally known to them) while at the same time narrowing the applications to consumers and sustainability. The nature of reference groups, any individual or collection of people whom the individual uses as a source of attitudes, values, beliefs, and action, will be discussed in a future chapter.

What is interesting about both of these books is that the opinion leader or top influencers do not have to be celebrities, politicians, or wealthy people rather they can be everyday acquaintances who you may ask for dietary advice or what movie to go see. If a friend of yours goes to movies almost every week and you go once a year you might ask that individual what movie they recommend. Often in business, the dialogue (say, the launch of a new product) is thought of as top-down, whereas it may occur in a book club or a runner's meeting. Influentials and consumers may use multiple sources of information. Say, for example, a husband is having trouble sleeping at night and his wife sees a commercial on television for a sleeping aid that is non-habit forming. She tells him about the product, he says he noticed it in the pharmacy and he may try it. In this case, only the wife knows that her husband is not sleeping well so she ends up being the influential, and other parts of the network are the actors in the television commercial and potentially the cashier or pharmacist at the pharmacy and his doctor.

The answer to the section title question "Who influences us?" is nearly everybody we come across or seek. This can range from afternoon television doctor shows to talk shows like "Ellen" to overheard conversations. The rise of email, apps, and texting and other permutations since his book was published in 1994 is impossible to measure except to say it is an incredible force for change. As this book went to press, 40 out of 50 states had passed laws prohibiting texting while driving. Regulation often follows invention.

Stores have expanded beyond bricks and mortar to more online presence. Recently, major department stores such as Nordstroms and Neiman-Marcus crossed the line to having more sales online than in stores. Harrods in London increased their online sales force and the number of web designers. Recruiters for these stores look for online skills in their new hires for headquarters. Even a store chain such as Tractor Supply "for those out there" (many of the customers still pay cash) found their customers went online first before coming into their stores for pet food, fertilizers, work clothes, farm equipment, tools, and seed. Once in stores, banks, car dealerships, or other kinds of businesses, attention is given to the parts of the physical environments (signs, smells, lighting, sounds, fixtures, color, merchandise display, parking) that influence consumption.

Researchers, in particular market researchers and political pollsters, study the people who exercise the most influence. Keller and Berry, authors of *The Influentials,* work for RoperASW, a marketing research and consulting firm. They say that:

> Roughly 1 in 10 of the adult population of the United States, the Influential Americans are the people who make the society, culture, and marketplace run. The most socially and

> politically active Americans – we screen them from the general population on the basis of their involvement in local affairs – the Influentials are active in their communities. They are highly engaged in the workplace and in their personal lives as well. They are interested in many subjects and are connected to many groups. They know how to express themselves and do so. And, because of their position in the community, workplace, and society, their opinions are heard by many people and influence decisions in others' lives. Almost certainly you know one of them (Keller and Berry 2003, p. 1).

## Why Study Influence?

As social beings, we are interested in each other. It is apparent that influence is a powerful driver of human thought and behavior. Few decisions are made in a vacuum. People present in our lives or groups from our pasts weigh in on our attitudes (likes and dislikes) and our way of purchasing. As noted earlier, consumer behavior advertisers, companies, and salespeople hope to influence you to make a purchase. An example would be choosing Heinz ketchup over Del Monte ketchup or Tide detergent over a lesser known brand. More broadly, influencing behavior can be viewed as fundamental to human behavior.

Parents want their children to act a certain way. Politicians want their constituents to vote for them. One of the leading inventors and statesmen in the United States was Ben Franklin who once experienced someone who started out not liking him and he sought to change (influence) that relationship. In *Autobiography* he wrote:

> I therefore did not like the opposition of this new member, who was a gentleman of fortune and education, with talents that were likely to give him, in time, great influence in the House, which, indeed, afterward happened. I did not, however, aim at gaining his favour by paying any servile respect to him, but, after some time, took this other method. Having heard that he had in his library a certain very scarce and curious book, I wrote a note to him, expressing my desire of perusing that book, and requesting he would do me the favour of lending it to me for a few days. He sent it immediately, and I return'd it in about a week with another note, expressing strongly my sense of the favour. When we next met in the House, he spoke to me (which he had never done before), and with great civility; and he ever after manifested a readiness to serve me on all occasions, so that we became great friends, and our friendship continued to his death. This is anther instance of the truth of an old maxim I had learned, which says, "He that has once done you a kindness will be more ready to do you another, than he whom you yourself have obliged." And it shows how much more profitable it is prudently to remove, than to resent, return, and continue inimical proceedings (Lemay and Zell editors, Benjamin Franklin's Autobiography: A Norton Critical Edition, NY: Norton, 1986; 1791 first edition).

As such, Ben Franklin was conducting a social experiment on a new acquaintance whom he expected to gain influence and hence, an important ally. We can all learn from his wisdom and experience. Have you ever tried to gain influence or turn a potentially sour relationship around in this way?

## Why We Buy?

Social influence has marketing (for-profit businesses and non-profits) and consumer implications. Social marketing is using marketing to solve a social problem so that some social marketing strategies use social influence. An example relevant to the subject of this book is that marketing strategies can use social influence to promote sustainable behavior. It should be emphasized that social influence, social marketing, and social media are separate concepts; however, there are situations in which they interact and overlap.

Many textbook and popular book titles have some version of this section title "Why We Buy?" It is the subject of countless corporate meetings and conference papers because it is endlessly fascinating and necessary to understand if a business owner wants to increase profits. Consumers have over 50,000 grocery products in the average size grocery store to choose from. How does he or she pick ten or twenty products? Need is part of the answer but there is also want. Needs are what we need to survive or sustain life, whereas wants are things that we desire such as an expensive new car, a custom model, which we want but do not necessarily need to survive. "Human beings have an exceptional ability to choose appropriate means to achieve their ends," according to authors Hastie and Dawes (2010, p. 1).

The first to buy, the innovators, are the subject of many research studies. Who are they? What drives them to want to be first? Some of the answers are more obvious than others and it depends on the product or service and the brand category. It makes sense the person most likely to try a new coffee is a heavy coffee drinker, the same is true for heavy technology users being interested in trying the latest equipment and software.

Innovators and early adopters are more likely to be heavy users of media than laggards who are the last to buy or do not buy at all or the last to adopt an idea or way of behaving. Innovators read product reviews, discuss new developments, or techniques, they are more likely to read ads or product descriptions, and some of the earliest adopters of new products are also opinion leaders, communicating their 'finds' with other consumers (Rogers 1983; Gatignon and Robertson 1991). There will be more on opinion leaders in the next chapter since they are fundamental to the historical development and present-day study of social influence.

When discussing the "why" behind selling products and services and their adoption, it should be noted that there is marketing research to determine these processes. From a consumer time point of view, there is a lot of wasted effort in marketing using questionnaire techniques that are less than effective in understanding the "why" behind selling products and services. Paul Lazarsfeld said this in 1935 so it is an on-going problem. Undoubtedly, there is a need for better measurement in marketing research. Another problem is frequency so that the public is over-saturated with feedback requests. Customers receive countless surveys such as pop-up messages with surveys after each restaurant, spa, and hotel visit requesting rankings on cleanliness, service quality, and so forth.

**Critical Thinking**
How much is too much when it comes to customer satisfaction surveys? Jordan, a busy physician, said her beauty salon reminds her of her appointment online two days before the appointment and she is asked to confirm. Then, after the appointment, she gets an online survey asking her to rank the quality of the service and if she would return and if she would recommend the salon to others. There are no discount coupons or other incentives for her to answer this survey once a week which is how often she goes. She finds this irritating when multiplied against all the other online surveys she gets from stores, restaurants, hotels, and other places. What do you think? Are you inundated with requests for feedback or do you know someone else who is? How could Jordan's salon moderate the frequency of their requests?

In the United States, about $170 billion a year is spent on direct marketing in the form of junk mail of both the physical and electronic varieties yet unsolicited advertisements receive very little actual response. For print the estimate is 3 %, whereas for electronic the follow up rate is only 0.1 % (No Hiding Place 2013). Because of this wasted expense and effort, companies would like to do a better job at finding potential customers and holding on to them. In this endeavor, most consumer researchers would agree that relying on demographics (age, sex, race/ethnicity, marital status, education, income, zipcode) alone is flawed, and the secret to understanding the consumer is to dig deeper into their psychological profiles.

There are countless individual studies that explore the relationship between personality and buying behavior. These studies explore personality profiling and companies do it all the time to understand their customers' needs better and forecast future purchasing behavior. If a consumer products company sells peach scented shampoo to 18-year-old females, they may wonder if lemon scented shampoo would sell equally well. It is even said that brands have personalities (Goldsmith and Goldsmith 2012). If you are adventuresome do you wear clothing brands that project that image? If you wear NorthFace brand active clothing are you rugged? Do you climb mountains or hike? The name springs from the north face of the mountains usually being the most difficult to climb. Are you drawn to travel companies that use the word "adventure" or "expedition" or similar type words to describe their trip offerings? An example would be National Geographic/Lindblad which brands itself as an expedition more than a typical cruise vacation. One of its ships is named the National Geographic Endeavour and it goes to the Galapagos Islands in Ecuador, South America. The name Endeavor implies effort. As an introductory chapter, this is a beginning set of concepts and examples with much more to follow personality, brands, and buying behavior in future chapters focusing on consumer behavior.

As mentioned earlier, companies want to know your degree of satisfaction with their products and services. Surveys are one of the ways companies get to know you better. Surveys can be conducted at the end of a service such as after purchase of a fast food meal or they can be conducted mid-way such as during a vacation ("How are we doing so far?") Asking mid-way rather than at the end gives the travel company or other service provider a chance to correct problems and satisfy the customer during the experience rather than when it is all over. This is a type of service recovery. Most surveys ask demographic questions such as your age or income group. Surveys also seek your reaction about the product or service quality you received. They may ask about your willingness to try a new product. There may be questions to ascertain a dimension of personality called openness to experience. For example, in a study by Tal Yarkoni of the University of Colorado, Boulder, he found that extroversion correlated with the words bar, restaurant, and crowd (No Hiding Place 2013) which makes intuitive or common sense. But, some of his results are less obvious such as trust being correlated with the word "summer" and cooperativeness with "unusual." This indicates there is more research to be done and once one gets into personality and attitudes things get complicated. Even more difficult critical thinking questions surround the ethics and privacy issues about this type of consumer information gathering and most especially should there be a national or international data base with records of personality profiling?

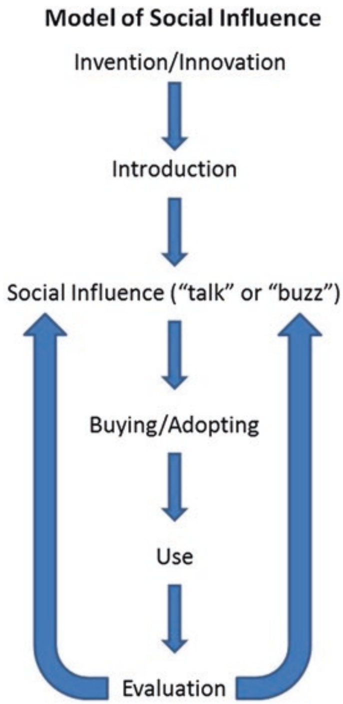
## A New Model of Social Influence

A decided trend in higher education is to encourage more enterprise or entrepreneurship in faculty and in students. Most universities today have courses, programs, top five BIG ideas lists, offices, and centers devoted to this topic. Certain disciplines such as engineering and business have encouraged invention or innovation all along but more fields have joined the active quest for better ways to do things and to create original products or services or ways of thinking. There is a re-visiting of the topic of invention and innovation and how we are encouraging students to be more inventive, more innovative.

An examination of the literature and in relation to this new drive on campuses and my own research led to the formation of the *Social Influence Model* whereby (Fig. 1.1).

Let us talk for a few minutes about the "buzz" and how it can be achieved. In the fashion industry, digital tastemakers use, big and small such as Jen Hseih in the introductory case study, to try to enhance brand images and spread the word of what is new. They can do this several ways through insider events such as Jen attended, free luncheons and trips, sample clothes or accessories, a behind the scene glimpse such as backstage at a fashion show, a chance to meet the designer or company CEO or celebrities, and photographs and media kits. At one time, influencers were mainly journalists who had rules of not accepting anything from

Fig. 1.1 Model of social influence




a company that cost money (or there may have been a maximum worth $10 or $20). If they received something of value it went into a communal pot at work and auctioned off or given to charities. The lines were often separated on this between editorial or news reporting journalists (for example, not accepting free lunches at political events they were reporting on) and those who wrote or edited advertising sections who usually had more leeway. Now, many of the influencers do not come from journalism rather they are start-ups, professionals with their own companies and a different set of rules. Hopefully, they are transparent enough that those following their blogs or postings realize it is possible they are being influenced by the larger companies who hold sway and invite them to events or give them samples. The argument could be made how can a blogger or anyone else judge and report on something they have not seen (and in some cases touched or tested if functionality or aesthetics are important)? How can you write that a fleece jacket is soft without touching it?

The last step "Evaluation" has lines drawn back to Social Influence because when an individual or team evaluates they are processing or judging what happened or outcomes. The person might examine the cost, value, or worth of a product, plan, or decision based on how it met needs, wants, standards, and goals and then communicates this back either online or in person, hence they serve as a social influencer. Did the invention or innovation lead to satisfying a need or want? For example, did the clothes fit? Did the cruise turn out to be as well as hoped? People engage in assessment through answering surveys and by the gathering of information all the time in order to make comparisons of expected results with those in the past and engage in communicating their conclusions. Providers of goods and services want to know how social influence works. They want to identify the social influencers and learn how they evaluate and spread the word and in what manner. The more positive and widespread the "buzz," the more sales and good will.

The process shown in the Social Influence Model leading up to assessment or evaluation step can take a long time. A car, for example, may be driven 100,000 miles before the owner determines if it is a good car or not. Sometimes the evaluation can not take place until an invention is available. Honda announced a new hybrid car that would be introduced in Japan and would not be available outside the country for several years. Anticipation is part of the "buzz."

> Sometimes invention or technology is ahead of where people want to be. For example, the light bulb was invented in 1879 yet by 1907 only eight percent of American homes had electricity. Why was so clearly a useful invention so slow to be adopted? The answers are primarily habit, comfort with pre-existing means of light, heating, and cooking, availability, and cost (Goldsmith 2013).

## Summary

Social influence is the "who" behind consumer behavior and sustainability. As a subject, social influence matters because it affects so much of what we think and do. Awareness, actions, and responses are parts of consumer behavior. Digital influencers are people with a voice and a following on blogs and other social platforms. They send messages of what is new or happening. Innovators are the first to buy or the first to find out. Social influence describes how one person or a group affects another's opinions, attitudes, emotions, or behaviors. It takes many forms such as in-person conversations or online at Pinterest. Social networks are formed around a common bond, interest, or belief or because of relationships. Consumers are influenced by their membership or network groups such as their cultural, familial, or reference groups. Groups, a plurality of persons, are of particular interest in the study of social influence especially as it relates to consumer behavior. Examples in the chapter were given of how individuals influence each other to buy products and services or to act a certain way. The Social Influence Model was introduced. This book emphasizes how consumers interact whether online or in person and identify the characteristics of social influence and its leaders.

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# Chapter 2
# Social Influence History and Theories

*Give me a firm place to stand I will move the world.*
Archimedes of Syracuse

**Abstract** Social influence is an umbrella concept encompassing the work of many theorists such as Paul Lazarsfeld famous for social communication theory and E.M. Rogers known for diffusion of innovation theory. Theories are useful for structuring thought and knowledge about consumer behavior such as how an innovation is communicated through channels over time to members of a social network. Researchers have found that certain people, opinion leaders whether online or offline, are more central and influential than others in a group. The Two-Step Flow Model illustrates that ability and access are crucial to gaining successful influence.

## Foundations of Social Influence

Do you want a spiked milkshake that costs $7.50 with an added brandy infused cherry for an extra dollar? This was a menu item advertised by a new restaurant across from a college campus. Students said they would not pay the extra dollar for a cherry but they would be interested how it tasted and whether it was worth the extra dollar. Advertising is a social influencer; the in-class discussion was another. Chapter two is about the foundations of the study of social influence. Where did it come from? How do things catch on? Who first thought of selling combinations of milkshakes and liquor? On another subject, why was sterling silver flatware (spoon, knife, fork, place setting, or serving piece) once a typical wedding gift for upper middle class Americans and now stainless steel or silver plated flatware are more likely requested on wedding registries? How do styles and ways of behaving change? How does technology influence our lives? Who are the players? What are the triggers? What is the cultural value of knowing about social influence? What gets more word of mouth—Starbucks or Apple? So much



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is out there, how do you measure consumer behavior shifts, tastes, or track trends let alone figure out how they happened? If we look to the past, perhaps we can find some answers.

Social influence has many branches with issues such as compliance and reactance introduced in the first chapter. It is an umbrella concept encompassing various theories such as social communication. Leading theorists include Paul Lazarsfeld famous for social communication theory and E.M. Rogers who advanced social communication theory and added diffusion of innovation theory. Much of their research is about how humans make decisions and what affects these decisions, whether voting decisions or purchasing decisions. On the basis of this research, theories of human behavior can be formed.

> Theory is as an organized system of ideas or beliefs that can be measured; it is a system of assumptions or principles. The word 'theory' comes from the Greek verb theorein (to behold or contemplate). We form theories, for example, when we wonder why a couple has decided to marry or divorce. We look for clues to the outcome—why is the couple compatible or not compatible? A theory summarizes what is known about a phenomenon and permits the formation of hypotheses, or predictions about future occurrences (Goldsmith 2013, p. 45).

One could theorize that social influence is a balancing act between self-interest and the interests of others. In other words, do I listen to my inner voice (an internal source) when I make decisions and look out for myself first or do I think about consequences for others?

> …experience suggests that when consumer behavior is involved that balance often becomes more oriented towards self-interests. Whether one wishes to emphasize the importance of emotions, relationships with others, dissonance reduction, negativity bias, or some other process, consumer behavior is ultimately about meeting self-defined needs. Although it seems somewhat narcissistic, consumer behavior is generally about 'me', and when it appears to be about 'you' that is because something about 'you' is important to 'me'. In a very real sense 'self' focus is often a necessary condition for the effects of social influence on consumer behavior to occur (Howard 2012, p. 132).

Theories are useful to structure one's thoughts and knowledge about behaviors. An agreed upon theory that applies to most situations from investing in stocks to buying groceries is that past behavior is a strong predictor of future behavior. People tend to buy the same brand of orange juice and laundry detergent for years. To get them to switch brands will take enormous effort on the part of companies and part of that strategy may include free samples or other types of promotions. A Whole Foods store grand opening in Tallahassee, Florida offered free continental breakfast in the parking lot from 8 a.m. to 9 a.m. and 500 free goodie bags before the store opened at 9:00 a.m. The week before this grand opening the store offered tents and space outside for fundraising causes such as Sustainable Tallahassee. In one evening $5000 was raised. Promotions and offers are types of marketing influence. Later in the year, a competing grocery store in the same city, Publix, gave away green-colored reusable to carry groceries tote bags to the first 1000 customers at a grand re-opening of a renovated store.

Sometimes marketing communications campaigns or events fall short of expectations. A famous soda company made the mistake of putting a holiday motif on their soda cans which changed the appearance so much that loyal customers could not find it or were picking up the wrong version, non-caffeinated versus their preferred choice of caffeinated. As sales dropped and as complaints poured in, they quickly changed back to their conventional can design. The same held true for an orange juice producer who changed the design on the package enough to confuse consumers who thought maybe the contents had changed too. Within three months, the old design was back and sales resumed.

On the other hand, some new package designs succeed and "new and improved" is a slogan that sells. It all depends on the product and the skill of the designer and thorough marketing research before it hits the shelves. Innovators want to try something new, take risks so they are attracted to new products, stores, and services.

An established brand will try and retain loyal customers while seeking new customers with a feature or price that attracts. Why offer one type of hamburger when you can offer fifteen? This is easily done by adding bacon, different kinds of cheese, pickles, lettuce, onions, salsa, tomatoes, and avocado. One restaurant advertised 4000 different combinations were possible given twelve kinds of sauces and lots of other add-ons. Another restaurant offered 100 craft beers, 15 types of signature burgers, and 16 spiked milkshakes and endless options with design-your-own burgers.

The primary function of theory is to organize observations and other forms of information. We use theories to make sense of our world. Theories are abstract but once they are applied, put into action we see the usefulness of theories. Theorists often develop models which are representations or schematics or illustrations of relationships. They are used to take an intangible into a visual so the relationships are easier to understand and follow. Examples are the Social Influence Model illustrated in the first chapter or sets of blueprints of houses, office buildings, or boats. Blueprints which used to be flat and two dimensional are now replaced or complemented with three-dimensional models which can be easily made with 3-D printers or are shown on computers.

## *Paul Lazarsfeld and Elihu Katz: Social Communication Theory and the Two-Step Flow Model*

Social influence theory within social communication theory was posited by Paul Lazarsfeld and colleagues in the 1940s and 1950s. Their focus was on the power of informal communication as a complement to the influence of mass media. They discovered that informal communication is widespread and that certain people were more central and influential than others in a group. They termed these individuals 'opinion leaders', thereby instigating a major topic of research that confirmed, expanded, and refined this idea (Weimann 1994). The theory has since been applied to political science, education, marketing, and a host of other fields. For example, studies of social networking activity find that social influence is not evenly distributed among cybercitizens, but instead, opinion leaders arise to be particularly influential on the Internet just as they are offline (Kozinets et al. 2010). They can be called e-influentials and are actively tracked by a number of public relations firms including Burson-Marsteller (see http://www.burson-marsteller.com).

Social communications theory goes by several other names such as "opinion leadership", "word-of-mouth", "talk", or "buzz." It can be traced to the groundbreaking 1940 study of the presidential election in an Ohio city by Columbia University's Professor Lazarsfeld who found that the mass media had a small effect on how people voted compared to personal influence such as word of mouth.

> Interviewing people about what influenced their decisions, the study found that, rather than starting from above and percolating down, influence appeared to be 'horizontal." Each social stratum had its own opinion leaders – the neighborhood barber swapping insights throughout the day with his customers, for example. The media's effect was 'two-step': the opinion leaders would digest the articles and broadcasts and then disseminate what they'd learned, mixed with their personal reflections, to their circle of friends and acquaintances (Keller and Berry 2003, p. 18).

This was expounded upon further in *Personal Influence*, a 1955 book authored by Elihu Katz and Lazarsfeld. They interviewed women in Decatur, Illinois about not only voting decisions but also about fashions, movies, groceries, and civic affairs. They found again that personal influence (vs. mass media) weighed heavily on their decisions. Younger women noticed what older women bought. Even today, grocery stores often use middle-aged women as product demonstrators and sample distributors as they are thought by younger consumers to be more knowledgeable about cooking and food. This may not be the case with other products such as electronics products where often the salespeople are younger men and women.

Katz and Lazarsfeld said that individuals interact with other individuals to transmit information and hence, influence each other, and further, that this influence is far more powerful than that previously recognized. This solidified the two-step model of communication and this stands today as one of the seminal models for consumer research. Marketers pass information to market influencers also called opinion leaders who subsequently pass this information to other consumers within their network. To explain this further, here are the two steps:

1. The market influencer has the <u>ability</u> to diffuse information (they are in a position to move information along).
2. The market influencer or opinion leader has <u>access</u> to a network of people through which to pass the information along.

So, ability and access are the keys to success as far as gaining influence. Public relations executives knowing this have long tried to reach opinion leaders at high-profile events such as the Olympics, the SuperBowl, or the Academy Awards, or to feature them in their advertisements. Well-known Roper opinion pollsters focused on the government and political realm by saying for a person to qualify as an Influential in the government or political realm, they should do three or more items in the Critical Thinking box.

**Critical Thinking**

Circle the letters of the activities you have done and then determine if you are an influential (three or more) and explain what you think about that and what are your future plans for more or less involvement.

Here is a list of things some people do about government or politics. Have you done any of these things in the past year? Which ones and why?

(a) Written or called any politician at the state, local, or national level.
(b) Attended a political rally, speech, or organized protest of any kind.
(c) Attended a public meeting on town or school affairs.
(d) Held or run for political office.
(e) Served in a committee for some local organization.
(f) Served as an officer for some club or organization.
(g) Written a letter to the editor of a newspaper or magazine or called a live radio or TV show to express an opinion. Writing a blog or going online also fits here.
(h) Signed a petition.
(i) Worked for a political party.
(j) Made a speech.
(k) Written an article for a magazine or newspaper.
(l) Been an active member of any group that tries to influence public policy or government.

Note: Over the years these questions have been modified slightly, for example, letter e would include twitter and other ways to express or share opinions and I have added to g to modernize it. Primary source: Keller and Berry (2003, pp. 19–20)

## *Everett M. Rogers: Diffusion of Innovation*

Rogers' Diffusion of Innovation Theory about how ideas, products, and inventions go through an adoption process can be illustrated by the following case study, an advertisement about CISCO, a company known for networks and innovations.

**Case Study**

TOMORROW starts here

Today, it's easy to marvel at how far we've come.

Our phones talk to our TVs to record our favorite shows. Doctors in Estonia diagnose patterns in Denmark. Social networks help companies improve customer service.

And yet, up to now, more than 99 % of our world is not connected to the Internet.

But we're working on it.

And, tomorrow, we'll wake up pretty much everything else you can imagine.

Trees will talk to networks will talk to scientists about climate change.

Stoplights will talk to cars will talk to road sensors about increasing traffic efficiency.

Ambulances will talk to patient records will talk to doctors about saving lives.

It's a phenomenon we call the Internet of Everything—an unprecedented opportunity for today's businesses.

Tomorrow?

We are going to wake the world up. And watch, with eyes wide, as it gets to work.

#tomorrowstartshere

Source: CISCO advertisement, *Fast Company*, June 2013.

E.M. Rogers has been an active researcher and publisher for decades and his influence on current day business practice is enormous. His first edition of *Diffusion of Innovations* came out in 1962 in which he described a general diffusion model and in subsequent editions he has updated and given more examples of research about this model. The S-shaped curve of innovation diffusion (a simple diagram showing percent of adoption over time) led to a bell-shaped curve to illustrate the rate at which new products, services, or ideas are typically adopted (see Fig. 2.1).

Rogers says:

> *Diffusion* is the process in which an innovation is communicated through certain channels over time among the members of a social system. It is a special type of communication, in that the messages are concerned with new ideas. *Communication* is a process in which participants create and share information with one another in order to reach a mutual understanding. This definition implies that communication is a process of convergence (or divergence) as two or more individuals exchange information in order to move toward each other (or apart) in the meanings that they give to certain events.…Diffusion is a special type of communication in which the messages are about a new idea (Rogers 2005, pp. 5–6).

The newness he describes is necessary to understand the whole process of diffusion because newness implies a degree of uncertainty. Will the new idea (or

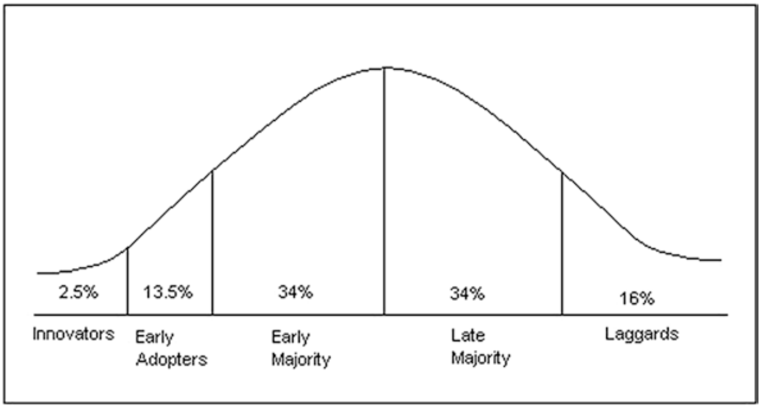


**Fig. 2.1** Adopter categories of innovativeness. Adapted from E.M. Rogers, Diffusion of Innovations, 5th edition, New York: The Free Press, 2005

product) be adopted or not? Uncertainty implies unpredictability, risk-taking. More information about the idea should reduce uncertainty and boost consumer confidence. Rogers in his book *Diffusion of Innovations* uses the word diffusion to refer to both planned and spontaneous spread of new ideas or inventions.

The four main elements or steps in diffusion are

1. An innovation (idea, practice, or object)
2. Is communicated (over channels)
3. Over time
4. Among members of a social system

Further descriptions of each step are as follows:

Innovations can be anything from a new religious practice to water pumps in an African village. It can be applied to art, enterprise, or science or any other domain. Most often, though, innovation includes technological advances. Technology can be defined in several ways such as knowledge applied to useful purposes or the application of scientific method and materials to achieve objectives. Diffusion is about how the technological advance or new way of doing things spreads throughout a given population. Counterbalancing this need for innovation is the concern for impact on the quality of the environment; hence, this book also addresses sustainability. Sustainability includes searching for innovations, processes, and products that preserve the environment for future generations, that enhance rather than pollute or destroy.

Communication channels are the means by which the message is transmitted whether it be print, broadcast media, word of mouth, the Internet, or a host of other means. According to Rogers:

> Mass media channels are more effective in creating knowledge of innovations, whereas interpersonal channels are more effective in forming and changing attitudes toward a new idea, and thus in influencing the decision to adopt or reject a new idea. Most individuals

> evaluate an innovation not on the basis of scientific research by experts but through the subjective evaluations of near peers who have adopted the innovation. These near peers thus serve as role models whose innovation behavior tends to be imitated by others in their system (2005, p. 6).

**Critical Thinking**
Do you agree or disagree with the impact of near peers vs. scientific research by experts? Can you name a near peer who serves as a role model in innovative behavior for you? Give an example of what this person recommended and why.

Time is, of course, an integral part in the diffusion process. What is peculiar about time is how quickly some innovations are adopted and how slowly it takes for others to catch on. Within months of the introduction of Tide detergent Pods (single pre-packaged packets thrown into the washing machine), the sales were over $500 million. By contrast, the introduction of electricity in 1879 took well into the twentieth century to become commonplace as the main use of lighting in U.S. homes. Cars and horse-drawn carriages, likewise, shared roads for several years before cars became the more commonly used mode of transportation.

As shown in Fig. 2.1, Rogers put time into five adopter categories (indicating the categories by which an innovation is adopted through a social system) with estimates of the percentage of people who fit in each category.

1. Innovators, 2.5 %
2. Early adopters, 13.5 %
3. Early majority, 34 %
4. Late majority, 34 %
5. Laggards, 16 %

Not everyone is an innovator in every category. So, you will meet people who will say they are not innovative at all or only partially. People like to talk about their interests so it is easy to find out what their categories of expertise are. Research indicates that "more than 40 percent of what people talk about is their personal experiences or personal relationships. Similarly, around half of tweets are 'me' focused, covering what people are doing now or something that has happened to them" (Bergman 2013, p. 33).

As the percentages show, innovators are the smallest part but the most necessary part to get the ball rolling. They are the earliest buyers of new brands, services, and products. Innovators are the most studied of all the categories. Who are they? What drives them? They are attracted to grand openings, advertisements of new products, door prizes, and excitement. An innovative consumer is already highly involved or wants to be. They are interested in the new Spring fashions or latest electronics. Early adopters are the next to buy followed by the vast majority, the early majority, and late majority followed by the laggards. These groups are defined by time from launch. Let us not forget the importance of each category in the process since early majority and late majority, for example, buy the vast volume of products and services, without them the launch would fall flat and not be sustained.

> Research in a number of disciplines (from rural sociology to education, and from social anthropology to marketing) has shown a broad consistency in the general characteristics of innovators. Innovators frequently differ from later adopters in their:
>
> Socioeconomic status
> Social affiliations and behavior,
> Personal traits,
> Perceptions of new products, and
> Purchase and consumption patterns.
>
> (Foxall, G., & Goldsmith, R. (1994). *Consumer Psychology*, p. 39)

**Case Study: Joshua**
Joshua is generally innovative but says he has no interest in clothing or fashion trends. He is interested in biking, camping, and fishing equipment. Joshua says he does not follow fashion but when a new Dick's Sporting Goods store opened he told Rob, his friend who was going there, to see if they had biking clothes and what brands. If a researcher asked Joshua about his level of clothing interest on a 0–5 Likert type scale with zero meaning highly disinterested and five being highly interested, he would choose zero; but with more specific questions or categories within apparel or clothing, it would be apparent that when it comes for clothes for biking or outdoor activities, he would say he was a 4 or 5.

To summarize, an individual can be an innovator in books but a laggard in the latest shoes. This makes sense because it is very expensive and time consuming to be an innovator in every category. Some categories such as new interiors (replacing kitchen countertops and cabinets every year) are simply not feasible. A person could consume a lot of magazines and televisions shows devoted to renovations but they are unlikely to buy completely new houses every year. Of course, there are exceptions of the very rich who have so many houses they do not know the count (this was true of a candidate for the U.S. Presidency a few years back) and some celebrities have bought and renovated houses and never lived in them. One does not need to be rich to be an innovator of less expensive products and services such as the latest fingernail polish or lipstick color and someone could be satisfied to know about them without buying or using them.

Numerous studies indicate that innovators have greater income or wealth that enables them to indulge their passions than later adopters or populations as a whole. They tend to be upwardly mobile (Robertson 1971).

Companies try to please their loyal customers and keep them happy so they buy more and spread the word. One way to do this is yearly reunions or owner rallies where someone who bought their recreational vehicle or grill are invited to several days of events usually at the factory or headquarters where they meet other owners and share tips. The company president talks to them about where the company is going and tries to make them feel a part of the company (and as loyal customers they are a very important part). We will talk about other ways companies engage existing consumers in the chapters ahead.

A social system refers to a group or unit "engaged in joint problem solving to accomplish a common goal" (Rogers 2005, p. 37). Systems have structure, rules, and members. Within these systems are opinion leaders or market mavens (Clark et al. 2008; Goldsmith et al. 2006). Psychological profiles of opinion leaders and market mavens have been researched in order to understand better who these people are and in what ways they influence others.

> *Opinion leadership* is the degree to which an individual is able to influence informally other individuals' attitudes or overt behavior in a desired way with relative frequency. A *change agent* is an individual who attempts to influence clients' innovation decisions in a direction that is deemed desirable by a change agency (Rogers 2005, p. 37).

As mentioned, systems have structures, members, and rules. Adopting a system or not has consequences for the individual, group, or organization. Sometimes adoption is forced such as state laws requiring motorcycle riders to wear helmets. Rules about locations for cigarette smoking, for example, in a location outside a hotel or business building, are other examples of required adoption. Sometimes these rules or laws fall under the category of social marketing—changing behavior for the common good or for individuals whose behavior impedes others. Speed limits are another example; data show that reduced speed limits can save lives. Rogers gives the example of how a social marketing campaign for oral rehydration therapy in Egypt saved the lives of hundreds of thousands of babies (2005, p. 87).

Before going through the diffusion process, something has to be developed or invented. A question is how does this happen? What starts the process? Is it an individual or a group of people working as a team? Who is first? Sometimes it is a race to the finish. An innovation begins with recognition of a problem or need. In some instances, inventors are so far ahead that they develop something that consumers do not know they want or need (example of such an inventor and a forward-looking company is Steve Jobs and Apple). Most typically, the need or problem is identified and then research (basic or applied) begins leading to further development and perhaps commercialization. Sometimes, the steps go together so that there is research and development or R&D. Other times products or practices go to market that have not been fully researched so not all steps have to be followed for a successful (or unsuccessful) outcome.

**Case Study of Starbucks's Leap of Faith**

The world's largest coffeehouse chain regularly launches products before they're perfect. Why does such a risky approach to innovation work so well?

> In late March, as Starbucks was preparing to introduce its first offer on Groupon, the daily-deal service, the coffee chain's chief digital officer, Adam Brotman, realized he had no clue whether the gambit would pay off. The discount wasn't for anything crazy like bungee jumps or skydriving lessons – it was for 50 % off a $10 Starbucks Card eGift – but to Brotman, the deal was just as risky because of how the company would be offering it. His team had to integrate Starbucks's egift platform with Groupon's system for the one-off promotion and it was about to go live to the world….The deal with Groupon, for example, brought in $10 million overnight – despite traffic loads that crashed the site mere hours after it went public.

Source: Austin Carr (June 2013). Starbucks's leap of faith. *Fast Company*. 46–47, this quote is from page 46.

On June 1, 2013, Starbucks announced that smoking is no longer allowed on its patios or outdoor spaces less than 25 ft from its building. They are an innovative company as is Apple, TOMS which gives shoes, eye glasses, and water to people in over 70 countries, and 3M (famous for post-it notes and other inventions). Companies who take the lead such as these are often imitated or at least watched by others. So companies can be innovative as well as individuals and families.

**Gabriel Wiemann**: Author of *The Influentials*: *People Who Influence People*

It is difficult to differentiate many of the researchers who follow Paul Lazarsfeld and Elihu Katz because their research and even their knowing each other overlap. For example, Elihu Katz wrote the Foreword for Gabriel Wiemann's 1994 book entitled *The Influentials: People Who Influence People*. Weimann begins his book with a nod to the past:

> The concept of opinion leadership was first introduced in an era dominated by the powerful media and mass society theories. As the nineteenth century came to a close, the image of society that had emerged was one which was changing from a traditional and stable social system, where people were closely tied to each other, into a mass society in which individuals were socially isolated. This idea has been championed by some sociologists well into the twentieth century (p. 9).

He goes on to say the mass society idea was really quite frightening in its portrayal of easily manipulated human populations controlled by the media. Some current day politicians and opinion leaders still promote this idea, but most today see this as an old image of mass media. We know that not all eyes and ears hear the same messages (they are on different channels, may or may not use the Internet or watch television) and even if they heard the same messages, they would not react the same way.

Wiemann further says that the two-step flow model (of Lazarsfeld et al., discussed earlier) or hypothesis was the most influential and at the same time problematic contribution of the fore-running theories and models. The significant contribution was to highlight the importance of primary groups, personal contacts, and face-to-face influences (such as the barber). The complication comes in when trying to see how these opinion leaders from small groups and in-person contact mesh with the opinion leaders are more related to the mass media. It is fairly easy to see the differences. Would 10,000 people show up at the last minute to see a local small town politician in a Civic Center? No, but they would for First Lady Michele Obama, during the fall of 2012, when her husband was running for re-election. So, what emerges is a complicated sphere of influence and we move in and out of these spheres, accepting or at least considering (sifting through) them all. Use of mass media also differs. Weimann concludes that the flow of mass media was not so direct and powerful as once assumed. Consumers are not passive acceptors of media messages.

