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SWANK, Chester Eugene, 1925—
LEVELS OF CONSUMER FOOD—BUYING KNOWLEDGE, FACTORS INVOLVED IN CONSUMER DECISION—MAKING, AND IMPLICATIONS FOR CONSUMER MARKETING ECONOMICS PROGRAMS.

The Ohio State University, Ph.D., 1961
Economics, agricultural

University Microfilms, Inc., Ann Arbor, Michigan
LEVELS OF CONSUMER FOOD-BUYING KNOWLEDGE, FACTORS INVOLVED IN CONSUMER DECISION-MAKING, AND IMPLICATIONS FOR CONSUMER MARKETING ECONOMICS PROGRAMS

Dissertation

Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy in the Graduate School of The Ohio State University

by

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The Ohio State University

1961

Approved by

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ACKNOWLEDGMENTS

I wish to express my sincere appreciation to Dr. Ralph Sherman, Dr. Mervin Smith, and Dr. M. E. Cravens of the Ohio State University for their advice and guidance during my graduate work and while preparing this manuscript.

I am indebted to Dr. Ward Porter of the Federal Extension Service, Dr. Robert Dimit of the Ohio Extension Service, Dr. W. W. Armentrout of the West Virginia Experiment Station, and Mrs. Kay Conrad and Mr. Gale Lyon of the West Virginia Extension Service for their assistance and cooperation in obtaining and analyzing data from the Wheeling-Steubenville Marketing Information for Consumers study.

I also wish to thank Mr. Sharon Hoobler of the Federal Extension Service for his help and encouragement; Mrs. Bernice Bartl; Miss Mildred Smallwood; and Mrs. Jeanette White, who did the clerical work.

To my wife, Lillian, who assisted and encouraged me, I am especially grateful.
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</tbody>
</table>
The consumer marketing economics program is an integral part of the overall cooperative extension marketing program. The total extension marketing program is made up of separate, closely coordinated marketing programs with producers, food marketers, and consumers. They are primarily agricultural economics program designed to apply economic principles to marketing decisions with the broad objective of assisting people in making wise economic choices among their competing alternatives. Each program is necessary and contributes to the broad purpose of the total cooperative extension marketing program.

Economic Basis for Consumer Education

When viewed in the framework of the nineteenth century classical economic theory, the consumer marketing economics program can be thought of as a step toward the perfectly informed marketplace of the classical concept of perfect competition, where every buyer has perfect knowledge of every market. The classical economists' view is indicated by Waite and Cassady: "If the consumer-research type of activity were carried out to its ultimate conclusion, it would
result in a more perfect market, since the improvement would come in
the ordinarily inadequately informed buying side of the market.¹

However, the twentieth century economist adapts the classical
perfect competition model to our own time. Our present economy
abounds in imperfect competition, and its complexity eliminates the
possibility of every buyer having perfect knowledge and foresight.
The modern adaptation of the old idea would indicate that an informed
and intelligent consumption force can be the determining factor in
directing our production economy toward less waste and more welfare.
In other words, intelligent consumption guides intelligent pro-
duction.

Waite and Cassady also say, "There are some possibilities of
controlling costs through consumer education . . . . Consumer ig-
norance and thoughtlessness very probably lead to considerable mar-
keting waste."²

Shaffer lists the following as aids the consumer program may
give to buying decisions:

1. Reduce the cost of obtaining and interpreting observations
of value in making improved buying decisions.

2. Contribute to the consumer ability to "collect" pertinent
information.

3. Contribute to the consumer's ability to interpret data
for decision making.

¹Warren C. Waite and Ralph J. Cassady, The Consumer and the

²Ibid., p. 271.
4. Reduce the risk and uncertainty involved in individual purchases.

5. Reduce the number of forced actions resulting from a lack of learning time.3

**The Research and Marketing Act**

The Research and Marketing Act of 1946 provides the means for setting up consumer marketing programs. This legislation made it possible for the Cooperative Extension Service to institute a program of marketing education. The act declares it—

To be the policy of Congress to promote, through research, study, experimentation, and through cooperation among Federal and State agencies, farm organizations, and private industry, a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been used so successfully during the past 84 years in connection with the production of agricultural products, so that such products capable of being produced in abundance may be marketed in an orderly manner and efficiently distributed.

The act also states that—

It is the intent of Congress to provide for ... an integrated administration of all laws enacted by Congress to aid the distribution of agricultural products through research, market aids and services, and regulatory activities, to the end that marketing methods and facilities may be improved, that distribution costs may be reduced and the price spread between the producer and consumer may be narrowed, that dietary and nutritional standards may be improved, that new and wider markets for American agricultural products may be developed, both in the United States and in other countries, with a view to making it possible for full production of American farms to be disposed of usefully, economically, profitably, and in an orderly manner.

---

3James D. Shaffer, *Economic Considerations of a Consumer Information Program.* (Unpublished paper, Michigan State University, 1956.)
Under Title II of the act, funds are made available—

To conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products.

The legislation also directs that—

To the maximum extent practicable . . . marketing educational and demonstrational work done hereunder (under Title II) in cooperation with the States shall be done in cooperation with the State Agricultural Extension Service.

**Development of Consumer Marketing Programs**

The first consumer marketing programs in the United States were started in 1948. These were in New York and Kentucky. Since that time, the number of states with programs has more than tripled. The program has grown rapidly both within states and in the addition of new states. It has been estimated that over 60 percent of the population of the United States is reached by these programs. An outline of program growth is shown in the following tabulation:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of States With Programs</th>
<th>Number of Personnel*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>11 plus Puerto Rico</td>
<td>16</td>
</tr>
<tr>
<td>1952</td>
<td>25 plus Puerto Rico</td>
<td>34</td>
</tr>
<tr>
<td>1956</td>
<td>39 plus Puerto Rico</td>
<td>99</td>
</tr>
<tr>
<td>1960</td>
<td>41 plus Puerto Rico</td>
<td>115</td>
</tr>
</tbody>
</table>

*The number of personnel includes only those devoting full time, or practically full time, to consumer marketing programs. It does not include such people as other marketing specialists, county agents, and others, who help in assembling and disseminating food-marketing information for consumers.

**Program Content**

The consumer marketing personnel gather pertinent market information, interpret it in terms of consumer interest, and make it
available to consumers, either directly or through mass media, and others who disseminate information to consumers. This information is provided to both household and institutional consumers.

Consumer marketing work is concentrated in major urban areas. This makes it possible to reach large numbers of people and provides for more efficient use of the workers' time.

Because of limited personnel, major attention has been devoted to mass media, such as radio, television, and newspaper, in order to reach large numbers of people with timely marketing information. Other professional people are encouraged to use this marketing information. This enables consumer marketing workers to multiply their efforts.

The consumer marketing economics program provides a more rapid and accurate two-way flow of information and a basis for more efficient decisions by each segment. It does this by—

1. Providing consumers with educational information, such as changes in supplies, prices, sources, types, and qualities of products available; general seasonal patterns; economic principles of buying in line with tastes, needs, and resources; and the role of the agricultural production and marketing system in our economy.

2. Providing production and marketing firms with information, such as changing consumption patterns, needs, values, resources, and preferences, as well as the underlying reasons for such changes, which will assist them in production and marketing decisions.
Benefits from an effective consumer marketing economics program include--

1. More orderly marketing of agricultural products. Consumers will be able to adjust more quickly to changing supplies and prices.

2. More effective utilization of agricultural products. Consumers will be able to purchase for specific uses, to recognize different qualities and different forms, and to better reflect their preferences through willingness to pay premiums or discounts for varying qualities. In addition, they will be able to evaluate more objectively the economic aspects of new products, marketing practices and services.

3. More rapid production and marketing adjustments. More timely, rapid, and accurate production and marketing adjustments will stem from a better knowledge of consumer demands by production and marketing firms.

4. More satisfied consumers. A greater knowledge of qualities, prices, new products, etc. will allow consumers to obtain greater satisfaction from their expenditures. This satisfaction accrues both from more informed purchasing on the part of consumers and from more efficient and effective production and marketing on the part of producers and marketing firms.

Working Objectives

The following working objectives have been set up to provide a broad framework for the Federal Extension Service and for individual state consumer marketing programs. Individual states develop more
detailed objectives within this framework and in line with their own problems to be solved. Annual goals are established (specif i c s as to what they want to accomplish in a given year) by personnel working on state consumer marketing programs. These working objectives are—

1. To contribute to the more orderly marketing and effective utilization of agricultural products, greater consumer satisfaction in their purchase, and better consumer understanding of the agricultural production and marketing system.

2. To contribute to more effective and rapid production and marketing adjustments through a better understanding of consumers.

**Program Emphasis**

The major emphasis to date has been largely on food. Some of our most serious marketing problems are in this area, and approximately 85 percent of the farmer's income is derived from the production of commodities used for food. Therefore it has seemed advisable to limit the scope of the consumer program to the food field until methods and techniques have been developed to reach consumers effectively. Also, food represents one of the major purchasing problems of consumers in terms of family expenditures.

Some states have expanded their consumer marketing programs to include work in other fields. Indications are that work will be expanded to include such areas as horticultural specialty products and fibers in the future.
There has been considerable variation among states in regard to program emphasis and philosophy. As programs have become established, there is less variation.

When consumer marketing programs were first established, there were few well-trained personnel. Positions were filled mainly with home economists, many of whom had little or no economics training. This has been a serious handicap, especially since much of the consumer information is based on economic principles. This situation has improved to the point where the academic training and background of personnel are as follows:

- 65 percent - Home Economics
- 20 percent - Agricultural Economics
- 10 percent - Home Economics and Agricultural Economics
- 5 percent - Miscellaneous

The trend is toward hiring more personnel with an agricultural economics background.

Early program emphasis was on nutrition, selection, use, and storage of foods. This was a result of the background of the workers, an effort to get some type of consumer educational program under way, and not knowing what type of program was needed. Since very little research has been done in this area, workers were seriously handicapped. As workers gained experience and as better trained personnel were added, more program emphasis was given to such areas as economic principles of buying, explaining the production and marketing system, and reflecting consumer wants, needs, preferences, and motivations back to producers and food handlers.
There is a great need for more information on consumer knowledge, practices, and behavior. Also, information is needed concerning the most efficient and effective methods of disseminating this information to consumers. Many studies have been conducted by consumer personnel to obtain this information. It is important to consumer marketing specialists that they know the motivations and values of food shoppers which influence their food-purchasing decisions. They need to know the level of knowledge that food shoppers have relative to foods and marketing information. This information is needed in order to determine the type of subject matter most useful and the methods of dissemination that will appeal to food shoppers.

This thesis is designed to review much of the current information on levels of consumer knowledge, factors involved in consumer decision making, and implications for consumer marketing programs.
CHAPTER II
LEVELS OF FOOD-BUYING KNOWLEDGE

The information in this chapter was obtained primarily from cooperative research involving personnel from several agencies: the West Virginia Agricultural Experiment Station and Cooperative Extension Service, The Ohio Cooperative Extension Service, and the Federal Extension Service. The study was conducted in the Wheeling, West Virginia, and Steubenville, Ohio, area. The author represented the Ohio Cooperative Extension Service in collecting data in Jefferson County, Ohio, and in analyzing and interpreting the data obtained from the study.

Purposes of Wheeling-Steubenville Study

The major purposes of the study were three-fold:

1. To evaluate the impact and effectiveness of the consumer marketing program in three of the area counties.

2. To establish benchmark data for later use in other evaluations.

3. To provide basic information for programming purposes.

Collection of Data

Data were collected by trained interviewers during June and July, 1952, from a probability sample in three counties--Jefferson County, Ohio, and Hancock and Ohio counties, West Virginia.
The rural sample was drawn from open-country areas and towns outside the largest centers—Wheeling, Weirton, and Steubenville. Therefore the sample was made up of highly urban centers and relatively rural areas.

In testing the significance of differences between percentages, "t" tables were used.¹ Tests were made whenever there was reasonable doubt as to the level of significance of differences. Tests for significance were made at the "5 percent level." (The probability of the chance occurrence of any given difference is no greater than 5 times out of 100). The usual practice has been to comment only on those that are significant at the 5 percent level.

Two separate samples were drawn to represent the three counties in the study. One probability sample represented the urban and rural portions of Jefferson County, Ohio. The second sample (also random) was designed to represent the urban and rural segments of Hancock and Ohio counties, West Virginia, combined.

Open-country samples were obtained by probability area sampling techniques, with interviews in designated "segments" of each county. Random list sampling, using an R. L. Polk Company city directory, was used in drawing the sample for Wheeling. Block sampling techniques were employed in the other major cities and towns. All samples were drawn under the direction of Mr. Earl E. Houseman of the Agricultural Marketing Service, United States Department of Agriculture.

