

International Series on Consumer Science

Elizabeth B. Goldsmith

Social Influence and Sustainable Consumption

 Springer

International Series on Consumer Science

Series editor

Jing Jian Xiao, *University of Rhode Island*

More information about this series at <http://www.springer.com/series/8358>

Elizabeth B. Goldsmith

Social Influence and Sustainable Consumption

Elizabeth B. Goldsmith
Florida State University
Tallahassee
FL
USA

ISSN 2191-5660 ISSN 2191-5679 (electronic)
International Series on Consumer Science
ISBN 978-3-319-20737-7 ISBN 978-3-319-20738-4 (eBook)
DOI 10.1007/978-3-319-20738-4

Library of Congress Control Number: 2015942806

Springer Cham Heidelberg New York Dordrecht London
© Springer International Publishing Switzerland 2015

This work is subject to copyright. All rights are reserved by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made.

Printed on acid-free paper

Springer International Publishing AG Switzerland is part of Springer Science+Business Media
(www.springer.com)

Preface

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

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

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

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

Elizabeth B. Goldsmith

Acknowledgments

With thanks and appreciation to Jing Jian Xiao, *International Series on Consumer Science* Editor, of the University of Rhode Island for his hard work, enthusiasm, and expertise and to Jennifer Hadley, Social and Behavioral Sciences Editor with Springer, for bringing this book to life.

Thank you for the helpful comments from the reviewers: Patti J. Fisher, associate professor of Consumer Studies in the Department of Apparel, Housing, and Resource Management at Virginia Tech University, Leisa Reinecke Flynn, professor in the Department of Marketing and Merchandising at the University of Southern Mississippi, and Barbara A. Lafferty, associate professor in the Department of Marketing at the University of South Florida.

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

Contents

Part I Social Influence

1 Introduction to Social Influence: Why It Matters	3
What Is Social Influence?	3
Groups and Connections	6
Consumers and Social Influence	8
Social Media and Social Networks: The Need for Connection.	10
Social Influence: Connectedness Is Changing Rapidly.	12
Who Influences Us?.	14
Why Study Influence?	16
Why We Buy?	17
A New Model of Social Influence	19
Summary	21
References.	22
2 Social Influence History and Theories.	23
Foundations of Social Influence	23
Paul Lazarsfeld and Elihu Katz: Social Communication Theory and the Two-Step Flow Model.	25
Everett M. Rogers: Diffusion of Innovation.	27
Opinion Leadership: Degrees or Types of Influence	34
Opinion Leaders, Being at the Center, and the Rise of Social Media	34
Contagion: How Ideas Catch on: Bergman and Gladwell	35
Time in the New Digital World	37
Summary	38
References.	38
3 Values, Attitudes, Opinions, Goals, and Motivation	41
The Why Behind Behavior	41
The Art of Being Mindful	42
Values	43

Attitudes and Opinions 45

Goals 47

Goal Formation in Established and Start-Up Companies 50

Motivation 51

Summary 53

References 54

4 Communication and Social Media. 55

What Is Communication? 55

 Communication and Socialization 56

 Communication Channels 58

 Consumer Socialization and Communication 58

 Aspects of Communication 59

 Social Media. 60

 Advertising and Company Culture. 61

 Social Analytics: Klout and Challengers 63

 The Model of Social Influence. 64

 Influence Spiral 64

 Social Technologies and Economic Impact 65

 The Future of the Social Economy for Consumers 67

Summary 68

References 69

Part II Consumption

5 What We Buy and Who We Listen to: The Science and Art of Consumption. 73

Introduction 73

Mobile Mind Shift. 74

Personality. 75

Consumer Economics 75

Social Influence and Consumer Education 76

Consumer Protection and Sustainability 77

Schemata or Scripts. 79

Disgruntled Consumers. 79

Social Influence Definitions Related to Consumption 80

Consumer Power 84

E.M. Rogers and Innovators Revisited 85

Brand Perception and Image 86

Paul Lazarsfeld Revisited 87

Advertising as a Social Influence 87

Summary 88

References 89

- 6 Decision Making and Problem Solving** 91
 - What Is Decision Making? 91
 - Thinking About Others. 94
 - Difficulty Making Decisions 94
 - Decisions in Crisis and in Complexity. 95
 - Decisions and Goals. 96
 - Avoiding Mistakes 98
 - Cost–Benefit Analysis and Sustainable Consumption 98
 - What Is Problem Solving?. 100
 - Success 101
 - Summary 102
 - References 103

