Section I: How Do Customers and Consumers Really Behave?

Donald R. Lehmann

Consumer Behavior and Y2K

The study of consumer (or better, customer) behavior is one of the most fascinating and multifaceted topics imaginable. For the past 20 years, the dominant paradigm in "CB" has been information processing (cf. Bettman 1979). Substantively, the emphasis has been on attitudes toward and choices among a set of close substitutes (i.e., brands within a product category). Particular emphasis is evident in assessing the impact of marketing mix elements, specifically, price, promotion, and, especially, (mass) advertising. Theoretically, the dominant paradigm has been borrowed from psychology (cognitive and social in particular) and, to a lesser extent, economics. Information acquisition and processing (from memory and outside sources) have been the center of attention. In terms of method, the typical approach has used a lab study with controlled manipulation of a few factors using a homogeneous sample (students). The analytical method of choice has been ANOVA, with particular emphasis on p-values (that is, "proving" an effect is not zero) and a search for interactions.

This approach has produced substantial progress, and interesting issues still exist (e.g., how will consumers deal with the information deluge they face?). A relevant question, however, is whether a broader focus is needed. This question arises in an era when the future of one of the parent disciplines of CB, marketing, increasingly is being marginalized (Lehmann 1997) as areas such as strategy, quality, satisfaction, the supply chain, and product design have addressed marketing issues. The position of this article is that different theories, areas of substantive interest, and methods are needed to prevent CB from becoming increasingly isolated and of marginal relevance.

Donald R. Lehmann is George E. Warren Professor of Business, Columbia University.

Theoretical Directions

The basic thesis here is that more progress will be made by focusing on relatively underresearched areas. Table 1 suggests several promising directions for further research, including the following:

Use of different approaches. Areas such as evolutionary biology and cellular automata provide different perspectives from which to view behavior over time. Similarly, historical analogies may be the best way to understand the response to new products such as the Internet.

Focus on time. Decisions can be recalibrated in terms of the cost in time, because time, not money, is the scarce resource (i.e., given enough time, a person can be rich working at a minimum wage).

The adaptive consumer. In general, it is time to move from the model of an informed consumer optimizing choice in a defined product category and concentrating on behavior before choice to a model in which partially informed, biased customers make selections at a more fundamental level (e.g., investment versus vacation) and then adapt to them (Carpenter, Glazer, and Nakamoto 1998) with a focus on postchoice behavior.

Relevant dependent variables. Consistent with the Marketing Science Institute's (MSI) current top priority, results should be linked not to awareness or attitude but to measures that are relevant to the chief financial officer, such as stock market value, the value of a customer, or brand equi-

Journal of Marketing
Vol. 63 (Special Issue 1999), 14–18

TABLE 1
Theoretical Issues

Dominant Focus	Underresearched
Psychological, economic (Rosenberg, Fishbein, Lancaster)	Biological, history
Intentional learning	Incidental learning, improvisation, and adaptation
Evaluating market offerings	Coevolution, self-service, codevelopment of new products
Important attribute based	Irrelevant attributes
Category-specific attributes	General attributes, goals (e.g., Bagozzi and Dholakia 1999)
Conscious/rational/purposeful/involved decision makers	Emotional, rule-based, unfocused/incidental learning
Knowledgeable/informed consumer	Sampling/limited information, use of agents
(Linear) compensatory	Nonlinear, noncompensatory, pattern recognition/balance (cf. Farquhar and Rao 1976)
Optimizing stable preferences	Varied preferences (acculturation, variety, learning/ experimental)
	Debiasing methods and decision support for customers
Attitude	Operant conditioning (cf. Stuart, Shimp, and Engle 1987)
	Quantitative financial measures (market value, value of customers, brand equity)
Demonstrating irrational behavior	Modeling and explaining irrational behavior

ty, or else to social welfare. Otherwise, CB research will continue to have little impact on managers or public policy.

Midrange theories. Attempts to build more general theories that link multiple constructs seem necessary. Howard and Sheth (1969), among others, have had a large impact by integrating multiple constructs.