¹Vernon Davies, Table Showing Significance of Differences Between Percentages (Washington Agricultural Experiment Station, Circular No. 102, September, 1950).
Weighting was employed for each segment to compensate for differential sampling rates. All tables and percentages are based on weighted numbers. The weighting was done through the use of "self-weighted decks" of IBM cards. The weights for each segment, together with the total unweighted and weighted sample numbers, are as follows:

<table>
<thead>
<tr>
<th>Sample Area</th>
<th>Number Interviewed</th>
<th>Weighting</th>
<th>Weighted Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jefferson County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>388</td>
<td>-</td>
<td>1164</td>
</tr>
<tr>
<td>Urban</td>
<td>147</td>
<td>3</td>
<td>441</td>
</tr>
<tr>
<td>Rural</td>
<td>241</td>
<td>3</td>
<td>723</td>
</tr>
<tr>
<td>Hancock-Ohio Counties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>617</td>
<td>-</td>
<td>1430</td>
</tr>
<tr>
<td>Urban</td>
<td>271</td>
<td>4</td>
<td>1084</td>
</tr>
<tr>
<td>Rural</td>
<td>346</td>
<td>1</td>
<td>346</td>
</tr>
<tr>
<td>Composite</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1005</td>
<td>-</td>
<td>2594</td>
</tr>
<tr>
<td>Urban</td>
<td>418</td>
<td>-</td>
<td>1525</td>
</tr>
<tr>
<td>Rural</td>
<td>587</td>
<td>-</td>
<td>1069</td>
</tr>
</tbody>
</table>

The author's remarks will be limited in this chapter to those relative to levels of knowledge of homemakers.

Levels of Homemakers' Food-Buying Knowledge

Five different level-of-knowledge questions were asked. These five questions related to the following concepts: supply and price, the criteria used in determining quality or grade in eggs and beef, and price and seasonality. Two other studies which include
similar questions relative to consumer knowledge will be referred to when applicable.  

Supply and price. Homemakers were asked: "According to your information, why are the prices of the higher grades of beef usually lower in the spring than at other times of the year?" They were asked to select the most appropriate answer from a list of six alternative answers. Responses were as follows:

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Percent of Homemakers Reporting Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
</tr>
<tr>
<td>Cattle are fatter at that time of year</td>
<td>13</td>
</tr>
<tr>
<td>Packers try to reduce stock</td>
<td>30</td>
</tr>
<tr>
<td>Supply of fed beef is larger*</td>
<td>34</td>
</tr>
<tr>
<td>Demand for beef is lower</td>
<td>8</td>
</tr>
<tr>
<td>Some other reason</td>
<td>2</td>
</tr>
<tr>
<td>Don't know</td>
<td>13</td>
</tr>
</tbody>
</table>

*Considered to be the correct answer.


The difference in response between the urban and rural homemakers is very small. In fact, the difference is not statistically significant. About one-third of the homemakers responding selected the answer considered to be correct—"The supply of fed beef is larger."

There is a close correlation between level of education and levels of knowledge of this supply-price relationship. This is true for both urban and rural homemakers. As indicated in Table 2, the higher the level of education, the larger the number of respondents who selected the correct answer.

**TABLE 2**

Levels of Homemaker Knowledge of the Relationship of Supply and Price of Beef, by Educational Status and Income

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Percent of Homemakers Reporting</th>
<th>Level of Education</th>
<th>Level of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Grammar High College</td>
<td>Low Medium High</td>
</tr>
<tr>
<td>Cattle fatter at that time of year</td>
<td>19</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Packers try to reduce stocks</td>
<td>27</td>
<td>29</td>
<td>33</td>
</tr>
<tr>
<td>Supply of fed beef is larger*</td>
<td>23</td>
<td>37</td>
<td>41</td>
</tr>
<tr>
<td>Demand for fed beef is lower</td>
<td>7</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Some other reason</td>
<td>9</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Don't know</td>
<td>15</td>
<td>9</td>
<td>11</td>
</tr>
</tbody>
</table>

*Considered to be the correct answer.

The relationship of income to level of knowledge of the supply-price relationship is similar to that of education. Homemakers with
higher incomes tend to have a better understanding of the relationship of supply and price of beef. This is true of both urban and rural homemakers.

In the Lake Charles study, the same question was asked. Only about one-fifth of the homemakers gave the correct response. There were over 10 percent more correct responses in the high-income group than in the low-income group.

The supply-price question in the Raleigh study related to pork and was asked in a different way. It was stated: "During the winter months the price of pork is usually lower than at other times. Why is this so?" The level of knowledge was relatively high, with 89 percent of the respondents selecting the correct answer.

Grading and quality. Homemakers were asked two questions relating to criteria used in determining quality or official grade. One question was related to quality in beef: "If you were going to buy a higher grade cut of beef, what is the main thing you would look for?" Responses according to residence are indicated in Table 3. Homemakers apparently have a better understanding of beef quality factors than they have of supply-price relationships. Four out of 10 selected the correct answer: "Little lines of fat running through the meat." About one-fourth of the homemakers indicated leanness as a quality factor. Urban-rural differences were slight and not statistically significant.
TABLE 3

Levels of Homemaker Knowledge of Criteria Used in Determining Quality of Beef, by Residence

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Percent of Homemakers Reporting Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
</tr>
<tr>
<td>Leanness or free from fat</td>
<td>28</td>
</tr>
<tr>
<td>Presence of a yellow rim of fat</td>
<td>10</td>
</tr>
<tr>
<td>Deep red in color</td>
<td>16</td>
</tr>
<tr>
<td>Little lines of fat running through the meat*</td>
<td>44</td>
</tr>
<tr>
<td>Some other quality</td>
<td>1</td>
</tr>
<tr>
<td>Don't know</td>
<td>1</td>
</tr>
</tbody>
</table>

*Considered to be the correct answer.

Levels of knowledge of the "marbling" criterion for determining the quality of beef seem to be closely associated with education. As indicated in Table 4, the number selecting the correct answer is considerably greater among those with one or more years of college. As for income, the relationship is in the same "direction", but is not statistically significant.

The same question was asked in both the Lake Charles and Raleigh studies. In the Lake Charles study, approximately three out of 10 respondents gave the correct answer. About two and a half times as many homemakers in the high-income group as in the low-income group gave the correct response. Over half of those with some college
education gave correct answers compared with only a fourth of those
with some high-school education and a sixth of those with only
elementary-school education.

TABLE 4

Levels of Homemaker Knowledge of Criteria Used in Determining
Quality of Beef, by Educational Status and Income

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Percent of Homemakers Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level of Education Level of Income</td>
</tr>
<tr>
<td></td>
<td>Grammar High College Low Medium High</td>
</tr>
<tr>
<td>Leanness, or free from fat</td>
<td>27 28 17 29 29 20</td>
</tr>
<tr>
<td>Presence of a yellow rim of fat</td>
<td>14 10 5 11 11 12</td>
</tr>
<tr>
<td>Deep red in color</td>
<td>14 17 14 16 16 12</td>
</tr>
<tr>
<td>Little lines of fat running through the meat*</td>
<td>42 43 62 42 44 53</td>
</tr>
<tr>
<td>Some other quality</td>
<td>1 1 1 1 - -</td>
</tr>
<tr>
<td>Don't know</td>
<td>2 1 1 1 - 3</td>
</tr>
</tbody>
</table>

*Considered to be the correct answer.

In the Raleigh study, approximately a third of the respondents
selected the correct answer. The level of knowledge increased with
the level of income and education. The level of knowledge of the
high income and education groups was over twice as high as that for
the low income and education groups.

The other knowledge-of-quality question was relative to egg
grades. Homemakers were asked: "As you understand it, grade 'A' or
"top quality" eggs must have which of the following?" As indicated
in Table 5, homemakers seem to be reasonably well informed in this area of knowledge. Over half of the urban segment and 62 percent of the rural selected the major quality criterion.

**TABLE 5**

Levels of Homemaker Knowledge of Criteria Used in Determining Egg Quality, by Residence

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Percent of Homemakers Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Residence</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
</tr>
<tr>
<td>White shells</td>
<td>14</td>
</tr>
<tr>
<td>Larger size</td>
<td>17</td>
</tr>
<tr>
<td>A yolk that stands up*</td>
<td>55</td>
</tr>
<tr>
<td>Light yellow yolks</td>
<td>10</td>
</tr>
<tr>
<td>Some other quality</td>
<td>1</td>
</tr>
<tr>
<td>Don't know</td>
<td>3</td>
</tr>
</tbody>
</table>

*Considered to be the correct answer.

A noticeably higher percentage of rural homemakers than urban recognized the major quality criterion for eggs.

As indicated in Table 6, the level of knowledge of egg grades seems to be influenced by education. However, the association is not highly significant statistically. The relation of education to level of knowledge of egg quality is not as great as it is in the determination of quality of beef.
TABLE 6

Levels of Homemaker Knowledge of Criteria Used in Determining Egg Quality, by Educational Status and Income

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Percent of Homemakers Reporting Level of Education</th>
<th>Level of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grammar  High College Low Medium High</td>
<td></td>
</tr>
<tr>
<td>White shells</td>
<td>17        10    7 14    11    8</td>
<td></td>
</tr>
<tr>
<td>Larger size</td>
<td>15        18    19 14    18    25</td>
<td></td>
</tr>
<tr>
<td>A yolk that stands up*</td>
<td>53        61    63 56    60    53</td>
<td></td>
</tr>
<tr>
<td>Light yellow yolk</td>
<td>10        9     6  9     9     9</td>
<td></td>
</tr>
<tr>
<td>Some other quality</td>
<td>2         1     3  3     1     2</td>
<td></td>
</tr>
<tr>
<td>Don't know</td>
<td>3         1     2  4     -     3</td>
<td></td>
</tr>
</tbody>
</table>

*Considered to be the correct answer.

The relation of level of income to knowledge of egg grades is not clear from the data obtained. Differences between income groupings in the percentage knowing the correct answer are relatively small and are not statistically significant. Also, they are not consistent with those existing between different education levels.

The same question was asked in the Lake Charles study. Three out of 10 gave the correct answer. Quality of eggs seems to be associated with size or color in the minds of over two-fifths of the homemakers.

Seasonality and price. Knowledge of seasonality and of price of food is very important in making wise food-buying decisions. Also, if food shoppers are well informed on seasonality and price,
they will tend to increase their purchases of specific foods that are relatively abundant and low in price. This will enable food handlers and producers to move products that are in oversupply and low in price (using oversupply and low price in terms of supplies which result in prices considered relatively unprofitable to the food handler and producer).

An effort was made to measure the level of knowledge of seasonality in egg marketing by asking the homemakers: "Can you tell me when small eggs are generally a better buy for the money than larger eggs?" Table 7 indicates the responses to this question. These responses, if assumed valid, suggest a low level of knowledge of seasonality in egg production. Less than one-fifth of the urban homemakers selected the correct answer. And only slightly over one-fourth of the rural homemakers selected the correct answer. About one-third of each group were of the opinion that spring is the time when small eggs are relatively "better buys."

There is less seasonality in the production of pullet eggs than formerly. However, there is still a peak in the supply of small eggs in the fall. It is possible that there may have been some degree of misinterpretation of the question.

There appears to be little, if any, consistent relationship between either education or income and knowledge of seasonality and price in eggs. Differences were not statistically significant.
TABLE 7
Levels of Homemaker Knowledge of Seasonality and Price of Eggs, by Residence

<table>
<thead>
<tr>
<th>Season</th>
<th>Percent of Homemakers Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
</tr>
<tr>
<td>In the spring</td>
<td>34</td>
</tr>
<tr>
<td>In the summer</td>
<td>9</td>
</tr>
<tr>
<td>In the fall*</td>
<td>18</td>
</tr>
<tr>
<td>In the winter</td>
<td>8</td>
</tr>
<tr>
<td>No particular time</td>
<td>16</td>
</tr>
<tr>
<td>Don't know</td>
<td>15</td>
</tr>
</tbody>
</table>

*Considered to be the correct answer.

The same question was asked in the Lake Charles study. Responses tend to substantiate the fact that respondents may have been confused by the question. Only about 5 percent of the respondents gave the correct answer.

Another question relating to seasonality and price was asked about pork. Homemakers were asked: "Can you tell me when fresh pork is usually lowest in price?" Their responses are indicated in Tables 8 and 9. Here again their level of knowledge seems to be relatively low. As in the question on eggs, there may be some confusion in the interpretation and definition of the "fall" and "winter" seasons. Pork prices tend to be low in the late fall. Homemakers may confuse this with winter. Assuming that confusion did exist, homemakers may
be better informed on the seasonality-price relationship of pork than the results indicate at first glance. If we assume that when homemakers indicate either fall or winter, they have a fairly good knowledge of seasonality-price relationship, the level of knowledge of the respondents is relatively good. Under this assumption, four-fifths of the urban homemakers selected the correct season and over two-thirds of the rural homemakers make the correct selection.

TABLE 8

Levels of Homemaker Knowledge of the Seasonality of Pork Prices, by Residence

<table>
<thead>
<tr>
<th>Season</th>
<th>Percent of Homemakers Reporting</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring</td>
<td>13</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>15</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Fall</td>
<td>32</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Winter*</td>
<td>28</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Don't know</td>
<td>12</td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>

*Considered to be the correct answer.

Again, if we assume that the homemaker's response is correct if she indicated either fall or winter, the level of knowledge of the seasonality-price relationship of pork does not vary much with the level of education or level of income, the greatest variation being from low to high income. This is indicated in Table 9.
TABLE 9

Levels of Homemaker Knowledge of the Seasonality of Pork Prices by Education and Income

<table>
<thead>
<tr>
<th>Season</th>
<th>Percent of Homemakers Responding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level of Education Level of Income</td>
</tr>
<tr>
<td></td>
<td>Grammar High College Low Medium High</td>
</tr>
<tr>
<td>Spring</td>
<td>11 13 11 11 13 11</td>
</tr>
<tr>
<td>Summer</td>
<td>11 15 6 12 13 9</td>
</tr>
<tr>
<td>Fall</td>
<td>36 34 46 37 36 45</td>
</tr>
<tr>
<td>Winter*</td>
<td>29 27 22 26 27 27</td>
</tr>
<tr>
<td>Don't know</td>
<td>13 11 15 14 11 8</td>
</tr>
</tbody>
</table>

* Considered to be the correct answer.