### *Opinion Leadership: Degrees or Types of Influence*

The term "opinion leaders" is not without its problems. Katz and Lazarsfeld who coined the phrase had this to say:

> What we shall call opinion leadership, if we may call it leadership at all, is leadership as its simplest: it is casually exercised, sometimes unwitting and unbeknown, within the smallest grouping of friends, family members, and neighbors. It is not leadership on the high level of Churchill, nor of a local politico; it is the almost invisible, certainly inconspicuous form of leadership at the person-to-person level of ordinary, intimate, informal, everyday contact (Katz and Lazarsfeld 1955, p. 138.)

In opinion leadership studies, then, what is measured is not leadership in the conventional meaning and connotations but rather degree or type of influence. There may be some similarity (intellect or knowledge, for example) between the opinion leader and those he or she influences. This may explain how some political candidates do not fit well enough with the general population to be elected. Opinion leaders are usually extroverts at least on a particular subject such as Irish music. They want to be connected. If there is an Irish band playing, they want to be there. They are probably socially gregarious. While the band is playing, they are clapping or singing along. To put this back into the context of E.M. Rogers, some early adopters may be less risk averse and more connected than later adopters. They do not care what others think. They join in and enjoy themselves.

### *Opinion Leaders, Being at the Center, and the Rise of Social Media*

In recent years, the increase in peer-to-peer networks especially the relationships formed online has led to a re-thinking of social communications theories. A friend suggests what a friend of theirs said or a consumer consults online product reviews before buying, pushing the boundaries of our immediate circles to whom we turn for advice or information. Innumerable articles contain the results of studies about consumer networks. Obviously, a favorable network position is to be in the center of a network. This lends itself to studies diagramming relationships to find the center person, the most influential.

The centrality of opinion leaders in social networks gives them access to many to hear their message. Medical research often shows doctors are central opinion leaders. That makes sense, they give learned opinions everyday. People look up to doctors, most of the time. With the advent of the Internet and health/medical sources, consumers look up their own symptoms and remedies and sometimes this is misleading and even dangerous. A 27-year-old male worried he had some dreaded disease after reading about his symptoms on the Internet. He then made an appointment to see a cancer specialist. The doctor told him that disease is extremely uncommon in anyone under 90 and that he could just look at the young guy and say no this is not possible. This was followed by a checkup and tests that revealed a very minor easily fixed problem.

The rise and spread of social media have excited researchers in nearly all disciplines. The search for information (some sources better than others) has opened up a whole new realm of possibilities. Who are the opinion leaders and who is at the center are more difficult to be determined in some ways and easier in others. Changes in social values, social statuses, or social categories, result in changing the socio-demographic profiles of opinion leaders (Weimann 1994, p. 88). The next chapter delves into values, attitudes, and motivations.

## *Contagion: How Ideas Catch on: Bergman and Gladwell*

One diseased person can easily infect many other people. Similarly, ideas can be contagious and have their origin in one person or group. Contagious means likely to spread through a number of means from talking to imitation. Styles catch on, ad slogans catch on, and campaign phrases catch on such as "It's the economy, stupid" in the President Clinton campaign. The question is what to focus on and what not to. People love to share stories, write restaurant or movie reviews, tell people about their favorite vacation. We read books that friends recommend and avoid movies they say are bad. "Word of mouth is the primary factor behind 20 percent to 50 percent of all purchasing decisions," (Bergman 2013, p. 7).

After analyzing countless messages, Jonah Bergman came up with six key steps that cause things to be discussed, shared, and/or imitated. These are as follows:

1. Social currency: Do people look dumb or smart when they talk about a product or idea? Do they gain in stature or lose in stature? A company strategy is to make customers feel like insiders, perhaps as the first to know or through private sales for store credit card holders only. Organizations do this as well,

reward the employees with inside knowledge of expansions and new products or samples.

2. Triggers: Stimuli that prompt people to think or buy. "Top of mind leads to tip of tongue" (p. 23). If soft music is played in grocery stores, shoppers will slow down and buy more. Jingles evoke need to buy.
3. Emotion: Sharing evokes emotions or feelings, can soothe, inspire, or anger.
4. Public: Observation, can others see what you are doing? Advertising plays a huge role in reaching the public.
5. Practical value: Who would find the information useful? Will money be saved?
6. Stories: Narratives about what happens (beyond simply stating or telling).

Uniqueness, exclusivity, and scarcity drive up demand and word of mouth. Football tickets that are hard to get are more desired than lots of empty seats and free admittance. Recent trends report that college students are not flocking to their university's football games as much as in the past. Why has this changed? Will the trend continue? In one big state university with a winning team, students get in free yet many graduate without going to any games. How can universities turn this around and get students in a rah-rah mood again? Is it because once universities get over 40,000 they become impersonal or has increased online education reduced feeling connected to a university? What keeps students participating? What keeps people talking and feeling involved? Heartfelt emotions and feelings lead to action.

Triggers, the second point on the Bergman steps list, are fascinating influencers of human behavior. Take a jingle like "I want to be an Oscar Mayer weiner, that is what I truly want to be…" hearing that ditty makes a person want a hotdog or to smile and remember what it was like to be a kid. The smell of popcorn triggers the desire for popcorn. Natural triggers are colas and snacks, peanut butter and jelly, and milk and cookies at bedtime. The color orange is used heavily in the month of October for things directly related to Halloween such as candy, costumes, and decorations but also for companies less associated such as Home Depot who heavily advertise in the month of October (their classic orange and white logo plays into this). Color is a trigger for all kinds of occasions and events besides holidays. Yellow is associated with the famous bicycle races in the Tour de France.

Promotional offers have a great deal to do with practical value. Is something on sale? Will 10 % off or free shipping make a difference? There is a psychology to what is an appealing offer to different consumers. Charity-minded women may be attracted to bringing in their old purse for 20 % off a new purse, whereas to another consumer that is too much trouble and would just prefer the 20 % off with no strings attached.

On the basis of research studies, Nobel Prize winners Amos Tversky and Daniel Kahneman developed Prospect theory which simply stated says that the way people make decisions often violates what economists hold to be rational courses of action. Judgments are not always sensible. An individual may spend more time picking out a toothbrush than signing up for an expensive vacation. Their work along with others opened up the door to "behavioral economics" which is a blend of psychology and economics.

In *The Tipping Point: How Little Things Make a Big Difference*, Malcolm Gladwell says that social epidemics are driven by the efforts of a handful of exceptional people who may be called e market mavens, salespeople, or leaders. This book published in 2000 is instrumental in pushing the discussion of social influence forward in the twenty-first century. He takes social science research and makes it likeable and readable for the educated general reader. For example, he says things or ideas reach a boiling point when they suddenly become popular, visible, at their highest peak. That is the tipping point, the critical mass when things explode.

In the wake of the success of *The Tipping Point*, in 2005, Gladwell published another book, *Blink*: *The Power of Thinking Without Thinking*. In *Blink*, he talks about the power of spontaneous decision making over careful planning, that things can happen in the blink of an eye. He also says instant decisions can be disastrous; the point is that rapid decisions happen. We do not always have the time to carefully think things out and sometimes intuitive decisions work well. Gladwell also says we are much better at reading other peoples' thoughts and emotions than we realize and these often trigger our decisions and actions.

## *Time in the New Digital World*

A few comments about time fit here because indulging in social media takes time away from other activities. Sometimes it is part of multitasking making it difficult to separate from other tasks for research purposes. Quantitative time is a measured or measurable period such as seconds, minutes, or hours, or the duration or repetition of an activity. Qualitative time is about the feelings, the meaning, or significance of time use.

The Bureau of Labor Statistics tracks the quantitative time use of the average American adult. From the Bureau, we know sleeping takes on an average 8 h and 40 min, followed by work and work-related activities, and then smaller amounts in watching television, leisure and sports, household activities, education, eating and drinking, caring for household members, personal care, and purchasing goods and services. The category of time online is a moving target which was once 12 min a day on average put in the category of telephone calls, mail, and email but more recently the number of minutes or times per day is much higher and it varies as most categories do by age group and gender. In May 2013, it was reported on the news that the average adult was checking, reading, or sending online 150 min a day; previous reports said 2 h a day was the average. Would you say that sounds high or low?

Discretionary time is the time spent the way a person wants to spend it vs. non- discretionary time such as time at work (the evening shift) or in a classroom (50 min class) where there is not much personal choice. The top preferred leisure pursuit for most Americans is time with family and friends.

Since we all share in common 24 h a day, it raises the question of how this time is spent and, in particular, how the new digital age is figuring in our daily lives. If we spent more online, it is a fact that we spend less time sleeping or working or in other activities. Of course, the lines are blurred when it comes to time online and time spent working since it could be that our jobs necessitate a lot of time online. Time has value, it is a scarce resource—what would Paul Lazarsfeld make of our social communication patterns today?

## Summary

Studying history has value. Social influence theory has sub-theories having to do with human behavior including time management and discretionary spending. The person at the center of social influence is worthy of study. Paul Lazarsfeld and colleagues led the way in social communications theory and identifying opinion leaders. He is especially known for his research on voting behavior and the importance of informal communications versus mass media. Everett M. Rogers built on this strong research tradition and the work of other human behaviorists to form his own theory of the diffusion of innovation process. His model shows how an idea or product goes from innovators (first to buy or adopt) to laggards. Innovators tend to be upwardly mobile and have other characteristics differentiating them from the vast majority. The lessons learned from these theories and other studies are that there are innovators and opinion leaders among us influential on a variety of topics and brands. The more modern theorist Malcolm Gladwell says that changes can be made in the blink of an eye. Identifying these responses and innovators and opinion leaders is crucial to the success of advertising campaigns or any other strategies such as campaigns for improved sustainability, laying the groundwork for a better tomorrow.

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# Chapter 3
# Values, Attitudes, Opinions, Goals, and Motivation

> *A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.*
>
> Sir Winston Churchill, UK Prime Minister (1940–1945, 1951–1955)

**Abstract** The "why behind our behavior" is the subject of this chapter. Losses or mistakes loom larger in our minds than wins. Each of us has a value orientation, an internally integrated value system, guiding our goal pursuits and reactions. Cognitive dissonance is a condition of conflict resulting from inconsistency between one's beliefs, attitudes, ideas or other cognitions and one's actions (Festinger 1957). Motivation involves movement toward goals or some other desired outcomes. Consumers actively seek quick, high-quality information.

## The Why Behind Behavior

In this chapter, we expand upon the why behind behaviors and again recognize the contributions of Nobel Prize winners in Economics, Daniel Kahneman and Amos Tversky. They found that we have a mental defect or more kindly phrased "a way we think" called loss aversion. By giving their students simple surveys asking how they would accept certain bets they found that in human decision making, losses loom larger than gains. The psychologists noticed the pain of loss was almost twice as potent as the pleasure of gain. In other words, we do not like to make mistakes, we do not like to lose money, and we tend to dwell on losses (real or imagined) more than we think about wins. Kahneman (2011) went on to write a landmark book on social thought called *Thinking Fast and Slow*. This book presents a view of how the mind works that draws on various developments in cognitive and social psychology. Psychologist Wren says:

> We all like to think we are unique. In fact our parents, lovers and friends often tell us so when being endearing. When you look at the factors that go to influence our behaviour, e.g. genetics, environment and chance, you might well agree that no two people could



E.B. Goldsmith, *Social Influence and Sustainable Consumption*,
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> ever be alike. Social psychologists agree with this but they would also point to behaviour which regularly occurs throughout a society and has a high degree of conformity, e.g. audience behaviour at a pop concert, queuing for a bus, or conforming to our boss's opinions about how we work. They would say that in this respect, i.e., when acting as a group of individuals, we are not always as unique as we think we are (1999, p. 2).

This chapter explores the topics of values, attitudes, opinions, goals, and motivation essentially why we behave the way we do. We cannot talk about social influence and sustainable consumption without exploring these constructs. What are we aiming for (goals) and what motivates us to get there? Underlying our goals and motivations are values (principles that guide behavior) and also our attitudes (likes and dislikes). What we do individually becomes our collective selves, underlies our interaction with others and how we influence others or how they influence us. The opening quote by Winston Churchill shows that one's general attitude or life stance of being a pessimist or optimist affects how we approach opportunities and obstacles.

## The Art of Being Mindful

A new twist on social media and its place in our lives is a movement or trend called "being mindful." It is based on the premise that social influence and the use or non-use of social media directly relate to our values and goals. "Finding peace in a stressed-out, digitally dependent culture may just be a matter of thinking differently" according to Pickert (2014, p. 41). Students in a mindfulness class can demonstrate a technique called aimless wandering meaning daydreaming or mentally exploring (without cell phones, no talking). Some scientists, therapists, professors, and researchers are examining techniques for rewiring the brain, essentially trying new techniques of stress relief and time management. These are more than the latest fad in self-help, rather it springs from a genuine long-term concern about the effects of too much stimulation (and information) in our daily lives.

> Mindfulness says we can do better. At one level, the techniques associated with the philosophy are intended to help practitioners quiet a busy mind, becoming more aware of the present moment and less caught up in what happened earlier or what's to come. Many cognitive therapists commend it to patients as a way to help cope with anxiety and depression. More broadly, it's seen as a means to deal with stress…Powering down the internal urge to keep in constant touch with the outside world is not easy…According to a recent survey, more than half of employed American adults check work messages on the weekends and 4 in 10 do so while on vacation. It's hard to unwind when your boss or employees know you're just a smartphone away (Pickert 2014, pp. 42–43).

One simple technique that works for some is to wear a conventional watch rather than checking the time on an iPhone which leads to checking email and other behaviors on the web.

Another technique is to be more aware of the present by observing surroundings resisting the urge to make a call or check Facebook. Sitting and watching people, smelling the air, and listening to the sounds around us can be relaxing and potentially make the day richer. Sam says “I love the smell of new mown grass.” Can you imagine this?

## Values

With a growing population and with social media, our world has become more complicated requiring individuals to be more value aware of the consequences of decisions. More than half of humanity now lives in cities and soon it will be more. The world will have to confront how to make cities more habitable. Tokyo tops the list of megacities with a population of more than 37.8 million followed by the Indian capital of Delhi. Over 3 billion are connected world-wide to the Internet, over 600 million in China alone as this book went to press. According to the United Nations, India, China, and Nigeria will account for 37 % of the projected growth in urban population between now and 2050. It should be pointed out that growth is uneven, meaning not linear. There are growth spurts in populations as well as in individuals. In the United States in 2014, the fastest growing state was North Dakota.

“Every law of economics tells us that if we connect all the knowledge pools in the world, and promote greater and greater trade and integration, the global pie will grow wider and more complex” (Friedman, p. 248). Two of the issues are with expanded connectivity: we can only digest so much information and we have limited resource capability to do all that we want to do. To sort through all the information and options, we have values which are principles that guide behavior. Each of us has a value orientation which is an internally integrated value system. One can get a sense of another’s value orientation by what they post online. Facebook often details the more mundane parts of everyday life and people post photos of weddings and birthday celebrations—all of these are value indicators.

In groups such as families, businesses, and organizations, value chains hold the unit together, this can be thought of as glue that binds and sustains. Examples of links in the personal or family value chains are celebrating weddings, retirements, birthdays and other landmark or holiday occasions. Even if someone is away when an occasion takes place they can envision what is going on and what they are missing. Sending birthday cards or birth announcements (in print or electronic) are ways to keep value chains going. Participating regularly on Facebook or other social media sites is another form of value chaining.

**Case Study: Timberland’s Value Chain Involves Sustainable Consumption**
Over 300 million pairs of shoes end up in American landfills every year, but Timberland’s Design for Disassembly (DFD) boots are designed to pursue a cradle-to-cradle goal. Shoes are thought of as a disposable product

but Timberland is on a mission to make shoes with better materials, using organic cotton, recycled PET plastics, and recycled rubber as the first step toward reducing the company's carbon footprint. The company's DFD boots have the potential to be recycled to a much greater degree than other footwear. When boots are returned to Timberland, the company estimates it will be able to recycle at least 50 % of the materials in a factory in the Dominican Republic. DFD shoes use fewer materials and more recycled content than earlier generations of Timberland's Earthkeepers boots, keeping materials out of landfills. Sustainable materials include waterproof leathers from tanneries with silver ratings granted by the Leather Working Group environmental audit, packaging made from 100 % post-consumer cardboard, and rubber lug outsoles made with 30 % recycled rubber. Timberland says it will continue to work with designers and its value chain to get closer to the ultimate goal: a true cradle-to-cradle product.

Source: DFD. *Green Builder*, January 2014, World-Changing Ideas edited by Juliet Grable.

Examples of values are helpfulness, honesty, courage, and ambition. A person who values honesty will act in honest ways and will value that trait in mate and friend selection. There are many ways to classify values. One is by type.

Values can be:

- Absolute (black and white) or relative (depending on the situation for interpretation)
- Intrinsic and extrinsic
- Traditional, personal, and professional
- Instrumental and terminal

Absolute values are closely held and do not waver. Relative values are interpreted within the context of the situation. As an example a small child may say someone is fat, whereas a more mature person may soften that observation a bit putting politeness over honesty. Relative value people tend to seek out more information before making a comment or decision. They might say to themselves "there is more here than meets the eye." Individuals can have both absolute and relative values. Values research indicates some values are quite enduring and serve as indicators of future behaviors. What changes over time is the degree of emphasis, one value may become less important than another.

Intrinsic values are internally driven, whereas extrinsic values are valued by someone else or are exchanged. Understanding intrinsic values requires introspection, an understanding of self and the steps taken in development. Winning an Academy Award for acting is an example of something of extrinsic value—widely recognized as achievement. An intrinsic value could be integrity and the person would feel this when they make a morally right decision or when they follow through with something promised.

Traditional values are usually ones of the predominant society expressed in traditional events and ceremonies. Personal values are those an individual holds. Professional values have to do with the occupation one is in, one would assume a judge to be an upholder of the law, a teacher to care about learning.

Lists of instrumental and terminal values were published by Rokeach in 1968. Instrumental values are modes of conduct such as broad-mindedness (open minded), cheerful, and independent (self-reliant, self-sufficient). Terminal values are end states of existence such as a comfortable life or true friendship (close companionship), or a world of peace (free of war and conflict). Rokeach comes from the tradition of Lazarsfeld, writing about opinion leadership and social communication, and in Rokeach's case he emphasized the why behind behaviors. To Rokeach, values are individual attributes that affect attitudes, motivation, needs, and perceptions (1973).

## Attitudes and Opinions

*Imagination is more important than knowledge.*
Albert Einstein

In that quote, Einstein expressed an opinion. Opinions are beliefs or conclusions expressed with confidence or conviction. Other examples of opinions are seeking medical opinions and eliciting advice on movies.

Attitudes are outlooks or opinions, likes, and dislikes, which may express values or preferences. We have countless likes and dislikes about other people, about clothes, and so on. Listening to someone's likes and dislikes can be valuable in determining their values and goals. Although they interact, do not confuse attitudes with values which are deep-seated beliefs that guide behavior. Attitudes affect actions.

An example of an attitude shift, value stance, and social influence is evidenced when a new grocery store opens in a city. The consumer has a choice of staying with his or her usual grocery store or trying the new one out. If the new store offers discounts or unique products then the shopper may be swayed to switch stores or may develop a new pattern of shopping. Gloria says that she shops at three different stores every week and spends about $300 for groceries for her small family. She has developed shopping into a high art and figures it takes her half a day including the time to put groceries away at home. When there was notice of a new store opening up she was skeptical that it would have anything that she did not already get from her three current stores. The new store was not in harmony with Gloria's usual pattern and she resented it when others talked about their excitement about the new store. How was she going to fit a fourth store in? Jared, on the other hand, is eager to try the new store. It is on his way home from work so an easy stop. He also likes it that they will have locally produced meat and vegetables. He values buying fresh and local and tells friends and co-workers about the new store.

You probably have attitudes about:

Advertisements
Art
Awards
Cats
Colleges and Universities
Colors
Cultures or countries
Cuisine or food
Dogs
Environments
House design
Landscaping
Mountains
Seaside or beaches
Smells or scents
Snakes
Sounds
Sports and sports teams

Shifts in attitudes and buying behavior impact companies including in an environmental way.

> Companies should be asking themselves if their products and services, environmental stance, and corporate practices are consonant with opinion leaders' expectations. What the opinion leaders say and think about companies has more of an impact on what their customers are thinking and doing than companies realize. In the all-important battle for share of mind – that space in the consumer's thinking that holds opinions about products, service, companies, political candidates, solicitations from nonprofit groups, and other issues on which they make decisions – the word-of-mouth recommendations of the opinion leaders get more weight from consumers than traditional media (Keller and Berry 2003, pp. 279–280).

Attitudes and opinions are more readily shared for many reasons including a transfer of consumer power going on world-wide as a result of more freelancers or entrepreneurs opening businesses and that anyone can write and post a product or service review. Conventional businesses that took years to create can be overcome quickly by a start-up company. Consumers are gaining more power in the marketplace, they are spreading their ideas and opinions.

Cognitive dissonance occurs when there is a mental unease when an individual holds two attitudes, ideas, beliefs, or other cognitions that are not in harmony with each others (Festinger 1957). Individuals finding themselves experiencing cognitive dissonance will try to reduce it by dropping one of the ideas or strengthening another. Gloria did this in the grocery store example, the new store made her uneasy and strengthened her resolve to stay with her original three-store shopping strategy. Dissonance becomes part of motivation because it can lead to a change in attitude or opinion or at least a questioning of behavior.

Let us say a new type of phone is introduced with a higher price than the previous model or version. The consumer has to decide if the improved features and status are worth the extra price to upgrade. Dissonance is part of this when the customer says the new model is worth it even though it goes against their normally thrifty stance. He or she might say to themselves the time savings with the new model and better photos offset the price. The consumer is weighing the product attributes versus the cost. An advertiser may help them in the process by saying "iPhone6 is the best purchase you can ever make." If thousands of people are waiting in line to buy it the first day that reinforces the decision to buy. Showing the long lines is a television news segment again reinforcing that line is the place to be. Waiting in long lines or buying something in advance such as pre-purchase of a phone, a popular toy in short supply, or of a cosmetic gift with purchase promotion heightens the desirability of the product.

Long lines at theme parks, university football games, or at movies may make the potential purchaser want it more but may be a turnoff to others. Feelings of anticipation are powerful influencers of consumer behavior. Holidays and weekends are often eagerly anticipated. Afterward there may be a feeling of letdown such as post-holiday depression. Clara, an older single woman without kids, dreaded holidays because there was no one to share them with so she developed a habit of taking Christmas to New Year's cruises every year so she would have company and a feeling of celebration. She loved to play bridge so she found bridge partners and thoroughly enjoyed herself and the time passed quickly.

To conclude this section on attitudes and opinions, after the sale or an event, consumers will seek reinforcement of their decision through conversations online or in person with others or they will look for other signs that they did the right thing. Even a brand that is well accepted needs to be reinforced by the company who makes the brand and this can be done through advertising and messaging, keeping the brand fresh, keeping customers loyal so they will buy the product again and again or as another example, buy football season tickets next year. A lofty introductory price may not be off-putting if desirability is high. Consumers form attitudes and opinions about brands and talk about them to others.

## Goals

Psychologist Halvorson says, "Achieving isn't just about knowing how to reach goals—it's at least as much about pursuing the kinds of goals that will help you to develop your full potential and actually enjoy the process of getting there" (2011, p. 31). We think of goals as being individually defined but there is goal contagion, meaning if you are surrounded by people achieving specific goals such as a college diploma (think of 40,000 or 50,000 students at a university) then you will most likely catch goal contagion. Another example is the Olympics. Imagine being surrounded by top achievers all going for the same goals. It definitely provides a competitive atmosphere.

**Critical Thinking**
Can you think of a time when you engaged in goal contagion other than attaining a college education as a goal? Who was involved in the contagion? What was the goal?

Goals accomplished can be significant life achievements or they can be minor, more immediate goals. Individuals and groups plan to achieve goals, desired end results. For an organization, it can be an immediate, short-term goal of holding a Saturday carwash or a long-term goal of collecting $10,000 for a charity. Individuals set goals all the time such as graduating from high school or college, buying a house, or getting a dog. Mental contrasting refers to when taking on a new goal, a person considers not only the goal but also the possible obstacles to attaining the goal. This process will help determine whether it is a good decision to pursue the goal. Is it worth all the effort?

The goal attainment process can be diagrammed as
Setting goals based on values and attitudes—Weighing obstacles—Allocating resources—Committing to goals and seeking them —Attaining goals or reassessing.

**Case Study: Sandra's Goal**
Sandra is 52 years old and has owned a beachfront condominium as a second home and rental for ten years. She always wanted to own beachfront property so she attained that goal. She loved the unit she picked out and she used it some during the years but mostly the condo was for investment. The condo rented out the best on Spring Break and during the summer, but in all the ten years it never made a profit. So, sadly she decided to sell during the 10th summer season when the beach interest is high and it sold within a month for cash. She paid off the remainder of the mortgage and re-invested the rest in non-real estate investments. Sandra said, "It was worth it, I set a goal and enjoyed the condo, now it is time to do something else." Her husband chimes in, "You can always rent, no reason to own."

Sandra's story illustrates that goals vary in intensity, how much something is desired and this can change over time. It also shows that timing is part of goal attainment and conclusion. Her resource use money-wise was not so good but that was tempered by the enjoyment of owning and using the condominium. As time went on it became less of a priority and was sold. To recap, goals have attributes including:

- Flexibility
- Desirability
- Intensity
- Priority
- Resource allocation
- Timing

Goals direct behavior. Looking forward to a vacation or a break is a goal that requires planning about what will happen on that vacation or break. Conflict develops when there are too many goals, obstacles, and people involved. To be effective, goals need to be sorted and re-prioritized. If there are too many goals, nothing may be accomplished. Letting go of goals called goal disengagement is one of the most difficult challenges we all face.

**Case Study: Marcie and Graduate School Goal**
Marcie is 22 years old and a graduating senior. She applied to several graduate schools and was accepted at two. She weighed the pros and cons of each and decided to choose the university where she could live with her aunt and thus save housing expenses in a very costly area. Marcie is motivated to do well in the program. So far she does not have an assistantship, so her goal is to get on campus and find out what kind of aid she can get and to meet her professors and hope to get an assistantship in the next semester. She wants to achieve her goal of earning a Masters degree without incurring debt.

With consumption, the individual has to decide what to buy, when, where, what, and why. Is the purchase necessary for professional, societal, personal, or familial goals? A Denver wedding requires most of the relatives in the Eastern part of the United States to fly and stay for several days. The estimate is $1000–$2000 per person to attend the wedding. Family members meet and decide who is going and how much it will cost and who will pay. Besides the financial cost there are time and energy costs and the social aspects. Bob, one of the male relatives, said “We can fly to Europe for $2000” but this was met with responses about family and how important family is, besides Bob’s daughter is marrying eight months later in another part of the country so the issues of reciprocity (discussed in chapter one) come up. This leads to the timing of goals, they can be:

- Short term (less than three months)
- Intermediate (three months to a year)
- Long range (more than a year to achieve)

Goals can be categorized by other ways by the roles the person (or group) plays and by performance goals or learning goals. In building a house, goals could be safety, serenity, and comfort. Goals and values vary by location and culture.

> Cultural values are generally held conceptualizations of what is right or wrong in a culture or what is preferred. Customs, manners, and gestures are indicators of cultural values. For

example, bowing in deference to one's superiors or elders is customary in South Korea but would be unusual in the United States. Bowing is the outward behavior that reflects the underlying value of deference or respect (Goldsmith 2013, p. 76).

**Critical Thinking: Bike Sharing, a Cultural Value**

Urban bike sharing is practiced in cities around the world and on college campuses. Hangzhou, China, boasts the world's largest bike-sharing program which helps mitigate traffic congestion and air pollution. They have 60,600 bikes operating out of 2700 stations, Rides are free the first hour and then there is a small charge for the second hour and upward. The plan is to expand to 175,000 bikes by 2020. The added benefits are that bike-sharing programs make it easy to get around and also promote healthy living.

Can you give an example of a successful bike-sharing program on a college campus or in a town or city? Why do you think the bike-sharing program is so successful in Hangzhou, China?

## Goal Formation in Established and Start-Up Companies

The seeds of innovation can take root and new or renovated companies emerge. New advances often come from key technologies or discoveries. Some of the best ideas come from your family room, neighborhood, office, dorm room, or cubicle. Conceptualizing can take the form of group discussions and rough drawings. After this beginning phase, "the decision to adopt or reject a new product is an important application of models of consumer decision theory. Moreover, the growth imperative faced by all companies entails the active creation of new products, the success of which shapes their futures" (Goldsmith 2012, p. 246).

To renew or boost sales, an established company may do several things:

- Create a new brand or product
- Extend an existing brand or product (for example, a new flavor or size)
- Attain a related company
- Extend sales to neighboring states or provinces or other countries.

For example, a company may set a new goal of exporting their toothpaste to another country or re-introducing it with a new flavor in the current country. A brand manager for the toothpaste may consider a different size tube as well as new flavors such as cinnamon or mint. In the new country, research will take place to determine the preferred flavors, tube size, and price range. The more foreign the culture, the more need for research to determine customer preferences, assumptions cannot be made on past successes.

Start-up companies have their own unique set of challenges. They are often fueled by passion or the need to be different. One man starting his own accounting business said one of the reasons is he wanted to dress casually in his own style. Most start-ups are less than three years old and start with an individual or partners who may be called entrepreneurs. George Kawasaki, Chairman of George Technology Ventures, says that "Entrepreneurship is no longer a job title. It is the state of mind of people who want to change the future." The hardest thing to do is to get started. An entrepreneur seizes opportunity. He or she sees things in a different way than most people. The opportunity is sized up for its values, for its potential. Resources are gathered and evaluated. How much will it cost in time, money, and energy to start up a new company or product design? Entrepreneurs persist even though they experience set-backs and failure. Their goal is to create a measurable success, to create a better life. They may find inspiration in trends and changes in the marketplace. They may find an idea that worked in another market or apply it in a new way.

## Motivation

Motivation indicates movement (mental or physical) toward goals or some other desired outcome such as improved relationships at work or on campus or in a family or other group. To be successful, individuals and companies need to be motivated. The roots of motivation have been studied in many fields from sports psychology to early childhood education. We see it practiced in our daily lives and in companies. Entrepreneurs are always motivated at least at the beginning of their pursuits.

One famous retail chain starts its day with all the employees doing stretch exercises, while hearing a pep talk from the manager. At Disney World, the Canadian restaurant at EPCOT has employees sing "Oh Canada" to the waiting guests when it opens for lunch. Another form of motivation is seen in loyalty programs such as frequent flier programs.

**Critical Thinking: Frequent Flier Programs**

Read this quote first and then respond to questions that follow.

> The first major frequent flier program was created in 1981 by American Airlines. Originally conceptualized as a method to give special fares to frequent customers, the program soon morphed into the current system of rewards. Today, more than 180 million people accumulate frequent flier miles when they travel. These programs have motivated millions of people to pledge their loyalty to a single airline and stop over in random cities or fly at inopportune times just to ensure that they accrue miles on their desired carrier. We all know that miles can be redeemed for free travel, hotel stays, and other perks. Still, most people never cash in miles they accumulate. In fact, less than 10 percent of miles are redeemed every year.

The author of this quote thinks racking up the miles is a fun game. He says the titles of Premier and Premier Executive make a person feel good and there are perks associated with each level such as not having to pay for a checked bag or getting slightly better seats. What do you think? Why do people accumulate points, in many cases inconvenience themselves in the process, but rarely use them?

Source: J. Berger (2013). *Contagious: Why Things Catch On*. New York: Simon and Schuster.

Motivation comes in many forms. To paraphrase Meg Whitman, founder of eBay, each of us craves validation and positive feedback and it does not have to be in the form of money (Friedman 2005, p. 454). Simple words of praise or congratulations go a long way. Feelings of success involve taking in praise and also motivating others by giving praise. For example, Jerome praised Lily for her initiative in making phone calls that solved a computer problem at the office. Notice in the following quote, the importance once again in connecting to the center of the conversation (the heart of social influence).

> What's your influential strategy? If you've not asked yourself this question already, you should. To succeed today, you need to connect with the people who are at the center of the conversation. Business, government, and nonprofit organizations need to have influential strategies just as they need marketing, advertising, public relations, promotion, or Internet strategies. Specifically, you should make sure you are reaching the decision makers who are influential in others' decisions. You should know where the opinion leaders get their ideas – the kinds of publications they read, the programs they watch, the radio stations they listen to, and the Web sites they go to (Keller and Berry 2003, p. 279).

We all experience obstacles and have challenges and the need to be motivated to meet them or overcome them. Just as goal attainment is a process so is motivation. It begins with some unsatisfied need or desire for improvement. The tension encourages change and action. Maureen at age 40 confessed on Facebook that she broke down and got reading glasses at a pharmacy. She said it made her feel old, but she had to do something so she could read fine print. The glasses even came in a flowered case which to her signified old.

We can be intrinsically motivated (from within) such as Maureen or extrinsically motivated (from outside the individual or group). Aspiring to better grades is a form of motivation. Jamie had too much fun in her first semester at a major out of state football and socially centric university and her grades showed it. Her parents said if her grades did not improve in her second semester she would not be returning. Students, parents, and everyone else have to revisit their motivations and options.

According to the motivational studies, extrinsic rewards are most effective if they are:

- Given immediately following the behavior
- Equitable
- Valued (the reward should mean something)
- Specific

One way to think about this is the Academy Awards as extrinsic awards given for excellence in performance. The Oscar statue itself is not very valuable but what it stands for is outstanding performance in a category and, of course, the media attention that it brings is invaluable.

Motivation styles vary by individual. Some could care less about extrinsic rewards such as wealth or fame and other individuals are driven by it. When one changes roles, the motivation changes; becoming retired changes sources or rewards for motivation dramatically. Social psychologist Halvorson writes:

> Here are the goals that aren't going to help you achieve lasting well-being: becoming famous, seeking power over others, or polishing your public image. Any goal that is related to obtaining other people's validation and approval or external signs of self-worth isn't going to do it for you, either. Accumulating wealth for its own sake also won't lead to real happiness (that is not to say you shouldn't care about money at all, just that being rich isn't a sure ticket to a happy life.) But why do we pursue these goals so frequently if they won't really make us happy? Well, one reason is that we tend to believe they make us happy (2011, p. 110).

## Summary

Attitudes, opinions, and values shape behavior. Goal setting and motivation go together. If someone is not motivated it is unlikely a goal will be achieved. Letting go of goals, referred to as goal disengagement, that are not working can be difficult. A technique called mental contrasting can be used to set goals. Companies as well as individuals have values, value chains, and goals. Success involves connecting with people and having a strategy. It is important to know where influential people get their ideas. A transfer of consumer power is taking place. Consumers actively seek quick, high-quality information. This need for quick information has revolutionized the advertising industry. Conventional print ads may not hold the power they once did. Values, attitudes, and opinions are part of a person's personality. Personality influences consumer behavior (to adopt or not a new product or service, to watch or not watch a television program or series) and goal setting. Motivation is experienced every day of our lives as we get out of bed and get going. Near the beginning of this chapter, the art of being mindful was discussed as an antidote to being too stressed, too wired. The concern is that social media and digital technology so pervasive in our world is splitting peoples' attention spans. Entrepreneurs are keenly focused and motivated individuals. Companies play into our need for motivation by offering frequent flyer points or other types of loyalty point building programs. These motivate us to want to buy or participate more. The art of mindfulness says wait a minute and think of the consequences, pull back before making significant decisions.

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# Chapter 4
# Communication and Social Media

*What we have is a failure to communicate.*
Captain (Strother Martin) in Cool Hand Luke, 1967

**Abstract** In a sped-up, changing world consumers have less time. Sharing information through social media quickens and broadens the process. In this chapter, attachment and attribution theories along with social analytics and algorithms are introduced. Consumer socialization involves messages, heard, read, composed, sent, and received. The Social Influence Model is revisited because communication involves creating "talk" and "buzz." Influentials share their opinions about new products or services based on their experiences, good or bad, and in so doing move economies. Social media has redefined who is a friend and has shifted consumer power back to the vocal individual.

## What Is Communication?

When something happens to you, do you tell your friends? Who do you talk with on a regular basis online or in person? As an example, Britany, age 21, sent George a text message "I haven't heard from you in a week, are you all right?" As another example, Kevin, a 27 year old, was devastated when he was let go of a job on a Friday morning because of budget cuts. His boss came and verbally gave him the message and softened the blow by saying he would gladly give him a good reference. Kevin said to his family and friends afterward that it was not just the loss of income and esteem but the loss of the daily interaction with his co-workers that bothered him. On Monday morning, it seemed very strange not to get up and drive to work and most likely he said he would never see those people again. As a final example, Angela, age 65, said when she retired she never missed the work, but she really missed the people.

We live in a sped-up, constantly changing world. Consumers have less time and shrinking discretionary dollars to spend. Cash-strapped, time-starved consumers

 
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often make hasty decisions. Americans spend, on average, about 11 h a day communicating or consuming messages in various ways including email and television viewing (Chui et al. 2012). Of course, you probably know people who spend more than 11 h a day. The last thing they do at night is conduct a search on a digital device and reach for it on waking. People sleep with their smartphones.

> Everywhere we turn, we easily find staggering statistics reminding us of the significance of mobile in consumers' lives. The year 2012 alone saw more mobile traffic than all previous years combined (http://www.atkearney.com/10192/760890/The_Mobile_Economy_2013.pdf).

**Critical Thinking: Differential Pricing for Speed**

"AARP is examining a proposal to allow businesses to pay extra so their content could be delivered online faster. The Federal Communications Commission's 'fast lane' proposal would modify the way the Internet works now, with all digital information treated equally, a concept called 'net neutrality.' Internet service providers deliver all websites, videos and movies to you at the same speed. Critics of differential pricing for faster speeds worry that companies will pass on the added costs to consumers and that innovation could be hobbled. Supports say companies paying a bigger share of the system's costs should be rewarded with faster delivery." What do you think of this proposal and the issue of paying differently for speed?

Source: An Eye on Internet Pricing, July–August 2014, *AARP Bulletin*: Washington, DC., p. 34.