Hot topics (e.g., Internet) in context. The overhyped Internet, similar to most new things, is not totally new. Other communication devices have been invented, not all of them successful (e.g., radio fax). Furthermore, the key aspects provided (improved speed, cost, scope, and quality) are testable in many settings, have general theoretical interest, and are better independent variables than "the Web."

Substantive Directions

Table 2 suggests several avenues for substantive focus, including the following:

Important decisions. Important decisions across product categories (e.g., where to live, how to allocate time and financial resources) are understudied. Such noncomparable alternatives (Johnson 1984) require a focus on more general attributes or basic goals.

Cumulative versus immediate effects. Consider the cumulative effect of marketing and media on consumer welfare (versus, for example, how specific potential deceptions affect brand choice). In addition, consider the impact of customer deletion decisions and efforts, rather than just attempts to attract customers. (Because 80% to 90% of customers are unprofitable, this is a potentially major area.)

Not just price and (television and print) advertising. Investigate more thoroughly other aspects of marketing, including service.

Not just rich U.S. households. Consider consumers who do not have financial resources and Internet access. How do the billions of people who earn less than $2 per day behave, and is the Internet relevant to them?

The impact of other people. Group norms, social contagion, and the impact of "word of Web" all merit further study.

After information and choice/purchase. Considerable effort has been expended studying information processing and choice. With the exception of work on overall satisfaction, relatively little effort has been spent on use experience in the full sense of the term. For example, almost no research has emerged related to how customers adapt to a product as it loses capability (quality) and cachet or how they make the eventual decision to stop using and/or dispose of an old product.

The impact of major events. What is the impact of general changes in society and technology? For example, will people raised in good times have rising expectations and be harder to satisfy? Will have-nots become more alienated? How will a U.S. generation raised on sound bites, quick and easy solutions, and the absence of negative feedback behave when things are tough? Will improved technology lead to alienation and isolation or to increasing need for human contact? And, from a selfish viewpoint, what will information technology do to the traditional MBA program of classes of 60 students in a central location with a single professor?

Methods

Several issues arise with respect to the methods used to study consumer behavior (see Table 3). These include the following.

Good, not perfect studies. Abandon the notion that one study proves anything, because all studies have an infinite number of covariates. Rather, think in terms of accumulating knowledge across studies through meta-analysis (Farley, Lehmann, and Mann 1998; Farley, Lehmann, and Sawyer 1995). Report correlations among variables to enable future researchers to incorporate results in subsequent meta-analyses.

Information versus statistical proof. In addition, decrease the focus on statistical significance, because nothing marketers study is likely to have exactly no effect (otherwise why study it?). Significance can be achieved by larger sample sizes and stimulus-deprived environments. Rather, report the size of the effect in terms of beta coefficients or elasticities, along with standard error. (As a side benefit, this lessens the need for tedious justifications of hypotheses.)

Just the facts reporting. Stop rewriting papers so that the data match the hypotheses. Report what was originally thought and done and what the results were. When reviewing an article, be sympathetic to this approach. Current articles often give a misleading (and possibly unethical) view of what researchers do.

Heterogeneity. Concentrate not on finding out which theory is correct, but rather on their relative applicability or influence. In other words, focus on the fraction of a sample that behaves according to different theories (cf. Jedidi, Jagpal, and DeSarbo 1997; Pham and Johar 1997) or on its relative impact. As a corollary, recognize that variables such as country are weak proxies for theoretically relevant variables such as culture, and though mean differences exist across them, responses often do not.