Similar seasonality-price questions were asked in the Lake Charles and Raleigh studies. The wording was slightly different but the basic idea was comparable. In the Lake Charles study, 69 percent of the respondents selected the correct answer. As in previous questions, there was a close correlation of income and education to level of knowledge. Eighty-nine percent of the respondents selected the correct answer in the Raleigh study.

Summary - Levels of Knowledge as Indicated in the Three Studies Discussed

Some of the questions were asked the same way in each of the three studies, others were not. However, the author is of the opinion that they were sufficiently comparable to make some generalizations as to the level of knowledge of respondents in the three studies.
If it is assumed that a response of either fall or winter is acceptable as the correct answer for the seasonality-price question on pork (in the Wheeling-Steubenville study), then it can be said that the highest level of knowledge (of the areas investigated which were comparable in all three studies) was in the price-season relationship for pork. The next highest level of knowledge was the criterion for determining egg quality. Next highest was the criterion for selecting beef. Next was the area of the supply-price relationship of beef followed by the price-season relationship for eggs.

The level of marketing knowledge tended to be greater among respondents with higher incomes and higher education.

Other Level of Knowledge Studies

The author will attempt to review some other studies that have been conducted relative to consumer knowledge of food buying. Results of a study in Michigan, which involved measuring level of consumer knowledge and understanding of the basic food-marketing processes and awareness of quantity differences in can size and differences in prices of various sizes of eggs, indicate the following.

Knowledge of terms. In general, the responses indicate that most homemakers do not have a very good understanding of the meaning of some very commonly used marketing terms.
The following tabulations show the percentage of homemakers making responses indicating various levels of understanding. The question was asked, "What do these terms mean to you?"

**Good Buy**

4 percent said they "didn't know."
26 percent went by name brand or the fact that it was "cheaper."
15 percent mentioned sales items—specials or leaders.
49 percent said it was to get quality at a low price.
6 percent said it was just to buy "quality."

**Protein Foods**

18 percent said they "didn't know."
26 percent knew a few commodities, but included all commodities.
38 percent knew some protein foods, but not all, especially meat, milk.
1 percent knew protein foods were body building, but did not identify them.
17 percent identified them all—meat, fish, eggs, cheese, and possibly beans.

**Grade A Eggs**

7 percent said they "didn't know."
16 percent mentioned just "size."
55 percent mentioned they must be "best," "fresh," and "large."
12 percent mentioned "fresh," "best," and "candling" eggs as grade A eggs.
10 percent mentioned "fresh," "best," and "better quality."

**Marbling in Meat**

1 percent thought the fat was gristle.
71 percent said they "didn't know."
2 percent were very vague.
24 percent knew marbling was fat distributed through the meat.
2 percent knew the fat contributed to the tenderness and grade of meat.
Pot Roast

10 percent said they didn't know or just didn't buy pot roast.
43 percent had a particular cut in mind.
12 percent thought this particular cut must be cooked in a certain way.
29 percent thought it was beef roast you cooked on top of the stove.
6 percent added that this beef roast must be cooked slowly--with vegetables at times.

Marketing Costs

45 percent said they didn't know.
6 percent said they were the producer's "cut" of the market price.
43 percent said they thought it was the amount it costs for food shopping--the prices of particular foods.
6 percent said they thought it was the cost of getting food from the farmer to the consumer.

U. S. Choice Beef

16 percent said they didn't know.
47 percent thought it meant the "best meat," a fairly vague answer.
28 percent thought it meant stamped, Government graded, or possibly a "better meat."
6 percent thought it meant "more tender meat"--or the "best meat to be found in stores."
3 percent said it meant "Government graded meat which was second to the highest grade."

Marketing costs. The question was asked: "In your opinion, why is it that choice round steak now costs about 89 cents per pound when the farmer is getting about 25 cents per pound for choice cattle?"

19 percent said they didn't know why.
53 percent mentioned handling charges, or only middlemen.
8 percent mentioned there was waste, a percentage lost in butchering and all of the animal wasn't steak.
10 percent mentioned added services— butchering, retailing costs, etc.
10 percent mentioned middlemen and the idea of waste or lower priced cuts included with higher priced cuts. Also, services and differences in value of different cuts.

Farmer's share. The question was asked: "Do you have any idea how much of the average dollar you spend for food gets back to the farmer?"

62 percent said they had no idea.
23 percent thought they had an idea but guessed wrong. (Idea—farmer gets very little.)
15 percent answered between 30 and 50 percent.

Can sizes. The question was asked: "In your opinion, which holds the most food, a Number 303 or a Number 2 can?"

46 percent didn't know which can holds the most food, or guessed wrong.
54 percent answered that a Number 2 can holds the most food.

This indicates that very few actually knew the difference in these can sizes. Many of those indicating Number 2 may have been guessing. If none had known which was the larger, we would have expected 50 percent to give each answer.

Small eggs. When asked the question: "Can you tell me why you bought small eggs?"

20 percent didn't think small eggs were ever a good buy.
57 percent didn't know one way or the other, or bought at one place regularly.
20 percent vaguely knew small eggs were a good buy— for the reason that they were cheaper.
3 percent knew they were a good buy per pound, or knew they were a better buy in season.
0 percent knew small eggs were a good buy per pound at certain times.
Some responded even though they did not buy small eggs. When asked the question: "Do you happen to know about what price you would have to pay for small eggs compared with large eggs this week?"

33 percent suggested incorrect price.
50 percent knew the price of large eggs.
4 percent knew the price of small eggs.
13 percent knew the price of both large and small eggs.

When asked the question: "How did you come to learn about the use of small eggs?"

6 percent learned through advertising.
55 percent bought for unrelated reasons.
14 percent said they bought small eggs because they were the only ones available.
11 percent said they were cheaper or thought they were a good buy.3

Index of knowledge. Another study conducted in Michigan is of interest.4 In this study, an Index of Knowledge was established for each level of knowledge question. This was done by subtracting the percentage of answers wrong from the percentage of answers right.

The study indicated a variation in familiarity with many foods and a need to educate homemakers to enable them to improve their choice and satisfaction.

There was considerable understanding regarding grading terminology of eggs. Homemakers correctly disassociated facts regarding

3Marjorie Boyts and others, Attitudes and Behavior of Muskegon Homemakers as Related to Consumer Food-Buying Information (East Lansing: Department of Agricultural Economics, Michigan State University, March, 1957).

4Mrs. Marjorie Gibbs, Indications of Homemakers' Motivations and Knowledge About Food Buying (East Lansing, Michigan State University, September, 1959).
size and color with the requirements for grading. Seventy-three percent stated that Grade-A eggs need not be large and all white. The Index of Knowledge (I of K) was 49 percent.

Homemakers were familiar with the terminology used on labels for ham. Seventy-two percent indicated that hams labeled "ready-to-eat" require further cooking. The I of K was 48 percent.

The term "marbling" was well understood by most consumers who were interviewed. Sixty-four percent knew that more marbling is found in higher grade beef. The I of K was 39 percent.

Most homemakers knew that the Delicious variety of apples does not make better pies than the Macintosh variety. Eighty-six percent indicated this. The I of K was 78 percent.

Homemakers do not fully understand the caloric or nutritional value of nonfat dry milk; they associate it primarily with economy food. Only 48 percent knew that nonfat dry milk retains almost all of its vitamins except vitamin A from whole fluid milk. The I of K is only 16 percent. More than twice as many of the homemakers did not attempt to answer this question as in any of the other four questions.

The highest levels of consumer knowledge were in the variety of apples best suited for pies. Next highest was the level of knowledge of requirements for egg grading and the labeling of ham. Understanding of "marbling" of beef grades was next, and the lowest level of knowledge was on the value of nonfat dry milk.
Level of Knowledge as Influenced by Radio and Newspapers

Consumer marketing workers are always interested in knowing how effective their educational efforts are. Sometimes people are inclined to measure effectiveness in terms of the number of people reached. However, the change in level of knowledge and understanding is a much more meaningful criterion. In this study the responses were broken into those from respondents who had come in contact with the consumer radio and newspaper program activities and those who had not come in contact with them.

A significant percentage of those homemakers who had come in contact with the consumer marketing program answered more questions correctly in every area of information than those who had not come in contact with the program.

Forty-three percent of those who had come in contact with the program through radio and newspapers answered the question on egg grades correctly. Thirty percent of those who had not come in contact with the program answered the question correctly.

Forty-one percent who had come in contact with the program answered the question on labeling of ham correctly. Thirty-two percent who had no contact with the program answered the question correctly.

Thirty-five percent of those in contact with the program answered the question on marbling in beef grades correctly. Twenty-nine percent of those not in contact with the program answered the question correctly.
Forty-eight percent of those in contact with the program answered the question on apple varieties best for pies correctly.

Thirty-eight percent of those not in contact with the program answered the question correctly.

Twenty-seven percent of those in contact with the program answered the question on the nutritive value of nonfat dry milk correctly. Twenty percent of those not in contact with the program answered the question correctly.

Relationship of Economic Areas to Homemakers' Knowledge

The income of the families was significantly related to the homemaker's knowledge in all areas of information. With few exceptions, the lower income homemakers answered fewer questions correctly.

The fact that those with higher incomes and education participate in educational programs to a greater extent than those with lower incomes and education would tend to explain some of the increased level of knowledge of those who had come in contact with the consumer radio and newspaper program activities.
Consumer marketing specialists need to know more than the level of food-buying knowledge of consumers. They also need to know the process consumers go through in making purchases. This process is referred to as the decision-making process. This involves economics, psychology, sociology, and other social sciences. Specialists need to have a better understanding of the decision-making process. This will enable them to become familiar with the type of information needed by consumers in making decisions and thus indicate the type of subject matter and methods needed in working with consumers.

Economic Theory

Economic concepts have had a marked impact on business thinking about the nature of buying behavior. The concept of the "economic man," which represents both what many economists have said, at least in part, and what many business people think economists have said, perhaps has been the most important. Newman, in discussing this, has indicated that the picture which has emerged is something like this: "A consumer is a rational purchasing agent for himself and his family, who carefully weighs the utility or want satisfying
properties of all available products and allocates his limited income among them to get the greatest possible satisfaction for his (or his family's) wants.\(^1\)

The emphasis placed on economy and rationality is due in part to the fact that this concept represents a direct application in the consumer area of the thinking used by economists to explain the behavior of the business firm. The firm theoretically used its resources to produce goods in order to maximize profits, and the consumer was seen as the small business firm, using his resources (income) to buy goods in order to maximize want satisfaction.

According to Newman, in addition to the overall idea that people are essentially rational in their buying, several other assumptions are involved in the "economic" concept: that the consumer knows what his wants are and maintains something like an inventory of them in his mind to guide his purchasing; that he knows of all available products and services which might meet his needs; and that he can determine the want-satisfying content of each product or service, at least in relative terms, so that he can decide which item to buy in order to get the most satisfaction for his money.\(^2\)

These assumptions make the consumer sound more like a computing machine than a human being, but this picture reflects both the great

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1 Joseph W. Newman, Motivation Research and Marketing Management (Boston: Harvard University Graduate School of Business Administration, 1957).

2 Newman, op. cit.
emphasis our culture has placed on rationality and the fact that economists generally have not regarded it as their function to investigate the nature of man's wants. Instead, they have been concerned with explaining how man goes about spending his limited income in order to maximize his satisfaction of his wants, whatever their character. Essentially they have said: Given a person's wants and given a number of products with known capacities for satisfying his wants, we can tell you how that person should go about deciding on his purchases if he is to achieve maximum want satisfaction.

Newman goes on to say that while the "economic man" is an exaggerated and incomplete picture of the consumer, the ideas it represents can be useful if handled with caution. Most people do have an income too limited to satisfy all their wants and many appear to exercise at least some care in their spending. On the other hand, the concept can be misleading. ³

**Inadequacy of Economic Assumptions**

Traditional economic assumptions are being challenged more and more by results of research. There is evidence that people are not always careful buyers, and some are actually careless, and that there are wide differences in buying which cannot be explained in conventional economic terms.⁴ People with the lower incomes, and

³Newman, op. cit.

presumably the greatest economic need for information to guide them in their purchases, are the least likely to look for it. A number of instances have been reported in which low income families have purchased the higher rather than the lower priced brands within categories where products would appear to be roughly similar in physical properties. The commonly accepted economic assumption of the negatively sloped demand curve, which states that more units of the product can be sold at a lower rather than a higher price, may be questioned. In some cases it has been found that a company could sell about as many units of a product at a higher price as at a lower price. Boulding has stressed that things do not have an intrinsic worth. He says that . . . "worth" . . . is not a physical property of an object like weight or volume, but is simply "how we feel about it." Things are "valuable" because somebody thinks they are and for no other reason whatsoever. 5 Newman indicates that the apparent inadequacies of the "economic man" concept of the consumer point to the need for learning more about how people make buying decisions and why they select one product or brand rather than another. Boulding's words suggest that this be approached by finding how people feel about shopping and the things they buy.