In chapter two, communication was defined as "a process in which participants create and share information with one another in order to reach a mutual understanding. This definition implies that communication is a process of convergence (or divergence) as two or more individuals exchange information in order to move toward each other (or apart) in the meanings that they give to certain events" (Rogers 2003, pp. 5–6). Another definition also says that communication is a process but differs in that it mentions creating, negotiating, and sharing meaning through verbal and non-verbal channels (Arnold 2008, p. 3). This latter definition adds the non-verbal aspects such as tone of voice, eye contact, appearance, gestures, eye contact, time management, and surroundings.

## *Communication and Socialization*

Communication is an integral part of the socialization process. Socialization refers to the process of learning to interact with others, cooperating, participating in society, listening, and learning the ways of daily living. As social beings we have a *need to belong*, and we can express this in a variety of ways from the clothes we wear to the cars we drive. As an example of this, an older gentleman who was working as a bag boy at a grocery store pushed a shopper's cart to her car. When he saw her car, he commented he had the same kind and pointed to his car across the parking lot. By saying this, he was communicating that they had a common bond and he went on to say how much he liked the car and why he bought it.

At the same time, most of us *desire uniqueness*. If scarcity exists for a desirable good or service, then the price and demand go up. Status consumption is part of the socialization and communication process.

**Critical Thinking: Would You Pay More?**

Kenneth Feld is CEO of Field Entertainment. His company operates everything from Disney on Ice to racing events. He learned that:

"Some customers will pay handily if they feel they are getting exclusive access or unique experiences. At an ice-skating show in Raleigh, N.C., the company sold out of a special dining package in which guests dine rinkside during the show, at tables decked out in white linen tablecloths. Those seats go for roughly $100 apiece, vs. just $12 for the cheapest seats in the arena. 'Those go like hotcakes' says Jeff Meyer, senior vie president of marketing and sales at Field. 'We can't put enough of those seats down there.'"

Would you pay more for these seats? Or, for something similar at a football game or other event? Explain why or why not.

Source: Becky Quick (October 6, 2014) "Marketing to Today's Middle Class Requires Some Fancy Juggling." *FORTUNE*, p. 88.

Communication affects all parts of our lives from financial well-being to physical well-being but most immediately to our social well-being. "The crux of social well-being is interpersonal relationships and the dynamics of familial interaction to fulfill six basic functions: procreation, socialization, economic consumption and production, social control, physical care and maintenance, and love and emotional support" (McGregor and Goldsmith 1998, p. 123).

We are socialized into cultures. We learn what foods to eat, what manners to have, what holidays to celebrate, what events to go to, and what to wear. Most fundamentally, children learn values and lessons from their parents and grandparents. Value chains, as discussed in the last chapter, are formed. Attachment theory is based on the idea that infants and toddlers need to believe their parents can be counted on to meet their needs and that this translates in later life to good psychological health and ability to attach and form relationships, with others (Bachman and Bippus 2005; Hollist and Miller 2005).

Attribution theory involves the way we explain our behaviors and how others behave. It often has to do with responsibility such as who was responsible for breaking the vase or failing to show up on time. Sometimes we attribute reasons and causes by observing behavior like a car swinging into a parking lot quickly and the person jumping out and running to a building at 8:15 a.m. Chances are that he is late and trying to get to work "on time." Sometimes we are right on our assumptions based on observation and other times we are wrong and need more information. Verbally communicating with others clarifies what is really going on regarding someone's behavior.

## *Communication Channels*

We speak, on average, 150–200 words a minute. Is anyone listening? A dialogue implies two-way process of communication, whereas a monologue is singular, one person speaks another listens. We communicate in a variety of ways including the following:

- Face-to-face
- Electronic media
- Books
- Newspapers and magazines ("letters to the editor")
- TV and radio (call-in shows)
- Networking
- Over the Internet, over the phone
- Over the fence or balcony
- Through music and performance

Families communicate face-to-face, over the phone, and through electronic media often checking on each other throughout the day. At grocery stores, one sees a family member shopping and talking on the cellphone with another to get the order right.

## *Consumer Socialization and Communication*

The previous critical thinking exercise about paying $100 for seats versus $12 at an ice skating show is an illustration of the interplay between consumption and our social needs. As another example, nothing says communication and socialization like the phenomenon of Facebook. The little dorm room project that mushroomed into a communication channel turned ten years old in 2014 with Americans spending 114 billion minutes per month on Facebook. Worldwide, the innovation adoption has gone from twelve million users in 2006 to over a billion. It is used at work, at home, and elsewhere. Employers use it to prescreen job applicants. Law enforcement agencies use it in investigations. More examples will be given in this chapter.

Consumer socialization is an evolving process involving messages, heard, read, or sent. Think how much little children hear or observe before they start talking. "Over time, consumers' cognitive structures are established through consumer socialization, observation or exposure, and social and personal experiences.

"Consumers internalize the information they receive this way and use those cognitive structures to make sense of the world around them" (Goldsmith and Goldsmith 2011, p. 120). Consumers are involved in networks of information. Certain situations such as a purchasing situation will evoke these networks and will awake consumer sensitivity to brands they like or dislike.

A consumer may or may not prefer organic foods or be sensitive to messages about them one way or another. A mother may always choose Peter Rabbit organic foods for her toddler and another may not know that this brand exists or care or she might want to try it. By observing one mother taking jars of Peter Rabbit organic foods and putting them in her grocery cart, the other mother may follow suit. "Social influence provides individuals with the information and the motivation to form new attitudes and adopt new behaviors…Social influence is a key element in shaping attitudes and behaviours" Goldsmith and Goldsmith (2011, p. 120).

Consumers when they repeat their consumption behaviors are following an internal script or schemata, a stereotyped sequence of actions or events about what they should do in a certain consumption situation. Tom always buys the same detergent so when he goes to the cleaning supplies section of his grocery store he always grabs the same orange box. He does not have to consciously think about his choice unless another manufacturer comes up with a very similar orange box and then he might hesitate and make sure that he chooses the preferred one. Much of consumer purchasing of day-to-day items is repetitive. Choices broaden when one is purchasing for special events or if one is in another city or country. Olivia drives two hours to go to another city to go to Ikea and Whole Foods—stores that don't exist in her hometown.

## *Aspects of Communication*

> Between stimulus and response there is a space. In that space is our power to choose our response. In our response lies our growth and our freedom
>
> Victor E. Frankl

Countless books and college programs are devoted to the subject of communication, so this section because of space can only provide a brief overview of the basics. Topics include channels, noise, and settings, sending and receiving of messages, listening, and feedback.

Channels are the means by which communication travels from sender or source to receiver. Noise is any unwanted sound that disturbs or interrupts. The setting refers to the physical surroundings. Online, it would refer to how the website and surrounding content looks. Sending has to do with a source putting out a message, something to be communicated. Receiving entails taking in the message sent by listening, reading, and observing. Listening is considered active rather than passive. There are different types of listening such as:

- Critical listening wherein the listener evaluates or challenges what is heard.
- Reflective or sympathetic listening involves listening to feelings expressed.
- Informational and pleasurable listening for knowledge, fun, and enjoyment.

Feedback can be thought of as a loop or process starting with the source sending a message that is received and responded to—it can be verbal or non-verbal. A look, expression, or sound can communicate as well as words. In short, feedback is the return of information.

## *Social Media*

Social media has been mentioned in earlier chapters but deserves a special place here as front and central to this chapter. Media communicates to us in a variety of forms. With social media, *we have sprawling channels of conversation and information*. Social media or social networks can be defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content" (Kaplan and Haenlein 2010, p. 61). Examples and applications of social media to sustainable behavior are throughout this book with a particular emphasis in Chapter nine.

A central question is: What is the degree and quality of social media influence? A 2012 study of 7499 consumers' online ratings of 114 hotels supported the hypotheses of the authors, Shrihari Sridhar and Raji Srinivasan, that there are social influence effects in online product rating specifically:

- product experience
- product failure
- product recovery (to address product failure).

According to the authors, managers seriously underestimate how important product recovery is to the on-going success of their hotels. It is not about pleasing one customer that person's review can influence innumerable others.

The process starts with an online reviewer providing a qualitative assessment (online review) of the product experience which informs or influences those who read the review. These reviews can lead to an overall rating of the hotel that may be displayed on various websites about the hotel or travel industry. Online reviews influence many other areas besides the travel industry from books to video games. A comScore Inc. study in 2007 reported that 24 % of consumers use online consumer reviews before purchasing a product. The percentage is much higher today.

As noted in Chapter one, Elliott Aronson (1972/2008) says in *The Social Animal* that much of our behavior is predicated on the attitudes and behaviors of others. Social media has taken off for many reasons including convenience, an easy way to reach information.

When it comes to its application to consumers and purchasing behavior, a lot of it has to do with speed, endless variety of products and services, and availability.

In economics, satisficing refers to picking the first good alternative that presents itself. The search for a school uniform ends as soon as an adequate initial choice is presented, the parent clicks a few keys on the laptop, and the school uniform is paid for and delivered. In this case, efficiency is valued over going out and shopping for the uniform which is standard at their child's school. A local store may or may not stock their child's size. The recommended online source may offer a 30 % discount.

It has been posited that social media is a form of addiction and this is a worldwide phenomenon. In *Social Media Generation in Urban China*, the author describes his study of social media usage and addiction among adolescents (Huang 2014).

## *Advertising and Company Culture*

The broadest definition of advertising is that it is an announcement. It can take the form of a paid non-personal communication about an organization, product, service, or idea by an identified sponsor. In recent years, this definition has broadened to include announcements that are not paid for, may not come from an identified sponsor, or may come from non-profit organizations. The audience may be everybody watching, reading, listening, or viewing or may be targeted (such as clothing for professional women ages 45–60 to mothers of boys ages 10–14 for back to school clothing). Companies are very interested in identifying brand influencers.

Mass media refers to newspapers, radio, and television, in short, advertising to large groups. Advertising can be classified as:

- Local or regional
- National
- Professional (such as advertising legal services)
- Political or cause-based
- Direct sales (such as on television shopping networks or infomercials).

Debate has raged for decades about the quality and quantity of advertising and its possible effects. Vance Packard (1957), author of *The Hidden Persuaders*, wrote in the beginning of his book:

> This book is an attempt to explore a strange and rather exotic new area of American life. It is about the large-scale efforts being made, often with impressive success, to channel our unthinking habits, our purchasing decisions and our thought processes by the use of insights gleaned from psychiatry and the social sciences. Typically these efforts take place beneath our level of awareness, so that the appeals that move us are often, in a sense, "hidden" (1957, p. 1).

The advertising industry would say that they provide an important role in informing the consumer of new or improved products, brands, developments, and events. Without advertising, the only way someone would stumble on something new was by looking at all the choices in a category (and this is nearly impossible in toothpaste, for example) and reading labels or from word of mouth from friends. Imagine a new mountain or lake view housing development on an isolated road in a rural area, out-of-state people would not learn about it unless from word of mouth or advertising or a chance drive down the road.

Advertising also tries to transform you from ordinary to extraordinary. Consider the following words from an advertisement for LA MER's moisturizing crème:

> Capture the legendary healing energies of our Miracle Broth ™. The Essentials, a targeted moisturizer, serum and eye treatment, visibly transform with the promise of new radiance, the look of youth. (Sources: LaMer.com, also *New York* magazine, September 22-October 4, 2014, p. 5).

Advertising agencies and channels of advertising are responding to the impacts of social media as the example from LA MER shows. This cosmetics company approaches the consumer through traditional print advertising as well as online. On July 29, 2013, it was announced that two large advertising agencies, Publicis and Omnicom Group, were merging to create the world's largest advertising firm (CNBC, 2:45 p.m. EST). The main reason given was that digital advertising accounts for 22 % of advertising today and that by 2017 it is predicted by the eMarketer company to go to 27 %. In order to succeed in this climate, advertising companies are regrouping. One of their challenges is that large companies like Google and Facebook are going right to their customers bypassing advertising agencies.

Before leaving this section, we should talk about a counterpoint to mass advertising which is the desire for uniqueness mentioned earlier. Mass advertising may be directed to the middle America customers shopping primarily in large chain grocery stores, Wal-Mart, Kohl's, JCPenney, or Target. A specialty store may want to sell a product that is more targeted to a smaller group, the customer who may want to buy, make, or build something no one else has. Uniqueness theory posits that individuals vary in the extent to which they wish to be different, so that certain consumers select or connect with products based on their self-realization, identity manifestation, and self-expression (Solomon 2003). Examples are custom-made sofas or suits or putting monograms on clothing or towels. Craft, sports, or hobby stores often speak to a person's uniqueness or special needs such as desire to compete or create.

Advertising including public service announcements often convey the non-profits' or the company's message. Green messages and products may have a psychological advantage.

> Whole companies have organized themselves around a 'green' theme. Ben and Jerry's ice cream uses its environmental corporate culture as its guiding principle. Anita Roddick, in her book, *Body and Soul* (1991), describes how her humanistic and green beliefs have shaped her worldwide personal care business. Products that appeal to a consumer's environmental sensibility are thriving. Environmentally friendly products and behaviors are those that are perceived as contributing to the reduced consumption of natural resources. This evolution presents many challenges to social scientists. Because adoption of green behaviors and the purchase of green products may, in part, be due to the satisfaction of psychological needs such as altruism and goodness, behavior in regard to them may be different from typical 'consumer behavior' (Flynn and Goldsmith 1994, pp. 543–544).

## *Social Analytics: Klout and Challengers*

When we look back at pre-Internet days we realize that surveys had to be distributed in person or sent by postal mail or conducted through phone interviews. With the advent of social media, social influence can be measured online in many ways. As discussed previously, political researchers and marketers have long mined data from social networks to find influencers. In the recent times, the focus has been on influencers whose favorable tweets and posts boost votes and sales.

Launched in 2008, a leading marketing tool has been Klout which had venture capital support and has clients such as well-known companies like Procter & Gamble and Audi who pay for the service, the information gleaned. The growth of Klout has been researched in several fields including communications as well as marketing. A score is assigned based on many factors including number of Facebook friends and LinkedIn connections.

> Klout measures the social influence of people, groups and brands based on their activity and audience on social networks. The company weighs more than 400 data points – including the number of Twitter mentions and Facebook fans – and assigns a number from 1 to 100. President Obama currently leads all individuals, with a score of 99 (Finding a Haystack's Most Influential Needles 2012).

Naturally, when something is this successful and useful, there are competitors as examples Tellagence and Little Bird who say that they can also help businesses zero in on social influences but in a more targeted way. They could specialize, for example, on eating out habits or clothing spending behavior. Companies use different algorithms (measures or metrics) to find influencers. They may weight data points differently than Klout. Here are some of the surprises: People can have few connections, do not hold high positions, and have low Klout scores yet their comments move sales a lot more than one would expect. So it comes down to the subject of this book who are the social influencers and how do they affect consumers and sustainability efforts? It is not so easy to determine this, and as we know someone can be very influential in one area and have no effect or interest in another.

Sometimes high scorers have been contacted by companies and given incentives. One example of this was:

> Recently, Chevrolet gave about 900 people with a Klout score of more than 50, a free three-day rental of the Chevy Volt, a move that resulted in more than 46,000 tweets and more than 20.7 million blog posts, most of them favorable, about the electric car. (Finding a Haystack's Most Influential Needles 2012).

Although Klout is a leading company, it has competitors and it could significantly change its business model. A new technology or system could easily change how social influencers are identified and measured.

## The Model of Social Influence

In the first chapter, the Social Influence Model was introduced. It is revisited here because communication is all about creating "talk" and "buzz." For example, a mom posts on Facebook a photo of her daughter dancing on stage at an Italian festival. She is sharing with friends how her daughter looks in a costume and about her new found talent. Friends respond by saying how grown up she is and so on. The buzz goes on for several days. It publicizes the Italian festival as well as providing news about the mother's family. Her post may stimulate more people to go to the festival, thus moving them into the next step in the model "Buying/Adopting." According to attribution theory, behavior is ascribed to personal behavior and behavior having to do with others and events. We dance or sing because we hear music or catch the spirit of an event such as at a festival or wedding. Please see Fig. 1.1 on p. 20.

## Influence Spiral

If you get it, you share it. Influentials are much more likely than others to share news about a product or service if they have had a good experience such as test driving the Chevy Volt. They do not hold back their opinions. Alice says, "I switched to Comcast because it was a better deal. I got more channels and services for the same monthly charge as my former company." She announced this at an Olive Garden dinner of eight friends. They were there on a weekday night because she sent an email to them saying the whole table could get 25 % off on a weekday night if even one of them had a coupon—she had a coupon. So you see by this the spiral of influence it goes on and on. The day of the get-together she could not find her coupon so sent out an email asking the others if they had one. Jennifer said she did and so all was saved, the dinner went as planned. The spiral continued with one couple saying they could not come but would like to do it again so future Olive Garden get-togethers were planned for ten.

According to Keller and Berry (2003), about the power of influentials and their opinions:

> We've seen this already in the high rates to which people turn to them for advice and opinions when they have a question. It's also reflected in other research as well – most importantly, perhaps in their propensity to make recommendations when they find something they like. The research underscores the conclusion that the segment's influence extends beyond political and civic concerns…Over the course of a year, Influentials have an aggregate impact of millions of word-of-mouth recommendations. The segment is particularly likely to wield a powerful word-of-mouth force through recommendations in areas that by now should be familiar areas of expertise, including restaurants and food, travel, technology, media, cars and personal finance. Almost nine in ten Influentials say that in the past they've found a restaurant they that they've liked so much that they recommend to others." (2003, p. 146).

Influentials have a sense of discernment. They feel that they know how to pick through information and pass on the main points or issues to their friends, co-workers, and other acquaintances. They have a sense of what matters and tell others. Does influence run in families? Some would say in American politics that appears to be the case when one looks at the political dynasties of the Kennedys and the Bushs to name only a few in recent history. The same could be said for royal and leading political families in other countries. As a counterpoint, there are countless examples today and in history of people who have risen from humble beginnings to influential leadership roles.

**Critical Thinking: Rise of Influentials**
Can you identify a nationally known influential today? What was their past? How has social media allowed someone to become an instant celebrity in music, in performing arts, and in other ways?

### *Social Technologies and Economic Impact*

Word-of-mouth conversations never end, but they have new channels of distribution. This section could be subtitled "Shifting Power to the Consumer." A few years ago, most consumers used email, searched the Web, and did some online shopping. Fast-forward to today and consumers are doing so much more. Social technologies are a sweeping, growing phenomenon. They are changing how people live and who they interact with, friends they have never met but may feel closer to than their next door neighbor or co-workers. They post to complete strangers the details of their weekend, such as where they went boating, how the wedding went, jokes, what their dog did, what they ate, complete with photos. You could easily know more about a person in a few hours than you could possibly know in a lifetime.

Just as consumers are changing their behavior, business is as well. The goal of business is to maximize profits and to do so they need satisfied customers. In business, the "new media" platform is becoming more dominant, new hires have to be ready to expand capacities and know how to engage consumers directly through social media. E-commerce in the form of company websites, service providing, creating dialogues back and forth between consumers and service workers, daily and twice daily company sales messages or updates popping up on emails, product reviews, sports reviews, even sermon reviews, the list goes on and on. College networking sites have exploded into all kinds of networking sites. Facts to consider (from Chui et al. 2012):

- 80 %: Proportion of total online users who interact with social networks regularly
- 70 %: Proportion of companies using social technologies
- 90 %: Proportion of companies using social technologies that report some business benefit from them

- 28 h: Time each week spent by knowledge workers writing emails, searching for information, and collaborating internally.

And their untapped potential (what follows are estimates):

- \$900 billion—\$1.3 trillion: Annual value that could be unlocked by social technologies.
- 1/3: Share of consumer spending that could be influenced by social shopping.
- 3 %: Share of companies that derive substantial benefit from social technologies across all stakeholders such as customers, employees, and business partners.
- 20–25 %: Potential improvement possible in knowledge worker productivity.

Social analytics is the practice of measuring and analyzing interactions across social technology platforms to inform decisions (McKinsey Global Institute analysis cited in Chui et al. 2012). Key findings from report entitled “The Social Economy: Unlocking Value and Productivity Through Social Technologies” include:

- Consumers and companies have <u>not</u> captured the full potential of social technologies.
- Social interactions need to improve on speed, scale, and the economics of the Internet.
- Social technologies can enable organizations to be more networked within in both a technical and in a behavioral sense. (Are all those in-person meetings really necessary?)
- Social technology is just one channel among many to reach consumers.
- Social technologies can empower individuals to form communities of interest about specific products and causes and enable the spreading of “the word.”
- Social technologies encourage sharing and openness.
- There are risks involved with rapid change such as identity theft, loss of intellectual property, disruptions, and damage to company reputations. These can be avoided by companies (and consumers) thoroughly understanding social technologies, training, and putting secure practices in place.

**Case Study: Company Employee Helps a Senior Citizen Avoid Scam**

Companies and consumers can work together to reduce frauds and scams. Although this situation was started by and resolved by phone calls (it could just have easily involved email and other connections). In the end, face-to-face interactions saved the day.

“Our dad received a phone call requesting him to send \$1,475 to an international bondsman via Western Union to get his grandson out of jail in Atlanta. Dad’s memory isn’t what it used to be, and the caller did provide a first name that was familiar to him. Wanting to do the right thing, all he could think about was going to get that Western Union and sending it right away. Dad rushed to the Vineyard Publix on Mahan, filled out the Western Union form, and presented it to Sharon, a customer service representative. She had seen my dad in the store on numerous occasions and, because of Publix employee training, was aware of the many scam attempts victimizing senior citizens. Sharon was observant enough to ask Dad several questions and then made a phone call to my sister (who has two sons) regarding the situation, and we were able to prevent dad from being swindled…"

Source: Christine Coble, Letter to the Editor, *Tallahassee Democrat*, July 29, 2013, p. 4A.

## *The Future of the Social Economy for Consumers*

The future of the social economy is a large, all embracing topic. It is difficult to explain other than we are only seeing the tip of the iceberg about what social technologies and consumer response can deliver. One of the future tools will be improving education, allowing more interactivity and self-pacing. Another example is that online banking is well under way, and all sorts of partnerships and new ways to make payments are emerging. Apple offers Apple Pay mobile payment system in its own stores and with retail partners including McDonald's, Macy's, and Staples.

Health care will be influenced, test results reported immediately to the patient rather than waiting for a primary care physician to deliver the results, or perhaps it is through the physician's office with interpretation added right there. Doctors in the UK are on networks where they discuss symptoms and treatments. Patients are on networks discussing symptoms and cures. Of course, there are lots of opportunity for misinterpretation and fraud. As discussed earlier, social media has many plusses but also opens the door to lack of privacy and identity theft issues.

On the legal front, attorneys can learn about potential jurors by what they say online such as blogging opinions about police, crime, laws, and their community and about group affiliations such as what clubs and organizations they belong to and political sway.

Sustainability and environmentalism will move forward with more messages at all levels in the future. One example, in the case study, of a pro-social, pro-environmental message was announced by the furniture company IKEA.

**Case Study: IKEA Pro-social/Pro-sustainability Message**

"OSLO, Oct 13 (Reuters) – IKEA Group, the world's biggest furniture retailer, may introduce an internal carbon emissions price to help its drive to protect the environment and create a 'new and better' company, chief executive Peter Agnejail said. IKEA, seen as global trend-setter among retailers on green issues, is also on target to invest $1.5 billion in solar and wind power by 2015, and bought a higher proportion of its wood and cotton from sustainable sources in 2014 to aid consumers shift to greener lifestyles. "We see sustainability as a driver of building a new and better IKEA," Agnejail told the Reuters Global Climate Change Summit. 'It is a driver of a renewal of our business, renewal of our products and a driver of innovation of all kinds.'"

Source: Alister Doyle (Oct. 13, 2014). Reuters Summit-IKEA may lighten carbon rules to protect environment, *NRF SmartBrief* at nrf@smartbrief.com.

Another pro-social outcome is that employees can become more networked talking with employees across the nation in similar jobs, discussing solutions to problems, and more efficient ways to move products or surpluses and serve consumers. Social technologies enable more interaction and exchange of information. They foster communication.

As the adoption of mobile devices such as smartphones and tablets accelerates, we will see more economic or marketing implications such as walking by a store and the smartphone makes a sound indicating a sales message. An old word for influencers was "tastemakers," we see that word re-emerging in messages from jewelry retailers Tiffany's and Cartier. Tiffany made the worldwide news in January 2015 when they ran an advertisement of a same-sex couple buying jewelry.

A social graph represents the personal connections between people. Connections can be reciprocal (back and forth) or one-way directional such as a Home Shopping Network spokesperson (Jasmine) describing pants for sale to customers at home. HSN becomes reciprocal when a phone call is broadcasted and Jasmine talks to Iris about a new offering of purple pants and asks "have you tried them in pink?" Iris responds she has the pants in five colors including pink and wants to try the purple. Viewers are impressed and consider doing likewise. "Most large consumer-facing companies, and a growing number of smaller ones, recognize that they must now use social technology to compete" (Chui et al. 2012, p. 15).

## Summary

Communication is fundamental to any discussion of social influence. It is an adaptive process of exchange that takes many forms. It is a way to share meaning and has verbal and nonverbal elements. Facial expressions and touch communicate. Children are socialized in families, form attachments, and learn to communicate. When we observe people behaving, we often attribute their behavior to certain causes or motivations such as being late for work. Verbally communicating, talking, often clears up misperceptions. The crossovers between communication and consumers were discussed as being apparent in advertising, a form of information. Influentials have a sense of what is important and they pass that information on to others. They have a multiplier effect in that the voice of one is heard by many.

Social media has redefined who is a friend and has provided increased communications power to the consumer. Consumers can instantly post likes and dislikes, read reviews, post reviews—say what they want to millions. To summarize, consumers, online ratings, and reviews are growing in importance in decision making about a number of products from hotels to books. Managers and CEOs are taking note. Rather than their formal advertising campaigns, the focus has shifted to following and responding to user-generated reviews. The search for influencers has become easier through taping into exchanges such as Facebook, LinkedIn, blogs, messaging, and through tweets. Klout scores are given that measure the social influence of people, groups, and brands based on activity and audience. Competitors to Klout measure influence aspects slightly differently and with all new research refinements will come. Technology can totally change the picture of how people exchange information and impressions. The economic impact of interpersonal communication through social technologies is boundless.

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# Part II
# Consumption

# Chapter 5
# What We Buy and Who We Listen to: The Science and Art of Consumption

*What we learned about our guests is that they are mobile, they are global, and they demand substance in design.*

Mara Hannula, Marriott Hotels

**Abstract** Social influence applications to consumer behavior and consumption themes and actions are covered in this chapter. Product reviews, incentives to buy, personality, advertising, and the mobile mind shift are discussed. The mobile mind shift refers to the expectation that desired information or service is instantly available through different devices or channels. Consumer economics is the study of how people deal with scarcity, fulfill needs and select among alternative goods, services, actions and forms of communication. Sustainability implies future, long-term, considerations. Advertisements or methods using social media are often directed to younger audiences. Mobile tech-equpped teens and young adults, called helicopter siblings, often serve as family guardians.

## Introduction

This introductory chapter to the second section of the book focusing on consumption is eclectic by nature. It explores numerous applications of social influence to consumer behavior, consumption, education, and protection. The individual is the focus as he or she sifts through information leading to purchase or adoption. Why do we buy what we do (to fulfill a need or want) and who do we listen to, who influences us? How does a company reach consumers? Each audience represents a different assortment of consumer needs and challenges.

> Communicating directly with consumers is relatively more difficult because it involves (a) targeting groups of consumers according to their need for an interest in the particular results being reported, (b) identifying multiple information channels that supply access to these groups, and (c) garnering consumers' attention amid the numerous other sound bites competing for their interest as they cope with the manifold complexities of daily life (Mick et al. 2014, p. 19).



E.B. Goldsmith, *Social Influence and Sustainable Consumption*,
International Series on Consumer Science, DOI 10.1007/978-3-319-20738-4_5

The last chapter entitled Communication and Social Media addressed many of these issues. Do we read product reviews or talk to company representatives on the phone or online? How do incentives work? It has been shown that incentives such as coupons, contests, and cash rewards can motivate both employees and customers to be more engaged with a brand (Veith 2011). If you have a choice of one airline over another for the sale for a flight, you will choose the one where you have the most frequent flyer points and even pay more for the flight with the preferred carrier.

As the beginning quote shows we are members of a mobile society always looking for something new whether it a place to stay, an idea or another form of information, or a product/good/service that will make our lives better. Information seeking and receiving can take many forms but an indicator of a growing trend is that the average American is on a cell phone thirty-four times a day (Soojung-Kim 2013). Social networking websites such as Twitter and Facebook provide other ways of sharing ideas digitally.

Also the quote indicates today's consumer desires substance in design. Messages should be short, capable of fitting on a mobile phone and if catchy enough the viewer will scroll to the next page. A global approach matters. Consumer motivation and desires are ever moving targets or another way to say this is that we are more mobile than ever before. Our wants and our personality affect our actions. Younger consumers want edgy rather than stodgy and predictable and hotels worldwide are trying to deliver this. Mara Hannula is the vice president of global marketing for Marriott Hotels and she says their guests do not separate work from play they think of activity, things to do, rather than separate categories (Trejos 2013, 5B). Sharing articles, postings, or reviews add to a person's social news feed.

## Mobile Mind Shift

The mobile mind shift signifies the expectation that any desired information or service is available given the proper device at a moment's need. Consider this:

> First you get an iPhone or some other smartphone. You put your e-mail on it. When you're lost in a strange city, the maps app saves you. You sign up for alerts, then find out that your favorite pitcher hurled a no-hitter. You start to download more apps so that you can know instantly which Thai restaurant in Atlanta is the best, what the weather in Beijing will be next week and what happened with your sister's toddler on Facebook. Multiply this by hundreds of millions of consumers and you begin to see that the real transformation associated with mobile is not about phones, and not even about apps. It's about what happens in the customer's mind. It's a complete shift in psychology, a shift from looking things up to just expecting them to be there (Bernoff 2013, p. 20).

Companies have to be clever about what apps they offer and why. The Johnson & Johnson's baby powder customers did not need an app about how to apply powder to babies or where to find the powder so the company created an app to solve a universal problem: getting the baby to sleep. The app is called "Bedtime" and includes "An ask the experts" section and lullabies (Bernoff 2013, p. 21).

## Personality

Consumer behavior cannot be discussed without a nod to personality and its impact. We all have a personality the totality of qualities and traits that drive our opinions and behavior. Wimbledon tennis star Serena Williams says she hates failure and disappointment more than she likes winning.

> "It's the biggest factor for me. Like, if I lose, all hell breaks lose, literally. Literally! I go home, I practice harder, I do more," she said. "I don't like to lose….I hate losing more than I love winning. It could be a game of cards – I don't like it. I really don't like it." (Howard Fendrich, Associated Press release, June 24, 2013).

Advertisers (social influencers) knowing this trait of most of us will run advertisements or reminders saying "Don't miss out" or "Final last days of our summer sale." Fear of loss (referred to as loss aversion covered earlier in the book) if we do not shop quickly outweighs the possibility of winning a good deal later. A spokesperson for a product or a cause is a good example of a social influencer. That person was purposely picked for their appeal and ability to influence.

## Consumer Economics

The study of consumer behavior is closely linked to economics and the forces of supply and demand. This can be referred to as behavioral economics. Social influence affects demand and puts pressure on suppliers to produce more. Are you price sensitive or not?

"A branch or subset of behavioral economics is consumer economics which is the study of how people deal with scarcity, fulfill needs, and select among alternative goods, services, and actions. It provides an understanding of how the marketplace works, what our role is in it, and how choices affect our lifestyles….an end result of studying consumer economics is improved decision making" (Goldsmith 2009, p. 4).

Where do we buy? Online or in stores, or depending on product, which do we prefer? Obvious choices like most fresh produce or dairy products come from grocery stores or farmers' markets make sense but when it comes to apparel or pet supplies it could go either way and the trend is toward more and more online buying. The example of fresh produce and dairy products speaks to the seasonality or timing of buying—the "when" aspect of consumer behavior. According to Pam Danziger, president of Unity Marketing, "While we find that many consumers of a certain age use social media, its usage is far more prevalent among younger-generation consumers" (Trejos 2013, 5B). *The use of extensive social marketing is a clear bid to attract younger consumers*.

> Brands are all around us and in a sense represent any person, place, or thing to which people attach associations – anything that represents something for someone. This insight has led those trying to improve society, not just to sell products, services, and organizational

> reputations to take up the mantle of branding. The brand of social and health behaviors has become widespread and is now a central approach to social marketing – the use of marketing to benefit society rather than the marketer (Evans 2013, p. vii).

In summary, consumer behavior revolves around questions of who, why, how, where, and when we buy within the family economy and the ups and downs the greater economy and changes in society. One of the main mistakes people make is underestimating the effects of the overall economy with their personal economy. Joseph found this out when he wanted to get an answer about his small business and a form to be filled out with the Internal Revenue Service. When he called their local office the answering machine said the entire office was closed because of the federal government furlough. This happened in October 2013. Joseph wondered when they would re-open so he could move forward with his business.

## Social Influence and Consumer Education

As established in earlier chapters, consumers' cognitive structures are established through consumer socialization, observation, or exposure, and social and personal experiences. Consumers internalize messages they receive and purchasing behaviors that they observe (Goldsmith and Goldsmith 2011). The earliest consumer experiences for most children involve shopping with their parents. Infants look around and use these cognitive structures to make sense of the world outside their home.

Education can be divided into two main sources education in the home and family (socialization) and also through formal education in the schools. In schools, an issue is the nature of the information to be communicated. More specifically, what is the theme or thrust? Subjects could include budgeting, consumer credit, or consumer rights or more broadly delve into developing greater awareness of the consumer/citizen nexus (McGregor 2008). Mick et al. (2014) say that "consumer education should also assist people to evoke better decision processes that can have positive individual, social, and ecological outcomes, while also ensuring that people are aware of their legal rights and available methods of redress" (p. 19).

Social influence is the main topic of this book. Education is a type of social influence. In this chapter, it is applied to consumers so that influences on individual consumption behaviors are associated with groups overall or by opinion leaders within groups. Online, strangers with a shared interest (fashion, travel, hunting, fishing, music, books) or loose social connection can influence others to buy or not buy certain products or to act in other ways. The new blend of technology and communication has opened up new frontiers of influence. It has also revolutionized consumer education as educators can much more easily exchange curriculum ideas and teaching methods. In high schools, more classes of economics are being taught or consumer information is given in math or social studies courses.

Consumer education is a world-wide phenomenon affecting children at the grade school level to post-graduate work. It becomes particularly complicated when several nations combine education methods and outcomes. An article by Elizabeth Goldsmith and Suzanne Piscopo explored advances in European consumer education through the European Union (EU): its current status, orientation, and sustainability. Teams were recruited in each country to write teaching and learning materials.

> The goal was to ensure contextualization of all information and material to reflect applicable European and national legislation and policies, as well as the local socio-economic and cultural environments. Text and materials were developed in the national language, or one of the official languages of the country. Teaching and learning materials developed were linked to local curriculum and syllabi (2013, p. 4).

As an introduction, Goldsmith and Piscopo wrote that:

> Developing consumer curriculum and resources within a single nation, given regional differences and a range of incomes and competencies in the different literacies, is a gargantuan task. Imagine trying to coordinate this across many countries with a wide range of languages, historical and cultural contexts, and educational systems (2013, p. 1).

## Consumer Protection and Sustainability

The main theme of this chapter is consumption behavior and part of this involves consumer protection and sustainability. Anything discussing sustainability is always future focused, how are our current practices impacting future generations?

> In its resolution on the EU's Consumer Policy Strategy for the years 2007–2013, the Council of the European Union requested the Commission and the member states to work towards effective consumer protection and education in all Member states… including education on sustainable consumption (Council of the European Union 2007, p. 4).

Notice the term "consumer protection" which implies consumers should know how to complain, how to find remedies or redress for product or service failure, and how to be protected before anything bad happens in the first place. Consumer protection in countries goes through several stages of development. In twentieth and twenty-first century Canada, for example, authors Sadovnikova et al. (2014) note the following stages which are paraphrased here to be reader friendly and also because the general flow is applicable to many nations:

1. Introductory crusading stage—growing awareness of concerns
2. Popular movement stage—rapid development of government agencies and legal frameworks
3. Organizational/managerial stage—active intervention by government
4. Mature, bureaucratic stage—complete institutionalization of the consumer protection function.

Examples include government protection and recalls of defective cribs, toys, and cars and public announcements/regulations about texting while driving.

**Critical Thinking: Consumer Issue of Texting and Driving**

"Distracted driving – defined as 'any activity that may divert a person's attention away from the primary task of driving' (NHTSA 2013) – has recently become a matter of great concern. Of all the types of driver distractions (e.g., talking to passengers, grooming, adjusting a radio, etc.), text-messaging is often considered the most distracting – and potentially dangerous – because it requires visual, manual, and cognitive attention from the driver (Dingus et al. 2011; Drews et al. 2009). In support of this notion, the National Safety Council (2010) estimates that at least 1.6 million crashes each year (about 28 % of all traffic accidents) and thousands of fatalities can be attributed to drivers who are distracted by cell phone use, with conservative estimates indicating that as many as 200,000 of these accidents are due specifically to texting-while-driving incidents."

What is your comment on the dangers of texting while driving? Did you learn this was a dangerous behavior in school, from media, from friends or family? Or, all of these?

Source: Kareklas, J. & Muehling, D. (2014). Addressing the texting and driving epidemic: Mortality salience priming effects on attitudes and behavioral intentions. *The Journal of Consumer Affairs*, *48*(2), p. 223. Note: Cited material in the quote is listed in the reference section at the end of the chapter.

The United Nations guidelines on consumer protection are as follows (retrieved from http://www.consumersinternational.org/who-we-are/consumer-rights/From the United Nationals Guidelines on Consumer Protection—UNGCP).

- The right to satisfaction of basic needs—To have access to basic, essential goods and services, adequate food, clothing, shelter, health care, education, public utilities, water, and sanitation.
- The right to safety—To be protected against products, production processes, and services that are hazardous to health or life.
- The right to be informed—To be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labeling.
- The right to choose—To be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.
- The right to be heard—To have consumer interests represented in the making and execution of government policy, and in the development of products and services.
- The right to redress—To receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods, or unsatisfactory services.
- The right to consumer education—To acquire knowledge and skills needed to make informed confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.
- The right to a healthy environment—To live and work in an environment that is non-threatening to the well being of present and future generations.