- 7 Households: Productivity and Consumption** 105
 - Households Matter 105
 - The Changing Nature of Households. 108
 - Households as Subjects of Study 110
 - Productivity 112
 - Scarcity in Everyday Life. 115
 - Elder Caregiving in Households 116
 - Innovation, Invention, and the Future 117
 - Consumption and Change 118
 - Consumption and Sustainability 120
 - Summary 122
 - References 122

Part III Sustainability

- 8 Social Influence and Sustainable Behavior** 127
 - Introduction 127
 - Social Influence: Offline and Online 130
 - The Nature of Social Influence 130
 - Offline Social Influence 131
 - Online Social Influence 133
 - Using Social Influence to Promote Sustainable Behavior. 135
 - Promoting Sustainable Behavior Offline 136
 - Promoting Sustainable Behavior Online 138
 - Sustainability and Free Product Trials/Exclusivity 141
 - Sustainability and Brand Intelligence 142
 - Promoting Sustainable Behavior Online: An Example 142
 - Internal Use of Social Media to Promote Sustainable Behavior 143
 - Using Marketing Strategy to Promote Sustainable Behavior 144
 - Some Cautionary Notes. 147
 - Summary 149
 - References 152

- 9 Sustainably Managing Resources in the Built Environment.** 155
 - Introduction 155
 - Barriers to Sustainable Behavior. 156
 - Sustainability 157
 - Sustainability and the Built Environment 159
 - Resources. 161
 - Material Resources. 161
 - Energy 162
 - Financial. 162
 - Built Environment 162
 - Building Technologies. 163
 - Lighting 167
 - Summary 168
 - References. 169

- 10 Influencing Behavior: Four Strategies** 171
 - Introduction 171
 - Four Strategies. 173
 - Punishment or Penalties 174
 - Rewards or Incentives 175
 - Persuasion 176
 - Behavioral Change: A Combination of Techniques 178
 - Perspective on the Strategies: Transformations to the Better 179
 - Behavioral and Social Change: Why Is It so Difficult?. 180
 - Discussion About Communication, About Sustainability 181
 - Summary 182
 - References. 183

- Index.** 185

Part I
Social Influence

Chapter 1

Introduction to Social Influence: Why It Matters

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

Samuel Butler

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

What Is Social Influence?

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

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

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

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

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

- Economic
- Cultural
- Environmental

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

Case Study: Digital Influencer Jen Hsieh

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

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

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

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

In the case study, one might wonder how or why an established well-known company such as Kate Spade would invite a blogger to a fashion event. It turns out that influencers with a small reach can be a big deal because that reach is deep, to the devoted, to the most likely to buy. “Many influencers carve out a niche,

whether expertise in a product type or a loyal regional following, and are paid with fees or freebies, sometimes without transparent disclosure” (Holmes 2013, p. D1). Also in the case study, Fohr Card is mentioned. It is a company with two founders, James Nord and Rich Tong, who in less than a year became well-known as researchers of influencers using statistics such as website traffic or followers on Facebook, Twitter, Tumblr, and Instagram which measure an influencer’s reach. For example, using metrics the company can measure the number of likes on Facebook or Instagram. Brands pay to login to the database. Later in this book, we will talk about Klout and other companies who measure influencers.

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

Social influence can be categorized into these four main types:

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

Critical Thinking: Commercial Clubs

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

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

Anthropologists report that hundreds of thousands of years ago humans lived in small groups and spent most of their waking hours foraging for food. They communicated to each other where the food was and there were group leaders. Most of us today know where to find food but there are food channels on television telling us how to find unique ingredients or how to prepare food better. There are leading

chefs who rise and fall in their popularity. Our friends or co-workers may tell us where a new restaurant is or how good it is. An example is when Sara received a call inviting her to a “Girls Night Out” at a restaurant that just opened.

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

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

Groups and Connections

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

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

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

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

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

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

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

The environment where interactions take place changes all the time. John, a recent retiree age 67, says that the secret to a successful retirement is to get out every day whether it was a trip to the grocery store or to the post office or to take a walk around the block—it did not matter, the point was to get moving and interacting with other people. He said with the Internet and television and no set schedule it was easier to stay home, but he thought getting out of the house was important and that he slept better as a result. John's physician told him the best advice for living a long life was to not smoke and to keep moving. It took John awhile to adjust. The office staff and other co-workers are no longer part of the

everyday exchange of information and John reports that the few times he has gone back it did not feel the same so he quit going in for visits or events. He reasoned that his interests had changed and so had those of his co-workers and the commitment level had changed. He had to realize he was no longer part of the workforce. Another example of drastic environment/life change is graduating from college.

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

Consumers and Social Influence

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

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

Critical Thinking

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

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

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