Qualitative/ethnographics. To this point, the focus has been fairly heavily on so-called positive research. The emergence of more qualitative work has been important and controversial (though the controversy has been, to a large extent, self-fostered and not very informative). Still, this thrust has had two main benefits. First, qualitative

TABLE 2
Substantive Areas

Typical	Less Developed
Consumers	Customers
Unimportant decisions (e.g., food brands)	Important decisions (where to live, how to allocate time and financial resources, when to retire)
Purchase/choice	Consumption, use over time, trends, social behavior, relationships, use of time, barter
Choice within category: When, how much, what	Choice among categories: If
Short-run effects (sales)	Long-run effects (consumer surplus, social welfare, customer deletion)
Mix	
Mass communication/(broadcast) advertising	Integrated marketing communication
Price/promotion	Packaging, stocking, sponsorship, selling, self-service
Lemon-scented new products	Really new products
Brand equity	Customer equity/value of customers Employee equity
Life cycles	Fashions and fads Sustainability of trendiness
(Isolated) events (e.g., Internet)	General concepts (e.g., speed, scope, cost, interactivity)
Consumers in industrialized countries/ buyers with resources and access	Buyers with limited resources and access
Single decision maker	Effect of other people (intergeneration, word of mouth, word of Web, signaling/contagion)

TABLE 3
Method Issues

Typical	Underused
Positivists	
Study correctness Testing a theory	Meta-analysis
Statistical significance, effect size	Bayesian updating, size of effect
Choosing the model	Estimating fraction that uses different ones/latent classes Estimating relative impact
Forecasting using simple models	Chaos/cascades, complexity
Relativists	
Point of view	Points of view
Thick description	Testable propositions

work has placed increased emphasis on product use and consumer behavior after purchase (i.e., the experience rather than just the purchase; cf. Fournier 1998), which turns out to be a top current priority of MSI. Second, it has promoted the use of other disciplines and paradigms (e.g., anthropology, sociology, history), consistent with the sponsorship and original design of the *Journal of Consumer Research.*

Qualitative research has had its downsides as well. In addition to the aforementioned tendency to argue for rather than demonstrate contribution, some qualitative researchers take the position that everything is unique and all knowledge relative. Although this is true in the extreme (i.e., no two snowflakes may be exactly identical, and no two people see things exactly the same way), it denies obvious commonalities (i.e., there is relatively little within versus between variation in snowflakes versus oil well drilling rigs, regardless of perspective). Resisting generalizations and statements of testable propositions, as well as method scrutiny, is detrimental to the approach and the field.

Method pluralism. In addition, the issue is not to determine which is the best method; the issue is to combine the best (e.g., Russ Winer argues for using scanner data to test behavioral hypotheses). Put bluntly, nonexperimental methods have much to say about consumer behavior, and the concept of triangulation is the relevant metaphor.

Consider consumers of consumer research. The entire area of capturing knowledge so that it has impact (voice) beyond the researchers who discover it is interesting in its own right. Image-based devices (e.g., graphical representations, stories, collages, videos) are powerful but can also mislead (not all customers are the same as the one in the film clip, and at least one analytically derived "rugged male" segment contained one-third women). Balancing the need to compel and the need to show limitations is difficult given human biases and heuristics.

Three Steps in the Right Directions

The three articles in this section all contribute to marketing literature in important ways. Bagozzi and Dholakia extend beyond the usual product attribute–based view of choice to concentrate on goals. These goals can be brand- or product category–based (i.e., to perform some activity) or broader, in terms of life goals, similar to the list of values (LOV) and values and lifestyles (VALS). Also, importantly, their article recognizes the interdependent structure of goals, both in the presence of a hierarchy (subordinate, focal, superordinate) and of links within levels of the hierarchy. Most important, it focuses attention on what really matters (e.g., remaining alert) rather than on product characteristics (e.g., caffeine), which only matter because they link to goals.

The second article, by Oliver, addresses the important issue of the relation between satisfaction and loyalty and, in the process, illustrates different types of loyalty (e.g., distinguishing situation versus personal commitment as key drivers). The article also presents a list of interesting research questions that have both theoretical and managerial significance. A good addition to this list would be a question that combines satisfaction and loyalty with other constructs. For example, there are differences among attitude, intention, satisfaction, quality, brand equity, preference, and loyalty. However, there are not seven independent constructs. What is needed is a conceptual and structural model that indicates the relations among them and then hopefully (on the basis of meta-analysis) makes some statement regarding the strengths of the links in the model. This would provide both theoretical benefits and make comparisons across results based on the different variables more meaningful.