## Schemata or Scripts

According to Foxall and Goldsmith (1994), influence can be part of structures or frameworks or schemata representing an integrated network of information, feelings, attitudes, and associated ideas and behaviors that households and consumers use about a subject, a product category, brand, store, or shopping medium. These researchers posit that:

> A special type of schemata, called a script, is a stereotyped event sequence describing what a consumer should do in a particular consumption situation. Certain situations or sequences (for example, buying organic peaches vs. conventionally grown) will affect the actions or procedures to follow. Social influence provides individuals with the information and the motivation to form new attitudes and adopt new behaviors (Goldsmith and Goldsmith 2011, p. 120).

> Consumer behaviorists know that household behaviors through socialization, value transmission, are learned in the home and are difficult to change. Habit is a strong force. To change brands or behaviors the consumer has to believe that the new product or way of acting is better and it has to be affordable (Goldsmith 2013, p. 1).

## Disgruntled Consumers

Before the advent of the Internet, if someone did not like a product or service, they wrote a letter or called a toll-free number usually listed on the back of the product. The problem with both of these was wait time. The toll-free numbers were usually only serviced weekdays during normal working hours. In other words, consumer complaints took a lot of time and effort and studies indicated only about 2 % of consumers complained by letter or phone (Goldsmith 2009). In addition, no one saw the letter or heard the phone call unless they worked for the company to whom the complaint was directed unless the consumer went further and contacted government agencies or other regulators. In many cases, the company would try to do service recovery meaning they would try to satisfy and retain that customer with product discounts or reimbursements or other methods to keep them loyal to the company. It is a well-known maxim in services marketing that it is less expensive to keep existing customers than to try to reach new customers.

Now in the on-demand world, rather than writing and posting a letter or calling the toll-free hotline or going to the front desk or back to the store, consumers go right online to voice their complaints and they expect an immediate response. Their complaint can go viral, millions can see it. For example, some people photograph bedbugs in hotel sheets or photograph bad banquet meals and Facebook them to their friends. Not only are present negative experiences or complaints exposed but anticipating these companies try to head them off at the pass. An example is “a new website, www.travelbrilliantly.com, will highlight changes under development and solicit ideas from travelers about what they want to experience in hotels” (Trejos 2013, 5B).

**Case Study: Angry Customers Speak Out on Change.Org**

Two years ago Molly Katchpole, a 22 year old nanny working two part-time jobs, found out that her bank was about to start charging $5 a month for the privilege of using a debit card. First she got mad. Then she got online, went to a site called Change.org, and turned her gripe into an Internet petition. Within a month, 3000,000 people had signed, the story blew up into national news, members of Congress were publicly fuming, and Bank of America ditched the disputed surcharge Bluestein (2013, p. 34).

The victory in the case study was a key event in the life of Change.org which was founded by Ben Rattray, then 26 years old, who founded it in 2007. Before that companies were not accustomed to such public outcry. Now the company helps 40 million global users launch as many as 1000 petitions a day. Examples of petitions include the call for larger sizes at Abercrombie & Fitch, ditching Styrofoam cups at Jambo Juice, stopping Seventeen magazines from Photoshopping models. Eighteen-year-old Benjamin O'Keefe after posting his complaint found himself two weeks and 75,000 signatures later meeting with Abercrombie executives to discuss solutions (Bluestein 2013). Other petitions that worked through Change.org include making Hasbro's Easy Bake Oven available in more gender neutral silver and black, changing fees for Verizon, and encouraging 1-800-FLOWERS to make fair trade bouquets available and increase sourcing transparency.

## Social Influence Definitions Related to Consumption

How does social influence play into the questions asked earlier in the chapter in regard to consumption? Consider these definitions and applications which mostly come from the fields of psychology, sociology, and communication:

**Anonymity**: A condition where identity is unknown or obscure. Online buying allows for this better than in-store buying although data storage (what is known about a person's buying pattern may well disavow anonymity). Celebrities often bemoan the fact that they have lost their anonymity when they want to disappear into a crowd, go somewhere private. Anonymity is becoming more difficult in families as mobile tech-equipped teens and young adults can monitor their siblings' behavior such as photos posted on Instagram.

**Anti-conformity**: Wanting to be different, a person is in opposition to where most of the group is going. An anti-conformist does not have to worry about a disapproving salesperson or the frowns of fellow shoppers when shopping online on the other hand if the object of the anti-conformist is to be noticed that in-person behavior such as shopping may be desirable for effect.

**Audience**: A group of people observing, responding, or commenting. For example, the way people may look at an individual in the marketplace. A 70-year-old shopping in a teen apparel store may comment that she is looking for a gift for her granddaughter as a way of diminishing disapproving looks.

**Case Study: Improved Audience Response to New Format**
"Rather than open on the traditional shot of two somber anchors, Good Morning America decided last year to open with all five anchors riffing on sports and viral videos. 'We always said, if we're No. 2, and we want to be No. 1, why are we doing the same show?' says Tom Cibrowski, who oversaw the shift, making the cast seem more like buddies just as longtime leader Today was suffering the on-air awkwardness caused by off-air discord. The fun paid off, with GMA unseating its rival for the first time in more than 16 years."

Source: Tom Cibrowski, Senior Executive Producer, Good Morning America, The Guy who Finally Beat NBC's Today (June 2013). *FASTCOMPANY.COM*, p. 126.

**Authorities**: Those in charge by title or position or expertise. Individuals may be rewarded by conforming to the wishes or demands of those in authority or seek their advice or opinions. Bosses in employment situations are usually authorities.

**Compliance**: Also defined in chapter one, compliance has to do with going along with the reactions others—it is overt behavior. As an example, a friend buys a green shirt and you see it and buy a similar one. In more extreme forms, examples would be compliance to school uniforms or the wearing of school colors at sports events. The restaurant chain Chick-FL-A has dress up days such as wearing university logo clothing wear that will result in a free sandwich.

**Conformity**: Yielding to group pressure, going along, while at the same time having reservations (wondering) about your actions. An example would be wearing pink lipstick because it is "in" even while knowing it is not your best color.

**Crowd behavior**: Following the crowd, observing what a large group of people do. A consumer example was the selling out of a Home Depot orange tote with prominent logo in the summer of 2013. Women were using them as purses. They retailed for $2.99 at most places online and in store, within days they could not be found nationally. Home Depot widely underestimated the demand.

**Ego**: From Freud and since widely discussed by others, refers to the reason and common sense parts of our personalities as such affects purchasing behavior, most likely curtailing impulse spending.

**Foot-in-the-door technique**: Explains how free samples work or product demonstrations, the salesperson tries to get the potential buyer to engage in the product by taste or trying. This is related to compliance. The expression comes from the past when a salesperson at the front door would try to wedge their foot in the door.

**Generations**: Groupings of cohorts by year of birth. Slight variations exist on the exact range of years within categories depending on source. Within categories, also, a person born in 1946 is quite different in life experiences such as exposure to technology and popular music than a person born in 1964.

**Baby Boomers**: Born 1946–1964 (note slight overlap below).
**Generation X**: Born from the early 1960s to 1980.
**Generation Y or Millennials**: Born from 1980 to the early 2000s.
**Generation Z**: Early 2000s to today.

**Case Study: Opinion Collector Tina Wells, Founder, CEO, Buzz Marketing Group, The Millennial Whisperer**
"In addition to intensive millennial studying, Tina Wells curates a network of young influencers who test, share, and endorse products. 'They post on Facebook, and when their friends see they have this cool job, they want to be part of it.' She says. She has also developed a tween book series called *McKenzie Blue*, for which she surveyed 7- to 12-year-old girls to decide key details. They had plenty to say."

Source: Tina Wells (June 2013). *FASTCOMPANY.COM*, p. 118.

**Group mind or Group mindset**: Refers to how a member of a group may have more influence than an outside person. So if Jonah in a fraternity wears a certain brand of shirt and as a leader in that group, others notice and start buying that brand. One shirt company knowing this behavior gave product demonstrations at fraternity houses across the country. They brought with them discount coupons and free samples (can openers, can holders, key chains with logos). The brand representatives coordinated this effort with a local store so there would be plenty of stock. In the extreme, a group mindset can lead to group pressure to conform.

**Identification**: The process of identifying (such as by a monogram or badge) or linking oneself to another person or group and adopting characteristics, in some cases, imitation.

**Independent behavior**: A person who is oblivious to conformity goes his or her own way. In a class of forty with everyone having blond, brown, or black hair, one student buys hair dye to have a dark red color that does not exist in nature.

**Individualism/individualistic**: Societies, cultures, or businesses that encourage independent behavior, non-conformity. In couture, only one dress will be offered; custom design exists at all levels letting the customer have the car, clothing, or jewelry preferred.

**Ingroups**: Groups who have a strong identity and may act in such ways to exclude other. Examples in retail are private sales for special customers or charities. The use of the word "club" as in Sam's Club is often a clue. Obviously some ingroups have more status or clout than others.

**Lifestyle**: How one lives and the patterns of time, relationships, and consumption related to it; what one thinks is important; and how one spends or displays wealth/money. An example is an extravagant house or a luxury car as indicators of lifestyle. Shopping centers with a specific look or clientele can be described as lifestyle centers.

**Optimism**: A profound sense of hope and the possibility of better people, better lifestyles. An optimist expects good things to happen, if not immediately, then eventually.

**Relationship-oriented**: Some people care more about fitting in than others and especially about relationships with others. Concern about being properly dressed for a funeral or wedding is most likely about relationships, and can also be about identity and status. A lot of advertising is targeted at relationship-oriented people, for example, wanting to camp together, wanting to drink together.

**Roles**: Refer to the parts we play in society as father/mother, sister/brother, parent, grandparent, aunt, uncle, child, friend, leader, manager/employee, and so on. We perform multiple roles requiring different consumption.

**Schemas**: Organized structures or frameworks of knowledge based on past knowledge or experiences. In consumerism, eating a strange food will be put into a category of whether or not it is desirable.

**Social cohesion**: Human collective behavior that can serve positive outcomes. For example, a store or online source may say “5 % of our sales today will go to the United Way” (or another good cause).

**Social identity**: Saying or thinking about who you are based on a group affiliation such as “I work at Boeing” or “I shop at Forever 21.”

**Socialization**: Refers to the process of learning to interact with others through the life course including assimilating the attitudes, values, and behavior patterns of parents, other family members, teachers, and others in society, usually ones which the individual has had lengthy or enduring contact. An example of this is that by December 2014, 75 % of Marriott’s properties worldwide will have “greatroom” lobbies that offer guests an open setting, one they are familiar with from their growing up years and now expect in their homes away from home (Trejos 2013, 5B).

**Solidarity**: Cooperative efforts through consumer or citizen groups by those who share a common cause or belief and desire for the best and most effective action.

**Social responsibility**: Refers to consumers acting socially responsible, concerned about and sensitive to the impact of their actions on others.

Throughout this chapter, you will see research study results based on these definitions and constructs and the decisions surrounding consumer behavior as it relates to social influence. For example, compliance and conformity are related to three goals fundamental to human functioning according to Cialdini and Goldstein (2004). These goals are:

- People are motivated to form accurate perceptions of reality and react accordingly
- To develop and preserve meaningful social relationships, and
- To maintain a favorable self-concept.

Further they say that our goals interact with external forces to “engender social influences processes that are subtle, indirect, and outside awareness” (2004, p. 591). This idea that we may be conscious of social influence or not conscious is intriguing. They also write that most simply stated people are motivated to achieve their goals in the most efficient way possible and to seek rewards.

## Consumer Power

*Consumers have more power to influence and be influenced by the marketplace than ever before due to increased connectivity*. As alluded to earlier, app-based devices are proliferating as well as the number of apps which are now impossible to count since anyone with ability can make their own app. Web-connected products that run on apps include smartphones, tablets, laptops, set-top boxes, televisions and game consoles to only name a few. More and more these devices have become part of our identity, what we own is who we are. Another invention is a small computer or cell phone in wrist watch configuration so it is easy to wear and less likely to slip out of a pocket or be left behind on a table. The race is on to simplify design and provide consistency. Developers include individuals, small companies, and famous companies such as Samsung, Apple, Google, and Microsoft.

Relevant to this book are the changes in consumer behavior regarding ways of shopping. Carlotta announces at a meeting that, "I have hundreds of apps on my phone including Nordstrom's and Neiman-Marcusand I visit them every day to see what is on sale or what is new and I order a lot, too much, my husband says." Carlotta lives in a small city where these stores do not exist so this is her way to stay connected to the world of fashion (Fig. 5.1).

The consumer interchange consists of several players the two most fundamental are consumers and the market also said to be usually "business to consumer" or b to c. In an expanded model or figure, also included are public policy (regulators, sales tax collectors, responders to issues), consumer organizations, media, and professional and trade associations all operating within the greater environment and economy. Public policy can exist from the city-level all the way up to the United Nations. Consumer organizations are worldwide; some of the more famous ones are Consumers Union and the American Association of Retired Persons (AARP). As the latter one shows, a consumer organization can represent a segment of society. Most try to improve health, safety, and fairness in the consumer-market exchange.

Trade and professional associations are often made up of companies who manufacture products or offer services (travel, for example) and the association can set industry standards or resolve consumer problems.

Media refers to the means of getting the message out through mass communication, newspapers, radio, magazines, television, and the Internet. A magazine article may have as a subtitle "New cars are loaded with significant technological advances." The article could include features such as blind-spot detection, parallel parking assistance, forward collision warnings, and adaptive cruise control.

The environment refers to the space in which all transactions take place and also the end use of the product or service and disposal.

Consumers ←→ Marketplace

**Fig. 5.1** Fundamental consumer interchange

Message/Information sent -→ Message received -> Merchandise considered -> Transaction considered → Shopping Bag filled (or not) -> Transaction completed or ended

**Fig. 5.2** Media messages and consumer response

Regarding Fig. 5.2, the main problem online sellers have is getting consumers to send once they have filled their shopping bag. The hand hesitates over the send or DONE button, and in most cases consumers do not complete their order. In fact, many consumers report filling their shopping bags all the time and getting a shoppers' high from that without spending any money or wasting gasoline.

Technological obsolescence refers to products becoming outdated soon after purchase or before it is worn out. Computers and cell phones become technologically obsolete very quickly.

## E.M. Rogers and Innovators Revisited

Discussed in earlier chapters, E.M. Rogers' Diffusion of Innovations Theory is often quoted and diagrammed in consumer behavior, marketing, sociology, education, and fashion merchandising books because it so aptly describes how an individual passes from:

- First knowledge of an innovation,
- To forming an attitude toward the innovation,
- To a decision to adopt or reject,
- To implementation of the new idea, and
- To confirmation of this decision.

It is a process with steps as indicated (Rogers 1995, p. 161). The innovation is communicated through certain channels over time among members of a social system. In the consumer context, innovators are the earliest to buy new brands, products, or services and to know about them. They like new ideas, trends, and technologies. They are attracted to grand openings or all-night offerings, and they line up to be the first to buy. In recent years, this behavior is seen the most when new models of cell phones or mobile devices of any sort are offered. There is hype and they respond to it.

We vary in our cognitive thinking style which is the way people obtain, organize, and interpret information and it influences consumers' information processing, thoughts, and behavior (Messick 1984). One individual may be rational and systematic while another may be more intuitive or experiential. An innovative consumer is highly involved and wants to know what is happening. He or she may be an avid reader or follower of the news or may talk with friends about new products and services. Online consumer communities are central to creating and spreading the buzz. How does this relate to other cultural groups?

> An innovation may be new to one social or cultural group or country, whereas it may not be perceived as new by another. It can be said that the innovation diffuses, or moves through, a social system over time – some pick it up early, some pick it up late, and the vast majority fall somewhere in between. People in the middle are interested in what is new but are wary of things that are brand-new. They may think that if they wait, the kinks will be worked out of the new product (such as a car model) or that the price will come down. Rogers developed a bell-shaped curve to illustrate the rate at which new products, services, or ideas are typically adopted (Goldsmith 2009, p. 71).

To re-iterate, innovations can be:

- Brands
- Practices or novel uses
- Strategies or plans of action
- Ideas
- Products or services
- Sources

Innovativeness is linked to personality and socialized in families. Someone who is a risk taker is more likely to be an innovator than a laggard. Heavy users of media are more exposed to innovations than recluses in mountain huts. Readers of *The New Yorker* or *The New York Times* know about theater and openings in New York City and would be more likely to try a new show or art exhibit than someone living many states away.

When products are released on the market they are said to be introduced, next (if all goes well), they grow and mature, and eventually decline or become dormant or static. A maker of an established brand of toothpaste will try to increase sales by adding "new and improved" to the product packaging and to the advertising, thus starting the process again from introduction to growth and maturity and then decline in sales. So, a consumer product could be totally new or new and improved or a line extension (such as the toothpaste with added whiteness) or a brand extension (such as a mouth wash). Since new product development is costly, new and improved or line extensions are preferred by the company. More risk is involved with a brand extension. It has to make sense to the consumer.

## Brand Perception and Image

As a consumer, you have opinions about brands, and likes and dislikes. You know which brands cost more than others and have an opinion whether the extra cost is worth it. Brand perception is how consumers view or rate a brand. How identified with the brand is the person? I drive a Volvo sends a different message than I drive a KIA.

The brand image has to do with a set of perceptions about a brand, that it is for the young, for example. Brand perception and image begin in the home. A toddler notices what food is eaten and boxes and cans that the food comes from. They notice medicine and may run and get an ointment if their gums hurt from teething and give the tube to their mother. Because they cannot read they can make mistakes but if the tube is the same size and kept in the same place chances are they will get the right tube. Careful parents will put medicines and household cleaning products out of reach.

## Paul Lazarsfeld Revisited

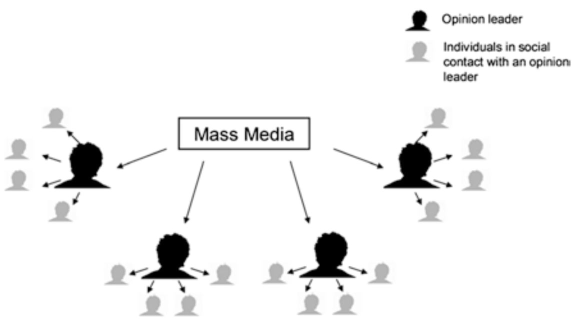
Paul Lazarsfeld showed through his many studies of social behavior most especially to voting behavior that media effects are indirectly established through the personal influence of opinion leaders. The majority of people receive much of their information and are influenced by the media secondhand, through the personal influences of opinion leaders. The Two-Step Flow Model elaborated upon by Katz and Lazarsfeld (1955) stresses human agency. They concluded that "the traditional image of the mass persuasion process must make room for 'people' as intervening factors between the stimuli of the media and resultant opinions, decisions, and actions. The results of their research explained that sometimes person to person communication can be more effective than traditional media such as newspapers, television, and radio."

In the Two-Step Flow Model introduced in Chap. 2, the adoptions due to mass media and adoptions due to interpersonal communications may start out equally important but over time the adoptions due to interpersonal communications take on much more influence and mass media influences diminish (Fig. 5.3).

## Advertising as a Social Influence

As mentioned several times in this book, advertisers can be social influencers. Their messages influence us or at least try to influence us. The world of advertising has been turned upside down by social media and by a surge in pro-social causes. Today, there are countless experts talking about using social media for the public good (such as a better environment). The role of advertising traditionally

**Fig. 5.3** Two-step flow model



was to announce new products or services or brand or changes in them such as generally "new and improved" or a new flavor or location.

A basic definition of advertising was given in the last chapter as quite simply an announcement. It is any paid form of non-personal communication about an organization, product, service, or idea by a sponsor. The role of advertising is to increase notice, sell more (could be tickets to a breast cancer awareness event like a 5 K run as well as for conventional store products), make more, bring in clients and consumers. On the local TV evening news, there are many advertisements for attorney firms wanting to represent someone hurt in an accident or from taking some drug. In election years, there are many ads for those running for office usually at the end with the notice of source "paid for by the committee to re-elect Mr. X." This is a fairly recent requirement of political advertisement, previously it was often difficult to know who the advertisement was sponsored by.

Most of us are aware of advertising that is overt. It is clearly an advertisement. Stealth advertising implies that the sponsor is not known to the consumer. If someone enters a bar and loudly orders a certain drink with a specific brand of liquor, he or she may have been paid to do so by the liquor company. Reader, if you say to yourself, how do I get this job? The answer is usually in urban markets and you have to know someone and be of a certain convivial type. The same technique has been tried to increase clothing sales. Think of how actors and actresses wear jewels and clothing borrowed or given to them by designers. They announce at award ceremonies what they are wearing. This is not exactly subtle but it is not clear how much or what was given to them permanently or if there are other perks that come with talking about a certain designer or getting photographed for magazines. For the general public, to be considered stealth advertising it should be subtle and properly placed, the people around them are unaware of what is going on.

Public relations and advertising, in short, have changed to go along with the new reality. People are craving authenticity and are less prone to fall for "the spin" meaning the exaggeration or over-glamorizing of a product. Messages are less important than sought after information. It is more bottom-up and less top-down. Products and services should solve problems, take care of a need. One of the main benefits of the Web is that instant connection, a product or service can go viral immediately. As understanding becomes more sophisticated, companies have learned that creating a Facebook page or jumping into twitter will not necessarily guarantee success. Online content should address consumers' needs not the other way around.

## Summary

This chapter introduced many aspects of consumer behavior and consumption themes and actions. Basic definitions were included, many of them influenced by the fields of psychology, education, sociology, and communications. Theorists/researchers Paul Lazarsfeld and E.M. Rogers were re-introduced.

Consumer education can be informal in family or home settings or provided in more formal settings such as in schools. It can range from specific topics such as consumer rights to broader themes of consumer citizenship and consuming more responsibly.

When one sees advertisements or methods using social media, it is often a clear bid for younger-generation consumers. Hotels, for example, have increasingly gone after Generation X, Generation Y (also known as Millennials), and will pursue Generation Z as they mature into the hotel decision-making market. Consumer complaint behavior has changed considerably in the last decade with the advent of Change.org and other companies and ways to post opinions and petition for change of products and services. Listening to customers is a basic business survival practice. Consumers have rights and responsibilities.

The Mobile Mind Shift refers to the expectation that desired information or service is instantly available through different devices. Consumers are making the shift and companies are trying to meet their expectations because that is the future of the marketplace. Incentives such as coupons, contests, and cash rewards motivate consumer and employee behavior and are tools of social influence. Competing brands and causes are all around us.

Authorities (experts or by title or position such as teachers) often have social influence. Others seek their opinion, advice, or direction. Conformity and compliance have to do with being more like others or fitting in or behaving in a like manner. Consumers seek the best product or service at the least price in terms of cost and time spent. They are motivated to have a positive self-concept. In the new age, consumers are motivated to find useful information online with which to make decisions. Social media is a way that people share and add to each other's social news feed. Companies need to create information or content that appeals to the consumers they are trying to reach. People care about themselves and how products or services can solve their problems and lead to better futures. Social marketing is marketing used to benefit society.

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# Chapter 6
# Decision Making and Problem Solving

*Do I dare*
*Disturb the universe?*
*In a minute there is time*
*For decisions and revisions which a minute will reverse.*
T. S. Eliot

**Abstract** A reasoning life strategy involves making judgments or decisions by deciphering information and sources. We develop a decision-making style, a characteristic way of choosing between alternatives. Cost–benefit analysis is a reasoning strategy weighing benefits and deficits (negative outcomes). Diminishing marginal utility refers to a leveling off, a point where more effort would be needed to produce a decidedly worthwhile benefit. Problems involve uncertainty and risk. Four steps in the problem-solving process are recognition, analysis, action, and evaluation. Differences in adaptive and innovative individuals to problem solving are discussed.

## What Is Decision Making?

A reasoning life strategy involves making judgments or decisions on the basis of deciphering certain cues. We make all kinds of judgments about what is success. We make social judgments about how individuals, including ourselves, may act.

> There is something different in the air these days: I feel it when I talk to business leaders, give speeches at high school and college campuses, and engage in conversation with fellow patrons at coffee shops. People are hungry for success – that's nothing new. What's changed is the definition of that success. Increasingly, the quest for success is not the same as the quest for status and money. The definition has broadened to include contributing something to the world and living and working on one's own terms. When I started TOMS, people thought I was crazy. In particular, longtime veterans of the footwear industry (shoe dogs, as they're called) argued that the model was unsustainable or at least untested – that combining a for-profit company with a social mission would complicate



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> and undermine both. What we've found is that TOMS has succeeded precisely because we have created a new model (Mycoskie 2011, p. 18–19).

Is there something different in the air these days? Consider the following.

> Judgment problems great and small are an essential part of everyday life, What menu items will I most enjoy eating. Is this book worth reading? Is the boss in a good mood? Will the bungee cord snap? These and other common judgment problems share a similar structure: On the basis of cues, we make judgments about some target property. I doubt the integrity of the bungee cord (target property) on the basis of the fact that it looks frayed and the assistants look disheveled and hungover (cues). How we make and how we ought to make such evidence-based judgments are interesting issues in their own right. But they are particularly pressing because such predictions often play a central role in decisions and actions. Because I don't trust the cord, I don't bungee jump off the bridge (Bishop and Trout 2005, p. 24).

Decisions are conclusions or judgments about some matter. They vary in importance and intensity. Consumers use information to make buying decisions. They get the information from a variety of sources and some are more market-driven or market-aware than others. As stated in previous chapters, social influence research has gathered considerable evidence that majority sources (leaders) are usually highly influential. On the other hand, "a high need for uniqueness undermines majority influence. Need for uniqueness (a) is a psychological state in which individuals feel indistinguishable from others and (b) motivates compensatory acts to reestablish a sense of uniqueness" (Imhoff and Erb 2009, p. 309). Thus, we think if everybody thinks or acts a certain way there must be something to it, yet we also desire to make original choices or to be different. In Asch's (1956) seminal study, he found that a quarter of subjects would not yield to majority influence. In fact some participants revealed that they received pleasure from being different, from not conforming. Cultural differences exist in the need for uniqueness which is thought of as generally positive in Western societies but may be deemed deviance in East Asian societies (Kim and Markus 1999).

**Critical Thinking: Desire for Uniqueness versus Conformity**
Can you recall specific events when you conformed to the majority (did what most did or thought) and also times when you were unique or different from the crowd? Erica Jones decided to be different for her prom so she made a dress out of duct tape. She was the center of attention and the local newspaper ran her photograph. Erica has since become an architect working on the 40th floor of a high rise in a city far from her hometown. Can you think of other examples of non-conformist clothing or appearance?

Decision making involves choosing between two or more alternatives. Planning involves a series of decisions leading to action. Implementing is putting those plans into action. We develop a decision-making style, a characteristic way of making decisions. Someone may be quick and impulsive while another is deliberate and slow, mulling over decisions before acting. The first person may say to the other "Hurry up and make up your mind." Decision-making style is linked to personality. Consider how the following personality traits might affect decision making:

- Compulsiveness
- Excessive neatness
- Open-mindedness
- Innovativeness
- Confidence
- Courage
- Honesty

A decision may be about someone you want to spend more time with or get to know better. Maintaining social connections are lifelong challenges. As adults, not everyone you love or like is in the same place at the same time. To increase the amount of time you spend with people you care about consider:

- Who it is: Spouse, partner, family, friends.
- Distance
- Work or school schedules
- Interests shared in common
- Cost
- Amount of entertaining or travel desired

As people move away from hometowns or home bases such as campuses or a long time workplace, then the question is how to meet new people and establish new relationships? One suggestion is to join classes, clubs, and organizations; volunteer and entertain more; and go out of the house to places where people gather. One club at a large state university found the best way to meet others and gain new members was to hand out popsicles on a hot day at noon in the student Union courtyard. It did not cost them much and was a great success and a lot of fun too. As another example, an out-going person, Emily, found herself in this position in a new part of the country with a new job and no near family or friends. She heard a speaker at a women's forum put on by the Chamber of Commerce and was so impressed with her, she talked to her afterward and said "We will be great friends." The speaker was taken aback by the boldness of this statement but it turned out to be true, after another shared organization event or two they did become friends.

At retirement, the greatest losses that many people experience are the losses of a regular schedule and the social interaction that work provides. It is important before retirement to take an active role in building and maintaining support networks outside of the workplace. This involves making thoughtful decisions and reaching out in new ways. A former professor found she missed teaching so much that she signed up to be a substitute teacher at a local private school for grades K-12.

## *Thinking About Others*

It is one thing to make decisions for yourself, it is another matter to decide what is best for others. A relevant expression is "try walking around in someone else's shoes." Being in a decision-making role for others could include positions in the ministry, urban planning, communities, parks and recreation, schools, and families. Anything to do with transportation, activities, or schedules involves decisions. In families, there are all kinds of cooperative decision making from what to eat to where to live. We have heard the term boomerang phenomenon referring to adult children returning to live with their parents. There is another trend called parachuting parents referring to parents coming to live with their grown children. Consider the following case study.

**Case Study: Multigenerations Living Together**

Chip and Alicia Hardin found out her mother was going to come live with them after the sudden death of Alicia's dad. This made for some quick adjustments and advice seeking.

"The typical home is designed for families and commuting to school and work, but an aging parent may face boredom, isolation and lack of resources," notes David Baxter, senior vice president of the research and consulting company Age Wave. "Consider availability of health care services, transportation, and whether your parents will be able to easily visit friends." He says. "Don't just ask yourself what your day will be like with your parent in your home – ask what *their* day will be like."

Source: Jennifer Pellet. (Special Family Issue, Fall 2014). 3 Generations Under 1 Roof.

*Merrill Lynch Advisor*, p. 27.

## *Difficulty Making Decisions*

Not believing in oneself, self-doubt can cloud the ability to make decisions and move forward. Self-ambivalence can lead to indecisiveness because a person is experiencing a conflicted attitude toward self. Being unsure over and over again can indicate self-ambivalence. Any big life change such as a new job or living in a new place or retirement can bring to the surface the plusses and minuses of one's decision-making ability. For example, George on graduating from college landed a major job at a company headquarters but it was over a 1000 miles away from where he was brought up and went to school. Over and over again his friends and family expressed concern about how he would adjust to the weather and cultural change but he assured them he would be fine. He had no self-doubt and was looking forward to the new job and apartment.

The fear of making decisions is called decidophobia, mostly it is about fear of failure. The cause can be too many choices leading to confusion or a decision with no best outcome. A person, can in a sense, be frozen from making a choice and acting on that choice. They may say they need more time. It can be a learned form of behavior that can be worked with so things move forward. It can be a form of helplessness or stem from a form of perfectionism. Talking decisions over with others can help the person who feels unable to make a decision when one is clearly called for as in the case of a looming deadline.

Peter and Hall (1969) proposed that indecisiveness sometimes occurs because people reach a point in their work when they can no longer successfully function. This idea was named the Peter Principle and it can refer to people who have been promoted beyond their level of competence. It does not have to be applied only to employment situations, one sees this at work in politics, homes, organizations, and communities. Thousands of people in the U.S. every year go to the emergency room from falling off ladders. They take that one more step with no one holding the ladder and fall.

## *Decisions in Crisis and in Complexity*

Jonah Lehrer, the author of *How We Decide*, starts his book this way in the Introduction:

> I was flying a Boeing 737 into Tokyo Narita International Airport when the left engine caught on fire. We were at seven thousand feet, with the runway dead ahead and the sky-scrapers shimmering in the distance. Within seconds, bells and horns were blaring inside the cockpit, warming me of multiple system failures. Red lights flashed all over the place. I tried to suppress my panic by focusing on the automated engine-fire checklist, which told me to cut off fuel and power to the affected areas. Then the plane began a step bank. The evening sky turned sideways. I struggled to steer the plane straight (p. xiii).

Lehrer goes on to explain he was on a flight simulator that allows you to investigate your own decisions. He says, "In the end, the difference between my landing the plane in one piece and my dying in a fiery crash came down to a single decision made in the panicked moments after the engine fire. It had all happened so fast, and I couldn't help but think about the lives that would have been at stake had this been a real flight. One decision led to a safe landing; the other to a fatal stall… there's a thin line between a good decision and a bad decision" (p. xiv).

Philosophy has sometimes been called the art or science of wondering. People have wondered about how they make decisions for a long time. The ancient Greeks assumed humans are rational meaning they can analyze alternatives and weigh pros and cons. The problem is that this is limited because not all decisions are internally made, many are altered by social influence, other people's opinions, news, weather conditions, and all sorts of things outside the body. Feelings, affect, and relationships come into play. "Whenever someone makes a decision, the brain is awash in feeling, driven by its inexplicable passions. Even when a person tries to be reasonable and restrained, these emotional impulses secretly influence judgment" (Lehrer 2009, p. xv).

## *Decisions and Goals*

> The future belongs to those who believe in the beauty of their dreams.
>
> Eleanor Roosevelt

We have had goal discussions in previous chapters. Goals involve a journey and they require decisions along the way. Goal seeking should involve interest and enjoyment in what is going on. Goals change.

> People often ask me what I consider to be my goal at TOMS. The truth is that it's changed over the years. When we first began, the goal was to create a for-profit company that could help relieve the pain and suffering felt by children around the world who do not have shoes. And that objective continues to be a powerful driver for me and everyone else at TOMS. But recently my attitude has shifted. Today I would say that my goal is to influence other people to go out into the world and have a positive impact, to inspire others to start something that matters, whether it's a for-profit business or a non-profit organization (Mycoskie 2011, p. 182).

The right goal will spark curiosity and the desire to learn more. Procrastination is less likely to occur if the goal seeker really cares what happens. They are motivated to reach the goal. It can be diagrammed this way:

Vision (Dream or Idea)-------Plan-------Action---------Tracking--------Achievement

Goal strategy can be about promotion or prevention. In promotion, the person seeks speed over accuracy. The person may paint a room quickly to get it done but miss a few spots. A prevention-minded person will get the room painted but in a slow, purposeful way so mistakes do not have to be corrected. How does this play out in other life activities?

> Promotion-focused goals lead to energetic and enthusiastic motivation in the shorter term but can be less adaptive when in long-term maintenance. Prevention-focused goals, on the other hand, remind us that slow and steady can sometimes win the race. For example, in two studies that looked at success rates in programs for smoking cessation and weight loss, promotion-minded people had higher quit rates and more weight loss in the first six months, but prevention-minded people were better able to not light up and keep off the weight over the following year. The best strategy might be to approach a difficult goal with a promotion focus, concentrating on what you have to gain by quitting smoking (or losing weight, or landing a new job), and then once you have achieved it, tackle maintenance with a prevention focus so that your hard-earned gain doesn't slip away (Fuglestad et al. 2008, 260–270).

To further connect decision making and goals, consider an entrepreneurial person—someone with dream or a vision and a plan. The first steps in reaching goals are to define the goals (for example, own a business or company or set up a trust fund for children) and then to establish milestones for reaching them. Goals have attributes as described in chapter three, here they are again with some additional ones:

- Specific
- Desirability
- Intensity
- Priority (which are most important)
- Resource allocation
- Timebound (set a deadline, completion in two years? Five years?)
- Flexible (open to change and alteration)
- Actionable
- Realistic (how much money or energy will it take to bring your vision to life?)

**Critical Thinking: What Do You Want to Achieve?**

First, answer the title question "What do you want to achieve?" You might have several things you want to achieve but for this critical thinking exercise, pick one and be specific. What is a reasonable deadline for achievement? What action steps do you need to take? What might happen (obstacles) to stall goal achievement? How will you keep yourself on track? Here is an example, an Associate Dean of a college wants a change and a higher salary and decides he wants to be Dean at another university and in one year applies for Deanships at five universities. He gets one interview and the other four do not invite him for interviews. In the end, all five turn him down. What should he do next? Check the list of goal attributes and see if there are some answers there.

Regarding achievement, consider these remarks by Psychologist Heidi Halvorson:

> Your beliefs about your strengths and your weaknesses play a large role in determining the goals you set for yourself. If I believe that I'm good at math and science, then setting myself the goal of becoming an engineer makes sense for me. If I believe that I am uncoordinated and slow, then trying to make the varsity basketball team probably doesn't make so much sense. Our beliefs about our abilities influence what we think is possible – and what we might realistically be able to achieve (2011), p. 33.

Also consider this life story from Halvorson:

> When I was twelve, I begged my parents to buy a piano, and I took about a year of piano lessons. Then I realized that I would have to work really, really hard to become even a halfway decent pianist, and I quit. It's a decision that I have always regretted. You see, because I quit, I robbed myself of all the enjoyment and satisfaction I could have gotten from playing the piano, even if I never played particularly well (2011), p. 36.

## *Avoiding Mistakes*

Setting goals is such a positive experience but actually achieving goals as the Halvorson story illustrates is another matter. Buying a piano was a mistake.

There are all kinds of mistakes. There's real estate you should have bought and people you shouldn't have married. There's the stock that tanked, and the job that didn't work out, and that misguided attempt to save a few bucks by giving yourself a haircut and then there are the errors of other people (Hallinan 2009, p. 1).

We spend a lot of time trying to make sense of the world, to do this we sift through information, make choices, and have preferences. For example, many of us have a favorite color or number. For many Americans that color preference is blue and the number seven. A five-year-old when asked his favorite colors said red, blue, and golden. On a situation comedy television episode of The Big Bang Theory, the lead character named Sheldon Cooper, a theoretical physicist, says the number nine is really a four (meaning he ranked it a four in preference). Our expectations, biases, or preferences shape our world view, what we think should happen or in Sheldon Cooper's case his vision of the true reality. Realizing within ourselves these expectations, biases, and preferences are part of the solution to avoiding mistakes. If a person knows they are impulsive or odd (not mainstream in approach) then he or she can try to slow down on important decisions.

Author Joseph Hallinan says, "We happen to be very good, for instance, at quickly sizing up a situation. Within a tenth of a second or so after looking at a scene, we are usually able to extract its meaning, or gist. The price we pay for this rapid fire analysis is that we miss a lot of details. Where the problem comes in is that we don't think we've missed anything: we think we've seen it all" (2009, p. 4). Listening more and saying less is a solution in unexpected or new situations. Sebastian makes it a point to say very little at staff meetings when there is a new boss. He has learned from past experiences that his quick remarks are not always appreciated and come back to haunt him.

A solution, then, to minimizing mistakes is to learn from experience including engaging in hindsight analysis as Sebastian has done. Certain professions make hindsight an everyday necessity such as in accounting, in finance, in airlines, in medicine, and in the military. It is important to figure out what went wrong to avoid future mistakes and save money or lives.