Buying Motives

Emotional aspects of buying have received considerable attention in various lists of buying motives which have appeared in marketing literature. 6

Melvin T. Copeland compiled one of the earliest of these lists in 1924 in his Principles of Merchandising. 7 He emphasized that the knowledge of buying motives and habits was a necessary starting point for thinking and planning in marketing. He enumerated buying motives for both consumer and industrial goods and distinguished among "convenience," "shopping," and "specialty" goods on the basis of consumer buying habits.

The basic classification used by Copeland in presenting his list of 33 consumer buying motives was "emotional" and "rational." He classified as emotional motives those which "have their origin in human instincts and emotions and represent impulsive or unreasoning promptings to action," and rational motives as "those which are aroused by appeals to reason... When influenced by a rational motive, a consumer carefully weighs the advantages and disadvantages of the purchase before acting." 8 He stated that a majority of buyers' motives for consumer goods were "instinctive

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8Ibid., p. 162.
and emotional." Copeland's list of consumer buying motives is as follows:

**Emotional Buying Motives**

1. Distinctiveness
2. Emulation
3. Economical emulation
4. Pride of personal appearance
5. Pride in appearance of property
6. Social achievement
7. Proficiency
8. Expression of artistic taste
9. Happy selection of gifts
10. Ambition
11. Romantic instinct
12. Maintaining and preserving health
13. Cleanliness
14. Proper care of children
15. Satisfaction of appetite
16. Pleasing the sense of taste
17. Securing personal comfort
18. Alleviation of laborious tasks
19. Security from danger
20. Pleasure of recreation
21. Entertainment
22. Obtaining opportunity for greater leisure
23. Securing home comfort

**Rational Buying Motives**

24. Handiness
25. Efficiency in operation or use
26. Dependability in use
27. Dependability in quality
28. Reliability of auxiliary service
29. Durability
30. Enhancement of earnings
31. Enhancing productivity of property
32. Economy in use
33. Economy in purchase.

Copeland also differentiated between "primary" and "selective" motives. "A primary motive is one which imparts to consumers the

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9Ibid., p. 160.
major, initial impulse to purchase the kind of article offered for sale," he wrote, while a selective motive "is one in which the aim is to divert the consumer's expenditure away from other brands of the same article." Another distinction made was that between a buying motive, which "induces a customer to buy a particular commodity or type of article," and a patronage motive, "which induces a customer to trade with a particular firm."

A more recent list of buying motives, which reflects a somewhat different approach, is that of Melvin S. Hattwick, a psychologist. He listed "eight basic wants in life," which, he said, were common to all inventories of people's wants and desires which had been made by psychologists. They were represented as being those things which people desire most often and with the greatest intensity:

1. Food and drink
2. Comfort
3. To attract the opposite sex
4. Welfare of loved ones
5. Freedom from fear and danger
6. To be superior
7. Social approval
8. To live longer.10

The basic wants were so named because they were believed to be based on "fundamental drives." It has been the opinion of some psychologists, which Hattwick shared, that people are born with the same fundamental drives or wants and satisfy them in about the same ways. According to this view, drives are easily aroused by appealing to the "basic wants," and once a drive is set in motion, the person

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wants to satisfy it almost immediately. Hattwick also identified the following nine "secondary wants" learned by people through experience:

1. Bargains 6. Dependability, quality
2. Information 7. Style, beauty
3. Cleanliness 8. Economy, profit
4. Efficiency 9. Curiosity
5. Convenience

Inadequacy of Buying Motives

McGregor pointed out that motives are terms of classification of observed behavior rather than forces which constitute explanations of behavior. He wrote as follows:

We arrived at the concept of motive by process of observing, classifying, and naming abstracted similarities among different behaviors. For example, we observe that a variety of patterns of behavior tend to maintain and increase the individual's value in the eyes of his fellows. Then we name this class of behavioral patterns in terms of the abstracted common quality. We call it, perhaps, "the desire for social approval," or "the desire for popularity." Then, when we are asked why people behave in these ways, we answer glibly: "Because they have the motive to obtain social approval" or "because they have a desire for popularity." Obviously, the process of classifying a variety of observed phenomena under a common name does no explaining. . . . Yet this process of naming, and then attributing casual significance to names, has been the basis for practically all the theories of motivation which have been proposed until recently. 12

McGregor also pointed out that knowledge of a "motive" did not make prediction of behavior possible because a number of different

11Ibid., pp. 23-25.

forms of behavior were lumped together under each term or "motive" in the process of classification. More detailed knowledge of the individual concerned and the environment in which he behaves is necessary for explanations and predictions. As McGregor noted, this is why our most accurate predictions are made in connection with those persons we know best.

One of the more recent authors, Harry L. Hansen, after illustrating the difficulty involved in trying to distinguish between emotional and rational motives, concluded that we have no clear understanding of the difference and that the terms might better be dropped. He stated:

Instead, we would say that some purchases more than others are carefully weighed or considered. Whether this weighing is an intellectual or emotional process, if indeed a distinction is possible, seems beyond the point of the average marketer. . . . It seems in these questions of motives we might well beware of readily classifying them as emotional or rational—and especially beware when we have difficulty in defining or recognizing a decision as rational or emotional when we see one. . . . Frequently, what appears to be an emotional act to an observer may be a completely logical act to the doer.13

Forces Which Tend to Explain Behavior

Self-image. Newman indicates that one of the more important concepts is that an individual's behavior is a function of his image of what kind of person he is and how he wants others to see him.14


14Newman, op. cit., pp. 52-56.
This self-image is reflected to some extent in everything he does, including his buying of goods and services.

According to this school of thought, all behavior has a purpose; but to be understood, it must be observed, not from the point of view of an outsider, but from the point of view of the behaver himself. What a person does always has a reason in terms of how he views his universe, including himself, at the time he acts.

The view of self includes not only one's physical being, but "evaluations and definitions of self as strong, honest, good-humored, sophisticated, just, guilty, and a thousand other ideas." Whether we have come to think of ourselves as being competent or incompetent, attractive or repulsive, honest or dishonest has a tremendous effect on our behavior in different situations.

The image one has of himself, of course, may not be accurate in terms of how he is seen by others. Nevertheless, it exists to serve certain needs and the person concerned acts to protect and enhance it. An individual develops his sense of self from his contacts with his parents and others during the course of his growing up.

Basic needs. Psychologists, on the basis of their clinical and other studies, have identified certain basic needs or goals toward which the behavior of man is directed. According to Newman, these are the needs with which all men presumably start. Their satisfaction


\[16\] Ibid., p. 73.
or lack of it, in their early years determines in large measure what kind of persons they will be as adults. Just how individuals will act in order to satisfy these needs, or whether they will do so directly, will depend upon how they were handled in their childhood, how they reacted to this treatment, and various cultural and social restrictions on behavior.17

According to Newman, the first comprehensive dynamic theory of personality centering about need gratification was developed by Sigmund Freud.18 While the list of needs presented by contemporary writers differ somewhat, they also have much in common. Their most important feature is the way of thinking they represent. It is used by a number of people with clinical training who are engaged in motivation research. The following is a brief summary of the basic needs used in the theory of human motivation developed by A. H. Maslow:

1. The Psychological Needs: There are any number of these, depending on how specific one wishes to become. They are the most predominant of all needs, which means that if all the needs are unsatisfied, the organism will be dominated by the psychological needs, all others being pushed into the background. When they are satisfied, however, other (and higher) needs emerge and they, rather than psychological hungers, dominate. Any of the psychological needs and the behavior involved to meet them may serve as channels for other needs as well. The person who thinks he is hungry, for example, may actually be seeking more for comfort and dependence than for vitamins and proteins.

17 Newman, op. cit.
18 Newman, op. cit.
2. The Safety Needs: These needs for protection and care emerge if the psychological needs are relatively well gratified. We can note the expression of safety needs by adults in the common preference for a job with tenure and protection, the desire for a savings account, and for insurance of various kinds. More extreme examples can be seen in the people who are the economic and social underdogs. Studies have shown that many children in our society feel too unsafe, reflecting a threatening family environment lacking in love.

3. The Belongingness and Love Needs: If both the psychological and the safety needs are fairly well gratified, there will emerge the love and affection belongingness needs. A person will hunger for affectionate relations with people, a place in his group. The love needs involve both giving and receiving love. In our society the thwarting of these needs is the most commonly found core in cases of maladjustment. Love and affection are generally looked upon with ambivalence and are customarily hedged about with many restrictions and inhibitions.

4. The Esteem Needs: All people in our society have a desire for a stable, firmly based, usually high evaluation of themselves. Needs related to self-esteem include the desire for strength, achievement, adequacy, mastery, competence, confidence, independence, and freedom. We also have the desire for reputation or prestige (respect or esteem from other people), status, dominance, recognition, attention, importance, or appreciation. Satisfaction of these self-esteem needs leads to feelings of self-confidence, worth, strength, capability, and adequacy of being useful and necessary in the world. But thwarting of these needs produces feelings of inferiority or weakness, and of helplessness.

5. The Need for Self-Actualization: Man has a desire to become everything that he is capable of becoming. The specific form that this will take will vary greatly from person to person. The clear emergence of these needs usually rests upon prior satisfaction of the psychological, safety, love, and esteem needs.
6. The Desires to Know and Understand: These refer to the process of search for meaning. . . a desire to understand, to systematize, to organize, to look for relations and meanings, to construct a system of values.

7. The Aesthetic Needs: In some individuals there is a truly basic aesthetic need. They get sick (in special ways) from ugliness and are cured by beautiful surroundings.19

Maslow believes that most people have the basic needs in about the order of importance indicated by the listing above, and that the gratification of the most basic need permits the emergence of the next most basic need, and so on. He states that most members of our society who are normal are partially satisfied in all their basic needs and partially unsatisfied in all their basic needs at the same time—that a realistic description of the hierarchy would be in terms of decreasing the percentages of satisfaction in going from the most to the least basic needs.20

Maslow pointed out that the basic needs are neither necessarily conscious nor unconscious, but that they are often largely unconscious. Any given behavior, he said, tends to be determined by several or all of the basic needs simultaneously rather than by only one of them. These remarks have been concerned with motives for goal-seeking behavior. Maslow also recognized expressive behavior


20Newman, op. cit.
which does not try to do anything, but is simply a reflection of the personality. 21

**Interrelated Phases of Decision Making**

In a recent publication by Gartner, Kolmer, and Jones, they state that the decision-making process consists of four interrelated phases:

1. Searching for total available alternatives. During this phase, the consumer becomes aware of the existence of one or more alternatives which are capable of satisfying his desires.

2. Determining relevant alternatives. This involves making some crude evaluation of attributes of the commodity and matching them against available resources and preferences of the consumer. In this phase, certain alternatives are excluded because
   a. They are not consistent with the consumer's preferences or value system.
   b. The consumer lacks necessary resources.
   c. They are eliminated because of a combination of not being consistent with preferences and resources.

3. Appraising relevant alternatives. During this phase, the consumer evaluates in more detail favorable and unfavorable attributes of each commodity. Attributes are then compared with each other.

4. Making the final choice or choices from relevant alternatives. 22

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21 Newman, op. cit.

Interrelated Forces

The authors also indicate that the individual is influenced in his decisions by the following interrelated forces:

1. Physical needs.
2. Social needs.
3. Values and attitudes.
4. Situational forces.
5. Risk and uncertainty.

These are highly interrelated and interacting. The individual who is trying to make a decision is usually influenced by a number of these forces simultaneously.

Factors Determining Decision Making

When taste and preferences are heterogeneous, decision making becomes complex because of numerous interactions among family members. With given family resources, the end product of decision making will be determined by several important factors:

1. The desire each individual has for a particular alternative.
2. The individual's inability to exert power within the family.
3. The degree to which an individual is concerned with the welfare, desires, and feelings of other family members.
4. The degree to which an individual is concerned with exerting his or her influence over the family.23

Family resources have an important bearing upon decision-making. The kinds, quality, and number of resources families possess vary widely. Seven types of family resources were discussed in the Iowa study. They are income, assets, credit availability, time, energy and health, knowledge and skills.\(^{24}\)

Income. Economists have often used income to explain consumer expenditures. A consumer's rate of income changes from time to time. This influences the consumption function. Keynes answers the question, "How do consumers react to changes in their income?" with his discovery of a fundamental psychological law. He says:

The fundamental psychological law, upon which we are entitled to depend with great confidence both a priori from our knowledge of human nature and from the detailed facts of experience, is that men are disposed, as a rule and on the average, to increase their consumption as their income increases, but not by as much as the increase in income.

Also, people will decrease the amounts they spend as their income decreases, but not by as much as the decrease in their income.\(^{25}\)

Katona, in discussing Keynes' psychological law, discusses this thesis by dividing it into three separate statements.

When, under what conditions is a community willing to widen or to narrow the gap between its income and its consumption?—this is the first question. The answer is: only when its income increases or decreases. Except for this circumstance, the propensity to consume will remain

\(^{24}\)Ibid.

stable. If there is a change in the income-consumption relation, what will be the direction of that change?—this is the second question. When income increases, the gap between income and consumption will be widened; when income decreases, it will be narrowed. People will spend a smaller part (and save a larger part) of their income when income increases, and spend a larger part (and save a smaller part) when income decreases. What will be the extent in the change in the income-consumption relations?—this is the third question. The change will be smaller than the change in income. 26

It seems only logical that when our income is increased it is very unlikely that we will spend less or save less than we did before. Also it is unlikely that we will spend the same after our income is increased, since we will have more money at our disposal. The question seems to be, will we increase the amount we spend so that the proportion of income spent will be the same at the new level as it was before, or will we spend a smaller proportion of the higher income than of the previous lower income? Again, according to Keynes, we will reach the spending rate which is characteristic of the new, higher income level. But the adjustment to that new income level, so Keynes asserts, is slow.

