Part 1
Consumer Behaviour

Introduction

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Introduction

Consumers are free to make their choices. This freedom of choice is central to market economies as it gives sovereignty to the consumers. However, the influences of market actors—producers and consumers—are complex and contingent: Consumers are influenced by others. They might be able to judge the quality of products and services, but also refrain or lack it. They might be able to anticipate the consequences of consumption, but also ignore or miss it. These contingencies are decisive for consumer behaviour and its effects. Psychological research and behavioural economics try to find out how rational and irrational boundaries affect decisions. Acknowledging that, we consider that a) consumers' rationality is restricted and b) a huge variety of individual and institutional factors influence consumer's decisions. The need to decide faces an oversupply of goods and services that challenges consumers:

- Transparency: If producers are forced to give transparent information, decisions can be made on a broader informational basis. But this can also entail the risk of information overload. Since all information about consumers is a valuable asset for suppliers, the consumer needs to take care of his or her data and regulators need to establish effective data protection.

- Individual effects: How consumers decide can influence their health and their social security. These side effects regularly appear against people's better judgement since they do not only act rationally, but also emotionally. They do not always decide planned, but also act spontaneously and habit driven. Marketing strategies trigger that behaviour.

- External effects: Consumers themselves influence the market. Their choices have an impact on future products and services. Thus, consumers can actually influence the market: They can boycott or intensively prefer specific products or services (buycott) for example due to environmental issues or questions of working conditions.

- Time consumption: Making appropriate choices takes a lot of time, which is the scarcest resource in modern societies.

Hence, consumer behaviour bases on the freedom to choose, but is also intertwined with political issues, especially if public goods are considered. Even if political actors declare their concept of “good” choice (whatever that means), their regulatory measures affect the freedom of consumers or constrain their options. How can political decisions and instruments positively affect external effects and counterbalance information asymmetries? To what extent do behavioural sciences play a role if (new) strategies to channel negative market effects or steer people’s consumptive behaviour are needed?

In his contribution Ulrich Greveler asks “how open data can be used to make behavioural governance work both ways”. Greveler argues that citizens could “nudge” their (local) government. The author starts with a broad concept of “nudging” but concentrates on strategies based on disclosing administrative behaviour and its effects. In doing so, he describes a changed relationship between citizens and local administration.

Ginnie Guillen-Hanson also concentrates on participatory elements. She aims at identifying relevant factors that promote sustainable social innovation to enable sustainable lifestyles. The chapter focuses on the needful connection between local and global levels and stresses initiatives that focus on all involved stakeholders.

As Ulrike Danier shows, consumer education is offered from primary to secondary schools and tries to support many different skills: budgeting in households to prevent over-indebtedness, creating resistance against the influence of merchandizing, enabling for consumer’s rights and caring for one’s own future wealth. Danier criticizes the shortcomings of competence models based on general economic roles which ignore socioeconomic heterogeneity.

Helping to avoid over-indebtedness consumer education is also linked to financial education, which is shown by a big study of Gianni Nicolini. He focuses on financial vulnerability in Italy, Sweden and Spain. The study points out how the individual financial fragility corresponds with underdeveloped financial literacy and mistaken ways of measuring.

“Consumer education” is not a distinct school subject. What aims can actually be reached? How can different and heterogeneous groups of students (see

Danier, Nicolini) not only be enabled to follow rules, but also be motivated to change rules. What strategies do not only nudge people, but also empower them to judge or create nudges themselves (see Guillén-Hanson, Greveler)?

Food for thought can be found in this chapter and shall encourage all readers to carry on the dialogue that was started at the “International Conference on Consumer Research” 2016.