## *Cost–Benefit Analysis and Sustainable Consumption*

Decision makers try to minimize the cost of their decisions. They weigh the pros and cons, assessing the potential for success. Cost–benefit analysis is a reasoning strategy that permits one to gauge the tradeoffs in decisions weighing the positives (benefits) against the negatives (the costs). By placing a dollar value on a certain option or direction it helps the decision maker determine if a course of action is worth the resources it is going to take. Does the outcome justify the resources spent? Since other resources besides money should be considered there is a drawback to strictly looking at costs, but it is a starting point in problem situations. Should a university retain a faculty member versus hiring a new faculty member? What are the start-up costs involved in hiring a new faculty member? Will they want a laboratory or studio or assistants, for how long and how many?

Sustainable consumption is the subject of much debate and decision making at the individual, community, and organizational level. "Sustainable consumption is a field characterized by complex system relations that do not allow prescribing easy solutions for changing consumer behavior…We advocate for a more comprehensive and effective conception that goes beyond the narrow focus of training skills, providing information, and testing for results" (Fisher and Barth 2014, p. 193). What are the costs and benefits associated with the forming of a Sustainability Center or Institute on a college campus? The goal of the institute could be to enhance campus sustainability efforts as well as to bring together and synthesize the extensive knowledge and expertise of faculty and staff—to provide real solutions to some of the world's greatest and immediate environmental needs. Experts can earn Leadership in Energy & Environmental Design (LEED) accreditation and in due course lead such centers or institutes. A director of such a center or institute will have a salary (a cost) and will probably have staff members, office space and equipment, and a budget (other costs). The benefits would be derived from outreach and outcomes.

Travel is another good example of how to apply cost–benefit analysis. It can provide solitude and rest, adventure, relaxation, and companionship. A group tour has a built-in social network and schedule but would not provide the solitude of an isolated mountain cabin. A vacation planner would have to look into cost and estimate how much benefit/happiness would be derived. First the person considers the reason behind the travel and then moves on to the destination (perhaps open, perhaps specific), then the how to get there decisions, then the length of time involved, and whether it will be solo travel or involve others. Destinations vary greatly by cost. Elaine figured out that being a bridesmaid in a wedding was going to cost her $1500 for the dress, flight, hotel, and other expenses. In five years she had been a bridesmaid four times and said it was difficult to keep up with these expenses as a newlywed herself and just getting going in the job market.

Decisions should have utility, a use. A central economic decision rule is that a rational person seeks to maximize utility. Through repetitive decisions, skills should increase. The more we do something, the more automatic it becomes—the more it is controlled by unconscious thought. Goals can be triggered by cues in the environment. Someone says something and the person hearing it is reminded of someone they have to call or a task they need to accomplish. Another example is an advertisement or a brand stimulating someone's awareness and perhaps need to buy. The purchase has to have some utility, it cannot be pointless or harmful.

Diminishing marginal utility refers to a leveling off. At what point would more effort produce a decidedly worthwhile benefit? For example, if someone had a nearly perfect cookie recipe would it be worth testing for five more years to make it better? In decision making, this is part of considering when to quit, when does the decision produce enough desired effect or outcome. We all have finite resources, what is available to be used. We differ in our resourcefulness which is the ability to recognize and use resources effectively. One of the goals of socializing children is to build their resourcefulness through choice making and evaluation of outcomes.

Dreams are often about helping others. What people mean the most to you and how do you want to support them? Are there causes or organizations you currently support and want to continue supporting? How do they represent your values? Usually supporting others falls into one or more of these categories:

- Community
- Culture
- Education
- Family
- Friends
- Health
- Politics or policy

## What Is Problem Solving?

Often the terms decision making and problem solving are used interchangeably but in most cases they are not the same thing. A problem is a question or situation that involves uncertainty and risk. Uncertainty is that feeling of doubt. Should I take Friday off from work or should I go to work? Will I get in trouble if I call in sick on a Friday and am seen fishing in my boat? What is the probability, likelihood, that will happen? Risk is personally defined, what is risky behavior to one person is not at all risky to another.

An easy decision like choosing which breakfast cereal to eat, with two boxes offered, is not usually a problem because it is routine, habitual. Problem solving involves many decisions made to reach a successful conclusion by minimizing uncertainty and risk. Information is sought. Will it involve an internal search (within oneself) or an external search (looking for new information outside—family, friends, media, other people). The external search may involve looking for external rewards such as coupons, discounts, contests, and cash incentives to motivate purchase behavior. Resilience refers to the ability to overcome obstacles to achieve positive outcomes after experiencing difficulties.

**Critical Thinking: Where to live?**
Where do you want to live? Do you want to be part of a community? Do you want to try a new climate or overseas? Do you want to live in a place for five years and move on? Try to answer this—where would be the ideal place to live in the next five years? In the next ten years? Explain your answers.

Problem solving implies there is some difficulty involved. A person asks "How do I solve this problem of an angry boss?" or "How do I decide where to go to graduate school?"

Steps in problem solving involve first starting with *recognition* stage followed by an *analysis*—defining the type of problem, who is involved, are shortcuts possible or, for example, do all the forms have to be filled out and submitted at the same time? What if a student finds out the professor he or she asked a recommendation letter from did not follow through and write the letter? Or, what if the student finds out the letter was submitted and it is less than flattering and therefore hurting their chances for a job or entry into a graduate program or for an award? Then the next step in problem solving is *action*. For example, does the student confront the professor or move on to other professors or sources for letters? Giving up and doing nothing is a form of action. The last step is *evaluation*—was the problem solved?

An adaptive type person may not be on the lookout for problems (they want to conform or to slowly and methodically come to solutions) but an innovative person may be searching for problems to solve, when things get too steady they are bored. They may be impulsive or quick decision makers. They may sell one business and quickly hop into another one. When it comes to sampling new products the innovator is more likely to want to try them than adaptive types. Think of innovators as explorers and adaptors as maintainers, needing clarity before making decisions. Trying new products involves taking risks. Risks can fall into many categories such as functional or performance risk, financial risk, physical risk, social risk, time risk, and psychological risk. One way to reduce risk is to seek information from credible sources.

Some problems are small, others are large (for example, to get married or not). "The call to allocate our cognitive resources to significant problems places specific demands on the excellent reasoner" (Bishop and Trout 2005, p. 100). Are you an excellent reasoner? According to these authors, excellent reasoners set priorities and find projects to keep happily occupied.

## *Success*

> Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover. — Mark Twain

This Mark Twain quote encourages all of us to explore, dream, and discover. We started this chapter with an introduction to the subject of success and the suggestion that there are new definitions of success. Consuming and producing more sustainably can be a symbol of successful living. The process of problem solving involves seeking success. One definition of success is being the most like you that you can possibly be. In other words success is being yourself, being authentic and genuine. When job interviewers say what they are looking for is the right fit between the organization and the interviewee this is what they mean. Is there a natural fit between the person interviewing and the values and goals of the organization?

Success implies the achievement of something desirable. One of the ways to approach defining success for the individual is through framing.

> Every time people are given the chance to do something, they ask themselves (often unconsciously), "What kind of opportunity is this? What is this all about?" Just like an actor, we want to know: "What's my motivation?" In real life, you usually need to figure this out on your own, but in a psychology experiment, we provide the answer for you, by creating the frame. Basically, all we are doing is presenting participants with a task and then talking about it in a way that elicits a particular goal (Halvorson 2011, p. 137).

Visualize the steps you need to take to be successful. How does Step A lead to Step B? Picture yourself crossing a step (event, activity, task) off a list, that is achieved, now what? If you are to win a marathon, how much training will you need to do? Be realistic about obstacles you could face and what strategies you will employ when you face them.

**Critical Thinking: Defining Success**
Define success for yourself. What would a successful life look like? Where would you live? What would you do? Describe your family and friends. Name a person who you consider to be successful and describe their life.

## Summary

In this chapter, decision making and problem solving were differentiated. Problems involve some form of difficulty, uncertainty or risk versus the more mundane, everyday decisions we all make about what to eat and how to dress. The Peter Principle refers to someone being promoted beyond their level of competence. Problem solving goes through four stages: recognition, analysis, action, and evaluation. Goal seeking strategies vary by individual and by tasks and end states involved. Goals seeking should also be enjoyable. A person training for a marathon not only wants to place well but feels better while practicing with neighborhood runs.

Personality plays a large part in decision-making style and ability. Self-doubt and self-ambivalence, uncertainty, can hinder decision making. Utility refers to the usefulness of a decision. People are influenced by their reference groups such as past or present family and friends or role models such as teachers and leaders. Specific decision-making challenges for families are boomeranging children and parachuting parents.

Achieving something desirable is success. It was suggested that success is being redefined. There is a cultural shift toward contributing to the world and living and working on one's own terms. Part of this is a renewed commitment to sustainable consumption.

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# Chapter 7
# Households: Productivity and Consumption

*Productivity isn't everything, but in the long run it is almost everything.*

Paul Krugman (1994)

**Abstract** Households are production and consumption units contributing to national economies. According to the U.S. Census Bureau, households comprise all persons who occupy a housing unit. A concept in consumer behavior research is the household life cycle (HLC), a segmentation process that acknowledges that income and family composition and other factors alter consumption patterns. Digitization, the digital representation of diverse forms of information (such as sound, text, image, or voice) has deeply impacted the creation, support, use, and consumption of information by households. Sustainable households take into account ecology, economy, and social needs, present, and future.

## Households Matter

Households matter, families matter. To tie these into the main subject of the book, social influence, we find influencers in different realms such as in households and in families. "We like people who like us, and we tend to follow their advice more. Thus, the more we share with others (language, education, world view, religion) the more likely to be persuaded by them…Cooperating and having to work together to achieve mutual goals also results in liking" (Furnham 2014, p. 262). The proximity of people living together in households provides an important space for sharing and affection.

Households have a variety of characteristics such as being resilient. They can be seen through four dimensions:

- Health and well-being
- Economy and society—providing a base for social and financial networks



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- Environment—the housing unit itself, the household has a place to call its own within the greater environment
- Technology—meeting the needs to protect and connect

Illustrative of all these dimensions, households interact with companies that provide consumer goods. We can derive inspiration about the interaction of companies and the human condition from *Start Something That Matters* the title of Blake MyCoskie's book about TOMS. Here is his explanation of the company's giving philosophy and its name versus his name.

> I'm going to start a shoe company that makes a new kind of *alpargata*. And for every pair I sell, I'm going to give a pair of new shoes to a child in need. There will be no percentages and no formulas. It was a simple concept: Sell a pair of shoes today, give a pair of shoes tomorrow. Something about the idea felt so right, even though I had no experience, or even connections, in the shoe business. I did have one thing that came to me almost immediately: a name for my new company. I called it TOMS. I'd been playing around with the phrase "Shoes for a Better Tomorrow," which eventually became "Tomorrow's Shoes," then TOMS (Now you know why my name is Blake but my shoes are TOMS. It's not about a person. It's about a promise – a better tomorrow. (2012, p. 6).

Social influence begins in families. MyCoskie credits his parents for his success saying in the foreword "None of this would have been possible without your unconditional love and never-ending support."

> "Every person who flourishes has warm and trusting relationships with other people, whether it's with a spouse or romantic partner, close friends, family, or all of the above. And compared with those who languish, people who flourish spend more time each day with people they're close to, and less time alone" (Fredrickson 2009, p. 191).

In the book *The Influentials* the authors Ed Keller and John Berry write:

> A sense that some things are simply important and warrant attention, participation, and commitment – that "this matters" – is characteristic of Influentials. It sets Influentials apart from the crowd. Their ability to sort out what is important and commit to seeing it through often draws Influentials into involvement in the larger society. It helps them persevere through inevitable frustrations and disappointments that arise from being mayor or starting a new association. It often spurs them to overcome personal hurdles, like a fear of public speaking (2003, p. 81).

The importance of households and families is the subject of this chapter. They provide strength and support and in the case of households, a physical base. Households are run by adults who play powerful social roles. Their attitude strength (for example, degree of openness) varies over the life course (Eaton et al. 2009).

Households are units, sometimes referred to as residences, that can be counted. They have been described as small factories since they produce (examples, the making of meals and the assembling of school lunches) as well as consume.

> Households are the basic consuming units in the economy. Family income gives family members the purchasing power with which to buy goods and services to satisfy their needs and wants. Economists define money as a medium of exchange. To consumers, money is something to be spent. Year after year, consumer expenditures constitute two-thirds of total expenditures in the economy (Zelenak and Reiboldt 2010, p. 4).

Households are production and consumption units contributing to nations and worldwide economies. The importance of them is often taken for granted and underestimated. According to the Census Bureau, households comprise all persons who occupy a "housing unit"—that is a house, an apartment or a cluster of rooms, or a single room that constitutes "separate living quarters." The householder is the person (or one of the persons) who owns the home or in whose name it is rented or paid for, such as parents paying for a student's dorm room.

> A household includes related family members and all the unrelated persons, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone or a group of unrelated persons sharing the same housing unit is also counted as a household. Household change generally parallels population change. The smallest gains in the number of new households were in slow-growing states, mainly in the Northeast. A nonfamily household is defined as those who live alone or with nonrelatives. Cohabitation…contributes to the rising number of nonfamily households (Goldsmith 2013, p. 24).

The number and age of people living in households and their marital status are always changing. Currently, living alone is on the rise in the United States and Europe for many reasons including choice, delayed age of marriage or not marrying at all, long gaps between marriages, and also because of the aging of populations. We have many more elders as a proportion of population than in the past.

> In 1900, the average life expectancy in the United States was 47, and only 3 percent of the population lived past 65. Now the average life expectancy is 78 years and two months. Of course, many live well into their 90s and some into their 100s. By 2043 Americans age 65 and older will be 20 percent of the population. As has been said before, we are an aging population and this is true for most of the developed world (Goldsmith 2013, p. 23).

The U.S. Census Bureau helps us out by providing a definition of households which is what is used to count the population. They are less helpful in providing a definition of families which is the subject of much debate by family specialists. A free-form definition would be that the family is whatever an individual says it is. A personal definition would be for you to define who your family members are and where they live and what they do. You may have a family of origin (the family you were born into or who adopted you) or a nuclear family (the one you live in now that you created). You may have an extended family with many cousins and aunts and uncles or a blended family or stepfamily. For the purposes of this chapter the emphasis will be on households and how they function, what they provide. The proof that a household or an enduring relationship exists may include:

- Joint rental/lease agreements
- Joint ownership of a home (a mortgage)
- Joint bank accounts or debit or credit cards
- Joint ownership of investments
- Payment of bills in both names
- Debt obligations in both names

- Registration or certification of a union
- Estate plans or wills naming the other person
- Shared insurance plans

What the list shows is a pooling of assets (what is owned) and liabilities (what is owed). The word "households" implies joint decision making and a shared dwelling and shared meals and responsibility for maintaining a residence or it may signify a person living alone perhaps with a pet.

In the feudal days of Europe, household counts would have included the servants and retainers. Most of the food and other needs would have been grown, made, or provided for on the estate. Households were more self-sufficient than they are today. To make it all work, the lords of the estates or the castles would have been given an agreed upon amount of the food or animals from the estate and in exchange the castles or manor houses would have provided protection and governance. Today, we can think of this as the taxes we give to local and state governments and the federal government. A typical U.S. family of four may pay one-third of their budget (in Scandinavia this may be one-half) to taxes including property taxes. Broadly speaking, there should be a link to taxes paid in and services received.

Household decision making refers to the process of making decisions in household units. Everyone has to have a place to live, a place to sleep and store belongings even if it is temporary. Generally, though, the word "household" implies a settling down, a residence to live in for several months or years.

**Critical Thinking: Adopting a Dog Involves Household Inspection**
Marvin and Amy, a married professional couple in their 30s without children, were amazed that when they wanted to adopt a dog from an animal shelter that they had to prove they were a worthy couple to provide a home by showing their mortgage agreement and other evidence in the aforementioned list and have a home visit before the shelter would release the puppy they had chosen. They had assumed the shelter would welcome them with open arms but they felt they had to undergo about as much scrutiny as in adopting a child. What do you think about the steps they went through? Why is the shelter so interested in their home and living conditions?

## *The Changing Nature of Households*

It is difficult to talk about households without discussing the changing nature of housing and how houses function.

When electricity became common the refrigerator became a status symbol in American homes. In our present-day world, some are questioning since it takes up so much space "can it do more than chill food and provide a surface to post children's art?" The answer is yes. Refrigerators can dispense hot and cold water and also have a coffee brewer in the door. Some have computers, music, and television. More invention is underway.

Mariel Wolfson (2012) in her Harvard University dissertation entitled "The Ecology of a Healthy Home: Energy, Health, and Housing in America, 1960–1985" traces the ecology movement in particular energy independence and environmental applications in the home. She says that housing is a process not simply a product. It is central to our psychological and economic health as well as our physical health.

Households respond to a myriad of life conditions such as people moving in and out, the aging of family members, and the addition of family members. When an extended family lives together, life gets more complicated. Multi-generational families present unique financial and social challenges. Lack of privacy may be an issue.

**Case Study: Three Generations Under One Roof**

"In no time at all, it seemed, Ivy Vann and Hugh Beyer went from being empty nesters to having their nest overflowing with family members. When Hugh's father died, the couple invited his mom, Molly, to come live with them. A few years later, their son and his wife moved into an apartment on the third floor of the family's large Victorian home in New Hampshire. 'They thought they would stay for two weeks,' Ivy says, 'but it's been a year and they're still here.' The Vann/Beyer family is by no means an isolated case. The well-publicized boomerang phenomenon—adult children returning to live with their parents–is running headlong into another trend: parachuting parents. Between 2008 and 2011, the number of parents living with an adult child climbed nearly 14 % to 4.6 million, according to AARP."

Source: Jennifer Pellet (Special Family Issue 2014). 3 Generations Under 1 Roof. *Merrill Lynch Advisor*, p. 26.

An existing home may not fit the needs of new members. This section introduces the subject of the built environment which will be addressed more thoroughly in Chap. 9. If someone decides to remain in an existing home it would be a good idea to have a dialogue about what adjustments or additions need to be made. Should rent be charged to adult children returning home? If so, how much is reasonable? During the recession which hit bottom in 2009, more adult children returned home. "Between 2008 and 2011, the number of parents living with an adult child climbed nearly 14 % to 4.6 million according to AARP" (Pellet 2014, p. 26).

For most the ideal is a healthy, functioning home that is financially solvent. The question is how to make this possible. Home expenses include:

- Rent or mortgage payments
- Maintenance
- Insurance
- Property taxes
- Utilities

In the case study, Molly agreed to pay for renovations to her bedroom and bathroom so that she may live more comfortably. Within a few years of moving in, she developed Parkinson's disease and this necessitated paid caregiver help, another expense. Combining households with aging parents involves expenses but compare this to the average daily cost of a nursing home which is $248 a day according to MetLife research (Pellet 2014).

## *Households as Subjects of Study*

> Tell me, and I will forget. Show me, and I may remember. Involve me, and I will understand.
>
> Confucius

Besides the mere counting of households and the number of inhabitants, there is a long tradition (dating back to pre-historic times) of documenting (by cave drawings) who does what in the home (division of labor) and in more recent times reporting on and studying what goes on inside households and in household technology courses through software development and testing (Schmidberg and Stamminger 2010). Another measure of economic activity is division of work referring to the breaking down of larger tasks into parts.

Another concept often used in consumer behavior research is to describe households as stages in the household life cycle (HLC). The HLC refers to a segmentation process that acknowledges that income and family composition alters production and consumption including demands for products and services. In this methodology, households are divided into types or categories such as bachelors (under 35 years old or 35–64 or older than 64), single parents, or young couples. The household is part of the purchasing process. The head of the household or the main householder may be:

- An influencer: Recognizes a need, shares information
- A gatekeeper: Budgets, protects, retains, controls
- A purchaser: Purchases goods and services
- A decision maker: Decides what to do
- A user: Actually uses the product or service
- An evaluator: Reviews decisions and purchases

Each role above is important. Complicating decisions are issues such as what technologies to adopt or update and about sustainability. Our daily lives are reshaped with every new introduction from electric car chargers to programmable thermostats. Household technology includes all mobile and technical appliances used in the home, most specifically in performing household work. Household technology used to be differentiated from information and communications technology in the home (i.e., computers and televisions) but this differentiation is less obvious as the boundaries between appliances and information technology become less distinct. Technological developments as well as best or preferred practices are part of the discussion.

As mentioned in the introduction, production and consumption are two areas of study. These are part of a general analysis of the functioning of the household. Who is the head of household or the householder is another issue of study. This discussion leads to the exploration of gender ideology, power distribution, and the prevailing norms of a society. In short, the household and what constitutes the household has been an object of scientific and ideological debates.

Today, the concept of household varies by regions and by country. There are differences in boundaries and in what constitutes household membership. In the United States, on average, Hispanic households often contain more extended family members (aunts, cousins, grandparents) than Caucasian households.

Peter Laslett (1972) in his historical and cross-cultural study of households and families observed that:

> The form of household group does not appear to be a cultural value in itself alone. It seems rather to be a circumstance incidental to the practice of agriculture, to the customs of land distribution and redistribution, to the laws and traditions of land inheritance, and of the succession in the patriline (p. xi).

Since he was looking worldwide he observed the connection between households and agriculture and land. Migration patterns also affect households. As world populations become more urban that connection with agriculture and the land is less evident, people are more and more removed from the land that supports them.

Anke Niehof of the Netherlands provides a useful review of the "importance of the household as a unit of analysis and the relevance of a field of study that focuses on households and the domestic domain" (2011, p. 488). In her conclusions she indicates that:

- Households, even drastically different geographically and culturally, can be compared.
- Studies of households should not be limited to those in poverty or at risk; household studies are useful for all types.
- Comparative studies of households and their functions and processes can be effectively explored by a variety of disciplines.

Statistics are gathered on households worldwide on such things as the presence of indoor flush toilets and indoor showers as well as the size of dwellings (usable floor space). The United Nations is a central source for international data of this type.

## *Productivity*

The question can be asked what do families and households produce? The obvious answers are children, labor (housework and maintenance, employment inside or outside the home), a purpose, affection, and a place to live "a roof over our heads." Household productivity is part of a greater concept of all the productivity in a nation, in one year, the Gross Domestic Product (GDP). Household production (as opposed to factory production) is not fully counted in GDP measures. For one perspective, consider the words of economists Nicholas Bloom and Josh Lerner:

> Rising productivity has been the key to American growth over the last two centuries and will be the key to improving the lives of many millions in the developing world. Even in the recent recession, there has been an active and ongoing debate about the long-term potential growth rate of US output. Understanding productivity growth is a central topic in economics (2013, p. 2).

Beyond the day to day decisions, families plan for the future and care for others besides children through elder care (a section on that comes ahead) and community involvement. As an example, Frank has been married to Celia for over forty years. She suffers from dementia and he takes care of all of her needs except that she can feed herself. She cannot remember other family members and each day her memory grows weaker. She sleeps a lot which allows Frank time to take care of his needs and to run errands. Households and families provide support and continuity. Also, homes can be a source of small-scale food production using permaculture or other gardening techniques.

**Case Study: Productivity Profiles: From Family to Community**
Noah and Zoe have three children. They are deeply engaged in their family and like learning from traveling and being active. They are busy in the broader world. Their children have led them to be leaders in the Parent Teachers Association (PTA). They are both active in their church and teach Sunday School and help during clean up days. He likes building new businesses and they share a common goal and vision of family first and engage in causes they share. They are influential people in their community. Zoe has a blog on parenting. As their children get older they plan to change what they are involved in and once the children leave home, they figure they will do more with politics and running the community. Since so many people in their small town know them, the likelihood of their success in these ventures is high. Influential people are often self-confident and out-going; they like conversations about a variety of topics.

Households do not run themselves. Someone has to invest time and energy in the day-to-day management. In the aforementioned example, Frank runs their house.

Work methods in the home are studied by the government, companies, and academic researchers in order to increase efficiency and productivity. Many of these studies can be classified under work simplification. Their origin came from the factory assembly line studies where researchers found ways to shave off minutes of time in, for example, car production. Homes were re-organized, in particular kitchens, to be more efficient. Things that we take for granted today such as the work surfaces provided by kitchen counters were a revolutionary idea in the 1920s and 1930s. Before than stoves and sinks were not connected, they were free standing without much work surface space. This work-centered emphasis on efficiency, step saving, standardized work units, and task simplification had its heyday in the 1930s–1950s but still remains a topic of interest with new technologies being adapted for household use and time-crunched families looking for ways to make things look and function better. Recycling is popular. Here is copy about a "new" kitchen sink from an advertisement from Kohler Company, a leading manufacturer in the United States (kohler.com/Whitehaven, December 3, 2013).

> Bold is simple style from start to finish. Crafted from over 80 % recycled materials, the Whitehaven ™ enameled cast-iron sink is a simple way to bring farmhouse style into the kitchen. And it seamlessly fits any standard cabinetry for a beautiful finish, too.

Although less than two percent of the U.S. population lives on farms, this quote shows that families in other walks of life are attracted to the farmhouse style. Perhaps they romanticize it or want that traditional touch added to their suburban homes or cottages.

Academic studies on the production of households vary from the conceptual to very specific studies such as one on the household production of sorghum beer in Benin (Kayode et al. 2006). Food insecurity persists in many parts of the world and the authors of this study focused on Africa and how beer production generates income for household needs and part of that is invested in children's education. The participants in their study emphasized the health effects of the beer which does indeed contain crude protein. They conclude that:

> The brewing of traditional beer, *tchoukoutou*, is an important activity for West African rural women to diversify their household's livelihood portfolio. The microenterprises are generally profitable, providing jobs and income to many rural women in northern Benin… Beer brewing is clearly a gendered activity. First, the cultivation of the raw ingredient, sorghum, is based on a gendered division of labour with women being responsible for sowing and harvesting. Second, women transform it into beer and sell it. Men drink it, while women gain money to sustain their household's livelihood. This clearly demonstrates the prominent role of women in the economic cycle of this crop (p. 263).

Households are indeed small factories. In this case, the household encompasses the land and the marketplace and, of course, in modern life, social media has a role as illustrated in the critical thinking exercise.

**Critical Thinking: How Do You Separate Personal Life from Work Life (or, Can You?)**

Randi Zuckerberg (sister to Mark Zuckerberg) writes that "As the sister of Facebooks' founder, I've seen people over the years delight in finding bits of my life that have surfaced online and giving them undue attention. Some bachelorette party photos here, a video of me singing there—the attention is understandable. But it's exhausting to put on an act—to be somebody in one situation and somebody else in another. So a long time ago, I decided to stop being afraid to share. This philosophy was put to the test when I had my son Asher two years ago. Even though I promised myself that when he was born, I wouldn't become 'that mom' on Facebook. I fell hard off the wagon. First yawn? Adorbs. Facebook it…

How much tech-life sharing should you do? What is the right balance? A FindLaw survey found that 29 % of social-media users aged 18–34 have posted a photo, a comment, or personal information that they fear could have repercussions at work. Do you have an example (yourself or of another) that would fit this description? Zuckerberg says "When you maintain a single identity online and grant the same to your co-workers, you not only become better regarded and more trustworthy at work, but you also become more productive." Do you agree or disagree? Explain.

Source: Zuckerberg, R., Post More Baby Photos! *TIME*, November 4, 2013, p. 22

As technological advances (such as Facebook) spread or diffuse through the population, they may be unevenly adopted. One generation may prefer a method, technique, or device over another generation. A case in point is about privacy and identity and family or household reaction to possible intrusions.

**Critical Thinking: Generational Divide on Identity**

Further, Zuckerberg says that there is a generation divide in the workforce who think in "diametrically opposite ways about identity. Executives who came of age in the pre- smartphone era take it as a given that you should have a separate professional persona that reads like a profile in *Forbes* and doesn't overlap with your personal life. But my generation came of age in a world with social networks, and we know we don't have that luxury anymore…We should embrace this new world. The answer isn't fewer baby pictures; it's more baby pictures." Do you embrace this new world? Explain.

Source: Zuckerberg, R., Post More Baby Photos! TIME, November 4, 2013, p. 22.

## *Scarcity in Everyday Life*

Scarcity means a shortage or insufficient amount of supply.

One of the most basic principles in Economics is that we all experience scarcity in our lives. No matter how rich we cannot own or consume everything. Everyone has limited time, money, and energy. When it comes to the average workweek, the U.S. workers have from 41-to-51 h per week whereas in the U.K. and China typical are 31-to-40 h workweeks (CareerBuilder survey report online November 10, 2013 at careerbuilder.com). Not only do times vary but also expectations of appearance. Not long ago in offices there would be a sea of desks and workers in suits and ties but now business casual is the norm in many workplaces, also workspaces are changing and shared desks or computers more common.

From the industry or business point of view, if you create scarcity, you provide pricing power. “Things are evaluated more favorably when they are less available. Products will be more popular when they are available for ‘a limited time only’, or when they are in short supply and likely to sell out” (Furnham 2014, p. 262). Consider the following:

> Doctors and the cable guy have one thing in common. An appointment scheduled for three o’clock rarely happens at three o’clock. Staying on schedule can be hard. A slipup early on – perhaps a bit of procrastinating or something that has run unexpectedly long – gets magnified when there is no slack to absorb the shock. What first seemed liked manageable tightness becomes a cascade of lateness. Every appointment becomes rushed. You tunnel on getting through this appointment. Predictably, you borrow from future ones. A time debt trap forms. A tight calendar leaves you on the edge of being late to every meeting. And on most days you go over that edge early (Mullainathan and Shafir 2013, p. 205).

Is it possible that time can be managed better than this example? The answer lies in one’s values and decisions. The field of family resource management (formerly known as home management) provides many clues to better daily living. It is seen as both an art and a science. Bea Paolucci, a leader in family resource management and the dissertation director of this author, wrote:

> The theory of management involves at least a subtheory of how managers formulate values and handle value problems. Values are conceptions of the desirable or self-sufficient ends which can be put in priority and serve to guide or orient action. Values come from experience through learning to handle situations in the round of daily living. Values are at the core of a person’s beliefs and action system. Both the means and values form a continual flow – where values give meaning and direction to what is done, and the doing is the main for realizing what is intended (Bea Paolucci quoted in Bubolz and Nelson 2002, p. 81).

Household income is a measure commonly used by governments and institutions to describe changes and trends and to determine the need for government assistance in the form of disability payments, child support, and food stamps. Number and age of children (and other dependents) are taken into account. A nation can be divided into counties, provinces, or regions to determine areas of higher or lower average household incomes. Rising numbers of households with two or more income earners have driven up average household incomes. So, a fundamental question when determining the financial health of individual families or households is how many wage earners are there and how much they earn as well as the number of dependents. The case study gives an example of one family's situation with four children and their values

**Case Study: Four Children and One Budget**
"When twins Micky and Keegan were born in 2011, the Barker-Cummings party of four became a party of six. But for Christie and Greg Barker-Cummings, the expanded joys of parenthood were tempered with concern. The Hillsborough, N.C.-based couple knew that a baby would be expensive. Double the cost for the twins and add $18,000 a year in day care expenses, and suddenly their emergency savings dipped and their credit card balance rose. To add to the burden, Greg's once-booming subcontracting business suffered from the collapse of the housing market…'We've managed to stay afloat. Our credit is excellent and we're not in danger of losing our home,' Christie says, 'But that comfort level is gone.'"

Source: Blake Miller, (Summer 2013). Growing pains. *USAA Magazine*, p. 5.

## *Elder Caregiving in Households*

Earlier in the chapter there were examples of multi-generational households involving adults of various ages living together. Sharing household space may involve the labor-intensive caregiving of aging parents, spouses, and siblings. Today in the U.S. there are seven caregivers for each person 80 and older but the concern is about how the proportion is going to change so that by 2030 there will be four caregivers for those over 80 and in 2050 three caregivers.

These estimates are based on an aging population with lower rates of marriage and fewer children.

**Case Study: Elder Caregiving**
"On a recent morning, I helped Dad and Mom get out of bed and assisted them with brushing their teeth and dressing. I fed their service dog, Jackson. I brought Mom the newspaper and cleaned her glasses, and I got Dad settled with music and coffee on the back porch. I administered medications for all three of them, fixed their breakfasts, cleaned up the kitchen, rescheduled Mom's doctor appointment because it conflicted with my paid job, sang and danced with Dad and reassured him repeatedly that everyone was OK and there was nothing he needed to be doing, and put something for dinner in the slow cooker. That was interspersed with work for my job as a writer and consultant: reading and writing emails, sending out tweets and Facebook posts, preparing for a radio interview later that day…"

Source: Amy Goyer, A crisis around every corner. *AARP Bulletin*, November 2013, p. 14.

The health of the individuals involved has an impact on the caregiver and timing and degree of caregiving. To relate it to the last section on scarcity there is no question that nations are facing shortages of caregivers and have to address who is going to take care of the older generations. In the case study, the dad has Alzheimer's disease and finds it harder and harder for his daughter to wait while she tries to keep up with her employed work. Sixty-one percent of caregivers age fifty and older also work.

## *Innovation, Invention, and the Future*

> When they tell you to grow up, they mean stop growing.
>
> Tom Robbins

A positive attitude is critical for believing in the future. "The multitude of studies that I and other scientists have conducted on positivity is destined to remain merely interesting dinner conversation until you deepen your self-study. You need to pivot away from what's worked for others and toward what works for you. Have your own 'Eureka!' moments" (Frederickson 2009, p. 199).

The future of households will require continued invention and innovation and will be greatly affected by technological change and global connections. High tech kitchen appliances and updated plumbing, heating, and cooling equipment have been bringing ease into homes for decades. The difference today is the sped up introduction of new technologies given advances in electricity, interactivity, energy, and engineering—all designed to save time and hopefully to better meet food, comfort, and nutritional needs.

Authors Keller and Berry (2003) make analogies between households/lifestyles and the global nature of car manufacture.

> For years, observers of the auto industry have said it's almost impossible to say what constitutes an 'American' car. The assembly may be in Michigan or Kentucky, but the parts come from Japan, Taiwan, Mexico, Canada, and beyond. The American lifestyle today is a lot like those cars. It's assembled from influences around the world, and it will become more so in the future. Between travel, work, the globalization of the marketplace, and the innate curiosity of Influentials and the society beyond the work. The globally connected lifestyle will accelerate at a fast pace than many people appreciate. Attitudes will likely change as well…. (p. 241).

Many of the world's most famous inventions have to do with households—electric lights, trains and airplanes (for delivery of products), home heating and air-conditioning, water on demand, cars (mobility, the growth of suburbs), telephones, the Internet and computers, all the things that help with the functioning of a home and its occupants. Consumers are sometimes referred to as end users. Think of a baby drinking a bottle of formula or wearing a disposable diaper as an end user.

When you start with the premise of finding the absolute best solution or a better way of doing things—invention often follows. Invention has as its base positive thinking. “Positivity doesn’t just change the contents of your mind, trading bad thoughts for good ones; it also changes the scope or boundaries of your mind. It widens the span of possibilities that you see” (Frederickson 2009, p. 9).

Families want highly innovative, high-performance products and services. A case in point is Amazon, one of the world’s largest e-commerce companies, which wants to deliver goods—in 30 min or less—using drones. If this comes about it will revolutionize home delivery of everything from newspapers to pizza. The drones would fly small packages (weighing less than five pounds) to consumers and the first drones would have a range of 10 miles (so distribution centers would be nearby). The drones would be the next step in the evolution of home delivery from walking door-to-door, to horses and carts, to cars and trucks, and to flying objects. Amazon’s founder Jeff Bezos is an influential in the highest degree–he would be called an industry influential. Others are Bill Gates, founder of Microsoft, and the other founders of high tech firms. Regarding drones, it may take years to advance this technology and for the Federal Aviation Administration to create rules and regulations for its management. Although the main idea is delivery to households, the drones could drop packages anywhere from fields to offices, consider the critical nature of medical emergency supplies in the case of an accident or natural disaster, the list goes on and on.

Digitization (the digital representation of diverse forms of information such as sound, text, image, or voice) has deeply impacted the creation, support, use, and consumption of information touching on a wide breadth of economic activities including those in the household. Digitizing is a way of storing images suitable for transformation. It changes consumer and market behavior and outcomes.

> In less than a generation the costs of storage, computation, and transmission of information have declined by several orders of magnitude, lowering the costs of many final products and enabling the creating of an enormous range of new applications. Digitization has transformed social interactions, facilitated entirely new industries and undermined others, and reshaped the ability of people – consumers, job seekers, managers, government officials, and citizens – to access and leverage information (Bloom and Lerner 2013, p. 5).

Digitization has challenged copyright laws and encouraged open sourcing. Mass media is being re-defined. Government rules and regulations of all sorts are under inspection as to relevance and application in the communication world beyond print. In short the spread of digitization has impacted economics and trade and the policies that guide them.

## *Consumption and Change*

As previously discussed, consumption is one of the main functions of households. Things are brought into the home (inputs) and processed or transformed (throughputs) and used or recycled (outputs). Going to the grocery store and bringing home food and eating it and disposing of leftovers or waste are the most obvious examples.

Family members sit at the kitchen or dining table or on the couch and expect food to appear. Someone in the household fulfills this expectation. Whole holidays center on food consumption. Systems in the home can be diagrammed as:

Inputs—Throughputs—Outputs

Using water and detergent to wash clothes is another example of systems theory (inputs, throughputs, and outputs) applied to the home. The recent invention of detergent packets has made clothes washing easier, no measuring, simply throw in a packet. This new technology offered by several companies was an immediate success, rapidly adopted by millions of households. The input function has changed to an easier method.

To give historical perspective, there has been some criticism of household studies from the 1950s on that too much emphasis was placed on the consumption function and far too less on the production function of families and households (Niehof 2011). The usual reason cited for this change in research emphasis is that it reflected the trends of the times toward mass consumption aided by the growth of advertising, the increasing urbanization of populations, and the growth of households (the baby boom) after World War II. Increased house size and more children led to more consumption. With the twenty first century and more discussion of sustainability, there has been a switch back to more consideration of the high cost of growth and impacts on the overall environment (although the roots of this can be seen in earlier writings).

As another example of consumption and change, trends in brands are undergoing rapid reassessment. What do consumers want? Do they want the manufacturer's name boldly showing on products?

**Case Study: Logo Fatigue?**

"I could never have predicted my reaction to Louis Vuitton's new Vivienne bag—a petite cross-body satchel in fine-grained calfskin with a wholly unsubtle shiny, gold, 2-by-2- inch interlocking 'LV' as its closure. The sizable chunk of hardware would normally be a bit much for my tastes, but it somehow made sense on this beautifully constructed satchel that rested on my hip just so. I adored the bag without reservation. Still, the emotional rush left me confused. Like many fashion consumers, particularly American ones, I've recoiled from overt logos on clothing and accessories for nearly a decade….As 'logo fatigue' spread, it eventually seeped into formerly logo-loving (and luxury-label- boosting) parts of the world, like China, Consequently, companies like Gucci and Louis Vuitton recently adopted a more understated approach for those regions, marking bags subtly—and forget about brand-bearing clothes."