For a man's habitual standard of life usually has the first claim on his income, and he is apt to save the difference which discovers itself between its actual income and expense of his habitual standard; or, if he does adjust his expenditure to changes in his income, he will over short periods do so imperfectly. Thus, a rising

income will often be accompanied by increased savings and a falling income by decreased savings, on a greater scale at first than subsequently.27

Gartner, Kolmer, and Jones have made an excellent summary of the five major contemporary theories which attempt to explain consumer expenditure behavior.28 These are the theories proposed by Bilkey, Duesenberry, Friedman, Norris, and Katona.29

Bilkey maintains that consumer choice is determined by the individual's or a family's internal psychic conflicts. These psychic conflicts are defined as a person's attraction or repulsion of a commodity under consideration. The attraction of an item is measured in positive valences, while repulsion is measured in negative valences. To predict consumer expenditure behavior, it is necessary to measure the intensity of these valences. These positive and negative valences are then aggregated into a desire-resistance relationship. The desire component is all net positive valences minus negative valences, except those related to cost. The resistance component is negative valence attributable to the cost of the item. Intensity of the negative cost valence is related to the family's income and other psychological variables. In most cases, the higher the family income, the lower will be the

27 Keynes, op. cit.


negative cost valences for any given item. Thus, consumer expenditure is determined by the difference between the net positive valences and negative valences. If net positive valences are greater by a specific amount than negative valences, a purchase will be made. If they are equal, or only a minor difference exists, then no purchase will be made.30

Duesenberry's hypothesis recognizes the importance of social interaction. He maintains that individual consumer tastes and preferences are influenced by consumption activities of other consumers. Desire for increased consumption in both quantity and quality comes about in the following way: First, he recognizes that the basic drive toward higher consumption is the result of our society's goal of achieving a higher plane of living. As this goal becomes a generally recognized social goal, the importance of reaching the goal is instilled in almost every individual's mind by the socialization process. This desire for a higher plane of living results in consuming units making comparisons between their own plane of living and those of their associates in higher or lower status positions. Unfavorable comparisons between levels of living cause consuming units to purchase goods and services which will raise their own plane of living and eliminate or reduce unfavorable comparison.31

Friedman maintains that it is necessary to break consumer incomes into (a) the permanent and (b) the transitory component to explain consumer expenditure patterns.

The permanent component reflects those factors the consuming unit considers as determining its capital value or wealth: the nonhuman wealth it owns; the personal attributes of the earners in the consuming unit, such as their training, ability, personality; and the attributes of the economic activity of the earners, such as the occupation or the location of economic activity. The permanent

30Gartner and others, op. cit.
31Gartner and others, op. cit.
component cannot be measured directly for a consuming unit, but must be inferred from observation of expenditure behavior.

The transitory component reflects all other factors—those that are likely to be treated by the unit affected as accidental or chance occurrences. The factors that give rise to the transitory component of income vary among consuming units. For some units, illness may be the transitory component, for others a bad guess about when to buy or sell, and for still others an unexpected raise in salary.

Division of income into permanent and transitory leads Friedman to conclude that permanent consumption is influenced by some fraction of permanent income. This fraction of permanent income influencing permanent consumption is, in turn, influenced by—

1. Interest rate.
2. Ratio of non-human wealth to income.
3. Other factors affecting the consuming unit taste for current consumption versus accumulation of assets. Under this category are degree of uncertainty allocated to receipt of income and various other family characteristics.32

Norris developed her theory because of dissatisfaction with the indifference curve theory as an explanatory device for short-run consumer expenditure behavior.33 She maintains that indifference curve analysis is useful in understanding long-run consumer behavior but not short-run behavior. According to Norris, an understanding of short-run consumption behavior makes it necessary to break consumer expenditures into three major categories—

1. Areas in which careful weighing is absent. These expenditures include--
a. Past commitments, such as rent, debt payments, and installment payments.

32Gartner and others, op. cit.

33Short-run is defined as the period of time so short that no changes in income or established consumption rate occur.
b. Expenditures on minor goods.
c. Expenditures to satisfy rigid habit.

2. Areas in which careful weighing occurs. This is the most important area of consumer expenditures; it includes goods regularly consumed but sufficiently costly so that consumers must weigh their purchase carefully. Such items as total food expenditures, clothing, entertainment and certain types of transportation fall into this grouping.

3. The dynamic residual. This is the remaining income after all commitments have been met and habitually consumed goods have been purchased. It represents an experimental fund to be used by consumers in a variety of ways. It may be used for recreational activities, purchasing a completely new product, or paying the first installment on some large item. In each of these cases, this type of expenditure involves deliberate decision-making.34

Katona maintains that insufficient evidence exists to determine whether consumer expenditure behavior is planned or impulsive. To determine the nature of consumer behavior, he feels empirical investigations are necessary. He attempts to answer the following questions by his investigations: "When, under what circumstances, is one kind of consumer behavior likely to occur, and when, under what circumstances, another kind of behavior?"

His conclusions can be summarized in three general statements--

1. In general, consumers follow habitual expenditure patterns. They tend to make many present purchasing decisions similar to decisions made in the past; thus, present purchasing behavior does not involve systematic decision-making. His findings indicate that purchases over $1,000 frequently involve systematic decision-making; purchases of several hundred dollars involve genuine decision-making less frequently; and purchases of less than $100 involve systematic decision-making infrequently.

34 Gartner and others, op. cit.
2. Most food and clothing outlays are determined by habitual patterns. Habitual patterns of expenditures are related to the size and frequency of expenditure. The smaller and more frequent the expenditure, the more likely it will be habitual.

3. Generalizing motives that influence market behavior is fruitless. He thinks that it is more significant to identify motives related to specific behavior and decisions through empirical investigation.35

Assets. Another factor which is related to income is the assets a person or family possesses. Gastner, Kolmer, and Jones have the following to say about assets as they relate to family decision-making:

The types and quality of assets will partially determine choice of alternatives, evaluation of alternatives, and the final choice and timing of purchases.

An important influence on decision-making is the proportion of liquid to the non-liquid assets a consuming unit possesses. For example, certain price or psychological changes may cause certain alternatives to become more attractive than they were previously. In such a situation, a family having considerable amounts of liquid assets can quickly convert them into cash and take advantage of this favorable situation by purchasing the desirable alternative. Other families having a relatively large proportion of non-liquid assets may have to bypass this alternative, with perhaps some loss of satisfaction. These families may be able to borrow from certain lending agencies; however, the cost involved in borrowing may be much higher than conversion of liquid assets into cash.36

35Gartner and others, op. cit.

36Gartner and others, op. cit., p. 19.
Credit availability. The amount of credit a person or family can obtain is also related to income and assets. Consumer credit has sometimes been criticized as inhibiting consumer purchases and it is often argued that it increases consumer expenditures. Gartner, Kolmer, and Jones suggest the following:

In the long run, family expenditures must equal family income. If expenditures exceed income over a considerable time, the family may be involved in legal entanglements. In the short-run, this is not the case. Family spending may exceed income without serious consequences if it can draw on cash resources in addition to regular income.

Credit availability affects decision-making in several ways. First, consumers able to obtain credit at a cost they consider reasonable may include additional alternatives within their relevant range of choice. Without the possibility of credit, they may never enter the consumer's relevant range. Second, the terms of credit may influence evaluation of alternatives. For example, the consumer faced with two alternatives priced differently may choose the more expensive one if he can borrow at 5 percent, but may reject the expensive alternative if borrowing costs him 10 percent. Finally, the consumer's knowledge that he can obtain credit at reasonable rates may cause introduction of new objectives.

Time. A factor often mentioned in our present day living is "time." With an increasing number of working wives, longer vacation allowances, more emphasis on leisure time and less on routine household chores, "do-it-yourself" activities and so on, time becomes increasingly more important in the decision-making process. Gartner, Kolmer and Jones discuss time as follows:

The time available for decision-making and general family activities varies among consuming units.

37Ibid.
The differences in available time among families influences the decision-making process in the following ways: First, time limitation may force an individual or a consuming unit to reduce the number of relevant alternatives. The working wife may consider only the alternatives that are time saving. Thus, in food shopping she would consider only partially prepared or ready-to-serve foods. Any items requiring considerable home preparation would be outside her relevant range of alternatives. Second, time limitations may reduce the efficiency of the seeking and evaluation phases of the decision-making process. Shortage of time may prevent the reading of newspapers or magazines or watching TV. This would have two major effects: (1) It would not bring into focus many alternatives which a family might consider and (2) it would limit the amount of knowledge a family possesses relative to alternatives. Finally, time limitations may eliminate refined appraisal of alternatives from the decision-making process. In some cases, time restriction may force a consuming unit to move from crude evaluation of alternatives to final choice.38

Energy and health. The amount of energy and the condition of the consuming unit's health will partially affect the amount of time available for decision-making. The authors state that:

Energy is defined as the capacity for doing work and overcoming resistance. Energy is usually related to the health of the individual. This, in turn, may have considerable effect on decision-making.

The amount of energy an individual possesses partially influences the number of relevant alternatives. The person who lacks energy may spend a minimum of time seeking available alternatives. Thus, the number of alternatives under consideration will be limited. Since the alternatives will be limited, the relevant alternatives will also be reduced in number.

38Gartner and others, op. cit., p. 20.
Health will also have some impact on the choice of and evaluation of relevant alternatives.  

Knowledge. The factor of knowledge is an important one and one that consumer marketing economic specialists can be of most assistance in helping to improve the decision-making process. They can do this by ascertaining areas in which there is a lack of knowledge relative to agricultural products and conducting an intensive educational program designed to increase the level of knowledge in deficient areas. Consumer marketing specialists can also be helpful to other extension marketing specialists, producer groups, food handlers, and others in discovering these areas in which there is a lack of knowledge and by offering suggestions which these groups can use in helping to improve the level of knowledge in deficit areas.

Knowledge is of major importance and includes such factors as a family's awareness of future price changes, differences in prices among stores, quality differences among commodities, availability of goods and services, possible substitutions among goods and services, and sources of information and methods of appraisal. A lack of knowledge of such facts will limit the range of alternatives, affect adequate evaluation of alternatives, and may prevent the consuming unit from attaining maximum satisfaction.

Skills. In our present-day living, skills are not nearly as important as they were years ago when families were much more self-sufficient. However, skills are a factor in the decision-making process. For example, the decision as to whether or not to buy a sport

39 Gartner and others, op. cit.

40 Ibid.
coat for the husband may be influenced by the fact that the wife is an accomplished seamstress. A decision may be made to buy the material which will be made into a sport coat by the wife rather than buying the ready-made sport coat. Because of the skills of the wife, this family may not consider the purchase of a sport coat as a relevant alternative. However, the purchase of the sport coat might be a relevant alternative for a family for which the wife could not sew.

Gartner, Kolmer, and Jones have the following to say about skills:

The consuming units' ability to produce goods or services which can be substituted for goods and services available in the market varies in amount and quality.

Family ability has various effects on the end product of the decision-making process. Ability may result in consumers not buying certain goods and services available in the market. In recent times, the increased momentum of the "do-it-yourself" idea has had varying impacts on certain industries. This affects both the number of alternatives and evaluation of relevant alternatives.41

Family characteristics. As indicated by Gartner, Kolmer, and Jones, "Family resources provide only a partial explanation of expenditure behavior. Specific family characteristics must also be considered. Family characteristics are non-economic family traits which have an influence on the family's expenditure pattern."

Family life cycle, occupation, education, area of residence, race, religion, ethnic background, social class, and many other

41Gartner and others, op. cit., pp. 20-21.
items are included in a list of non-economic characteristics of the family.\textsuperscript{42}

The author will not go into these non-economic characteristics except to briefly mention education. Education usually increases both the level of knowledge and the number of goals possessed by the family. This may affect the number of alternatives considered and their evaluation.

\textbf{Interaction of distinct and antithetical forces.} Wyand states that "... no one factor functions without relation to the others. All choices are the end-products of the interaction of many distinct and often antithetical forces. The final selection is dictated by the strongest prevailing determinants although it is always influenced by factors of subordinate importance."\textsuperscript{43}

Wyand does not show how these determinants interrelate, but gives the following as being the basis of choices--

1. \textit{Needs}--arise out of our everyday contacts with physical and social reality. These needs stimulate the creation of--

2. \textit{Wants}--or vague feelings of incompleteness, which in time crystallize in the form of--

3. \textit{Desires}--for specific want-satisfying goods and services. The utility of these desired objects is determined by such factors as custom, personal characteristics and experiences, commercial indoctrination, economic considerations, etc. Each object believed to be capable of satisfying a desire is then subject to the process of--

\textsuperscript{42}Ibid.

4. **Valuation**—or measurement of net utility it possesses for the consumer. Then follows the—

5. **Elimination**—of the objects having negative utility, i.e., whose acquisition involves a sacrifice exceeding the satisfaction to be derived from their use. Next occurs an—

6. **Evaluation**—of utility ratios of the remaining goods in an effort to discover which items of the group yield maximum net utility.

7. **Selection**—is then made of that object believed at the time to be most desirable. This choice is inevitable and is determined by the factors creating the utility which the objects possess."}

Wyand also distinguishes between three types of consumer demand—

1. **High level**—where the buyer knows precisely what he wants and seeks it.