In the third article, Meyers-Levy and Malaviya draw together different streams of research to develop a theory of advertising persuasion. Their work provides a nice basis for future work, though as they note, it is mainly limited to the information-processing tradition. It explicitly incorporates experimental and heuristic, as well as systematic, processing. Interesting issues include whether emotional processing is really low in resource allocation and what role analogies play in judgment. Most appealing, the article explicitly addresses judgment correction (revision), an area in which more work clearly is needed.

Summary

The future for consumer research can be bright. If marketers think broadly, focus on interesting and relevant problems, and report results directly, the field will benefit. If not, it can become splintered and largely irrelevant, in effect, counting angels on pinheads.

This leads to two specific conclusions pertaining to theory and vocabulary. At its best, theory (as a story) explains the past and predicts future results and, more important, provides insight. At its worst, it is operationalized as something someone else managed to get published, which people can use to justify their hypotheses. Explicitly recognize the difference. Finally, as CB has developed, so naturally has specialized language, partly as a carryover from the now unnecessary need to justify the rigor of the field. Unfortunately, the language is a barrier to entry for "outsiders" and limits the kind of interdisciplinary conversation that has such high potential for enriching the discipline. Translating to "plain English" makes work accessible and potentially more impactful. As a side benefit, it forces the writer to better understand what he or she has done.

REFERENCES

Bagozzi, Richard P. and Utpal Dholakia (1999), "Goal-Setting and Goal-Striving in Consumer Behavior," *Journal of Marketing*, 63 (Special Issue), 19–32.

Bettman, James R. (1979), *An Information Processing Theory of Consumer Choice*. Reading, MA: Addison-Wesley.

Carpenter, Gregory S., Rashi Glazer, and Kent Nakamoto (1998), "Market-Driving Strategy: Toward a New Concept of Competitive Advantage," working paper, Marketing Department, Northwestern University.

Farley, John U., Donald R. Lehmann, and Lane H. Mann (1998), "Designing the Next Study for Maximum Impact," *Journal of Marketing Research*, 35 (November), 496–501.

———, ———, and Alan Sawyer (1995), "Empirical Marketing Generalization Using Meta-Analysis," *Marketing Science*, 14 (September), G36–46.

Farquhar, Peter H. and Vithala R. Rao (1976), "Balance Model for Evaluating Subsets of Multiattribute Items," *Management Science*, 5 (January), 528–39.

Fournier, Susan (1998), "Consumers and Their Brands: Developing Relationship Theory in Consumer Research," *Journal of Consumer Research*, 24 (March), 343–73.

Howard, John A. and Jagdish N. Sheth (1969), *The Theory of Buyer Behavior*. New York: John Wiley & Sons.

Jedidi, Kamel, Harsharanjeet S. Jagpal, and Wayne S. DeSarbo (1997), "Finite-Mixture Structural Equation Models for Response-Based Segmentation and Unobserved Heterogeneity," *Marketing Science*, 16 (1), 39–59.

Johnson, Michael (1984), "Consumer Choice Strategies for Comparing Non-Comparable Alternatives," *Journal of Consumer Research*, 11 (December), 741–53.

Lehmann, Donald R. (1997), "Some Thoughts on the Futures of Marketing," in *Reflections on the Futures of Marketing*, Donald R. Lehmann and Katherine E. Jocz, eds. Cambridge, MA: Marketing Science Institute, 121–35.

Myers-Levy, Joan and Prashant Malaviya (1999), "Judgment Formation and Correction Processes: An Integrative Framework of Advertising-Persuasion Theories," *Journal of Marketing*, 63 (Special Issue), 45–60.

Oliver, Richard L. (1999), "Whence Consumer Loyalty?" *Journal of Marketing*, 63 (Special Issue), 33–44.

Pham, Michel T. and Gita V. Johar (1997), "Contingent Processes of Source Identification," *Journal of Consumer Research*, 24 (December), 249–65.

Stuart, Elnora W., Terence A. Shimp, and Randall Engle (1987), "Classified Conditioning of Consumer Attitudes: Four Experiments in an Advertising Context," *Journal of Consumer Research*, 14 (December), 334–49.