Source: Meenal Mistry (November 16–17. 2013). Don't be afraid of the mark. *The Wall St. Journal*, p. D3.

Raw materials, market goods and services, and the use of durables such as appliances input into the production in a home leading to the consumption of commodities which maintain or improve household well-being. A primary household function is to provide labor (for example, washing dishes), knowledge (knowing what to do and how to do it), and management skills (time and energy management). Household operations become quite complex when broken down into steps. For example, meal preparation involves first deciding what to eat or prepare, grocery shopping (selecting from over 30,000 products in the average store), then getting food home, preparing, serving, eating, storing leftovers, and cleaning up. Several stores and farmers' markets may be visited in a given week, home food production (gardens, canning) are other possibilities.

**Case Study: Jennifer's Shopping Trip**

Jennifer says she just spent 3 h grocery shopping. She went to three stores looking for different products. She likes the fruits and vegetables in one store, the meat and poultry in another, and goes to a third for bargains on paper products and wine. She only prepares food for two, she and her husband, but they are on strict weight-maintaining diets meaning, for them, no sugar in the house, no bread, rice, or pasta. In the past year he lost 100 pounds and she lost 80 pounds while in a weight reduction program overseen by doctors and nurses. She says "You would think eating less would mean you would shop less or it would cost less but that is not so. It actually costs much more."

Jennifer says, "I spend more time now planning, shopping, and cooking than I ever did before." The weight is starting to creep back at the rate of 10 pounds per year so they are increasing their exercise (walking, bike riding) to try to keep it in check. They go off their diets on holidays so they do not get tired of it.

## *Consumption and Sustainability*

What are individuals and families looking for? Some of the answers are:

- Convenience
- Ease
- Comfort
- Savings or economy
- Esthetics
- Sustainability

The appearance of homes and landscaping will continue to evolve. Some say that lawns are yesterday's approach to the outside of a home and that in the future we will have more low-water native plants and edible plants including herbs. As a transition many homes have both lawns and productivity spaces. Besides the pleasant green appearance, lawns provide play spaces for children and pets. Outdoor living with areas such as covered patios can save energy by providing outdoor spaces for eating and recreation that do not involve lighting, heating, and cooling inside the house. In summer, overhangs provide shade reducing the need for air conditioning inside the home. Sustainability may include the use of durable materials that reduce long-term environmental footprint. The three main dimensions of sustainability are;

- Ecology
- Economy
- Social

Products with at least a 50-year warranty indicate long-term use.

Choosing a dishwasher, for example, with a stainless steel interior which will not stain or catch food will usually last longer than others. Durable interiors and exteriors greatly extend the lifespan of appliances and homes.

There is much more that needs to be done to improve the market—consumer interaction to make it more environmentally friendly. One aspect is studying who affects environmentally sound behavior the most. "Several research studies show that individual and family recycling and e-consumption behaviours are more affected by people that the individual/family know than by outside influences such as government or advertising campaigns" (Goldsmith and Goldsmith 2011, p. 117). According to Burnkrant and Cousineau (1975), "One of the most pervasive determinants of an individual's behavior is the influence of those around him" (p. 206.). Michael Polonsky writes:

> Green marketing is not achieving its potential for improving the quality of life of consumers, while improving the natural ecosystem. The failure is the result of the inability of consumers, firms, and governments to adopt systems thinking, in which macro-marketing perspectives are integrated into their respective micro- decisions, that is, the anthropocentric view of the natural world is disregarded (2011, p. 1311).

"Systems theory (thinking) emphasizes not only interconnectedness but also the interactions between different systems. A system is an integrated set of parts that function together for some end purpose or result. Systems may be composed of living and nonliving things" (Goldsmith 2013, p. 27). To apply this to a discussion of households and homes, consider this explanation of the value of a home by Ron Jones (2013), President of *Green Builder*:

> I can't speak for anybody else, but I know what I want: I want *home* to be the place where I feel the most comfortable, the most secure, the most at ease. I want to rest assured that it will shelter me and the ones I love from the storm, and from the chaos and confusion that unsettles so much of daily life in these turbulent times. I want to have a certain level of confidence that I can be self-reliant – that if the power goes off or the highway bridge to town gets washed out, we will be just fine. I want to know that I can rely on my

> neighbors, and that they share that that assurance. At the end of the day, we know we are in this together…*Home*, I think is the only place we really trust to keep our hope – the place where we can plan for the future, and let our hearts dream (2013, p. 74).

## Summary

We are drawn to like-minded people. We are affected and often inspired by influencers. We all experience scarcity. These fundamentals endure as do families and households. People in households produce and consume and through these functions they drive economies. Housing is a process. In this chapter, households, householders, and HLC were defined. Division of labor refers to who does what in the household. Division of labor and division of work (meaning division of larger tasks into smaller parts) are both part of economic activity within an area, nation, or organization.

Productivity studies can range from broad cross-cultural studies to specific single location studies such as that of household-based enterprises. Invention is a vital part of household production and consumption, bringing new products and services to market from the home or from the factory or farm.

Households expand and contract. The number of households is increasing in the United States but decreasing in number of inhabitants in each household. In other words, there are more households but fewer people in them compared to fifty years ago. In 1900 the average U.S. life expectancy was 47 and now it is 78 years and two months. Indications are that this is rising. Generally, household incomes have risen due to more households having two or more income earners. Household income in the U.S. varies substantially with the age of the householders.

Positivity changes how your mind works and it is the basis for invention. Finding ways to make life better is a continual household motivator. Resilience and need to achieve are human characteristics.

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# Part III
# Sustainability

# Chapter 8
# Social Influence and Sustainable Behavior

**Ronald E. Goldsmith and Todd Bacille**

> *Global environmental problems are caused by human activity. Solving these problems, though, requires more than well-meaning efforts to change. It also requires understanding – of which activities are most responsible, what causes them, and the most effective ways to change them. This is a task for a science of human – environment interactions …, and psychology can make an indispensable contribution.*
>
> P. Stern

**Abstract** This chapter recommends using social marketing strategies to promote sustainable behavior. The chapter builds on the basic notion that social animals devote much of their time and energy to both influencing others and being influenced by others. In today's environment, this means that both offline and online, people influence each other in a variety of ways. Agents interested in promoting sustainable behavior can employ this constant social exchange to encourage people to behave in a sustainable manner. The chapter details a variety of such influence tactics, many borrowed from the for-profit world and from current social theories.

## Introduction

This chapter reintroduces social influence as it relates to sustainability and recommends the use of social marketing strategies to promote it. Sustainable behavior can be encouraged through legal/regulatory means, economic incentives, by formal persuasive strategies, and by social influence. The latter is the context of this chapter. For the purposes of this chapter, we define sustainable behavior

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consistently with how the *Bundtland Report* and previous chapters present this topic. Thus, we understand sustainable behavior to mean, "… meeting the needs of the present without compromising the ability of future generations to meet their own needs." This general definition is consistent with other common ones. For example, the U.S. Environmental Protection Agency (EPA) states that:

> Everything that we need for our survival and well-being depends, either directly or indirectly, on our natural environment. Sustainability creates and maintains the conditions under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic and other requirements of present and future generations.

A simpler statement says: "… sustainability is improving the quality of human life while living within the carrying capacity of supporting eco-systems" (IUCN/UNEP/WWF 1991). Thus, we assume explicitly that sustainable behavior is a desirable goal for both individuals and society.

Social influence is taken to mean the influence that people have on other people as part of the larger context of social communication that characterizes human societies. Put more formally: "Social influence involves the changing of a person's attitude or behavior through the doings of another person" (Griskevicius and Cialdini 2011, p 241). As social animals, humans constantly interact with one another to exchange physical objects, intangible services, and information (see Lieberman 2013). Throughout this ongoing exchange activity, humans influence the behavior of each other directly and indirectly as they communicate feelings, information, and opinions (Weimann 1994). Social marketing is the use of marketing to solve a social problem, to promote a social good, or to benefit society. Some social marketing strategies make use of social influence to direct and change individual behavior. This chapter combines these ideas to suggest that marketing strategies can use social influence to promote sustainable behavior. Those whose goal is to encourage sustainable behavior can supplement legal/regulatory means and economic incentives using this approach.

Many agents wish to influence behavior in the direction of sustainability (Bloom 2009; Griskevicius et al. 2012). These include local, state, and national governments (e.g., Manning 2009), non-governmental organizations (NGOs) such as the International Institute for Sustainable Development, for-profit businesses (Macomber 2013), and philanthropists. The work of smaller, more entrepreneurial groups engaged in social entrepreneurship efforts supplements and compliments that of these large, bureaucratic organizations. According to Dees (2001, p. 4; quoted in Bloom 2009, p. 128),

Social entrepreneurs play the role of change agents in the social sector, by:

- Adopting a mission to create and sustain social value (not just private value);
- Recognizing and relentlessly pursuing new opportunities to serve that mission;
- Engaging in a process of continuous innovation, adaptation, and learning;
- Acting boldly without being limited by resources currently in hand; and
- Exhibiting heightened accountability to the constituencies served and for the outcomes created.

In the words of Paul Bloom (2009, p. 128), “The key idea here is that social entrepreneurship involves pursuing highly innovative approaches to addressing social problems and doing so in an opportunistic, persistent, and accountable manner.” As we will propose, social entrepreneurs can play an important role in promoting sustainable behavior alongside their larger counterparts.

One feature all these agents have in common is a dyadic interaction between the agencies hoping to encourage sustainable behavior and individuals within the social environment. We argue that agents wishing to encourage sustainable behavior should adopt business practices that have proved successful for many companies in promoting their goods and services. These practices include developing formal marketing strategies; using advanced analytics and big data to understand patterns of behavior; and specifically for this chapter, using both offline and online social influence to promote sustainable behavior. Moreover, these strategies should be well grounded in the knowledge available from the body of social science research on methods to change or shape behavior.

Using social influence to affect behavior is an old topic in the field of marketing and consumer behavior. Consequently, we draw heavily on the experience of for-profit businesses to recommend practices to encourage sustainable behavior. What is new is the use of marketing techniques to promote socially desirable behaviors, although the practice of social marketing dates from the mid 1990s (Andreasen 2011). Using social media to promote sustainable behavior is just one element in a coordinated strategy. We emphasize it here because interested parties often seemingly overlook social media as an effective way to promote social change and because of social media’s proven effectiveness in influencing other types of individual and social behavior. In addition, recent theoretical discussions in marketing have called for a reorientation of the discipline to shift its emphasis away from its traditional dyadic and profit seeking goals to larger and more socially contextual problems (Webster and Lusch 2013). Realizing that every marketplace transaction has implications for society in general, these scholars propose that marketing cease to focus on “consumers or customers” and adopt a perspective of “citizen-consumers.”

This proposed reorientation is driven in part by the overspecialization of marketing scholarship leading to a decline in marketing’s influence in business decision making, the growing importance of a variety of social problems, and a transformation in the way consumers view themselves. These citizen-consumers “increasingly expect marketers to understand and respond to the complex relationships they have as citizen-consumers within the larger system of marketplace relationships that influence their decision making and their understanding of their own needs and wants” (Webster and Lusch 2013, p. 393). This transformation has been largely driven by the growth of online social networks and social media (e.g., Christakis and Fowler 2009), an increasing consciousness that consumption has social consequences (Griskevicius et al. 2012), and by consumers increasingly demanding to co-create with the marketer the products and brands they consume (Vargo and Lusch 2004).

As a result of these many recent trends in sustainable behavior and marketing, we organize this chapter using a fourfold grid that summarizes efforts to promote sustainable behavior by classifying them as either using social influence or not and by whether the strategy is executed offline or online (see Table 8.1). Non-marketing

**Table 8.1** A classification of strategies promoting sustainable behavior

| Type of strategy | Strategy location | |
|---|---|---|
| | Offline | Online |
| Not a communication strategy | Regulation<br>Pricing<br>Eeconomic incentives<br>contests | Home energy management computer programs contests |
| Communication not using social influence | Public service announcements<br>Signage<br>Press releases nudging<br>PR programs | Posting reports on web pages |
| Communication using social influence | Employ opinion leaders<br>Stimulate WOM persuasion via advertising nudging | Using Twitter or Facebook to facilitate social communication |

and communication strategies can be directed toward the primary sources of environmental damage, i.e., organizations (Stern 2000). Examples of these strategies include regulations, economic incentives, and pricing mandates. Non-marketing strategies can also target individuals in the form of financial incentives, regulations, infrastructure design, or programs that use online technology enabling households to manage their own energy use and recycling behavior. Our focus is on marketing and promotion efforts that promote and encourage sustainable behavior.

One way to encourage sustainable behavior is by using media to transmit persuasive messages designed to change how people feel, think, and act. Advertisements, public services ads, billboards, brochures, and so forth are just some of the weapons in the armamentarium of the modern commercial persuasion industry (Walker 2008). Our special focus in this chapter is on communication strategies that incorporate an alternative and supplementary method of influencing behavior that relies on the universal and natural importance of social life to humans. Thus, the emphasis in this chapter is on techniques for using social influence to encourage people to practice sustainable behaviors. Thus, the discussion draws upon recent social science research and business practice to recommend several techniques for using social influence to encourage sustainable behavior.

## Social Influence: Offline and Online

### *The Nature of Social Influence*

We humans are preeminently a social species, evidenced not only by the vast amount of social behavior we engage in, but also by the fact that the importance of others to successful human development and function is "hard wired" (Lieberman 2013). We observe and interact with family, friends, co-workers, neighbors, and members of the many groups and organizations to which we belong. We manifest a high need for social interaction in order to be healthy and happy. Social contact and support contributes to better overall health and life span (Uchino et al. 1996) and is essential to general well-being (Myers 2000). Moreover, the importance of social influence in shaping individual behavior is well documented across a variety of circumstances and situations (Burt 1999; Keller and Berry 2003; Lazarsfeld et al. 1944; Weimann 1994). Social influence affects attitudes and behavior through a variety of psychological principles (Griskevicius and Cialdini 2011, p. 241):

- Reciprocity—repaying a gift, favor, or service
- Consistency—acting consistently with prior commitments
- Social validation—following the lead of similar others
- Liking—accommodating the requests of those we know and like
- Authority—conforming to the directives of legitimate authorities
- Scarcity—seizing opportunities that are scarce or dwindling in availability

These principles account for some of the reasons why people influence people, but not all at the same time. Different principles may account for social influence in different social settings and through different learning modalities. Whatever the situation, however, social influence is one of the most powerful forces shaping human behavior (Lieberman 2013).

## *Offline Social Influence*

Scholars from a variety of academic fields have contributed to the scholarly literature on social influence (e.g., Burt 1999; Cialdini and Goldstein 2004). In the marketplace, social influence has been studied for decades because as soon as market researchers began the modern study of consumer behavior, they discovered that consumers are influenced daily by what other consumers think, say, and do. The fundamental reasons word-of-mouth is so prevalent are that it is a natural feature of social life, it is a cheap and easy way to get information and opinions, and people trust other people more than they trust formal persuasion attempts because they find them more credible. That is, people consider others' credible sources of information and opinion because they feel the others to have expertise and are trustworthy, owing to their lack of a vested interest in the outcome of the communication. With the advent of the Internet and the digital world, social influence has not only become more important in shaping human behavior, the digital revolution has created more opportunities and means for people to influence others than ever before.

People influence people in several ways. Sometimes this influence is non-verbal, as when people imitate what others do simply after observing their behavior. Psychologists call this type of learned behavior vicarious learning. Clothing styles (fads and fashions) spread this way simply by being worn by a highly visible individual whose behavior is copied by those who see the display. Social validation and liking (identification) can explain why people copy the behavior of admired, attractive, or similar others. Before the Internet, the topic of social communication and social influence received a great deal of study from marketing and consumer researchers. For example, one of the earliest studies of the diffusion of a new product (Whyte 1954) studied how homeowners adopted the then new product, a room air conditioner. The researchers counted air conditioners sticking out the windows of row houses in Philadelphia from aerial photographs and watched the spread of this product over time. They noticed that once one window unit appeared, others would soon follow, and the largest concentrations of homes with air conditioners where those where the units were visible to neighbors and near where owners would socialize. Obviously, once an innovator installed an air condition, neighbors who could easily see it and talk with the owner would be the next buyers, influencing their neighbors in turn.

Verbal influence (written, recorded, or in person) takes place in several forms. In certain situations, one person intentionally tries to persuade another to change his or her mind through a deliberate and formal act of persuasion. Persuasion professionals make use of all the six social influence principles in order to shape the behavior of others (Griskevicius and Cialdini 2011). These deliberate attempts to persuade, however, are not the only way in which verbal influence takes place. Ordinary people talk to each other all the time. Many of these conversations mean to transmit information or opinions. This type of informal social communication goes under a variety of names: word-of-mouth, gossip, or buzz. Scholars have modeled other patterns of social communication that involve ordinary people rather than persuasive agents. Online, word-of-mouth or perhaps word-of-mouse, can take many forms. Of course, e-mail is the granddaddy of online social communication, but is has been supplemented by a variety of other means to communicate online. People can communicate online using instant messaging, listservs or forums, bulletin boards or newsgroups, in chat rooms, and by posting product reviews (Goldsmith 2006).

Social influence often takes place in the context of reference group influences. Reference groups are groups (two or more) of other people to whom an individual looks for guidance regarding knowledge, beliefs, and behavior. The need to belong to social groups in order to create or display identity is a powerful driver of social behavior. The individual may copy the behavior of members of a group to which he or she either belongs or wishes to belong, thereby creating or displaying individual identity. Reference groups also form the venue for another way in which people influence each other, through their verbal conversations.

People sometimes have casual conversations that lead to incidental influence, as when some piece of information passes from one person to another in a casual conversation that affects the receiver's thoughts, feelings, or actions. Other times, one person may seek out another to request information or an opinion on some matter of importance. This dyadic behavior is called opinion seeking and opinion leadership. Virtually everybody has asked people for information or for his or her opinion on some issue at some time in their life. Similarly, almost everybody is asked directly for information or opinions about some topic. Opinion leadership exists as a generalized or global fashion, so a minority of people in a society has the authority to influence others across a spectrum of topics (Keller and Berry 2003). Opinion leadership is also domain specific, meaning that within specific topic areas, some people acquire knowledge, experience, and authority that make them popular sources of information for others (Flynn et al. 1996).

As mentioned earlier in the book, in the famous two-step model of social communication (Lazarsfeld et al. 1944), the media transmit information and opinion to the opinion leaders, who in turn influence others either deliberately or when asked for their opinion by those seeking their opinions. In reality, both information transmitted from the media directly to individuals and by the opinion leaders acting as intermediaries influence behavior. The universal scholarly and managerial opinion of the relative impact of these two sources of information and opinion is that social influence trumps the media.

## *Online Social Influence*

People participate in social influence online in much the same way as they do offline. In addition to the persuasive efforts of those who want something from us, the Internet contains a vast amount of ordinary social exchange (face to face, written, and recorded). In addition to Skype conversations and email, an enormous amount of social communication takes place online in the form of social media or social networks, which can be defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content" (Kaplan and Haenlein 2010, p. 61). Web 2.0 is the term given to the result of technological changes to the Internet that permit individuals to interact online and share what they create as User Generated Content or UGC, "various kinds of media content that are generally publically visible and produced by computer system end-users" (Pagani et al. 2012, p. 242).

The variety and number of means through which social media operate are staggering. Moreover, as people increasingly use their mobile devices such as phones and tablets, online social interactions are only going to increase in number and kind. Kaplan and Haenlein (2010) proposed a classification scheme to organize these types of social media based (see Table 8.2) on their commonality along two dimensions: how much self-presentation or self-disclosure they permit and their degree of social presence/media richness. These dimensions yield a convenient classification scheme that gives us a view of the variety social media.

- Collaborative projects, such as Wikipedia, allow end-users to create content for the website jointly and simultaneously.
- Blogs are websites that show data-stamped entries in reverse chronological order.

**Table 8.2** Classification of social media by self-presentation/self-disclosure and social presence/media richness

| | | Social presence/Media richness | | |
|---|---|---|---|---|
| | | Low | Medium | High |
| Self-presentation/Self-disclosure | High | Blogs and micro-blogs | Social networks | Virtual social worlds |
| | Low | Collaborative projects | Content communities | Virtual game worlds |

*Source* Kaplan and Haenlein (2010)

- Content communities (e.g., YouTube) allow users to use MMS (multimedia messaging service) to share various kinds of media content such as text, photos, and videos.
- Social networking websites (Facebook, Myspace, Google+) are web-based services where members can create personal profiles, connect with other members, share personal connections, and establish or maintain relationships with others.
- Virtual game worlds and virtual social worlds are three-dimensional websites in which users can participate as avatars and behave as they do offline.

Before discussing social media influence, it is necessary to discuss briefly the social platforms that make influence possible in this context. Communicating with other people—and brands—is a vastly different world in today's day and age compared to communication technologies 25 years ago. Consider how many ways today's consumer communicates with others compared to the past. Prior to the mid-1990s, the majority of people were limited to speaking with each other through face-to-face encounters, a land-line telephone, a fax transmission, or a handwritten or typed letter delivered through the postal system. Fast-forward to our current interconnected world of *always on, always available* communication and you will find numerous forms of additional media used to facilitate conversations. Smartphones and other smart devices make it possible to communicate nearly anywhere and are regarded as "personal media" (Bacile et al. 2014). SMS (short message service) text messages and MMS picture messages are supplanting voice as the predominant mode of information exchange (Reardon 2008). The use of text and images are further engrained within consumers' lives by the increasing popularity of social media technologies such as Facebook, Google+, blogs, Twitter, LinkedIn, Pinterest, Instagram, Flickr, YouTube, online review sites such as Yelp, and others.

One interesting aspect of these newer forms of communication in contrast to the older forms of communication is the exposure of a single message. The normal person years ago could only communicate with another person (or a very small number of persons) in absence of a large secondary audience exposed to the details they discussed. However, social media now makes it possible for a large consumer audience to see and experience a single message from one person to another or from one person to the masses. This aspect of the exposure of information is a key reason why social media influence is attracting the attention of for-profit companies. Influencers not only have the ability to reach a large number of people, but also have their audience's attention, and in some cases, their participation.

Our contention is that agents seeking to promote sustainable behavior can adapt the insights, technologies, and strategies developed by for-profit firms to their own purposes. That is, agents can promote sustainable behavior both offline and online, and in the latter context, especially use social media to do so.

## Using Social Influence to Promote Sustainable Behavior

The question can arise: what incremental benefit for an agency seeking to promote sustainable behavior comes from using social influence? Besides being widely used successfully by for-profit firms, what else recommends social influence strategies? One answer might lie in the nature of the target consumers.

With society's increased focus on green initiatives and sustainable behavior, new research is emerging to identify the demographics and psychographics of sustainable consumers. This research highlights why social media influence and sustainability are likely to go hand-in- hand. A sustainability research report conducted by the market research firm TGI (2007) identifies a number of interesting facts about consumers who are passionate about sustainability. Its report, *Green values: consumers and branding*, identifies green consumers as being:

- more likely to be financially secure;
- more likely to be females ages 35–54 with families;
- more likely to buy products from firms which depict sustainable and green values;
- more likely to spread word-of-mouth to other consumers;
- more likely to be regarded as opinion leaders by other consumers;
- more likely to use the Internet to collect information about products and participate in online discussions with other consumers.

The first two bullet points above from the research report reveal that a large portion of green consumers are females, have families (i.e., multiple consumers), and have disposable income to purchase products of interest. The third bullet point above suggests that green consumers want to purchase sustainable products. Taken altogether, these characteristics of green consumers should be striking for brands. Moreover, the purchasing power of females versus males across many countries is staggering. A recent *Harvard Business Review* report revealed that females make the majority of purchase decisions in households (Silverstein and Sayre 2009). In summary, a large percentage of consumers with disposable income and who make purchase decisions are attracted toward green products, making this a fruitful target market for sustainable brands to pursue.

Many consumers who value green products and green corporate initiatives are passionate in their belief in an environmentally friendly lifestyle (Shrum et al. 1995). This often is because sustainable beliefs lie at the core of green consumers' personalities and convictions. Combining this fact with the last three bullet points above from the research report illustrates how prominently social media influence is related to sustainable companies and products. Consumers who live sustainable lifestyles have a propensity to spread word-of-mouth recommendations to friends and family members. In addition, when a green consumer spreads his or her opinions about sustainable products, he or she is regarded as an opinion leader: a person whose opinions about something such as a product or issue have a strong influence on the opinions of others. In addition, sustainable consumers tend to share their attitudes and opinions with others via the Internet and social media. Taken as a whole, green consumers who are regarded as opinion leaders tend to spread word-of-mouth recommendations offline and online.

## *Promoting Sustainable Behavior Offline*

Efforts to reduce consumption or to change consumption habits can involve a combination of technological change, legislation, and communication. Our focus is on the latter, that is, the use of knowledge gleaned by the social sciences about human behavior to develop ways that encourage people to act in a more sustainable manner. Various modes of communication, such as public service ads, paid advertisements, signage, public relations, and publicity, have long been used to sell products, promote political candidates, and shape public opinion. Agents can also use these promotion tools to encourage sustainable behavior. Not all promotion activities, however, have the same goals. We thus briefly summarize promotion activities in terms of five primary goals: (1) to attract attention to the problems, (2) to teach or inform, (3) to stimulate behavior, (4) to remind, or (5) to persuade. As we will see later, strategy starts with goals, so managers should choose which of these goals they wish to achieve with the promotion strategy they develop.

Sometimes the promotion's chief goal is to *attract attention* to a brand, person, event, or activity. Attention is the first step in using communication to shape attitudes and behavior; if the intended receiver of the message is unaware of the message, then the message can have little effect. Thus, "the first step in creating pro-environmental attitudes will be to ensure that consumers are aware of environmental problems and how they are affected by consumption" (Jansson-Boyd 2011, p. 45). According to Jansson-Boyd, agents should consider three primary aspects of their promotions that should enhance their effectiveness in this regard, the first of which is to *use strong visual images*. Using visual imagery is a well-documented way to attract attention and communicate a simple idea because unusual, vivid, or strong images stand out from the surrounding communication environment and grab attention. Research by gettyimages®, a stock photo supplier for the advertising industry, identifies five visual trends companies use in marketing and advertising that use visual language to express sustainability in brand messages (Schwing 2013):

- *Make*: the influence that the revived crafts movement has on consumer behavior and business and shows how this is captured in imagery.
- *Share*: our networked social technologies enable us to share, rent, trade, and swap on a scale that was not possible before, thereby changing our attitude toward ownership.
- *Me*: we are becoming more conscious about balancing our new On-Off lifestyles.
- *Next*: guarding nature for future generations.
- *Spirit*: we are seeing an uptick in celestial imagery in our sales, which shows that companies around the world are making more mystical image choices to offer their consumers an escape from reality.

Note that in Schwing's opinion, the visual trends identified suggest that the whole notion of "sustainability" may be changing in the minds of many people: "… over the past decade, the term "sustainability" has expanded from raising awareness about environmental consciousness into a holistic concept touching on every part of people's lives. The perception of the environment as the weaker counterpart often portrayed in mainstream media is now being surpassed by the realization that people, business and environment are intrinsically linked" (Schwing 2013). If correct, this inference suggests that using visual images that incorporate this emerging concept of sustainability might enhance efforts to promote sustainable behavior.

If the agent's goal is to *teach or inform* people about some aspects of sustainable behavior, Jansson-Boyd's (2011, p. 45) second recommendation is to *keep it simple*. Promotions should avoid technical jargon and complex scientific explanations. Graphics are an effective way to avoid relying on mind-numbing text that turn people off and prevent the successful transmission of the message. Simple messages can be devised to teach or to inform people of the nature of the problem and what they can do to ameliorate it. In this regard, however, we will see later that agents must formulate these messages in such a way that they do not actually backfire and produce the opposite results!

Similarly, when the goal of the promotion is to *stimulate behavior*, such as a contest or an organized program in which participants increase their sustainable behavior, perhaps Jansson-Boyd's third recommendation should be followed; *take baby steps*, do not ask too much too soon. Small steps can add up to yield large outcomes, and overreaching can be counterproductive. In addition, marketers and advertisers know that often people have positive attitudes toward brands fail to purchase because they have simply forgotten about them. Thus, the purpose of much marketing promotion is to keep the brand name fresh in the consumers' mind by constantly *reminding* them that it is there (Belch and Belch 2007, p. 274). Similarly, people may be motivated and willing to practice sustainable behavior, but simply forget to do so. Thus, agents might need reminder-oriented promotions to contribute to any sustainable behavior strategy.

Finally, most strategies promoting sustainable behavior try to *persuade* people to change their individual behavior through persuasive messages. Decision makers can make these strategies more effective when they take into account the evidence from social science (Stern 2000). Examples abound. A study in the Swiss town of Poschiavo found that offering gifts to the neighbors of householders was more effective in persuading them to conserve energy than if the gifts were offered to the householders themselves (Pentland 2014). Thaler and Sunstein (2009) propose that following a philosophy of "nudge" based on the findings from behavioral economics can improve interventions aimed at improving people's lives. Human choices or decisions take place in a context or "choice architecture," the conditions framing the choice. These conditions, comprised even small aspects of the choice architecture such as the sequence in which options are presented or the number of options, can influence the decision outcome. The essence of using a nudge lies in the idea that it "is any aspect of the choice architecture that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic incentives" (Thaler and Sunstein 2009, p. 6).

Thaler and Sunstein (2009, p. 196) provide one example. If managers could find a way to make household energy consumption visible, say in a community or neighborhood newsletter, simply viewing the behavior of others would influence some to mimic this behavior. They conclude, "… if we can find ways to make energy use visible, we'll nudge people toward reducing their energy use without mandating any such reduction" (p. 196). Perhaps mangers could apply this tactic to other aspects of sustainable behavior as well.

Cialdini et al. (2006) describe an intervention to reduce stealing petrified wood from a national park using a social influence element. Their experiment showed that signs admonishing against theft using a descriptive norm appeal (the levels of others' behavior) was less effective than signs using an injunctive norm appeal (the level of others' disapproval). Public service communicators seeking to promote sustainable behavior might follow this recommendation. Ly et al. (2013) provide guidelines for practitioners who wish to use nudging as a means of employing social influence to encourage sustainable behavior.

## *Promoting Sustainable Behavior Online*

The previous section outlines some important issues that should inform a strategy to promote sustainable behavior offline. Some of these strategies use social influence and some do not. Whether they use social influence or not, the general recommendations to determine both the goal and purpose of the communication (attract attention, stimulate behavior, inform, remind, or persuade) prior to its development and to be guided by the principles of using strong visuals, simplicity, and baby steps (Jansson-Boyd 2011) should guide both types of strategies.

For instance, the work of the non-profit charitable organization, charity: water, presents an example of using social influence/social media online to stimulate pro-social behavior. In order to encourage individuals to donate money to groups in countries so that they can execute projects to provide clean water to locales where it is scarce, charity: water bypasses much of the traditional marketing paraphernalia for fundraising: “In fact, the organization has no marketing budget and instead relies on sharing stories and images from the field on social media” (Drell 2014, p. 6). Using Instagram, Facebook, YouTube, Twitter, and other social media, the organization allows individuals to launch their own fundraising efforts and monitor those already in progress. Without a marketing budget, but following three simple principles, charity: water raises significant amounts of money for this effort. First, they focus on specific projects, i.e., baby steps. Second, they keep the process simple in that individuals raise the money and use social media to monitor the project’s progress with little interference from on high, and transparent, because all the money raised goes to the local country. Finally, the fund raising activities rely heavily on strong visual images, giving donors a positive experience reflecting their connectedness and ownership of the project.

*So, what is social media influence? A formal definition used within the current context is the ability to drive actions* via *social networks* (Schaefer 2012). The interesting aspect of social media influence is the emergence of everyday people (i.e., those who are not celebrities or in the public’s eye) who now are able to reach a large number of others with some degree of influence over opinions, attitudes, values, and behaviors. Influence once reserved for media personalities, popular athletes, or celebrities is now giving way to the opportunity for the common person to influence networks of friends, family members, and acquaintances. In effect, influence is being democratized with citizen influencers: normal, regular, everyday people in our society who can now influence others (Schaefer 2012). In a world surrounded with a near limitless amount of messages and information flowing from social media updates, statuses, and posts, brands can now use new metrics in an effort to score, rank, and categorize each consumer’s degree of influence. Metrics and services such as Klout, PeerIndex, and Kred provide quantitative and qualitative criteria for brands to locate and then act upon social media influencers. Users employ quantitative scores to rank or qualify certain consumers as a more- or less-attractive potential customer. Qualitative analysis reveals certain topics that consumers are influential about, such as identifying an experienced mother who shares experiences and opinions about products geared toward children as an influential consumer in the topics of “diapers,” “baby food,” and “baby formula.” In combination, brands can identify highly influential consumers based on a score, along with the ability to determine specific areas of interest or expertise that may align with a brand’s products.

Brands now use social media influence metrics in a number of marketing and operational strategies, three of which we present here. First, some brands use these metrics to select influential consumers in an effort to provide free product trials. The rationale behind this logic is that if a brand gives a consumer something that he or she likes, that consumer may be prone to tell their networks about the positive product experience via social media channels. The result may be a new customer, as well as positive word-of-mouth disseminated to a large and attentive social following.

Along with free product trials, some brands use these metrics to treat social media influences like a Very Important Person (VIP) for whom a firm will shower with exclusivity. Brands select which consumers to whom they should offer not only free products, but also a higher level of service. For example, some hotels may choose to give an influential consumer extra amenities simply because a Klout, PeerIndex, or Kred score exceeds a predetermined level (Teicher 2010). The reasoning behind such a strategy is to delight an influential consumer by wowing them with extra value. The outcome may be that an influential consumer will tell their social networks about a positive experience with a brand through positive word-of-mouth. Both free product trials and VIP exclusivity hone in on a consumer creating an authentic message about a brand or its products. As already mentioned, consumers trust messages and recommendations from other consumers more so than from brands. These strategies are a method to operationalize a tactic to produce positive consumer endorsements.

Second, social media influence metrics also serve as an additional level of brand intelligence. These influence metrics are included in several customer resource management (CRM) systems and social media management (SMM) systems as an additional piece of descriptive information about consumers. CRM and SMM providers sign contracts with companies that provide influence metrics to automatically import influence scores into customer records (Stone 2012). This is an additional level of intelligence a brand can use to make decisions, such as which consumers to target with certain promotions, which consumers to invite to exclusive events, or which consumers to maintain or discard.

In order for brands and agencies to build brand intelligence through social media information, a brand must first locate influencers. Prior to social media influence metrics, brands would piece together information from various social sources "by hand." This was an inefficient and inaccurate method to locate and categorize influencers, which led to the development of third-party software and analytic platforms such as Radian6. Platforms such as Radian6 provide a robust suite of social media analytics for brands to use to capture consumer conversations across the social web. Brands can use these tools to enter keywords or phrases to monitor in public social media conversations. Whenever the software finds a conversation containing a keyword of interest, it captures the conversation, assesses the sentiment, identifies who authored the message and who may be responding to the message, and records users' profile information. In this manner, these social media analytic software platforms use large blocks of social media data to identify patterns of interest qualitatively and quantitatively, such as which consumers create messages that their networks respond to. One downside to these types of products is that the costs vary from less powerful free platforms all the way up to advanced software analytic programs that cost thousands of dollars per month to use. The next evolution of social media intelligence is emerging with social media influence metrics such as Klout, PeerIndex, and Kred. These influence metrics can be an efficient and accurate way for brands and agencies to locate social media influencers, whom they can recruit to promote the brand.

Lastly, some firms also use social media influence metrics to help human resources select new employees (Stevenson 2012). When a company uses the metrics in this fashion, the influence scores and topics function as a job applicant screening tool if a particular position requires a person to use or be familiar with various social media tools (Bacile 2013). Industries such as marketing, advertising, public relations, and journalism are a few examples of those that make use of the metrics in some hiring decisions. In this manner, firms use influence metrics as a proxy for an applicant's degree of familiarity and experience of using social media (Schaefer 2012). The proliferation of firms using these metrics in this manner is forcing college professors to take note. Some schools now lecture about social media influence metrics and assign influence projects to students in an effort to prepare them for the realities of the job market (Bacile 2013).

**Critical Thinking: Imagine More Ways to Promote Sustainable Behavior**
As social media ceases to be a novelty and become a normal part of most people's lives, in what other ways than those mentioned in the chapter can it be used to promote sustainable behavior?

All three of the aforementioned marketing and operational strategies—free product trials and exclusivity, brand intelligence, and human resources—can, in some way, positively affect corporate sustainability initiatives. As previously mentioned under the discussion of green consumer characteristics, a strong correlation obtains between consumers who value sustainable products and social media influence. Social media is a new form of communication, yet it is becoming the default method for many consumers. Green consumers whom others regarded as being influential in the offline sense are also regarded as influential online. Green consumers can share and spread their passionate convictions about sustainable products to the masses via social media. Because consumers tend to trust the opinions of other consumers more than they trust advertisements, social media influencers sit in a power position to shape the beliefs, attitudes, and purchase behavior of their social circles. The power of social media influence must be recognized in regard to sustainable products. The following are a few examples of strategies sustainable brands can use.

## *Sustainability and Free Product Trials/Exclusivity*

A large number of consumers hesitate to try sustainable products, in part, because they perceive them to be of lesser quality or have a weaker performance compared to traditional products (Luchs et al. 2010). A method to circumvent this challenge is to get sustainable products into the hands of influential consumers. Free product trials and extra amenities or services are ideal in this context. Budgetary concerns may prevent many firms from simply giving away their products. It is important, when offering free product trials, to identify "the right" consumers to segment and target with free trials in an effort to maintain promotional expenditures. In this context, "the right" consumers are social media influencers. These consumers have a trusted, attentive, and participative network of friends and relatives who regard the influencer as an opinion leader. Free product trials and exclusive upgrades are a strategy to get the product in the hands of an influencer; and then let the influencer organically disseminate a positive message about the product or brand.

### *Sustainability and Brand Intelligence*

A basic tenet of marketing strategy is to assess various target market characteristics. Research is conducted to understand potential consumers in each market segment and if these consumers are a match for a firm's marketing initiatives. The end goal for brands is to build consumer personas within different market segments and then prioritize the various segments that align more strongly with characteristics sought in a target market. Social influence metrics are an added level of analysis to understand what consumers in different market segments discuss, value, like, dislike, and believe in. These influence metrics also identify which social networks certain consumers are active on and prefer to converse with others. Owing to modern day media fragmentation, understanding where target consumers exist so they can be marketed to are an important aspects of building consumer personas and marketing strategy (Barker et al. 2013).

