

Advertising created
the consumption
habits of our society



Consumption today has a totally different meaning than centuries or decades ago. There are different reasons researchers find to explain what is the reason behind of the consumption habit of our society. Many times marketing and advertisement are pointed out as the initiative power.

Often happens that consumers buy a brand new telephone for example even if the old one has no problem but a new version of that model was launched.

Why do people feel like this? Is it really necessary to change the phone?

More and more often people decide to purchase goods, which they could not allow as they are out of there budget (Han, 2010). Do we really need that new phone? What makes us believe that yes, we do need it?

Many other example could be listed here to underline the above problem area.

This paper attempts to find answers for the questions mentioned above. In this analysis, the main assumption is that marketing and the marketing activities cause the desire in people to consume, and even over-consume in today's life.

First, the essay will describe briefly the relevant economic and historical background, afterwards will set out the hypothesis of the research and will provide pro and contra arguments to discuss this issue and finally will make a conclusion based on the results of the research.

HISTORICAL AND ECONOMICAL BACKGROUND

Comparing consumption back in history to what it is today there is a big difference (Goodwin et al. 2006). Few centuries ago the lifestyle of people

varied they hardly did shopping outside their living area. Before the Industrial Revolution most of the people lived in villages and worked in agriculture. Back in that time we could not talk about fashion or trends pushing people into buying habits. Usually a winter coat lasted a lifetime. Certainly a small elite did exist but could not make any change in society in terms of changing the agrarian economy.

Due to the Industrial Revolution industrialization began and changed the consumption. For example textile production grew between 1760 and 1830 from 3 million pounds to 360 million pounds in Brittan.

Consumerism, the word was used first in 1915 (Wikipedia, 2010). After the Industrial Revolution for the first time in history products were available to everyone at affordable prices and in enough quantity. This is how consumerism began. At the turn of the 20th century economist Thorsten Veblen writes about unnecessary and wasteful consumption (Wikipedia, 2010). By the end of the 20th century materialism raised, the reason of attending college was to earn more money and the culture changed into the direction of competition and disconnection. The range of wealthy people became the focus of marketing and the ones with less income could “ purchase something new that will speak of their place in the tradition of affluence” (Wikipedia, 2010).

In today’s consumerism in the 21st century, it can be observed that people try to differentiate from other. Poor people try to act and look like as they were rich and wealthy people try to act like celebrities, each one of them would like to be seen as coming from higher social class (Wikipedia, 2010).

<https://assignbuster.com/advertising-created-the-consumption-habits-of-our-society/>

According to the statistical data prepared by Bloch (2009) in our consumption significant increase can be observed. He explains for example that in 1950 when the global population was 2, 6 billion “ only” 53 million cars were owned by people while in 2009 the number of cars increased to 500 million. The same can be observed for example in case of meat and poultry consumption per person: in 1950 Americans consumed 144 pounds while and by 2007 this number increased to 222 pounds. Another shocking figure is the plastic consumption of plastic materials, which increased from 5 million to 100 million tones from 1950 to 2009. Bloch (2009) raise the question if this is all needed at all.

DATA ANALYSIS

The hypothesis examined in this paper is the following:

Consumer society has gone through an important change in the last couple of decades. The focus of people in buying products has been shifted from what they really need in every day life to an image what they do not need physically but through all their senses (eyes, ears, nose, tongue) they feel they need that specific product. The engine behind this is the marketing.

Supporting Evidences

Through the example of the slogan of new iPhone 4 saying “ This changes everything. Again” Han (2010) proves how Apple creates desire by using marketing and advertising tools of Apple as they tell us, the consumers that it is time to change our phones if we do not want to be outdated. They create desire in consumers and parallel with it will raise the number of products that consumers feel can not live without.

<https://assignbuster.com/advertising-created-the-consumption-habits-of-our-society/>

According to Han (2010) nowadays we live in a world where the word necessary does not mean anymore the covering of basic needs like food and water. The cause of consumerism is that human beings find happiness when they have ability to buy new items and to increase their life style (Han, 2010). He also mentions that there are certain products, which represent as status symbol and by purchasing these kind of products people believe they will belong to the desired category of the society and will be judged by these items. There are statistics verifying this statement: only in September 2009 all together 70, 704 credit cards were issued in Brunei to people earning monthly USD 1, 500 or less or to lower income groups. These make almost half (44, 32 %) of the total credit card holders in Brunei.

Another study from Goodwin et al. (2006) states that the job of the marketing people is to guide consumers into the direction to purchase the goods produced by their company. They have to find out what consumers would be willing to purchase and also when and where it can happen. According to Goodwin et al. (2006) marketing people are involved in all steps of the decision-making process, which are the following:

consumers find out what they need or want, this can be influenced by marketers through an advertisement

at this stage people look for information, where, how to get a certain product, how to be able to carry out a certain desire

next step is when consumer has all the information and the alternatives need to be compared to each other

decision about buying a certain products or service

after purchase is done consumer will evaluate if it was worth to buy the item or not

Why marketing people are interested in all the above mentioned steps is that at each point they can try to push consumer to buy the product of their company and not the competition.

Marketers can also motivate consumers and stimulate them. Goodwin et al. (2006) lists the five basic needs, which are: physiological, safety, social, esteem and finally self-actualization needs and also uses the following example: if we are used to go out to have dinner once a week, this is what is normal for us. If we increase it and eat out three times a week, than if we only eat out twice it is a cut back. What marketers realized that consumers keep looking for happiness and meet their needs and therefore they can stimulate consumers if they promise them a better feeling, a better product (Goodwin et al., 2006).

