

'Wise consumers' show the way to better living, professor finds

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Americans hear a lot about consumerism and materialism. But most either think it applies to others or succumb to the notion that there's no way around it, given our culture and the pervasive influence of the

market, which doesn't always have their best interests at heart.

These concerns, however, apply to many Americans, as shown by low rates of retirement savings and a sense for many of being stuck on an unsatisfying treadmill of working and spending.

Such feelings run especially high at the end of the year, as the holidays bring a flood of messages promoting impulse consumption.

Even for those who recognize that excessive consumerism is a problem, the alternatives aren't appealing. Minimalism sounds extreme. And any amount of restraint can feel like a sacrifice. So far, academics who study these issues haven't offered much help.

"In my field of consumer psychology, there is a lot of research about all of the bad things that people do as [consumers](#)—things that are not in their self-interest or society's interest," says Michael Luchs, an associate professor of marketing at William & Mary's Raymond A. Mason School of Business. "But there's relatively little about what consumers could aspire to instead."

New research by Luchs and his co-author David Mick, however, may have identified an alternative. He has spent two years researching people who have managed to significantly reduce their spending and consumption. As a result, they are better off—and not just because they're saving more money.

These "wise consumers," as Luchs calls them, include individuals, couples, and families at both ends of the economic spectrum. They have learned how and when consumption promotes their well-being and values—and when it does not.

Luchs' research identifies five general characteristics of the wise

consumer: intentionality, contemplation, emotional mastery, openness and transcendence.

For example, presented with what might seem like a great deal, wise consumers—recalling lessons learned from the past—avoid buying things that they realize they won't use much or that don't really contribute to their well-being. They also think about the hidden costs of purchases, such as maintenance and storage.

When they do decide that buying something will promote their well-being, they tend to buy higher-quality products that will last and that are more consistent with their values, such as protecting the environment.

"For consumers, it's important to understand that all of these seemingly discreet daily behaviors, these individual decisions, fit within a larger context," Luchs says. "So you choose to be more intentional in determining your larger life vision. What is really important to you? What is the lifestyle you want to lead? How hard and for how long are you willing to work? Does your spending fit your resources and values? And within that, do your decisions support the lifestyle you have imagined—one that brings you meaning and joy?"

He adds: "People are feeling a lot of angst these days— and this includes real concerns about finances and concerns about well-being. It's clear to me that much of this is related to how we choose to spend our money and how we relate to material things. The issue is largely lifestyle related."

As a starting point, Luchs suggests that wise consumers successfully consider a bigger picture focused on who they want to be and how they want to live. Wise consumers also recognize that their resources and priorities change over time. But a constant theme is making intentional choices that promote their well-being rather than merely reacting to

marketplace signals.

"My hope is for three things," Luchs says. "First, I would like to see more public discourse around the theme of promoting well-being and the role of consumption. Second, I'd like to see more discussion around personal empowerment and responsibility—especially as it relates to how we spend our money. And third, I'd love to see even more examples of companies that are oriented around the question of how they can genuinely promote consumers' well-being. In a hyper-competitive market, that is probably the best way to engender brand loyalty and command price premiums over their competition. I really do see this as the next wave of marketing, which will increasingly be focused first on creating real, human-centered value—and then communicating it."

He adds: "We have not only the opportunity but really the responsibility to pursue our well-being. Pursuing well-being doesn't mean that you're selfish. You can do this in ways that fit your values by simultaneously considering the well-being of others. We just have to think about [consumption](#) differently. The wise consumers I have studied may just have shown us a way."

More information: Michael Gerhard Luchs et al. Consumer Wisdom: A Theoretical Framework of Five Integrated Facets, *Journal of Consumer Psychology* (2018). [DOI: 10.1002/jcpy.1037](https://doi.org/10.1002/jcpy.1037)

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