A sustainable brand can use social influence metrics to build a more complete profile of consumers, both at the individual consumer-level and at the aggregate segment-level. In regard to the individual consumer-level, influence metrics aid in the pursuit of one-to-one marketing and personalization (Goldsmith 1999). A sustainable brand can use detailed consumer profiles to tailor marketing communication, preferences, and value propositions to its targets. In the end, such profiles are a huge asset as they can be used to decide upon which consumers may be more responsive to marketing initiatives, which consumers may be more profitable, and which consumers may be marginal and, thus, avoided.

### *Promoting Sustainable Behavior Online: An Example*

A good example of using social media to promote sustainable behavior that illustrates several of the principles above can be found in Proctor & Gamble's launch of *Tide Coldwater* in 2005 (Stafford and Hartman 2013). Hardly mentioning "green benefits," the strategy stressed instead energy saving by washing in cold water, thereby aligning the product with an important value for the consumer, saving money. The brand's website permitted customers to register to receive free samples, calculate potential energy savings, then send an e-mail inviting friends (who could invite their friends) to try the product. The strategy proved highly successful in promoting a behavior that not only benefitted consumers and the company, but the environment as well.

## *Internal Use of Social Media to Promote Sustainable Behavior*

In addition to using social media and social networks as a means *externally* to promote sustainable behavior among citizens, organizations can also use features of social media to change their organizations themselves to become more "social." In addition to using social media to recruit and screen potential new hires, managers can use social media internally. Chui et al. (2013) advocate simple principles whereby leaders can use the potential of social technologies to harness the energies of their employees or volunteer workers in ways that multiply the effectiveness of their work. This *internal* use of social technology revolves around new ways for employees or workers to share information and to collaborate. Based on their work with many for-profit and not-for-profit organizations, Chui et al. (2013) recommend that managers allow workers to experiment and develop their own uses of social technology to improve the efficiency and effectiveness of their work rather than impose top-down directives of how to use social technology. This approach should encourage testing and experimenting so that those who need them the most will readily adopt practices that do work.

Research in marketing and organizational management is emerging that illustrates that employees who have core values, beliefs, and convictions that align with a firm's mission, objectives, and business strategies are a huge benefit to a company (Bhattacharya and Sen 2003; Welch and Welch 2006). Employees who believe in what their firm is doing are happier and more satisfied with their jobs. These employees have a lower turnover rate, which helps reduce the costs associated with training and experience curves associated with new employees. In addition, employees who believe in their employer are more likely to perform extra-role behaviors, which are actions an employee performs, which go beyond their typical job roles and responsibilities. Examples of extra-role behaviors include providing customers with a higher level of service, assisting fellow employees when needed, and providing a higher overall level of effort while on the job.

A sustainable brand can use social influence metrics to hone in on potential employees who have strong beliefs and actions relating to green and sustainable topics. Because social influence metrics are a mix of qualitative and quantitative analytics, a company can locate potential employees who discuss sustainable topics and products. The qualitative aspect enables the metrics to mine social media conversations and categorize people based on frequent topics of discussion (Schaefer 2012). This is an important area of social influence due to the somewhat sensitive nature of a person's beliefs, attitudes, and values. Hiring managers legally cannot ask certain questions of applicants and discriminate against potential employees due to some personal beliefs. However, the use of social influence metrics to legally mine public social media postings and conversations is allowed. In the end, a hiring firm can find out more about a potential employee in the hopes of identifying a person who has strong beliefs regarding sustainability, which will align with what a sustainable brand represents.

In summary, brands must take advantage of the trust, credibility, and passion that social media influencers have, both personally and within their social circles. If done correctly, positive messages and recommendations about a brand from one consumer to many other consumers are possible, along with a passionate workforce of devoted employees who truly believe in what a sustainable firm represents.

## Using Marketing Strategy to Promote Sustainable Behavior

The preceding sections describe a variety of tactical means of using social influence to promote sustainable behavior. Decision makers, however, should not confuse these tactical methods with general strategies. The individual and specific tactics are only part of the strategy. Thus, we conclude the chapter with a brief description of planning a marketing strategy that uses social influence as the tactical means of achieving its overall goal.

Various agents (marketers, policy makers, and social entrepreneurs) hope to redirect many human behaviors away from current ecologically harmful practices and toward more sustainable behaviors. To this end, they employ a variety of strategies. These include public information campaigns, legislation, and persuasive action. While all of these can play a role in promoting sustainable behavior, we suggest that managers use an additional means to reach the same ends. In keeping with the notion of social marketing, we propose that agents can promote sustainable behavior using the tools perfected by for-profit businesses to achieve their own goals. In an earlier chapter, the concept of social marketing was introduced. Social marketing "is the application of commercial marketing concepts and tools to influence the voluntary behavior of target audiences to improve their lives or the society of which they are a part" (Andreasen 2011, p. 210). Social marketing seems to be a promising way to promote sustainable behavior, and so we propose a marketing strategy approach. In addition, we suggest that using social media and social networks can be an especially effective tactical component of such a social marketing strategy. Table 8.3 presents an outline of such a marketing strategy.

The first step in devising a sustainable behavior marketing strategy is to conduct a situational analysis to describe the context in which the strategy is to be executed. This analysis should define the problem from the societal point of view

**Table 8.3** A Marketing strategy for promoting sustainable behavior

| Strategy framework | Sustainability example |
|---|---|
| Situation analysis | How much does a town recycle? |
| | How does it and who does not? |
| Goal setting | Increase recycling among affluent neighborhoods by 10% in a year |
| Strategy formulation | Public reward system sign in yard people display for neighbors to see |
| Implementation | Individuals who will carry out the strategy, deadlines, assessments |
| Outcome assessment | Monitor metric of amount of recycled material by weight |

and provide any relevant background information. In addition, the specific, desired sustainable behavior should be defined and the need for it or seriousness of the problem should be explained. Any costs versus benefits to participants should they adopt the behavior should be detailed. The analysis should make explicit possible reasons for not adopting the behavior. For suggestions regarding these reasons, see the summary below.

Part of the situational analysis should consist of a formal Strengths/Weaknesses/Opportunities/Threats (SWOT) analysis. Examining the agency objectively would reveal the strengths and weaknesses of the agency in terms of resources, assets, expertise, and capabilities. Decision makers must estimate the costs of the strategy and compare them to the agency's assets to ensure sufficient resources to carry it out. The key question to be answered is "does the agency have the means and ability to implement the strategy?" Decision makers can thus estimate the opportunity for the strategy will succeed. Is the time and situation right for such a strategy to work? Is it feasible to think that the strategy might succeed? Most importantly, the analysis must define in some detail which specific segment of the population will adopt the sustainable practice. The analysis should state the characteristics such as the size, demographics, lifestyles, attitudes, or behaviors that make this target market unique. Environmental scanning needs to describe possible agents (competitive options) or forces (environmental, regulatory) that might threaten the outcome of the strategy.

To help with performing a situational analysis and SWOT analysis, traditional for-profit firms rely heavily on consumer and market research to *gather* information relevant to these tasks. The social media environment now permits decision makers to observe firsthand what people say online and who says it in order to become *hunters* of information (Harrysson et al. 2012). Studying the conversational networks of digital consumers in the venues noted earlier can enable decision makers to identify trends in the social environment relevant to sustainable behavior that can inform their decision process (Colleoni 2013). In addition, decision makers can use this social intelligence/social data; the information observers can glean from reading and watching social media to study the "affective networks" (what individuals think, believe, opine, and feel about sustainable behavior) in great detail using modern digital tools (Colleoni 2013). The buzz on social media platforms provides real insights into the collective mind of the consumer, which can be summarized in real time for sustainable marketing strategy development, execution, and monitoring (Harrysson et al. 2014).

If the situational analysis reveals that there is a good opportunity to encourage sustainable behavior, the next step is to define the goals of the strategy. We can use the acronym SMART (specific, measurable, achievable, relevant, and time-bound) to guide the formulation of the strategic goals. These goals should first be specific and measurable. That is, the goals should not be vague (e.g., encourage sustainable behavior) but specific (e.g., increase recycling by 15 %) and quantified (e.g., what percentage of people should adopt the behavior, how many times should they perform it, when and where should they perform it?). This step is especially important because decision makers must devise some metrics or measures of the behavior in order to determine whether the strategy works or not. Once the goals are defined and quantified, managers should assess them to see if these goals are achievable (realistic), specifically given the resources available. They should be relevant to the problem at hand. Does this behavior really provide the benefit to individuals and to society that it intends to provide? Finally, the plan should present a time frame for the execution of the strategy and monitoring its effects. Other elements of the strategy such as assignment of responsibilities and allocating resources (budget) need to be added.

Next, the decision makers must devise the marketing plan. In our context, this would be the specific type of social influence that the agency intends to direct in order to promote the sustainable behavior it intends to encourage. For example, is the strategy principally offline or online or both combined? Does the agency want to appeal to opinion leaders and rely on them to promote the sustainable behavior among others? Does the plan consist of creating a community oriented around some behavior? Will it rely on blogs, social media, or virtual worlds? Will it involve a game? Will there be a schedule of rewards or feedback to encourage the behavior? In other words, the marketing plan calls for creativity and imagination as well as disciplined decision making to create an integrated, consistent set of methods that result in behavioral change. A key question to answer at this point is to what extent target individuals are to be involved in the planning and execution of the strategy. Will members of the target market co-create the strategy along with the agency's managers? Marketing plans consist of areas to which mangers allocate resources. How much money should they spend for each part of the plan?

A strategy is worthless unless it is implemented: the who, where, when, and how of the plan (Kotler 2000, p. 695). That is, those responsible must execute the plan. Implementing the strategy correctly is essential to evaluating its success. Poor execution can ruin a good plan. Ferrell and Hartline (2005, pp. 261-268) detail the crucial elements of strategy implementation: shared institutional goals and values, the organizational reporting and decision-making structure, organizational systems and processes for collecting and communicating information, financial and human resources, and top management's leadership and managerial style (command, change, or consensus).

**Critical Thinking: Why a Strategy May Not Be Implemented**
Can you think of a situation in which a strategy is stopped or adjusted regarding using social media to promote sustainable behavior? In what ways might the use of social media backfire or be an impediment to the goal of a sustainable future.

Finally, an essential element of a successful strategy is its outcome assessment. Managers must measure the results of the strategy, its accomplishments, using the metrics developed in the goal-setting stage of the strategy. This information allows managers to assess the success or failure of the strategy. Additional information in the form of research on the effects of the strategy can suggest why it succeeded or failed, so mangers can use this information to continue, revise, or jettison the strategy. Needless to say, formal research is highly desirable for all aspects of strategic development and implementation.

## Some Cautionary Notes

Social marketing strategies generally succeed in producing their desired outcomes. Sometimes, however, something goes amiss, and these instances can provide some cautions for the planners of social marketing strategies seeking to promote sustainable behavior. This section reviews factors that can adversely affect the outcome of a sustainability campaign.

One cautionary tale of efforts to promote sustainable behavior can be found in Hansson and Brembeck's (2012) description of efforts by Swedish government officials to promote and facilitate alternatives to the private car in urban areas, i.e., public transport and cycling through information campaigns and organizational schemes that seek to change city-dwellers' traveling habits. Although well meaning, the programs these researchers investigated fell short of their goals partially because managers conceptualized and promoted the goals in a top-down fashion that appeared to ignore the reality of many of the travelers' situations. Ethnographic research revealed that people carrying packages, traveling with small children, and the elderly found it very inconvenient or difficult to abandon their cars in favor of the more sustainable alternatives. Apparently, the program designers had been unaware of the reality of many urban travelers' circumstances so they did not allow for these situations, making the campaigns much less successful than they might have been. Although not specifically mentioned by Hansson and Brembeck, officials might have avoided these failures if they had first collected and analyzed citizen input, perhaps through the effective use of social media. Allowing residents to discuss the plan prior to its implementation using social media would probably have revealed these problems to the planners in time to account for them.

A second type of problem can arise in social marketing efforts using educational brochures, signs, public service announcements, websites, and in the content of social media. The intent of the message is to encourage sustainable behavior, but the manner in which the message is presented actually has the opposite effect, encouraging irresponsible behavior Pechmann and Slater (2005). These researchers describe several examples of adverse effects from technically accurate or true but ill-considered messages. One type of such messages is "counterinformative." That is, it presents arguments that are actually weaker than what people believe (e.g., the extent of a problem is less than what people think it is), thus suggesting that it is not important. Another type of message elicits "backlash" when it stimulates individuals actively to perform the undesirable behavior in order to demonstrate their freedom or to acquire forbidden fruit. Thaler and Sunstein (2009, p. 69) cite an example of an energy saving campaign that reduced energy consumption for above-average users, but raised it for below-average users! Another backlash effect can occur when a message raises anxiety but fails to provide a means to avoid the risk. A third type of adverse effect can come from "descriptive norm" messages. These messages imply that an undesirable behavior is widely practiced and therefore is the norm and common. Thus, the message may lead people to engage in the behavior because it appears to be prevalent (e.g., Cialdini et al. 2006). The final mistake to avoid is when the sustainable message elicits "offsetting" behavior. People may come to feel that they can engage in some less sustainable behavior that offsets the positive sustainable results from some sustainable behavior. For example, social marketing that encourages recycling glass and metal packaging might encourage people to purchase more of it instead of seeking alternatives that are even more sustainable.

Using social influence to promote sustainable behavior will be no easier for not-for-profit organizations to use than it is for-profit firms trying to promote their brands. They will encounter many of the same difficulties. For example, offline word-of-mouth is difficult to measure, and it might be difficult to measure the return on investment from such a strategy. Decision makers can measure online social influence with some precision, but it does require high levels of experience and sophisticated technological skills. The use of any information obtained online is limited by the ability of the decision makers to make sense of it. Agencies that succeed in using social influence to promote sustainable behavior will find that it can be difficult, but that repeated efforts can be good learning experiences, so that over time they will develop expertise and confidence.

Finally, Afshar (2014) warns for-profit companies not to commit the "seven deadly sins" of social media marketing. Wise words that agencies promoting sustainable behavior should heed as well:

- Lust —intense desire for fame and popularity.
- Sloth—avoid automated responses to people's queries. Clearly state when live responders are available to interact with people and make them available when stated.

- Pride—respect people's values and concerns; do not denigrate them or insult people who do not agree with the agency's point of view.
- Envy—do not just copy another organization's social media campaign; it might not match yours and prompt a backlash.
- Wrath—keep cool and calm in the face of blowback or criticism of the campaign.
  Respond honestly and courteously, perhaps with a dose of humor to meet these sorts of challenges.
- Gluttony—do not overuse social media or let employees overuse it on their own.
- Greed—although this warning is most applicable to for-profit firms that overuse social responsibility campaigns or cause related marketing, it raises the issue for not-for-profit organizations: is there a limit to how many for-profit partners they can have in their efforts to promote sustainable behavior?

In short, social media campaigns can successfully promote sustainable behavior, but they are not a panacea, nor do they lack pitfalls. As with all marketing tactics and strategies, decision makers should use them to create authentic engagement with people based on respect and trust.

## Summary

Although humans are responsible for global environmental problems, we need a few qualifications to understand the role of agents in promoting sustainable behavior. The first key idea is that "individual behavior is not the predominant direct cause of pollution" (Stern 2000, p. 523). Organizations account for the majority of the damage. Thus, efforts to reduce large-scale harm should focus first on these primary sources using regulation and economic incentives. Next, although individual consumption does have a negative impact on the environment, "individuals' environmentally destructive behaviors are not freely chosen" (Stern 2000, p. 524). The social and economic contexts in which individuals find themselves dictate most of their consumption behavior. Hansson and Brembeck's (2012) study of transportation use cited above is a good example. Moreover, the majority of additional future worldwide consumption is likely to come from the growing middle classes of the developing world. Thus, as they strive to live the middle-class lifestyle (home appliances, cars, etc.), the most gains in sustainable behavior can be found in not getting them to avoid these amenities, but to encourage them to adopt less environmentally damaging ways to acquire them (Stern 2000). This insight especially suggests that marketing campaigns should use social influence to direct this growing tide of consumption toward more sustainable and less environmentally damaging directions instead of foregoing consumption altogether. Caistor-Arendar et al. (2011) further point out that designers and planners should design social sustainability into new communities from the beginning to reduce their carbon footprint.

Moreover, most non-sustainable behavior does not stem from anti-environmental values and attitudes, nor do pro-environmental values and attitudes guarantee sustainable behavior (Stern 2000). The negative impacts come largely from the nature of the consumption lifestyle itself. Often the obstacles to sustainable behavior lie in the absence of feasible alternatives, institutional barriers, financial expense, switching costs, lack of valid information, and social inertia (not changing because no one else is seen changing). Values and attitudes are not the problem; programs to encourage sustainable behavior by changing values and attitudes are not likely the best strategies to promote sustainable behavior (excepting of course in educating children and reminding people of the need for sustainable behavior as noted above). Using social media to overcome social inertia, however, might be the most effective application in this chapter.

None of the above purports to devalue efforts to promote sustainable behavior, but to suggest a realistic perspective on how much impact social marketing efforts can have. In short, social scientists should make every effort to assist policy makers in designing the most effective and efficient strategies that they can to promote and encourage sustainable behavior among as many individuals as they can while at the same time realizing that this approach is not going to solve the whole problem, but takes its place alongside more systemic and structural changes that realign organizational and industrial systems that create a more sustainable future.

Marketing has been a formal component of for-profit businesses for over half a century. It emerged and remains as the essential business function that accounts for the sales and profits that keep businesses alive. During this history, marketing practitioners and theorists have developed a variety of concepts and tools that enable modern marketing to fulfill is chief goals of generating profit for the business efficiently and effectively. The concept and practice of social marketing is a more recent use of marketing theory that applies marketing practices to achieve socially desirable goals. More recently still, marketing scholars have begun to argue that marketing needs to evolve further into a more socially oriented discipline and call for a reorientation of marketing thought, research, and practice: "For more than 50 years, by focusing on the selfishly motivated individual customer first and giving secondary consideration to the individual as a consuming citizen, marketing has been ignoring one of the most important issues facing the business system and the fundamental goal of economic activity: to deliver an ever-better standard of living and quality of life" (Webster and Lusch 2013, p. 390). Using marketing methods and especially social marketing strategy to promote sustainable behavior is clearly a step forward in the goal of transforming marketing from simply a profit-generating business function into a more comprehensive activity with the "responsibility for helping society achieve the best possible standard of living and quality of life" (Webster and Lusch 2013, p. 398).

Devising social influence strategies to promote sustainable behavior is a small part of this gradual transformation of marketing itself. When one considers the average consumer's disdain and distrust of advertised messages by brands, it is no wonder why social media influence is not only possible, but also pervasive. Consumers largely distrust advertising messages promoted by brands (Nielsen

2013). Firms recognized this fact years ago and began to use celebrity endorsers. Surprisingly, though, ads that feature celebrity or athlete endorsement continue to resonate the least with consumers (Nielsen 2013). Whom consumers do trust is other consumers, be it those who they are familiar with or, at times, those who are complete strangers. Prior to social media's emergence, consumers did not have an efficient, powerful method to communicate with each other in mass. But now with 73 % of U.S. citizens—and 90 % of younger consumers ages 18–30—using some form of social media (Brenner 2013), these citizen influencers now have a method to broadcast influential messages.

Social media influencers enjoy using social media to communicate about everyday occurrences, as well as special happenings, in their lives. A brand that provides value to a consumer is hoping for the influencer to create positive word-of-mouth and brand mentions via social circles. And early research is telling—Klout, for example, revealed that influential consumers create on average 30 pieces of content or actions on social media after receiving some type of special promotional offer (Schaefer 2012). For instance, an influential consumer may receive a special offer and then create a Facebook status update exclaiming excitement over the offer (one piece of content/action), receive eight "Likes" from Facebook friends (eight pieces of content/actions), receive six follow-up comments in response to the original status update (six pieces of content/actions), and three friends may decide to re-share the status update to their own networks (three pieces of content/actions). The influential consumer may also author a Tweet discussing their excitement over the offer (one piece of content/action), receive five responses from other consumers (five pieces of content/actions), receive four re-tweets by other consumers (four pieces of content/actions), and have two other consumers mark their original tweet as a "Favorite" (two pieces of content/actions). In total, across Facebook and Twitter in the prior example there would be 30 pieces of content or social actions in regard to the brand. These 30 actions were not created by a brand, but rather by a consumer who has some degree of trust within his or her social networks. This is word-of-mouth endorsement 2.0 in today's social media landscape. Imagine if similar effects could be obtained by using this strategy to promote sustainable behavior.

This chapter presents a brief argument that marketing strategy, especially marketing strategy that uses social influence as the tactical means, can be an effective and efficient way to promote sustainable behavior. The chapter briefly describes the various manifestations of social influence and specifically discusses using online social media and social networks as the primary means of using social influence to achieve socially desirable goals. It recommends that using social media in a social world can be an effective and efficient way to promote sustainable behavior.

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# Chapter 9
# Sustainably Managing Resources in the Built Environment

**David Scott Goldsmith**

*May you have a strong foundation when the winds of change shift.*

Bob Dylan

**Abstract** The focus of this chapter is on the planning for and use of materials and construction techniques that both meet the needs of users and conform to the ideals of sustainable behavior. The National Institute of Building Sciences has proposed six fundamental principles for sustainable building design. This chapter reviews these principles and details how they are implemented in creating a sustainable built environment. These details include costs, labor availability, regulations, and aesthetics. The chapter emphasizes integrating the use of proper materials, building technologies, and social use of the built environment into a sustainable living system.

## Introduction

This chapter is quite a shift from the previous ones. It describes an approach to thinking and planning for resource extraction, processing, and use in building applications. Specifically, the chapter will cover the use of materials in construction, selection of fixtures and finishes, and contextualizing energy both as a resource and a means of supplying the needs of building users. As will be seen, the built environment is a major component of a sustainable society.

> The main objectives of sustainable design are to reduce, or completely avoid, depletion of critical resources like energy, water, and raw materials; prevent environmental

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> degradation caused by facilities and infrastructure throughout their life cycle; and create built environments that are livable, comfortable, safe, and productive.
>
> *Whole Building Design Guide*, National Institute of Building Sciences

The intention is to provide a flow of understanding from general principles of sustainability in the built environment to allow the reader to return to principles in evaluating products or process. From general principles, the chapter will progress to common applications and context for sustainability and its evaluation and application and finally to specific products and systems and how they can be viewed and understood in this context. First, however, we pause to consider the basic question of why many people fail to behave in sustainable ways.

## Barriers to Sustainable Behavior

Since sustainable behavior is arguably an obviously good way to live, why do not people individually and collectively behave in a more sustainable way? This question lies at the heart of much of the content in the present book, and as we have seen, there is no simple answer. Scholars from many different fields have pondered the answer to this question and have proposed a variety of explanations. Kollmuss and Agyeman (2002) review much of this literature and summarize the main findings. Overall, they conclude that "…the question of what shapes pro-environmental behavior is such a complex one that it cannot be visualized in one single framework or diagram" (p. 248). Among the accounts of the barriers to sustainable behavior, they emphasize the following:

- Demographic factors—although not strong, some demographic characteristics are linked to sustainable attitudes and behaviors.
- External factors—this refers to the infrastructure that hinders or promotes sustainable behavior.
- Economic factors—these basically describe the cost/benefits of sustainable behavior in economic terms.
- Social and cultural factors—cultural norms play a role, but are often only pronounced in cross-cultural comparisons of sustainable behavior.
- Internal factors—these are the intra-individual factors such as motivations, values, and attitudes. While these factors often leap to mind first when thinking about promoting sustainable behavior, their influence is only very limited.
- Environmental knowledge—this factor is even less important than the other internal factors; but the first strategy proposed to promote sustainable behavior is often and information campaign designed to raise awareness and educate.
- Attitudes—although attitudes are reasonably good predictors of specific behavior occurring relatively quickly after the attitude is measured, their impact on sustainable behavior is minor, likely because "people choose the pro-environmental behaviors that demand the least cost" (p. 252).
- Environmental awareness—defined as "knowing the impact of human behavior on the environment" (p. 253), environmental awareness has a limited

impact because of the non-immediacy of many ecological problems, ecological destruction is slow and gradual, and it is complex.

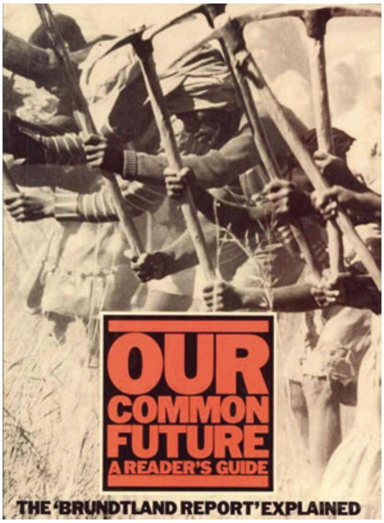
- Emotional involvement—people may shun sustainable behavior because they are not emotionally invested in it. Lack of emotional investment may stem from a lack of knowledge and awareness, because pro-sustainable information and proposals may not conform to existing beliefs, and because of emotional reactions that prevent taking action, such as denial, apathy (resignation), and delegation of responsibility to others. There may also be a feeling of helplessness in the face of the size and complexity of environmental problems that prevent taking action.

Kollmuss and Agyeman (2002) note that they do not even mention other contributing factors such as habitual behavior that would have to be changed in favor of more sustainable habits, personality traits, or simply "our desires for comfort and convenience" (p. 256). They summarize their review of the barriers to environmentally responsible behavior by concluding that it is a very complex topic, so that the factors inhibiting sustainable behavior interact in as yet unknown ways and that no simple solutions are to be expected.

The reason I use their evaluation of the barriers to sustainable behavior in this chapter is as a preamble to thinking about the topic in what may be for many is a different perspective. While most people think of sustainable behavior as a topic of individual or at the most collective behavior, individuals do not have the greatest impact on a key element of sustainable behavior, so that it can be argued that even if people could be persuaded to behave in a more sustainable way, their collective impact on the environment would not have as much impact as does the built environment. "Residential and nonresidential buildings are the single largest source (40–48 % in the US, 40 % globally) of global demand for energy and materials that product by-product greenhouse gasses (GHG) from home and building construction, operations, and demolition" (Yudelson and Meyer 2013, p. 3). Often overlooked is the impact of the build environment, its size, and complexity, on the natural environment.

## Sustainability

There are at least seventy documented definitions and descriptions of sustainability in the built environment (Kibert 2012). No longer is sustainability just a buzzword or trend in building construction, rather it is mainstream. Whole courses in building construction are devoted to the topic of sustainability, and it is a concept woven into nearly all other courses. Its beginning in *Our Common Future* (United Nations, 1987) has sparked an extensive literature with which anyone working in sustainability in the built environment, particularly those managing or in decision-making roles, would be familiar. Researchers and educators coming from a more social science or psychology background should find the approach to sustainability applied in building sciences, architecture, or engineering to be enlightening and enriching. Governments and organizations are heavily involved as well. In the U.S., the Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system is well known. It is a marker of quality and sustainability when buildings are designated "LEED certified." The rating system may impact development, design, operations, construction, and maintenance and be applied to homes, buildings, and neighborhoods. Within LEED, there are different levels such as Gold-certified or Platinum-certified. The overriding goal is to use resources efficiently and meet or exceed environmental standards. There are other certifications or accreditations and other industry standards that communities, states, and countries use. To sum up, most simply, Kibert (2012) and others use the term "green building." It covers a wide range of best practices from materials and product selection to hydrological systems.




Sustainability is a term that can be seen as part of intergenerational justice (*Our Common Future*). So many of the descriptors used today lack specific definitions that can be referenced, defined, and utilized to evaluate products, processes, or services.

Sustainability is an anthropocentric approach to justify and to define what it means to continue to provide resources over time to future generations of people in the context of dwindling natural resources.

Sustainability is a flexible term in that it allows for the substitution of resources with the emphasis placed on the resultant services available for human use. For instance, the replacement of wetlands with water processing and control facilities would make sense in a strict interpretation of sustainability because it would allow for the continued services provided by wetlands to be available through mechanical or structured means. This anthropocentric emphasis and the allowance to provide substitutes for extant natural systems is partly the basis for the field of environmental economics where market resources and economic models are utilized to value environmental services. In contrast, there is a strong reaction from many in the environmental community against the idea of interchangeability of natural and human systems assigning only instrumental value to these things. Movements such as Deep Ecology, eco-feminism, and others emphasize an intrinsic value approach to reaching sustainability.

## Sustainability and the Built Environment

Although there are many perspectives on sustainability, when applied to the built environment we can begin with a statement of the six fundamental principles of sustainable building design as determined by the National Institute of Building Sciences:

1. Optimize Site Potential
   Creating sustainable buildings starts with proper site selection, including consideration of the reuse or rehabilitation of existing buildings. The location, orientation, and landscaping of a building affect local ecosystems, transportation methods, and energy use. It is important to incorporate smart growth principles into the project development process, whether the project is a single building, campus, or military base. Siting for physical security is a critical issue in optimizing site design, including locations of access roads, parking, vehicle barriers, and perimeter lighting. Whether designing a new building or retrofitting an existing building, site design must integrate with sustainable design to achieve a successful project. The site of a sustainable building should reduce, control, and/or treat storm water runoff. If possible, strive to support native flora and fauna of the region in the landscape design.
2. Optimize Energy Use
   With continually increasing demand on the world's fossil fuel resources, concerns for energy independence and security are increasing, the impacts of global climate change are becoming more evident, and it is essential to find ways to reduce energy load, increase efficiency, and maximize the use of renewable energy sources in federal facilities. Improving the energy performance of existing buildings is important to increasing our energy independence. Government and private sector organizations are increasingly committing to building and operating net zero energy buildings as a way to significantly reduce our dependence on fossil fuel-derived energy.
3. Protect and Conserve Water
   In many parts of the country, fresh water is an increasingly scarce resource. A sustainable building should use water efficiently and reuse or recycle water for on-site use, when feasible. The effort to bring drinkable water to our household faucets consumes enormous energy resources in pumping, transport, and treatment. Often potentially toxic chemicals are used to make water potable. The environmental and financial costs of sewage treatment are significant.
4. Optimize Building Space and Material Use
   The world population continues to grow (to over 9 billion by 2050), natural resource use continues to increase, and the demand for additional goods and services stresses available resources. It is critical to achieve an integrated and

intelligent use of materials that maximizes their value, prevents upstream pollution, and conserves resources. A sustainable building is designed and operated to use and reuse materials in the most productive and sustainable way across its entire life cycle. The materials used in a sustainable building minimize life-cycle environmental impacts such as global warming, resource depletion, and human toxicity. Environmentally preferable materials have a reduced effect on human health and the environment and contribute to improved worker safety and health, reduced liabilities, reduced disposal costs, and achievement of environmental goals.

5. Enhance Indoor Environmental Quality
   The indoor environmental quality (IEQ) of a building has a significant impact on occupant health, comfort, and productivity. Among other attributes, a sustainable building maximizes daylighting, has appropriate ventilation and moisture control, optimizes acoustic performance, and avoids the use of materials with high-VOC emissions. Principles of IEQ also emphasize occupant control over systems such as lighting and temperature.
6. Optimize Operational and Maintenance Practices
   Considering a building's operating and maintenance issues during the preliminary design phase of a facility will contribute to improved working environments, higher productivity, reduced energy and resource costs, and prevented system failures. Encourage building operators and maintenance personnel to participate in the design and development phases to ensure optimal operations and maintenance of the building. Designers can specify materials and systems that simplify and reduce maintenance requirements; require less water, energy, and toxic chemicals and cleaners to maintain; and are cost effective and reduce life-cycle costs. Additionally, design facilities to include meters in order to track the progress of sustainability initiatives, including reductions in energy and water use and waste generation, in the facility and on site.

As these principles attest, sustainability can be made an integral part of the built environment. The technology and resources exist; and new ones are constantly appearing. The challenges to a sustainable built environment are not the means to create it but lie in the political, economic, social context in which the built environment is created. From these general definitions and principles, let us move on to a more detailed description of how buildings can be made more sustainable.

**Critical Thinking: Going More Slowly?**

The build environment contributes hugely to sustainability. Some interests, however, might not be so enthusiastic about changing current practices in this direction. What arguments can you make to answer charges that we should go more slowly and not rush to create a sustainable future through modifications to the built environment?

## Resources

The built environment is not a static one or one that becomes without a great dedication of both physical and metaphysical resources. A building represents the needs of people, their vision, financial means, technical skills, permissibility, willingness, and the ability to integrate those resources and means into a physical environment. The process of a building becoming is one of alternation and influence of all these resources with the intent to provide more than existed before.

### *Material Resources*

Buildings consume about forty percent of all material resources in the US and worldwide. The primary materials used are wood, glass, concrete, and steel with every other imaginable material playing a role in building finishes and systems. Material selection is driven largely by four factors:

- cost,
- availability of labor,
- regulatory requirements, and
- design aesthetics.

Cost of commodity materials are driven by worldwide demand and change on a daily basis. The Guggenheim Museum of Art in Bilbao Spain has an exterior finish of titanium scales. Titanium is a wonderful material for a building, either structurally or as finish, but is prohibitively expensive even for something as grand as the Guggenheim. It was by a momentary dip in the commodities market for titanium that it became an affordable but still expensive choice for that particular building. The choice between light gauge steel structures and wooden-framed ones is driven by two price factors, both the costs of wood and steel and the cost of labor to install those materials. In urban markets, labor rates for light gauge steel tend to be lower than labor rates for framing carpenters, in rural areas that dynamic reversed. The two materials are largely interchangeable in design, time to install, finishes, and regulatory requirements making the decision to use one or the other vary based on current material prices and labor rates for the building locality.

Cement availability and cost have fluctuated wildly because of the building boom in Southeast Asia and the Middle East. Large infrastructure projects in those areas have led to limited availability of cement in other markets and to a certain degree have driven research and accelerated acceptance of replacement cementation materials such as fly ash. Copper prices have rapidly increased as production in the electronics industry has demanded more of the conductive metal and as the natural resources of copper have been depleted. Watching commodity prices and stock piling materials has become a regular practice of even very small construction firms.

### *Energy*

The subject of energy and the built environment can fill many books. Most of the subtopics include sources, processing, efficiency, effectiveness, point-of-use such as using natural gas in cooking, building supporting systems, distribution scales, oil extraction and use, and the human behavior involved in using, reducing, and conserving energy. Builders, owners, manufacturers, sellers, and designers are all involved.

The basis for any discussion of the built environment implicitly refers to the human build environment rather than the actions of other biotic and abiotic forces that alter the environment. Everything from beaver dams to the process of erosion could be considered an alternation of the environment. The distinction of these natural processes from artificial ones is itself, ironically, an artificial conceit. *More precisely, we might refer to the 'primarily human built environment,' but in sticking with an anthropocentric context the 'built environment' can be understood to only include human actions.*

### *Financial*

Economic forces are part of the built environment and impact green building efforts. Factors include the distribution of scarce resources, labor costs, and how to think about surplus resources such as information and traditional waste products like fly ash and slag. Many of the financial discussions fall under the comprehensive fields of environmental economics and ecological economics.

## Built Environment

Buildings have a dynamic nature. They are not monumental; they require constant maintenance, use, care, and attention to maintain their ability to provide their intended services or to renovate them to provide others. Buildings exist in a temporal context as well as a social one.

The very term 'built environment' is meant to convey a sense of becoming, of deliberate action to alter the environment to suit human use. *By a broad definition, we can say that the built environment encompasses the entire world; there is no corner of the planet unaltered in some way by man's activities.* Deliberate constructive efforts have this effect: building roads, buildings, homes, or other projects. There are also negative effects of man's actions: pollution, climate change, resource depletion, and species eradication. There are social effects directly influenced by the built environment: what kinds of housing is built, how things and people are transported, what sorts of recreational activities people take up, and what sorts of means are devised for processing waste.

Using this broad definition of the built environment, we see the influence of man everywhere and his efforts, whether deliberate or incidental define the 'built environment.' In a narrower sense, the built environment can refer to specific of dramatic instances of construction.

Construction can be divided into four broad categories:

- Civil construction
- Industrial construction
- Commercial/institutional construction
- Residential construction.

Civil construction includes roads, bridges, dams, tunnels, and other projects associated with the flows of materials, resources, or people. Industrial construction consists of building systems and facilities that process, manufacture, or otherwise alter materials into other things. This process can be one of the moving raw materials to finished products such as taking steel, rubber, and glass and creating automobiles. It can be a system of refining such as the oil and gas industry. Industrial construction also includes the processing and reuse of waste, recovered, or recycled materials into either benign material that can be safely deposited in the environment or returned to the material input stream. Commercial/institutional construction includes projects intended mainly for the occupation of people; whether it be for housing, working, selling, storing, or otherwise housing the functions of a society. Residential construction focuses on individual detached, low-density, or medium-density housing. While the individual buildings of residential construction tend to be the smallest of the group, their impacts are far outsized from their square footage. Housing is the center of the social sphere for many societies, and housing developments can include hundreds of individual buildings rapidly constructed. That fast and broad change in landscape and social arrangement of large housing development can lead to dramatic changes in all areas of sustainability.

## Building Technologies

As the building industry has become more sophisticated and attuned to the problems of resource use, ever more effort has been devoted to increasing the efficiency of building systems. Increasing efficiency can come from several sources:

- Behavioral aspects of building users
- Improvements in existing systems
- Changes in implemented technologies from one type to another.

Altering building user behavior is the first step in addressing the unrealized potential services available from a particular building, it is the least expensive and quickest way to affect both the building's usefulness and hence effectiveness at delivering building services and to affect its efficiency in using resources. User education and training in building operation, posting of information on building resource use, and often the simple act of empowering building users with agency to make changes to the use of systems or to the use of space can have dramatic impacts on the twin goals of improving services provided and on increased efficiency.