2. **Middle level**—when a given need may be gratified by any one of several items, no one of which automatically assumes preeminence. Most demand, therefore, falls into the second or middle level, in which the individual is clearly aware of a need (want), but is undecided as to how to appease it. We satisfy most wants only after the means of gratifying them have been suggested to us. A woman is not always able to tell you just what it is she wants, but she is quite likely to know it when she sees it. That is why women are such good shoppers. They go from store to store to get the style details, the quality, the price they want. They do not have these points all analyzed and tabulated in their own minds when they start looking, but when they find an article that meets these unexpressed but nonetheless real requirements the shopping is over and buying begins.

3. **Low level of demand**—when the consumer is only vaguely conscious of a felt need. Here want as
well as desire is poorly defined. The student may be restless, unable to concentrate on his studies. Aimlessly he wanders about not knowing exactly what he wants until his eye is attracted by a placard advertising a dance, special weekend train rates, or a golf tournament. Instantly the unconscious want for activity, and a desire capable of appeasing it, become crystallized. Both the "trouble" and its solution are evident. And the process of buying i.e., of choosing, is stimulated. Not infrequently choices are made on this basis. Moreover, such stimuli may arouse and strengthen dormant wants, as well as clarify existing ones. By the persistent suggestion of travel literature, the consumer is talked into wanting a change of scenery. Words and pictures stimulate hunger and thirst, ambition and innovation where these drives might not normally prevail.45

Past experiences. Psychologists point out that a person's past experiences affect his behavior in two ways: first, they are the basis of whatever conditioned responses he possesses, and secondly, they help to determine the way in which he interprets events and forms his judgments. This indicates that a person's past experiences affect his rational, as well as his non-rational behavior. Both of these elements are apt to be involved in the purchasing act to influence consumer expenditures in the following ways—

1. A consumer's past experiences help to determine his likes, dislikes, and attitudes toward things. Thus, a housewife might not want to serve a particular food because she has had an unfortunate experience with it.

2. A person's past experiences guide his expectations about such things as the durability of an item, probable future prices, his probable future income, general business conditions, etc. Accordingly, an individual who has gone through a depression might be much more pessimistic about

45Wyand, op. cit., p. 151.
the meaning of a wage decline than would a person who has experienced only prosperity.

3. A consumer's past experiences may affect his resistance against making certain purchases. Thus, a poor purchase from a house-to-house salesman may cause a housewife not to buy an attractive item from another.

4. Past experiences provide a frame of reference for comparing changes in such factors as price, quality, income, etc. In this way, past experiences are important in the dynamics of consumer expenditure behavior. (e.g., changes in prices as distinguished from their absolute level.) It has been shown that people spend differently when their income changes from one level to another than when it remains constant.

5. Supplies currently on hand are a resultant of past purchases, past utilization, and other factors. In this way, such past experiences affect the current need for item replacement and therefore present expenditures.

In discussing the purchase of durables and the factors involved, Bilkey goes on to state that:

It seems self-evident that a person's affective desire for durables can be thought of as high aggregate desire for them (his standard of living) minus what durables he already has. He expresses this as follows:

Person's effective desire for durables = Person's total desire for durables (his standard of living) - how much he already has.

Then, as long as the person's standard of living remains the same, his effective desire for durables can be calculated by determining the condition of the durables already in his possession. (Since the above formula does not take account of purchasing power, it is not synonymous with demand.) Nevertheless,

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46 Bilkey, op. cit.
this method has been used to estimate probable demand for automobiles, refrigerators, and so on.\footnote{Ibid.}

As a word of caution it should be noted that all persons do not necessarily react to particular past experiences (e.g., a depression) in the same way. There are differences in personality, educational background, social background, home environment, etc.; as a result, different persons may interpret the same things in different ways, even though their experiences are very similar.\footnote{Ibid.}

\textbf{Habit.} As Dewey pointed out, habit is not necessarily synonymous with the bare recurrence of specific acts. The performance of an act is apt to involve a certain amount of conscious deliberation along with some predisposition to ways or modes of responses. If this concept is applied to consumer expenditure behavior, it seems plausible that habit might be of greater relative importance for routine purchases than for non-routine expenditures. The reason for expecting a difference is that routine purchases are sufficiently similar to each other to permit a person to make the expenditure solely by means of routine behavior. This, however, is unlikely to be true of a non-routine purchase which involves a sizeable outlay. The latter is apt to have so many unique features that at least some conscious deliberation is required; not only is there a question about whether or not the item should be bought, but in addition, there is usually a problem of style, size, color, model, make, and so on.

By using these habit patterns, the shopper need not think through every recurring similar purchase. He can proceed merely in terms of his rules, habits, and procedures. However, the individual who does not carefully evaluate each purchase is apt to be less responsive to price change, item variation, and other similar factors than he would be if he carefully considered all circumstances every time he was tempted to buy.\footnote{Silkey, \textit{op. cit.}, p. 95.}
Necessary and discretionary expenditures. Discussions often evolve around the question as to what is a necessary expenditure and what is a discretionary expenditure. The commonly accepted definition of necessary expenditures is those normal expenditures for food, clothing, shelter, medical needs and other so-called basic needs. Granted, as incomes rise, some items which were previously considered in the discretionary class tend to become necessary expenditures. Discretionary expenditures are considered to be those expenditures for goods and services beyond what are considered to be necessary expenditures. Even though it may be difficult to classify certain expenditures, it is helpful to classify them as to whether they are necessary or discretionary when attempting to determine what decision-making patterns will result under varying economic and social conditions relative to certain commodities. Katona discusses the nature of these expenditures as follows:

Katona indicates that expenditures on necessities are in many respects similar to contractual obligations. Even though it cannot be determined exactly what is and what is not the necessary expenditure, it is no doubt true that basic outlays, not only for shelter but also for food and clothing, will continue to be made except under catastrophic circumstances. The same is true of payments for such services as utilities and for many medical expenses. The flexibility which consumers have to restrict a great portion of their money outlays is severely limited. Limitations exist also regarding the possibility of a substantial increase in these expenditures, partly because some of these outlays are not indefinitely expandable and, more important, because expenditures on food and clothing, and on many other things, are frequently habitual. Some consumer outlays are subject to the influence of relatively enduring and slowly changing habits, while others are not.
Expenditures determined by past decisions or by habits are less variable and easier to predict than outlays of choice—for example, money spent on food or rent, or money saved by repaying debts or paying life insurance premiums. The outlays made in the preceding period represent a fairly good indicator for estimating the outlays in the next period. Of course, there will be some differences from year to year in the amounts involved, but the changes will depend primarily upon changes in income.50

The impelling motives for making buying decisions influence decision-making. For example, a decision which is the result of a biological motive will likely be quite different from one resulting from a social motive. Katona discusses this as follows:

There is a difference between biological motives and social motives. He states that if a hungry man eats a big meal the need for food disappears. But what is true of biological motives is not necessarily true of social motives. Accomplishments tend to raise levels of aspirations. Having achieved what we want, we often raise our sights. It is not the gratification of the needs but failure and frustration which makes us renounce further goals and ambitions. If we repeatedly fail to achieve what we want, our drives and motives tend to wither away and we cease to strive for more.

Willingness to buy. The need theory is not sufficient in explaining why people buy the products they do. It does not explain the circumstances under which the gratification of needs does lead to saturation and those under which it does not. For an explanation of fluctuations in discretionary expenditures, we turn to the theory that they are partly a function of the willingness to buy. Psychological economics, of course, recognizes the function of income and resources, that is, of the ability to buy and of variations in such ability. In addition, it indicates that there may also be fluctuations in willingness to buy, independent of fluctuations in ability to buy, and that they, too, influence demand.51

Our willingness to buy, especially for discretionary expenditures, is influenced by many factors. Attitudes, expectations, past conditions and so on have considerable influence on willingness to buy. In discussing discretionary expenditures and willingness to buy, Katona suggests:

Consumers' discretionary expenditures are a function of attitude in several areas. Attitudes toward one's personal financial situation are important, but do not tell the whole story. It is relevant whether we feel that our income and personal situation have improved and will improve further. But beyond that, each of us is a member of a group. We feel that our own well being and progress are influenced by what happens to others with whom we are personally associated, as well as by what happens to our community and country. Even if we ourselves are not directly affected, unfavorable developments in the broader systems to which we belong make us uneasy and favorable developments stimulate us. Therefore, if we are to understand the factors influencing consumer behavior, we must study the attitude of the people toward the entire economy and their expectations as to what will happen to the economy.52

Katona emphasizes that psychological economics postulates that changes in consumer attitudes and expectations are capable of influencing the proportion of income spent on discretionary purchases. It does not assume that changes in discretionary expenditures are always independent of changes in income. On the contrary he states, "It will be shown that at certain times the rate of discretionary purchases seem to be governed by income alone. These are times when attitudes primarily reflect income developments and are not of crucial importance. There are also times when changes in sentiment and confidence due to other factors govern the economic scene."53

52Katona, op. cit.

53Ibid.
Intervening variables. Decision-making is not a clear cut process but is the result of many intervening variables involving the decision-maker and his environment. Katona discusses these variables as follows:

As a result of past experience, there exist habits, attitudes, and motives which intervene by influencing how stimuli are perceived and how the organism reacts to them. The response, then, is the function of both the environment and the person.

Turning to the economic behavior, level of income and financial assets function either as enabling conditions (if they are ample) or as constraints (if they are insufficient). Things that happen to the decision-maker are precipitating circumstances or stimuli. A change in salary or the breakdown of one's car may serve as examples. News and information which reach the consumer are a very important category of stimuli. Economic behavior in particular is most commonly stimulated by information received by consumers and businessmen.54

Different reactions may result from identical news and information because of dissimilar backgrounds and experiences. As Katona states it:

The same level of income or the same news information may be viewed differently by different people, or by the same person at different times. Information transmitted is not identical with information received. How we perceive changes in the environment depends to some extent on us, that is, on subjective or intervening variables.

Expectations are a subgroup of attitudes. They, too, are intervening variables which influence behavior. They are those attitudes which represent an extension of the time perspective into the future. Expectations

54 Katona, op. cit., pp. 54-57.
are, then, subjective notions of things to come, colored by effect, approval, or disapproval, satisfaction or dissatisfaction.55

Not all related past experiences affect us at a given moment, because our memory is selective. Sometimes the organization is such that our time perspective extends far back while sometimes even similar recent events appear to be wiped out.

Reference groups. People's standards of behavior, and of consumption as well, may be determined by reference groups to which we do not belong rather than by face-to-face groups. Certain consumer goods are status symbols and are purchased either to prove our status or to raise our status. In addition to the strong impact of belonging, there is also an effect of desire to belong, and purchases motivated by prestige considerations do occur. Possibly, however, this aspect of consumer behavior has sometimes been given an exaggerated importance.

It has been suggested that the mode of living of top-income people is imitated by others and that 10 or 25 years later similar modes of living will be found among broad population groups. The importance attached to upward mobility by many Americans may be viewed as confirming the notions that the rich are the opinion leaders, and some observations about the behavior in the 19th century and the early 20th century seem to indicate that the middle-class people did follow

55Ibid.
the customs and practices of upper-class people. This tends to give us a clue as to what future middle-class people will be demanding.

The conservative consumer. Various reports on impulse buying and other purchasing activities of consumers tend to indicate that consumers may not be as conservative as in past years. However, Katona states that:

Consumers desire and expect only slightly more than they have. Even though aspirations rise with accomplishments, consumers do not easily lose sight of reality. Also, consumers constantly need new stimulation. Instead of getting more and more optimistic when business improves, relatively soon they find the recurring news about growing production, sales, and profits no news at all. If nothing really happens, they tend to wonder and become cautious.\textsuperscript{56}

Of course, the consumer does not act with the intent of stabilizing the economy. He is not aware of his power and does not behave like a boss. The important point is that the consumer is not inclined to perform excessive forms of behavior. Because of those deepseated and enduring tendencies, he usually helps to avoid inflation and recession and does not contribute to exaggerating boom conditions. Except when provoked strongly and repeatedly, he does not suddenly reverse his patterns of spending and does not indulge either in over-caution or in over-exuberance. The fact that our economic faith is dependent on millions of people has probably made our economy more stable.\textsuperscript{57}

It is generally agreed that the behavior of people changes as they go from one phase of the life cycle to another. This takes place because of various changes in physical and psychological needs and changes in family income. Morgan states that:

There is reason to believe that a person's wants become more elaborate and more expensive as he grows

\textsuperscript{56}Ibid.
\textsuperscript{57}Ibid.
older. Also, there is reason to believe that saving is a habit that is reinforced by successful achievement, and that past saving may raise one's aspirations to save in the future. If so, there would be an explanation for the "low" saving of the older couples whose children have left home, since many of them were forming their saving habits during the depression when it was almost impossible to save. 58

There seems to be considerable disagreement as to what motivates people to spend or save. Considerable attention has been given to motivation research. Economists, psychologists, and sociologists have been cooperating in a search for relevant theories and a collection of more information about actual behavior of individuals. The sociologists have a concept that refers to the "reference group," defined as the group that an individual tends to look up to and aspires to be like, and a theory that people's behavior is affected by the reference groups.

The social psychologists have a still more general type of theory, which Morgan summarizes—

1. People do not make thoughtful, "rational" decisions all the time, but move by habitual patterns which are only changed under stress, that is, only when the individual becomes conscious that his previous patterns of action will no longer be satisfactory.