As the five basic human needs listed by Goodwin et al. (2006) also Lynch (2008) highlights that “ Marketing merely reflects the needs and wants of costumer”. Therefore the job of marketing through various channels is to satisfy these needs by creating the necessary products. Lynch (2008) also raise the point of having different needs in different countries, therefore needs are shaped by societies. Marketing creates segments and targets them according to their specific needs. This way they need continuously come up with new ideas and strategies in order to keep existing consumers and find new ones and not to forget to make profit in the meantime. One of <https://assignbuster.com/advertising-created-the-consumption-habits-of-our-society/>

the most effective tools is when marketing creates brands, which influence consumers' purchasing habit. Example used is the company Coach, selling bags, purses, belts among others. With great marketing they managed to build a strong brand and are seen unique in the eyes of the consumer. They know that consumers are willing to pay higher price for their products because of the above mentioned reason therefore they are able to sell them above the average price compared to their competition.

Lynch (2008) explains the importance of segmentation, which is another tool marketing is using. Segmentation can be done based on various criteria like geographic, demographic, etc. Based on how wealthy or how many people live in a certain area marketing will use tailor made methods and communication channels to reach consumers efficiently.

Marketing also " shapes consumer needs and wants" (Lynch, 2008).

Confirming this statement she mentions the large amount of commercials and advertisements shown on TV, in the newspaper, on the internet. They make you feel buying the given product even if had no intention to do so. She also noted that the word usage in these ads has its importance. The word " free" is commonly used and makes consumers buy items they might not even need. But not only " free" is a key word marketers can use but also others like " money back guarantee", " no down payment" and many others. Other marketing tool to create consumer needs is when they sell certain items being advertised by famous people (Lynch, 2008). Just like Nike did it with Michael Jordan - in one of the advertisement they showed if consumers would buy the same shoes as Michal Jordan has they were able to jump just

like he does. The marketing segment this case was the younger generation and it was a big marketing success.

Beside advertising Lynch (2008) also highlights researching as a successful marketing tool to examine consumers what they really need, which brands are trendy, etc. Many case companies come out with a slightly modified product right after a previous one has been launched. Lynch (2008) states the reason of it is that companies create and sell the image that the product is new so that consumers will buy it. Good example for this is the software company, Microsoft. As they launched Microsoft Vista consumers needed to upgrade their existing hardware as it could not work with the new operating system.

Counterarguments

Nowadays marketing is facing a problem (Stern, 2006). Earlier marketing's goal was to "own the customer" but these days have passed, nowadays marketing is not able to tell consumers what they want to buy. According to Stern (2006) earlier there were fewer brands but today it has grown significantly and "Today customer, not marketing men, are in charge". Marketing has now only a side role and a much bigger and more important concept rules and this is the brand (Stern, 2006).

Gondor (2009) explains that in early times human societies acted completely different than today. Typically they were short-term thinking and gathered their resources locally. However in today's society the reason behind of our extreme consumption habits is for example if people buy expensive goods their level of happiness will increase. People want to earn more to be able to <https://assignbuster.com/advertising-created-the-consumption-habits-of-our-society/>

spend more and parallel with it spend more on goods, consume more. This over- consumption can be observed in many ways in today's societies however it is proved that these are not needed to satisfy the basic living needs (Gondor, 2009). Another reason of over-consumption mentioned by Gondor (2009) is the competition. People today are more concentrating on their individual needs than on the common goals.

Schor (2001) was looking for reason why do we consume so much by examining both economical and sociological theories. Schor (2001) studied the American people who have discretionary income and whose basis needs are met. Based on them similar to Bloch (2009) he also states that the number of cars for example significantly increased and especially the level of luxury goods (cars, designer cloth) consumed has grown extra rapidly. According to Schor (2001) there are three reasons why we consume. First: consumption is good, and people love consuming and feel, by doing so they will be happier. Second reason is " that more is always better" (Schor, 2001, p. 5) and third is that consumers are sovereign and they know what the best is for them. He mentions that many times marketing and advertising is blamed for this level of consumption however the reason of it is somewhere else to find, namely in the operation of economic system. One of the features of this system is the " cycle of work and spend" (Schor, 2001, p. 6), which means it is the decision of people how much they are willing to work and make money with it. The level of income will influence the consumption of the individuals. By today the demand for products increased therefore production needed to grow and the hours of workers needed to grow parallel with it, which occurred more income and less free time, which leads to

consumption. “ It is not advertising, or marketing, or addictive commodities which create this” (Schor, 2001, p. 7).

The second reason of over-consumption by Schor (2001) is the people have free capital. His third argument similar to Gondor (2009) is the competition. What we consume is basically who we are, it became part of our identity.

CONCLUSION

The review intended to introduce various opinions and conceptions about the reasons what is motivating today the consumer’s purchasing habits.

On the grounds of the research, it proved to be the case that buying habits are influenced by different factors but most importantly by marketing and advertising.

Stern (2006) suggests integrating the sales and marketing department in the companies and this way to concentrate fully on generating revenue.

Marketing as such needs to change significantly and can not exist the way it is now. Consumers today in the world of internet have more sources to get information and trends are moving fast therefore the old, traditional marketing advertising will not be efficient anymore (Stern, 2006).

Despite of the counterarguments listed the hypothesis can be accepted based on the analysis because marketing and advertisement are the most powerful tools to influence buying habits of consumers.

Economists tend to say that the role of advertising is giving information about products, services available for consumers. In reality they have a way

more important role, they sell pleasure of buying, a range of desires and fantasies and by doing so motivate people to consume (Goodwin et al., 2006).