Building systems are an integral part of any building operation, directly affecting occupant well-being and the ability of the building to provide the services it is employed to deliver. Often regular maintenance and upgrades of mechanical, electrical, plumbing, fire protection, fenestration, and other aspects of building operation beyond simple enclosure are neglected or reduced over the life span of a building. At its most basic level, the changing of filters, addressing leaks, and regular inspections can allow a building to operate at its designed level. Maintaining the as-built capabilities and performance of a building should be the baseline of comparison (rather than the current, often degraded state of systems) for designing improvements and incremental changes to existing systems. The technology to control building heating, ventilation, and air conditioning (HVAC) has advanced by leaps and bounds in the previous few years, often taking into account humidity, light levels, occupant space air flow, and other psychometric factors that allow even very inexpensive new control systems to improve the efficiency and effectiveness of installed mechanical equipment. Altering existing lighting systems can include changes to bulbs, ballasts in the case of fluorescents, color temperature selected, and fixture type without affecting the electrical or control system. Automatic or centrally controlled lighting and electrical controls are inexpensive additions to existing electrical systems that allow for unused portions of buildings to be remotely or automatically controlled.

One factor in adoption of many of these relatively simple and inexpensive technologies is user buy-in, convincing both managers of facilities and users that these systems are effective and desirable. Early experiences with motion-sensitive light controls, older HVAC computer control systems, and other technologies have often proved discouraging in use and have created a reluctance to adopt more contemporary systems that promise the same things are those earlier systems, but for the most part do deliver the desired outcomes. The first introduction to a particular technology will very quickly produce unshakable opinions in users and managers, and it is important to get installation and adoption right the first time. Managing user expectations and experiences is as big a part as an effective implementation of new ancillary technology.

Many existing systems can be retrofitted with improved systems such as variable flow blowers for HVAC, geo-thermal, district heating/cooling, or supplemental thermal solar systems. Existing water systems can be affected by changing toilet systems to low- or no-flush models, changing basin design can affect water usage, and in some cases catchment and storage systems for rain water can be used to harvest that resource and use on site for flushing or irrigation. Changing floor drain trap drippers to waterless non-evaporative liquids can save a significant amount of otherwise directly discharged water. Virtually, every aspect of the systems and process by which buildings metabolize resources and provide services have changed in recent years, and nearly every building can benefit from some consideration of these factors.

The underlying technologies of legal systems have often been supplanted by changes in the basic process or technology used to provide their service. As building systems (and in fact, buildings themselves) reach the end of their designed life, direct replacement of like systems is not always cost effective for installation or operation; or technologies or building codes have changed in such a way to disallow the existing systems to be substantially rebuilt or replaced with like systems. The cycle of changes in refrigerant used in HVAC systems over the past several decades is a good example of how regulatory changes have effectively managed the transition both of refrigerant use and of the compressor technologies that utilize them. Using several steps to transition from relatively unregulated Freon use to current refrigerants, a regulatory schedule was put in place that transitioned to compatible refrigerants allowing Freon-based systems to remain in place to the end of their designed life spans and be replaced with the knowledge and understanding that subsequent changes in regulation would require a different set of equipment compatible with the current refrigerants as well as the next regulatory step in transition to our current refrigerants. By coordinating the useful life of refrigerant using equipment with changes in permitted refrigerants, regulators were able to manage a transition that was transparent, cost effective, and predictable.

Changing existing building systems for entirely different technologies providing the same services is often a major engineering challenge involving complete redesign and reevaluation of building performance from a resource and user standpoint. New systems are rarely direct replacements in terms of location, required supplied resources (fuel, electricity, water, or waste), space, or fire protection considerations. Legacy systems leave behind far more than housed machinery, and they can include exhaust systems, ductwork, cabling or wiring, distribution systems such as radiators, and other ancillary materials. The cost of safe removal of these systems needs to be a factor considered when changing the technological approach to providing new systems. Too often, the cost of demolition and disposal of these systems is underestimated. Consideration and engineering efforts need to be given to maintaining or reestablishing fire ratings, the potential for toxic materials, site-specific issues such as unanticipated installed conditions, undocumented changes, and method of egress of systems from the building. When replacing HVAC systems, it is not uncommon to find renovations or undocumented changes including cast concrete or weldments holding systems in place, or building renovations making removal of equipment impossible without substantial disassembly or demolition.

Major renovations or equipment changes will usually incur bringing any new systems or existing improvements up to current code standards. Something as simple as removing a door and making the enclosed space a code-compliant habitable space complying fire, ventilation, egress, and lighting requirements may sound like a straightforward task; but in one project I worked on, the door was an in situ bank vault door. The removal of which included several months of planning and engineering, weeks of coordination, and finally several days of work to safely take the door out of its supporting structure, remove it from the building, and dispose of it. The changing uses of that building from bank to a public defender's office involved major changes to systems, structure, layout, fenestration, exterior and interior finishes, and other aspects of the building, while retaining certain aspects of the bank's existing security systems such as exterior access points, security entryways, and internal layout.

The wholesale changing of technologies providing building systems often has unintended consequences. More efficient HVAC systems, opening windows, and separate controls that aim at changing psychometric factors can all alter the equilibrium of structural materials and affect finish materials and furnishings. Historic structures in particular as prone to major unintended changes when building systems are altered or the building envelope is changed in terms of insulation, emissivity, moisture control, or fenestration. The process of closeout, turnover, and startup for major renovations on any building but particularly historic structures should take into account inevitable callbacks, rework, and preparation for building owners and users that the building has been substantially altered and will now metabolize and function in a new way.

In any consideration of altering building systems in order to achieve differences in building services, providing additional services at the same level of resource use, or of providing additional services at the same or proportionally lower increases in resource use, one has to keep in mind that the end goal of building use remains the same as it always has. The provision for control of interior environment, achieving a particular aesthetic, or facilitating users has been achieved throughout history, and the most effective means of reaching toward a sustainable built environment is to deeply consider what is required to be effective in providing building services.

I define two general approaches to reaching particular building performance goals: (1) the technologist approach and (2) the zero-plus approach.

First is the technologist approach. The technologist believes that problems can be solved with increased use of or implementation in the future of a then-available technology. This approach is methodical and metric centric and almost always leads to increasing complexity. By organizing needs, measuring performance and results, and providing additional technology allowing for more granular control and efficient operation, the technologist approach can either become a complicated and indecipherable mess or it can mature into a balanced and diverse set of integrated human and building systems. The warning for the technologist approach is in not considering the gestalt of the building and human system, by becoming myopic in focusing on divided or individual aspects of building performance, and particularly by relying expected future improvements or availability of certain technologies.

The second approach is the zero-plus approach. In this paradigm, we consider what is required of the built environment and begin by adding from a zero state structures, finishes, systems, and other aspects to either new or existing buildings to achieve the required goals. This approach considers effectiveness rather than efficiency. Because it assumes a zero-point for resource and systems state, there is no efficiency to be created by getting more from the existing or baseline systems, nor is there any potential for doing more with existing resource use; therefore, efficiency cannot be considered except in a comparative process. The zero-plus approach contextualizes the idea of zero-net resource use as a default condition and conceptually adds to the building systems from that state. Under this frame of thinking, zero-net energy is an easily achievable goal; the only action required is to stop paying the utility bill!

The two approaches contrast nicely and allow building professionals to approach building services from several perspectives with the same goal of arriving at buildings that provide the services demanded of them and improve the health and well-being not only of their users, but that of the human, biotic, and abiotic communities in which they exist. The focus so far is on more efficient and effective consumption rather than on generation and *not needing* resources.

## *Lighting*

One of the most basic building systems common to virtually every building throughout history is some provision for artificial lighting or at a bare minimum the control of natural lighting. Energy costs and new technologies have sparked a renewed interest in lighting techniques and a reevaluation of how to provide the building service of adequate lighting while considering a host of additional factors. The most common artificial lighting systems in residential, commercial, and institutional buildings consist of incandescent, fluorescent, and light-emitting diode bulbs (LEDs).

Incandescent lighting is the oldest form of the three and operates by running an electrical current through a wire sealed in a glass bulb. The passing electricity is resisted by the composition of the wire and the gaseous environment inside the bulb exciting the wire into producing both light and heat. In most incandescent applications, the majority of the energy used produces the undesirable by-product of heat and comparatively little light. Incandescent bulbs are therefore inherently inefficient at producing light, though they are effective.

Fluorescent lighting is the commercial and institutional standard because of their long life, increased efficiency, and ability to light large areas evenly. The last few decades have seen the introduction of the so-called compact fluorescent bulbs as direct replacement for incandescent bulbs, cold-cathode fluorescent lamps (CCFLs), and more compact and more efficient traditional tube systems such as T-8 bulbs replacing the use of T-12 bulbs. Each of these technologies has sought to address different issues with the adoption of fluorescent lighting. Compact fluorescents provide direct replacement for incandescent bulbs allowing for their use in existing fixtures, and the other bulb technologies improve efficiency over older systems.

From an efficiency standpoint, fluorescent bulbs have clear advantages over incandescent bulbs. Economically, they represent a more efficient lighting standard, providing more light over their useful life and less energy consumption offsetting their initial greater cost. There are increased environmental and social costs associated with fluorescent technologies.

Fluorescent lighting systems with higher internal operating voltage require electronic ballast components, and the bulbs themselves contain small amount of mercury and other heavy metals that represent an environmental hazard requiring additional steps for disposal and recycling beyond the nominally inert components of incandescent. While recycling of fluorescent bulbs and their associated components is readily available at no cost, the increased effort of doing so reduces the practice. Fluorescent lights have gained a social association with poor light color quality, with having a flickering effect, slow starting in cold weather, and generally as being an unpleasant type of light. Modern fluorescents have addressed all these criticisms, but the first impression of the public of this type of lighting has taken a long time to mollify. A comparative case can be made with the acceptance by the American public of diesel engines in personal vehicles. Early examples were loud, smelly, slow, and expensive. While the rest of the world's auto markets accepted these qualities because of increased reliability and fuel efficiency, the American market has only just begun to accept diesel engines in personal vehicles, the technology having addressed those earlier criticisms.

Incandescent lamps were the only widely available standard of electric lighting for over a century, and fluorescents reign in commercial and institutional settings have lasted about forty years and even shorter in residential settings. The next major breakthrough technology in electric lighting is LEDs. The technology behind LEDs has been implemented in many settings for decades, but the advent of white light-producing versions has allowed them to be used for general lighting purposes. LEDs represent the most efficient and long-lasting technology available today, and the cost for individual bulbs and fixtures has steadily dropped and will steadily become more commonplace. LEDs have suffered some of the same resistance fluorescents have including poor light color, lack of coherency in beam focus and diffusion, poor quality control, and high cost. The experience of the latest generation of high-quality and socially acceptable fluorescents has helped the public accept LEDs and their faults more readily than the long-standing resistance fluorescents encountered.

LEDs are less expensive to manufacture than fluorescents, though they still require additional circuitry in most applications. The life of the individual light-emitting diode elements of LED lighting is measured in tens of thousands of hours, or practical life span relies on quality and reliability of supporting circuitry and quality of power supply.

## Summary

Sustainability has many dimensions: behavioral, social, economic, legal, technological, and material. The present chapter addresses this final dimension, sustainability, and the built environment. The goal has been to supplement the main focus of this book, which describes the social and individual aspects of promoting sustainable behavior, by describing the importance of the built environment.

This topic is important for two reasons. First, because if buildings account for the single largest proportion of global energy demand and a lion's share of polluting by-products, even if efforts to encourage individuals to practice sustainable behavior were to be successful, the impact would be real but limited. Designing and building structures that reduce energy use, conserve critical resources, and prevent environmental degradation would make a major contribution toward a sustainable future. An undiscussed but important additional dimension of this topic is the potential for promoting and enabling sustainability through the use of big data, the growing amount of information available that is generated constantly by the vanishingly large number of computers and sensors that are now a major component of modern life. Big data can have many applications to sustainability, ranging from energy use to agriculture (Orts and Spigonardo 2014). Big data is especially valuable for building managers who can use it to cut energy use and make other contributions to making the built environment more sustainable. This is an especially important issue because big data is only just beginning to be used in this way, so as its use spreads; the savings just in energy use have great potential.

The second reason the topic is important is that a variety of barriers exist hindering the mass adoption of sustainable resources by individuals. Overcoming these barriers requires a similar variety of strategies that make use of our knowledge of human decision making and behavior derived from the social sciences. Much of this book is devoted to describing these strategies. It must be realized that progress in this area will be slow and incremental. Efforts to mandate, facilitate, and encourage sustainable building practices can have large and more immediate effects. The present chapter has outlined in broad strokes some of the major issues and topics relevant to this purpose. If promoting sustainability is the goal of a coordinated strategy, the importance of the built environment cannot be neglected.

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## Urls for the Whole Building Design Guide

The first is for the quote at the start of the chapter. http://www.wbdg.org/design/sustainable.php.
The second is for the material later on. http://www.wbdg.org/wbdg_approach.php.

# Chapter 10
# Influencing Behavior: Four Strategies

*Tell me and I will forget. Show me, and I may remember. Involve me, and I will understand.*

Confucius 551-479 BC

**Abstract** This chapter summarizes the book and suggests four strategies as a means to improve sustainable consumption. They are punishment (penalties), rewards (incentives), persuasion, and behavioral change through a combination of techniques or methods. It is suggested that the latter is probably the most effective. Behavioral change is more difficult than it appears especially if it involves overcoming or changing a behavior that is, at least initially, rewarding. According to part of the ancient Great Law of the Native American Iroquois people, "In every deliberation, we must consider the impact on the seventh generation." Understanding social influence is critical to our daily lives and our futures.

## Introduction

This book has described the forces, primarily the psychological, economic, and social forces, which influence family and household consumption behavior and points to new ways to strategize for sustainability. As mentioned throughout the book, the most often cited definition of sustainability is meeting "the needs of the present without compromising the ability of future generations to meet their own needs" (*Our Common Future*). The crossovers between sustainability, the built environment, and environmentalism have been explained and that only seven to ten percent of Americans identify themselves as environmentalists, although most engage to some degree in sustainable or environment-friendly behavior such as recycling, reusing, and reducing and buying organic. In other words, a person can list what they do, but may not accept the over-riding term or category as self-defining. Percentages in other countries vary considerably with more or fewer identifying themselves as environmentalists. In addition, it is apparent that there is a need



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to tackle cynicism of environmentalism or sustainability efforts. A person may ask themselves what good will it do, really, to recycle this cardboard cereal box in the large scope of things? Authors Daniel Fischer and Matthias Barth ask, "How can we conceptualize the capacity of individuals to meet the multifold demands that are facing us as consumer citizens to contribute to sustainable consumption?" (2014, p. 193).

Individuals, families, consumers, and households need to be assured that their efforts/behaviors are affordable, attainable, and worthwhile. Appeals simply for the good of society for the most part do not work; influencing behavior is more complicated than that. This book has shown that the avenues of appeal or approach are changing toward more online sources through omnichannels (an evolution of multi-channels, refers to mobile internet devices, computers, brick-and-mortar stores, television, radio, direct mail, catalogs, and other sources of delivery of information). However, preferred avenues or channels may go back and forth. For several years, JC Penney did not offer their traditional print catalog, and in 2015, the company announced they would begin printing catalogs again. Customers missed them and the company found that many of their customers looked at the print catalog first before going online to order. Each company and each household are finding the best way to manage consumption. There are various primarily online marketplaces such as Amazon, Groupon, ebay, Expedia, and Google products. Amazon, for example, is often used as a test market or a launching pad as shown in the case study on soda.

**Case Study: Soda Brands Only Available on the Internet**

It is not new that certain products (linens, clothes, or shoes of a certain color or size) are exclusive to the Internet "not available in stores" being the common phrase used in advertising or promotion, but it is new that mainstream soda-makers Pepsi and Coca-Cola are going this route. Consider this:

"PepsiCo Inc. is going to the Web to launch its newest soft drink, a mid-calorie soda called Pepsi True. The soda will be sold exclusively through Amazon.com Inc. The product, slated for release in mid-October, will be made with sugar and stevia, a natural sweetener. Pepsi True will be the second big-name soft drink sold exclusively online. Coca-Cola Co. began selling Surge on Amazon last month…A Pepsi spokeswoman said distributing Pepsi True through Amazon.com will give it a chance to raise consumer awareness for the product and gauge consumer response before it begins putting the new soda on shelves at convenience stores, supermarkets and retail outlets like Walmart."

Source: Tripp Mickle (October 2, 2014). New Pepsi Goes to Amazon. *The Wall Street Journal*, p. B2.

The choices grow constantly (mid-calorie as in case study) and the more established market leaders are challenged by newcomers and specialized websites.

Seagram's ginger ale offered a beverage with 25 % less calories and sales soared. More and more human interaction whether product oriented or otherwise is on social media through Facebook, Twitter or dozens of others all competing for attention space, the preferred platform keeps changing. Yet, as has been stated many times in this book, it is well recognized and researched that word-of-mouth and face-to-face interactions are still very effective forms of human communication and social influence.

This book has emphasized consumer behavior which includes many facets that can be broken down simply into pre-buying, buying, and post-buying evaluation of goods and services and which includes the concepts and practices of sustainability. That particular application was chosen because it is of great importance to a variety of academic disciplines as well as the practical concerns for policy makers around the world and for all our futures. Sustainability can be approached as a subset of consumer behavior and referred to as sustainable consumption, part of the title of this book. Consumers use frameworks. They internalize information and make sense of it. Within that information processing, social influence has a voice. Consumers experience and evaluate products, services, and events. Applications would be to our households and homes, how do we evaluate one of the most visible parts of our lives?

> Is your home just another place of unmet expectations, to-do lists, and exhaustion? Or is your home a haven, the safest place on earth, a place to come back to, a place to heal, a place to create, a place to risk and simply be? You get to decide (Smith 2014, p. 72).

## Four Strategies

This chapter explains the four strategies for changing consumer behavior with the goal of improving consumer well-being and sustainability. As discussed previously, "sustainable consumption is a field characterized by complex system relations that do not allow prescribing easy solutions for changing consumer behavior" (Fischer and Barth 2014, p. 193). This concluding chapter covers changing attitudes and behaviors and provides a summation of the role of opinion leaders.

Here are the four strategies based on the premise that we seek to improve sustainability in a variety of ways through:

- Punishment or penalties
- Rewards or incentives
- Persuasion
- Behavioral change which includes a combination of techniques

Each of these will be described in the next sections.

## Punishment or Penalties

This strategy seeks to put into place some negative consequence to a behavior that it wants to discourage so that people turn to a different, more positive approach. These can entail legal sanctions, fines (and other economic disincentives), letters from organizations such as homeowners associations ("mow your lawn" or "power wash the exterior of your house"), removal from an organization or mailing list, and the application of regulations of various sorts. Utility companies can charge more (a penalty) for using electricity or water at certain times of the day or during periods of over-usage or drought. This strategy can be described as legal or regulatory.

A grocery store may have a penalty of charging for brown paper bags or plastic bags if the shopper does not bring their own reusable shopping bags. California joined a number of other states recently in not offering plastic bags or charging for their use in grocery stores as a disincentive. At a family or household level, a parent may use time-out as a punishment or penalty for a young child's bad behavior or grounding for a teen's behavior. On a broader scale, there is a large literature on a number of typologies about power and leadership, for example, a leader could be said to have coercive power, the power to punish (Collins and Raven 1969).

A company catalog (mailed or online) could inform a customer that they will no longer receive the catalog if a purchase or at least an acknowledgement is not made within a certain time. It might start with a politely worded inquiry such as "We have not heard from you lately…" Or, "have you forgotten something?"

A store may hold a sale from 9 a.m. to 11 a.m. and anyone not in line by 11 a.m. cannot get the advertised bargain sale prices. As in any strategy, expected procedures need to be followed in order to be effective. If the store does not have enough sales associates at the checkout counters to accommodate long lines then the customer is frustrated and may leave without a purchase, disgruntled. They may say to themselves "that does it, I'm only shopping online from now on." This reaction is called self-talk. There are measurable effects of negative self-talk, your blood pressure goes up, your immune system can go down, and your blood sugar may go up. A wise store manager observing the chaos may step in and say we will extend the sale until everyone currently standing in line is served. Even better, the manager steps in and starts ringing up sales or sends customers to another checkout counter. The best way to encourage future business is to make sure customers are satisfied. There is no question that consumers are weighing the pros and cons of in-person shopping versus online on a regular basis.

> U.S. retailers are facing a steep and persistent drop in store traffic, which is weighing on sales and prompting chains to slow store openings as shoppers make more of their purchases online. Aside from a small uptick in April, shopper visits have fallen by 5 % or more from a year earlier in every month for the past two years, according to ShopperTrak, a data firm that records store visits for retailers using tracking devices installed at 40,000 U.S. outlets (Banjo and Ziogro 2014, p. B1).

As other examples of the punishment approach, if you do not pay a bill, the mobile phone service is disconnected or the lights go out. We go to traffic court if we do not pay a parking ticket. We are so used to punishments we hardly think of them as consequences of our behavior. We dutifully pay our bills and parking tickets because we know what will happen if we do not.

The punishment should be appropriate to the behavior/task. Students would call a test unfair if there were a hundred questions to be answered in 5 min. It would be inappropriate for the teacher to gather up tests in 5 min. Sounds like a psychology experiment in anger or rage, doesn't it?

## Rewards or Incentives

A more pleasant strategy involves rewards or incentives such as cash back, refunds, discounts, gift cards, or offers such as a free composting boxes or free seeds or free cloth shopping tote bags. The list here goes on and on including "green days" or recycling events or tree planting ceremonies on Arbor Day. This strategy can be thought of as an economic model involving a number of concepts including supply and demand. In order to be effective, the reward has to be desirable. Perhaps consumers do not want another keychain or drink holder. Giving consumers a choice of incentives is preferred in order to be most effective as a reward or incentive.

**Critical Thinking: The Downside to Rebates and Gift Cards**
"Rebate coupons, for instance, are a great way to get people to buy things; studies have shown that our purchasing decisions are often swayed by rebate offers. But, here's the catch: many of us never use them. By one estimate, 40 percent of rebate coupons are never redeemed. If you've every wondered why merchants offer rebate coupons instead of just cutting prices by an equivalent amount, that's why: they know that consumers (like high school smokers) will mispredict how they will behave in the future. This misprediction is why gift cards are such a bad idea for you – but a really terrific idea for the companies that issue them. Gift cards have become tremendously popular in recent years and are now the No. 1 gift choice in America with two-thirds of consumers saying they plan to buy one. There's only one problem: the people we give them to don't use them. On average, U.S. consumers have between three and four gift cards apiece lying around in purses and dresser drawers."

Questions to ask yourself: Do you currently have rebate or gift cards? What are they for? Where are they? Why did you (or someone you know) neglect to use them?

Source: J. Hallinan (2009). *Why We Make Mistakes*, New York: Broadway Books, p. 203.

A gift with purchase, a commonly used method to promote the purchase of cosmetics, should include desirables within that gift and attractive packaging. Food samples in grocery or warehouse stores are other examples of incentives to purchase and involve person-to-person exchanges. The person giving out the samples is an influencer.

An influencer or leader could be said to have reward power, the power to bestow awards or rewards. Think of all the award ceremonies you have been to and how a trophy or certificate was given to reward a winner or someone who completed a task or course. Boy Scout or Girl Scout badges are examples of rewards which they have for sustainability efforts as well as all sorts of other accomplishments.

In utility use, an example would be differential pricing with some times of day being less expensive than others. Another approach that works is about health, if you do such and such you will be healthier such as walking 10,000 steps a day or eating five fresh fruit and vegetables per day or participating in free screenings. To involve health services and to be effective, a change in culture is required (Thomas et al. 2010). Some rewards or incentives are a one time thing ("this weekend only, discounts on….").

> In order to stay involved, people have to find some reason such as enjoyment or a sense of mutual caring perhaps through the ability to tell their story, participating in panels or groups, or receiving a newsletter. These incentives promote the desired green activity. Policy agencies could implement other similar strategies to encourage sustainable practices (Goldsmith and Goldsmith 2011, p. 119).

Rewards and incentives (awards of various sorts) go all the way back to the history of recorded times with notifications being etched on walls in ancient Egypt and caves in Europe. Rewards (just as with punishments) are part of the socialization process and should be appropriate to the behavior/task. It should feel right for the accomplishment. This is why the first place trophy in sports is bigger than the third place trophy. In the Olympics, gold, silver, and bronze medals signify place achieved. There are internal rewards (feeling good about accomplishing or completing some task, helping, being kind) and external rewards such as trophies, medals, and raises or bonuses.

## Persuasion

This third strategy has a very long and deep history in academic research. How do you get people to go to war when they don't want to? How do you get them to vote for a candidate they do not like? How do you get them to try something? Maybe a store or a brand could play on a person's boredom with the familiar ("I hate everything in my closet" "I have nothing to wear").

A consumer's basic personality type will be part of their reaction. A more impulsive person may be open to personalized, affective (feeling) advertising, whereas a more rational consumer may respond to reasoned approaches highlighting features and benefits. For example, the more rational consumer may be drawn to advertisements that feature cars that use less fuel or refrigerators that use less energy. An extrovert might enjoy the interaction with an engaging, outgoing salesperson. They may enjoy samples or being part of a new product trial. A more introverted consumer may enjoy a subtler approach or want to read or research about something first.

We tend to have dominant personality types and cognitive styles, so none of the approaches fits all, and we also have moods where we are more open to messages at one time than another. On payday, splurging on a dinner out or new clothes may feel better than splurging the week before. Think about the first days of a new class when you are open to new ideas and ways of doing things versus how you feel at the middle of the semester. Another example of new beginnings or new places is that surveys show many people like to shop while on vacation away from the usual constraints of work and home care. Settings as well as motives are important, for example, to marketing managers. "Obviously, the better that marketers understand the needs and wants consumers are seeking to satisfy through purchasing behavior, the better able they will be to meet these needs and wants. The motives or reasons for shopping are relatively easy to discern" (Foxall and Goldsmith 1994, p. 147).

From a social science point of view, there have been innumerable studies on behavior (Hovland et al. 1953). A theory to highlight is the expected utility theory which forms the foundation of the rational-agent model "and to this day the most important theory in the social sciences. Expected utility theory was not intended as a psychological model; it was a logic of choice, based on elementary rules (axioms) of rationality. Consider this example:

> If you prefer an apple to a banana,
> then
> you also prefer a 10 % chance to win an apple to a 10 % chance to win a banana.

The apple and the banana stand for any objects of choice (including gamblers) and the 10 % chance stands for any probability" (Kahneman 2011, p. 270). As discussed earlier in the book, utility has to do with the usefulness of a product, service, or idea. In the 1940s, John von Newmann and Oskar Morgenstern (described in their 1953 book, see references) formulated four axioms of the expected utility theory that were necessary for rational decision making. These are completeness (choice of alternatives), transitivity (consistent decision-making patterns), independence (preferences), and continuity. In the presence of risky outcomes, the rational individual seeks to diminish risk by making the best choice among alternatives and these four axioms all play a part. This connects to persuasion because:

> The basic premise is that people will respond to information designed to change their minds, and the desired behavioral change will follow. The effectiveness of the strategy, however, varies according to a variety of factors including the sources of the information, the channel through which it is transmitted, characteristics of the receiver of the information and the nature of the persuasive message itself (Goldsmith and Goldsmith 2011, p. 119).

Structuring or layering the choice context so people can make optimal choices to benefit themselves or the larger society is a recent direction in behavioral economics research (Thaler and Sunstein 2009). Thus, individuals can be persuaded to make a behavioral choice if the information they are given and the situation they face can be structured in such a way to lead to the best outcome. An advertisement may say buy this pair of running shoes and you will be better equipped to win the race.

A maker of golf clubs may hold demonstration events so that potential or current golfers can try out new clubs, the longer they hold the clubs and try them out and get a sales pitch at the same time the more likely they are to buy. The sales pitch could be if they buy this driver they too can drive the ball 350 years like Bubba Watson, winner of the 2014 Masters tournament in Augusta, Georgia. This would seem unlikely if the recreational golfer had never hit consistently over 150 yards, but that is the role of persuasion, to convince someone that something is possible given the right tools/equipment. After the demonstration event, the holder of the event can offer discounts on clubs and follow up with emails or calls about upcoming events or sales.

An opinion leader can be said to have expert power meaning greater knowledge than the rest of the group and to use this to persuade the group. The demonstrator of the golf clubs, representing a company, would have expert power. Another leader may have legitimate power meaning power because of position such as the mayor of a city. A further type is informational power meaning a person has valuable information and holds onto it, dispersed only when ready. An actress on a television drama revealed after a show that only four people knew ahead of time that a main character would be killed. The director wanted to build suspense or shock value by keeping it from viewers and even most of the other actors in the series.

## Behavioral Change: A Combination of Techniques

Probably, the most effective means to changing sustainable consumer behavior is a combination of the strategies:

- Punishment (or penalties),
- Rewards (or incentives), and
- Persuasion

For example, a utility company may offer both discounts (lower prices, certain times of the day) and punishments (higher prices other times of the day). "Hurry up for the best prices and assortment, when we run out the offer is over" is a phrase that offers both rewards and punishments. To be factored in is the response of people in a particular location and their immense effect on other people—their approval, disapproval, and comments. The goal of this book is to emphasize that:

> Social influence is a very powerful shaper of human behavior. It can affect almost all types of behavior, and its effects are often unnoticed or unconscious. It enlists the punishment, reward and informational effects, but makes other people their sources. We propose that social influence, and in particular, social communication, can be harnessed as a fourth

strategy to promote the spread of sustainable consumption by families and households" (Goldsmith and Goldsmith 2011, p. 119).

Behavioral change is the end result as well as a means or strategy. Social influence and communication can involve a multi-channel exchange with many people talking and interacting. Chat rooms, discussion boards, online reviews, and other online exchanges lend themselves to vast and various interactions. Getting involved (if a departure from the past) signals a behavioral change.

## Perspective on the Strategies: Transformations to the Better

To return to the subject of sustainability, let us assume that people want to change, that they want to be better consumers and better stewards of the earth. How easy is that to attain?

According to Kathryn Schulz (2010) in her book, *Being Wrong: Adventures in the Margin of Error*:

> Most of us are at peace with the fact that some elements of our identities aren't constant, that things like our skills and priorities (to say nothing of our bodies) inevitably change over time. But not so when it comes to other aspects of the self. These include our personality ("I am conscientious," "I have a temper," "I am shy"), our basic talents and deficits ("I'm good with numbers," "I have a short attention span"), and certain core beliefs, both about ourselves (I'm someone my friends can rely on") and about the universe at large ("there is a God," "education is important," "It's a dog-eat-dog world"). The essential elements of our character, our native aptitudes and shortcomings, our grounding moral and intellectual principles, our ways of relating to ourselves, to others, and to the world: these are the things that give each of us our "I." (p. 285)

Schulz goes on to say that along comes challenges to all of this—the idea of who we are and what we should be doing. If we believe in ourselves, how can we be wrong?

**Critical Thinking: Resistance to Change**
React to this statement by Kathryn Schulz: "…hewing too closely to this model of the self can force us to dismiss both the possibility of error and the possibility of change – even in cases where to, to an outside observer, both seem blatantly evident."(p. 285). Have you ever resisted change? Why? What was the main issue and what was the outcome?

Schulz further says:

> It takes courage to leave our past selves behind. But takes even more to carry some token of them with us as we go: to accept that we have erred, recognize that we have changed, remember with compassion our caterpillar past (note: earlier in her book she uses the analogy of caterpillars turning into butterflies), As difficult as this can be, the dividends

> are worth it. 'The main interest in life and work,' said Foucault, is to become someone else that you were not in the beginning.' (p. 294).

Of course, the scale of change varies widely depending on what the change is and what is expected. Our beliefs and relationships can change the world. According to Matthew D. Lieberman, author of *Social: Why Our Brains are Wired to Connect*:

> We all want a good life – to be happy and healthy. Society at large has a huge investment in people being happy and healthy as well; happy and healthy people are more productive, get into less trouble, and cost society less money. Philosopher Jeremy Bentham founded the Utilitarian school of thought on the notion of the greatest happiness principle, or the idea that the best society has the greatest amount of pleasure relative to its pains. The big question –a question that has been asked for as long as we have been asking questions – is what makes for a happy and healthy life. If we have been getting this wrong, we should all want to know so we can start getting it right. In 1989, more than 200,000 college freshmen were asked about their life goals, and one goal stood out from the rest – to be well-off financially (p. 242).

Economists have tried innumerable ways to tackle the question of the relationship between money and happiness and the results are inconclusive. Past a point of having enough to maintain a basic lifestyle, it appears that money does not increase happiness all that much. Overall, countries with higher average income have citizens reporting higher than average well-being, but the connection is not as strong when looking at individuals. If a poor person gains an extra $1,000 per year income it drastically affects their well-being, but that same amount of money to a middle class or rich person does not have the same effect. Once basic needs are met then increasing income only adds the tiniest bit to well-being (Lieberman 2013, p. 244).

**Critical Thinking: Happy and Healthy**

Think for a few minutes about the things you enjoy doing and what you do to take good care of yourself. What makes you happy? How would you describe a healthy life? Discuss your answers with another person and inquire about their answers. Learning to share thoughts is important.

## Behavioral and Social Change: Why Is It so Difficult?

For the answer to this section title, we turn to social psychology.

> Behavior change is often quite difficult, especially when it involves overcoming an addiction (e.g., quitting smoking) or changing a behavior that is rewarding in other ways (e.g., eating). It is often possible, however to act in more outgoing ways when we are shy, happy ways when we are sad, or kind ways when we feel unkind.,,Little steps can lead to big changes, however, and all of us have the ability to act more like the person we want to be (Wilson 2002, pp. 216, 221).

Little steps can include performing a desirable behavior because the more it is performed or practiced, the more habitual and automatic it becomes, thus, "requiring little effort or conscious attention. One of the most enduring lessons of social psychology is that behavior change often precedes changes in attitudes and feelings. Changing our behavior to match conscious conceptions of ourselves is thus a good way to bring about changes in the adaptive unconscious" (Wilson 2002, p. 212).

Situational influences can be quite powerful. The individual is reacting to different environments throughout the day. Situations or environments, of course, change as well. Consider the following case study.

**Case Study: Mall Refashioned as a Cultural Center**
"Built in 1962, Seminary South was the first mall in Fort Worth and, by all accounts, the archetypal American shopping center. At its peak, it was home to a Sears, a JCPenney and a Dillard's. There was a bowling alley, a movie theater and a space for the Fort Worth Opera to practice. Families took their children on weekends, and neighbors mingled. But like many other malls across the country, the shopping center began a steep decline in the 1990s. Over the next decade, big department stores left or closed. Gang activity became a problem, and shoppers stopped coming. 'It's where I used to buy my jeans as a kid.' Recalls Joel Burns, the city councilman for the district. 'It was a nice little shopping area.' And now it is again Seminary South has been reborn as LaGran Plaza, a sprawling, 1.2 million-sq.-ft (111,000 sq m) hive of commerce and community. Most Sunday mornings, 25,000-30,000 shoppers pack into the mall to socialize, eat and shop. To pull off this feat, the mall's new owner has tapped into the most powerful new demographic in the U.S. economy: Hispanic consumers. Refashioned as a cultural center, it has at its core the Mercado, or market, a labyrinthine three-story bazaar…"

Source: Sam Frizell, (April 28, 2014). Mercado of America. *Time*, p. 43.

## Discussion About Communication, About Sustainability

The success story of LaGran Plaza is mostly based on providing a place for cultural exchange in a shopping environment even for those who are not there to shop and in so doing "meeting the opportunity and the challenge of connecting with Hispanic consumers. One in six Americans is Hispanic, up from 1 in 16 in 1980, according the most recent Census data" (Frizell 2014, p. 43). Identity is an issue as two-thirds of 16-25-year olds are native born and define themselves as typically American (Frizell 2014).

One of our most indispensable tools is communication. Social influence is about this need to communicate in many different forms and in many different situations. The emphasis in this chapter was on the four strategies for influencing behavior building on previous chapters on the literature of decision making, sustainability, consumer behavior, social influence, and social communication including a description of how social influence works. This is an important field for <u>four</u> stakeholders:

- Most importantly, *consumers* themselves have to recognize sources of information of use to them in their decisions. Consumers can blog or in any other way engage other consumers and influence each other. Product reviews written by

consumers and read by other consumers is a vehicle of continuously growing consumer interactions.
- *Educators* as opinion leaders and meaning educators in the broad sense of community educators as well as teachers and professors in school settings: These are people consumers look to for answers and for expertise. To promote sustainability and green behavior, the power and the tools of social networks have to be understood. There is a long history to environmental stewardship.

**Critical Thinking: Seventh Generation**
Sustainability has over seventy definitions but one of the more famous and enduring comes from part of the ancient Great Law of the Native American Iroquois people, which states, "In every deliberation, we must consider the impact on the seventh generation."
Explain the issue or problem the Iroquois were addressing.
Gather evidence.
Analyze.
Develop theses/hypotheses.
Draw logical conclusions.

- *Environmental activists and organizations/businesses, government and non-governmental units* from the neighborhood or local level all the way up to the United Nations. The implications are clear about how messages are networked and how important grass roots are.
- *Researchers* are the primary force behind research studies, the quest for knowledge and seek to improve research methods and the understanding of the theories underlying sustainable behavior. Theories provide frameworks and help us organize and consolidate what we know from rigorous testing to serve as a basis for going forward. Since social networks are changing so rapidly, researchers are needed more than ever before to make sense of human interactions. Another way to say this is we are trying to understand "the social net." Experts can join in by applying newly developed techniques to specific topics such as sustainable consumption to find out what works and what does not. Results can be used to steer public debate and legislation toward improved sustainability.

## Summary

This chapter's review of social influence theory about human behavior has true relevance for consumers particularly in issues of sustainability and resistance to change. Research shows a strong and lasting tradition of acknowledging the importance of people to people whether in person or online. Omnichannels have opened up more ways of conversing and informing. Some of the choices offer increases in ease and convenience. Real-time data using the omnichannel approach, takes advantage of socially connected consumers moving from one channel to another, online reading, and shopping behavior (tastes and purchasing) are book-marked, allowing observation of movement to different channels. There are privacy and ethical concerns with this amount of tracking. Advances in technology have given us the tools to exchange, measure, and experience in more ways than before. A newspaper headline of "Shoppers Flee Physical Stores" indicates a significant change in shopping behavior. Families, retailers, government regulators, and sellers are changing constantly while holding on to sustaining values that guide behavior.

Social networks are critical to our daily lives and to our futures. Relationships are vital to our sense of well-being. Leaders are in a unique position to use different forms of power and persuasion to influence social behavior. We all need to feel connected and valued. The message of environmental sustainability is a worthy one of interest to us all.

*Growing environmental awareness holds great promise*. Progress has been made in addressing sustainability, as a process and outcome, but much more needs to be done.

Thank you for reading. I would love to hear your reaction to this book and about what social influence means to you.

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