2. At the infrequent times when individuals are actually making new choices, they are remarkably impervious to factual information and almost always know less than they would have to know if they were to act like the rational man of economic theory. It is difficult to see how a man's savings would be influenced by changes in the rate of interest if he is completely unaware what the various rates are, or of the fact that they have been changing.

3. People have felt "needs," but these needs are primarily psychological and are related to reality only after the interposition of intervening variables, such as "aspiration level" and "confidence in one's future." A car that is worn out and needs replacing in one man's eyes may be perfectly satisfactory transportation for someone else. Needs can be defined as a few rather basic things, such as status, security, and so on. More specific desires are interpreted as means seen for achieving the more basic needs, but in any case the needs themselves and the specific paths seem to satisfy them are both attitudes of mind, often (particularly in a wealthy country like this) only vaguely related to such physical needs as shelter, sustenance, and warmth.

4. Insofar as these needs involve buying things, a man's ability to buy depends on his income and net worth, but what he perceives as his ability to pay for something is again affected by intervening variables, such as his confidence in his own and the country's future, and so on. These may change more rapidly than people's "real" economic situation and change in the same way for large groups of people.

Given a general theory of this sort, it becomes important to determine what leads people to think they need to buy certain items and what leads to waves of optimism and pessimism for large groups of the population. Insofar as people start feeling a need for security, it is important to know what paths they will see for achieving that need. Some may try to earn more, some to spend less, others will take out insurance or start a business on the side, or switch to a civil service job.59

Rules for Optimal Decisions

Consciously or unconsciously each person probably has some rules for decision-making. Granted, probably no two people give the same

59Morgan, op. cit., pp. 78-79.
weight to any specific factor nor do the same factors enter into the
decision-making process of everyone. Morgan indicates that there are
two rules for optimal decisions:

The first rule, in deciding whether to spend money satisfying one need, the consumer has to be sure that there is not some other more important need that could be satisfied with the money. This is a sort of rule we presumably apply in determining the amounts in various budget categories and in deciding what specific items we should buy within each category. In application, this rule is complicated by the fact that many decisions are for the most part predetermined by other decisions we have already made. Sometimes this is a physical matter; if a person owns a car, he will be required to buy gas. Sometimes it is social-psychological; if a person works with a group who eat lunch in expensive restaurants, he is likely to do so also. Furthermore, needs change, and not uncontrollably or unpredictably.

The second rule is that in satisfying any particular need we try to use money as efficiently as possible. But what is efficiency? It is clearly not efficient to spend half a day shopping to save 20 cents on a purchase. On the other hand, if a person buys a new car, it might pay him to spend some time reading up on technical reports and shopping around for good trade-in offers.

Results of Consumer Decision-Making

Results of the consumer decision-making process are reflected in the market place. Marketing firms observe the actions of the consumers and try to adjust their operations to satisfy consumer desires and preferences.

Marketing firms may attempt to influence consumer behavior and objectives through advertising and promotions. For example, consumers

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60 Morgan, op. cit., pp. 117-120.
did not demand a television set until they were aware that it was available. Consumers would not have continued to buy television sets if they preferred other alternatives. Producers and marketers of television sets and other consumer goods adjust their operations so as to provide consumers with the style, size, type, etc. that people want. The vote at the cash register (money) largely determines what products are produced or not produced. As expressed by Gartner, Kolmer, and Jones:

"The total of all consumer "votes" in the market place, expressed as dollars spent by consumers, influences the economy by--"

1. Influencing what goods and services will be produced.

2. Influencing how much of various goods and services will be produced.

3. Influencing what resources will be used in producing goods and services.

4. Influencing how goods and services will be distributed.61

It is the responsibility of consumer marketing specialists to learn the factors involved in consumer decision-making and to conduct educational programs with consumers on agricultural products which will provide consumers with information needed to make food buying decisions. The well-informed consumer should be able to cast more intelligent votes at the cash register and result in a more effective and efficient agricultural marketing system.

61 Gartner and others, op. cit., p. 31.
Also, consumer marketing specialists can help to relay anticipated vote casting back to food handlers and producers by becoming well-informed on factors involved in decision-making and relating this information to the general business conditions and product characteristics and predict results of consumer decision-making. This, if accurately done, could improve food handler and producer marketing decisions.
CHAPTER IV

IMPLICATIONS FOR CONSUMER MARKETING ECONOMICS PROGRAMS

This chapter will include a discussion of suggestions on program organization and personnel, implications of information discussed in Chapters II and III, suggestions for obtaining information on consumer knowledge and decision-making, and future program emphasis needed.

Organization

As stated in Chapter I, the consumer marketing economics program is a part of the overall extension marketing program. Therefore it would seem advisable for all extension marketing specialists to be directly responsible to a leader of marketing. This organization seems desirable in order to facilitate coordination of marketing program activities which would include determination of situations, identification of marketing problems, and planned action for cooperative efforts on the part of all personnel required to solve such problems.

Because of the nature of consumer marketing economics program activities, personnel are involved in most commodity areas and many subject-matter disciplines. Therefore, in addition to the above mentioned organization, it is necessary that a proper organization
and working relationship exist to facilitate harmonious, cooperative efforts on the part of all resident, research, and extension workers.

It would seem advisable for all marketing specialists to be closely associated with the department of agricultural economics. In fact, subject-matterwise, personnel should be a part of the agricultural economics staff of the university.

More emphasis should be placed on state consumer marketing specialists and consumer marketing agents rather than county marketing agents. This would facilitate more effective marketing programs with a minimum of personnel and other resources.

Additional investigation is needed to determine what types of marketing activities can successfully be conducted by county extension agents and what types should be conducted only by state specialists. It is the opinion of the author that some educational marketing activities can be effectively conducted by the county extension agent after having received some in-service training. Other marketing activities, which require a greater understanding of marketing principles, can not be conducted by the county agent.

Well-trained state consumer marketing specialists and area consumer marketing agents with a good marketing background could conduct a much more effective statewide marketing program than a few county marketing agents scattered over the state.

**Personnel**

Extension workers in the consumer marketing economics area should become authorities on agricultural products at the consumer
level, on consumers, and the marketing system. They should become well acquainted with and understand consumer behavior, preferences, motivations, and the marketing system.

Greater emphasis should be placed on hiring personnel well trained in marketing economics. Much progress has been made in this area, but many specialists still lack a good understanding of marketing economics.

More emphasis should be placed on in-service training of specialists and others working on the consumer marketing economics program. There is need for developing a better understanding on the part of specialists and others of the objectives of the consumer marketing program.

All new personnel should receive some orientation on the program before starting to conduct program activities. The type of orientation will depend largely upon the background of individuals. Those trained in marketing without an extension background may need help in developing an extension philosophy and assistance in developing techniques for disseminating information; those not well trained in marketing may need in-service training on subject matter. In all cases, they need to become familiar with the marketing and teaching objectives and philosophy of the program. Visits to states where a good consumer marketing program has been established can be helpful.
Levels of Food-Buying Knowledge

The level of knowledge tends to be greater among respondents with higher incomes and education. Also, as indicated in Chapter II, those who have been exposed to information disseminated by consumer marketing specialists had a level of knowledge substantially higher than those not exposed. This would tend to indicate that the level of food-buying knowledge can be increased by consumer marketing economics educational programs.

Consumer marketing personnel are working with many different types of people and not a homogeneous group of food shoppers. This indicates that no one type of marketing information or media will suffice; a variety of programs with varying emphasis on different types of marketing information and media will be necessary to increase consumers' level of food-buying knowledge.

In order to adapt marketing information to the needs of specific groups, consideration must be given to the characteristics of the consumer group. The type of marketing information and methods of approach would appear to depend largely upon the level of income and education of the homemaker, consumption habits, and general level of marketing knowledge. This information provides a basis for both a selection of the types of information to present and the adaptations which will have most appeal.

Mass media seems to be the most effective and efficient method of supplying consumer marketing information to consumers.
More than one of the mass media outlets need to be used to effectively reach large numbers of people. As indicated in Chapter II, the radio is perhaps the most effective mass media in reaching the low income, low education group. This would tend to indicate that if consumer specialists want to reach this group, then radio should receive the main emphasis.

Newspapers appear to be the best medium both for food advertisements and for marketing information on foods; the various studies reviewed would indicate this to be true. All homemakers in the Raleigh study indicated that newspaper advertisements were a principal source of food information. Thus, the general practice of including food-marketing information in the food section with the food ads appears to be a logical procedure. Because of the importance of food advertisements, any assistance to interested retailers providing them with educational marketing information which could be used in food ads would probably pay dividends for the program. Newspapers also appear to be the most effective established medium for Extension's marketing information. This is especially true for higher income groups.

Television tends to cut across low income-education and high income-education groups. This would tend to indicate that a general program involving information for both groups could be effectively carried on through television.

Marketing information, to be of most value to the lower income groups, should give more emphasis to prices and qualities of the
lower priced foods which they are presently consuming. This information will have the greatest appeal and be of most value to them in their food purchases and still enable them to emphasize economy in their purchases. Teaching principles and price comparison should also be emphasized.

There is an indication that low income groups are not familiar with many food products on the market. The consumer marketing economics program should educate homemakers on foods not purchased because of lack of familiarity. This would enable them to be more flexible in their purchases, increase their satisfaction from food expenditures, and enable them to buy more food with their available food dollars.

Indications are that low income homemakers generally have a lower level of marketing knowledge. This is probably due to their lower educational level. To be of most benefit, information should be simply stated. Nutritional information may need to be supplied as a basis for purchasing decisions among alternative foods for those groups who do not recognize nutritional alternatives. Health and nutrition are an important homemaker concern.

The easiest group of people to reach is probably already the best informed group. The better informed homemakers seem to be the ones who desire additional information. Consumer marketing specialists can not expect to receive requests for information from people who need it. Requests are usually received from those who are already informed. The low education-income group is not being
reached. This can probably best be done by working with groups with which these people are already associated.

At the other extreme, in terms of income and education, the informational desires of high income groups appear to be somewhat different, probably due to both higher income and higher education. Available information would indicate that more emphasis should be given to teaching general seasonal supply and price patterns and their use, as well as identification of quality. These groups likewise have an interest in a wider range of products; they are familiar with a larger number and likely purchase a wider range.

Consumer Decision-Making

Consumer marketing specialists need to acquire an understanding of the consuming units they are working with in order to determine the type of information needed by consumers.

Specialists need to become acquainted with the behavior characteristics of specific groups of families. Of course, it is impossible to cater to the needs of each individual family. However, it is possible to classify families into common characteristics such as occupation, education, and income. Upon classification of these families, a knowledge of the general behavior pattern of these categories helps consumer marketing specialists to adapt information to the needs of these people.

As indicated in Chapter III, family resources and characteristics will, in part, influence the type of information of greatest benefit to consumers. For example, those families in the older age
bracket will likely desire food information quite different from the younger families. Their physical needs are different, and their tastes and preferences have changed over time. Their knowledge and experience have also increased.

Differences in family resources and characteristics will also influence the amount of knowledge consumers possess about different products and the type of information most useful to families. Information dealing with foods outside of this relevant range of knowledge and purchasing patterns will have no or little economic meaning for the family.

It is important for consumer marketing workers to understand the decision-making process which consumers of various income and educational levels go through in making decisions. For example, for those consumers in the lower income bracket, information relative to price differences and food economy would be more acceptable and usable than information on alternative choices concerning different types of convenience foods. Likewise, consumers in the $10,000 and over income bracket would probably be more interested in information which would enable them to make choices which would provide more leisure rather than information which would provide price savings for the family.

It is important to keep in mind that, when consumers make choices, they do not treat each expenditure as an isolated one but as a component of their overall expenditure pattern. Therefore it is necessary to examine simultaneously the relationship between food,
clothing, housing, transportation, medical, and other expenditures. These areas of expenditure are interrelated. Any change in price, preferences, values, tastes, and other related factors in one category of expenditure will, in turn, have an influence upon other categories of expenditure.

People want to understand the reasons for the developments that take place. They are not satisfied with learning about events; they want to know why anything happens or why it will happen (be it better or worse business conditions or higher or lower prices). This is a fact that more consumer specialists need to be aware of and keep in mind when preparing information to be disseminated to consumers.

Obtaining Data Relative to Level of Knowledge and Consumer Decision-Making

As indicated earlier, consumer marketing economics specialists must have an understanding of the level of knowledge and the factors which influence decision-making of the groups they are working with. This is needed to enable specialists to carry on an effective and efficient educational program with consumers in terms of supplying them with information needed in making food buying decisions and understanding the marketing system. Some studies have been conducted in recent years to obtain information relative to level of knowledge and consumer decision-making, but much more information is needed.

It is the opinion of the author that consumer marketing economics specialists can do much to obtain this information (especially on level of knowledge) for consumers in their states. This section
will be devoted primarily to a discussion of methods of obtaining information on level of knowledge and factors involved in consumer decision-making.

The most difficult part of gaining a greater understanding of consumer behavior and knowledge is that of learning what the right questions are to ask. Some direct questions will yield good answers, others will not. It can seldom be assumed that answers to direct questions are correct. If a moral evaluation of the respondent is implied in the question, for instance, a bias can be expected.

The most important characteristic of direct questions relating to their ability to gather the desired quantity and type of data is that they restrict response, most of them to a marked extent. If the interviewer knows what he wants and can get it in reply to a specific question, this is an advantage. If not (as often is the case in the early stages), it is a limitation.¹

The very process of asking a series of direct questions may have an inhibiting effect by evoking a defensive reaction against interrogation. The respondent may hold back because of a feeling that there are "right" answers and that he will be judged, at least silently, by the interviewer on the basis of his response. The specificity of the question itself limits the scope of the reply. Some questions force a choice from answers supplied by the questionnaire. In these cases there is the danger of putting the

¹Joseph W. Newman, Motivation Research and Market Management (Boston: Harvard University Graduate School of Business Administration, 1957), pp. 400-403.
researcher's words in the respondent's mouth and preventing the expression and recording of ideas and feelings which might be important to him. If the question implies that the respondent should have had conscious reasons for what he did, he may give some whether he actually had them or not. This is especially likely to happen if he is presented with a checklist of items. The temptation to make a few checks may be strong. Any reason omitted from such a list is likely to be ignored, or at least slighted. Ranking questions can lead to distortions for another reason as well. People may be unable to rank listed reasons because they are not accustomed to thinking in terms of ranking or because the items are not meaningful in the abstract.  

It is difficult to provide much freedom of response in a formal questionnaire. If the question comes up rather abruptly, the respondent has little time to think before answering. The interviewer often is able to do but little probing to help draw out the respondent's ideas or clarify his meaning. Vague and stereotyped responses are likely to be the result.  

In addition to the considerations of the wording and form of the question, valid results also depend on the respondent's understanding as to what is wanted and being both able and willing to give it. Many facts and feelings can be verbalized readily. The direct question should work satisfactorily in obtaining clearly formulated ideas.

2 Newman, op. cit.

3 Ibid.
and explanations which do not conflict with the respondent's ideas of how he should think or act. It should be useful, for example, for learning about reactions in relation to major product features, especially the practical ones. If something major is wrong with the product, a direct question is likely to discover the fact.4

The inability and unwillingness of people to give complete and accurate information about their buying behavior, however, are major obstacles facing the user of direct questions.

People may be unable to answer simply because they do not know. They can not tell the interviewer directly about factors of which they are not conscious, and there is growing evidence that much buying motivation is unconscious. The existence of unconscious influences has been demonstrated often in tests which first ask people which of several items they prefer and later allow them to select one to keep. It is not uncommon to find that the item they actually selected is not the one for which preference was openly expressed. In addition, many people seldom do much conscious thinking about why they do what they do, and therefore may be unable to readily produce much in the way of an explanation on the spur of the moment. They may be unable to recall immediately reasons which they once were aware of, and they may lack the necessary words or concepts to express them.5

4Ibid.

5Newman, op. cit.
The respondent is likely to avoid discussing anything of great emotional consequence with a stranger (the interviewer), especially in response to an abrupt question. A person is not likely to give answers that tend to reflect upon himself, that are socially unacceptable, or that do not seem to make sense logically. Distortion may also result from efforts to please and impress the interviewer by giving answers the respondent thinks the interviewer wants to hear, or by giving false answers which he thinks will make him appear in a favorable light.6

Because of the difficulties mentioned above and others it seems desirable to use more of the interviewing techniques which involve the psychological level. This is especially true early in the interviewing stage. Psychological or motivational interviews are designed to uncover basic predispositions (unconscious feelings, needs, conflicts, fears, and the like). This type of interviewing is often referred to as qualitative.

The logical approach seems to be that of starting with an exploratory qualitative type interview to identify the dimensions of the subject under investigation. Once this information is obtained, the interview questions can become more complete to make sure that certain aspects come up for attention. This information can be very helpful in developing the hypothesis to be tested. This can be followed by a more formal type interview in which quantification of results can be obtained. While the individual responses must be

6Ibid.
interpreted (in the qualitative type interview), determination of meaning must be made at some stage of the research and there are advantages of doing this in the context of the interview on the basis of what the respondent actually said in his own words.

A great advantage of the qualitative interview, properly conducted, is that it provides favorable circumstances for the respondent to recall and talk. There is a greater opportunity for good rapport to be established and the informal, conversational tone can do much to alleviate inhibitions and embarrassments surrounding product use. The process of following one's own thoughts can bring out information which would otherwise be neglected or regarded as unimportant. It can produce a wealth of detailed information on personal frames of reference and feeling. The verbatim records of responses provide evidence on the significance of what is said, not only through the content, but the way in which it is said and the apparent omissions. This makes the qualitative interview an especially useful tool for exploratory purposes. The advantages of identifying considerations and suggesting hypotheses indicate that this technique is strong where the formal questionnaire is weak.7

Personality data may come from the interview itself; the respondents may reveal something about what they are like as people by what they say and how they say it. In addition, various projective devices frequently are used in order to test hypotheses

involving personality dimensions believed to be important to the subject under consideration.\(^6\)

Satisfactory response depends to a large extent upon the interviewer's skill in establishing a productive relationship with the respondent and in probing to help him to express himself fully. The ability to develop rapport quickly is a function of the interviewer's personality, training, and experience. Any housewife, for example, seems to enjoy the rare experience of someone being interested enough in how she thinks and feels to listen to her at length.\(^9\)

The actual interviewing itself calls for a relatively high degree of skill. There is a greater chance for interviewer bias than with a formal questionnaire because of the freedom allowed. It is necessary that the interviewer be able to get more than superficial responses by drawing out the respondent's thoughts and feelings. He must also be able to record the proceedings substantially verbatim. This means that interviewer selection, training, and supervision are of special importance. The usual survey field interviewers can not be assumed to be competent qualitative interviewers. It does not follow, however, that the latter must be trained social scientists. The interviewer's task is usually to obtain data, not interpret it. While he should have an understanding of the interviewing process, interviewing skill is something that can be developed without a great deal of academic knowledge. Many of the research firms doing

\(^6\)Ibid.

\(^9\)Ibid.
this kind of work rely primarily upon housewives who are particularly good in getting other people to talk.\textsuperscript{10}

Since the conclusions drawn from qualitative research depend on what meanings are seen in the data, interpretation is the crucial step. This is the step in which a need exists for people well trained in human behavior and skilled in working with qualitative data. Meaning apparent to an experienced worker can be missed entirely by one lacking in background.\textsuperscript{11}

Group interviewing. The group interview technique seems to have some excellent potential in the area of determining consumer motivations, preferences, and so on. This consists of bringing together a small number of people for a discussion in a non-directive manner in a relaxed, informal, and permissive atmosphere. The assumption is that these conditions are conducive to honest and free expression.

There seems to be a cumulative or snowballing effect which leads to a broadening of thinking and stimulates the flow of ideas as the group members accept and often enjoy the responsibility as participants. It is by talking, especially when reactions of others are taken into account, that many people develop their thinking and become aware of their feelings. Also, if the group interview is properly conducted, the group situation can break down inhibitions. Of course, whether or not satisfactory results are obtained depends primarily upon the interviewer. His role includes setting a

\textsuperscript{10}Newman, op. cit.

\textsuperscript{11}Ibid.
favorable tone, getting the discussion off to a good start, and seeing that all participants are involved. His behavior can have a pronounced effect upon the group. The interviewer must be sensitive to what is going on so that he may act appropriately. He must be skillful in non-directive and projective questioning in order to draw out the ideas and feelings of the participants. He may also have a task of effectively preventing a participant from dominating the discussion and unduly influencing the proceedings. The interviewing of several people at once makes it more feasible to use a well qualified social scientist as an interviewer.¹²

Analysis of the data presents the same problems as discussed relative to qualitative interviewing. It is time consuming and requires the services of experienced and highly trained people if the potential value of the data is to be realized.

The group interview offers many of the advantages of qualitative interviewing on an individual basis. However, it does not permit going as deep psychologically as with qualitative interviewing. The group interview offers a relatively quick and inexpensive means of tapping a great deal of useful information. It would seem to the author that it has many advantages for exploratory research, especially in the area of developing hypotheses.

Projective techniques. Projective techniques generally have two principal characteristics. One is that their specific purpose is not apparent. The respondent, then, can not be aware, or at

least fully aware, of the meaning of his answers. The other is am-
biguity. The projective question contains no specific meaning. It
can be interpreted in different ways; the object is to find out what
meanings the respondent will read into it. The underlying assumption
is that in responding properly the interviewee will reveal something
of himself (his thoughts, feelings, values, and needs). The main
principle which is assumed to be at work is that of projection, or
the unconscious imputation to others of characteristics of one's
self. The respondent presumably does this as he describes persons
or situations appearing in the projective device. Another principle
may be apparent here as well, namely, that of free association (one
thought suggesting another, etc.), the combined chain of thoughts
being related in meaning and revealing characteristics of the re-
spondent.  

This technique could be used both in group interviewing, as well
as individual qualitative interviewing.

Future Program Emphasis

To make good sound decisions, people must have the facts and the
knowledge to interpret them. The consumer marketing economics pro-
gram attempts to provide consumers with information on food buying
which they need to make food buying decisions.

In the short run, informed consumers will be able to be more
flexible and alter purchases with changes in supplies, prices,

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13 Newman, op. cit.
qualities, and so on, and more rapidly accept or reject new and improved marketing developments. In the longer run, consumers who are informed on the different product qualities, service, and so on, available to them will provide a more efficient guide to the allocation of production and marketing resources.

In order to conduct an effective program with consumers, consumer marketing specialists need a fairly complete knowledge of consumer consumption patterns, habits, preferences, values, and so on. This information will serve as effective guides in the dissemination of information. Also, this information is needed by production and marketing firms.

One of the goals of the program should be to motivate people to use consumer marketing information when making food buying decisions. The effectiveness of this phase of the program can be evaluated in terms of the acceptance of new marketing practices, shifts and purchases resulting from changes in supplies, prices, qualities, and so on.

Marketing economics should be the core of the consumer marketing economics program. Consumers should be informed of constant changes taking place in the marketing system and the implications of such changes, the teaching of alternatives and purchasing decisions, and analysis and explanation of changing trends and patterns in food consumption.

Subject matter and methods should be constantly evaluated to determine whether or not they are effective. Criteria should be used
which will determine what changes have taken place in knowledge, attitudes, and/or behavior as a result of extension teaching. New methods and approaches for reaching consumers should be explored.

More emphasis should be given to the identification of agricultural marketing problems and the planning of consumer marketing activities which will contribute to the solution of these problems.

Greater emphasis should be given to coordinating consumer marketing activities (both with household and institutional consumers) with other extension marketing work in terms of identifying marketing problems and cooperating in their solution. Few marketing problems in a commodity area pertain only to one phase of the total marketing program.

Consumer marketing specialists should give more emphasis to relating consumer attitudes, preferences, and wants back to food handlers and producers. Many so-called "marketing problems" could be avoided if these factors could be more effectively communicated to food handlers and producers.

There are a number of areas of work which need greater emphasis in consumer marketing economics program activities. The following areas are considered by the author to be some of the most important:

1. More emphasis is needed on creating a better understanding on the part of consumers of the production and marketing of agricultural products, especially marketing services and costs and changes in the food industry (and why).
2. More supply (current and immediate future market situation) information should be disseminated to consumers which will enable them to choose among alternatives. This should include information on appropriate use of lower quality foods, how foods can be substituted for one another, price-value comparisons (e.g. fresh vs. processed; current vs. seasonal; large quantity vs. small quantity) and identification of meat and poultry products (e.g. Boston butt, capons, caponettes, broilers, fryers, pork loin, pot roast, blade roast, etc.).

3. Greater emphasis should be placed on discussing price-making forces (i.e., cost of marketing, influences of supply-demand, and economic conditions).

4. More emphasis should be placed on preparing subject matter for specific groups (such as low income groups, young married groups, home economics students, etc.) rather than using a shot-gun approach attempting to prepare educational material which will be applicable to all groups.

5. Additional emphasis should be placed on teaching basic economic principles which will enable food purchasers to make wise food-buying decisions now and in the future, develop a better understanding of the production and marketing system, appraise relative merits of various services (cost vs. convenience, etc.), and select those foods which most nearly meet their requirements. There is evidence that often consumer marketing specialists have given too
many answers without motivating people to want to know why. Food shoppers should be stimulated to have a desire to learn more about food shopping and the marketing system.

6. As indicated in the Raleigh, North Carolina, study, it is possible to establish benchmarks of level-of-consumer knowledge, conduct an intensive educational program, and then, through a second study, determine the increase in level of knowledge due to this intensive educational effort. This type of evaluation needs to be expanded to aid in program development and to indicate results of educational effort.

The Extension consumer marketing economics program is being analyzed by Federal Extension consumer marketing economics specialists and others. Further analysis and evaluation will undoubtedly indicate other areas which should be emphasized or de-emphasized. This program should be dynamic with changing emphasis as marketing problems and situations change. Primary emphasis should be on educational programs with consumers relative to areas in which lack of consumer knowledge of agricultural products exist and informing producers and food handlers of consumer characteristics which affect the production and marketing of agricultural products.
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I, Chester Eugene Swank, was born in Richland County, Ohio, September 18, 1925. I received my secondary-school education in the public schools of Ashland, Ohio, and my undergraduate training at Ohio State University, which granted me the Bachelor of Science degree in 1950. I also received the Master of Science degree from Ohio State University in 1957. While in residence there, I was an extension specialist in consumer marketing economics. I held this position for five years while completing all requirements, except the dissertation, for the Doctor of Philosophy degree. My dissertation was completed while serving as an extension economist with the United States Department of Agriculture.