Part 3:
Stakeholder Perspectives
The problem of citizen sovereignty has a long history in state philosophy and politics and is of great importance in discussions on the law of nature. Supporters of the law of nature, such as Locke and Rousseau, stress sovereignty and freedom as natural states common to all human beings. Political rights and duties derive from citizen sovereignty. However, the reality is very different, and supporters of the law of nature have come to the conclusion that this sovereignty and freedom are seldom realised and therefore need to be attained through human education.

According to political science, consumer sovereignty is essentially perceived as a myth, and citizens are hardly involved in the creation of their political environment. They are passive, reacting to a greater or lesser extent to environmental stimuli. Thus they can be highly influenced by political (or other) authorities. Representatives of formal models of democracy do not regard the ideal of sovereignty as worthwhile. They have given up on the belief in sovereign citizenship and have long distanced themselves from the norm of a sovereign citizen (Zimpel 1972). However, the concept of a sovereign citizen has been maintained in economics, where belief in sovereign citizens and the normative claim for sovereign consumers is
strongly defended. With regard to their behaviour, the consumer might be more sovereign in the field of economics than in politics.

This view is supported by many experts, such as Schumpeter. He explains this phenomenon by arguing that consumers act more rationally when their immediate (or existential) interests are affected. At such a time, consumers’ goals are more concrete, and knowledge based on past experiences can be used to pursue the goal. Nevertheless, the factual and the normative concepts of sovereign citizens do not match: consumer behaviour is only partially rational, and is far removed from the normative view of sovereignty (Schwan 2009).

Although actual experiences suggest the opposite, the concept of sovereign consumers is still maintained. The reason why it is perpetuated is clear: the concept of a sovereign consumer serves mainly ideological purposes. It is stated that consumers themselves are the ones who select products and decide whether to follow marketing activity. Thus, consumers are stylised to be independent judges who decide which products are consumed and released to the market. Commercial companies only meet consumers’ needs and plan production accordingly.

In this case, the following justification comes into effect: if consumers are sovereign, they are in charge of accepting or refusing offers. This affects all kinds of offers such as informational offers or offers for consumer goods. Consumers are responsible for their behaviour, and commercial companies just satisfy consumers’ needs. As a result, companies cannot be blamed for any of the consequences of marketing, since they only act according to consumers’ demands and preferences.

The same justification is also welcomed by other organisations, politicians and trade unionists. First they influence the voter and later they state that the votes only represent voters’ wishes.

Such an ideological justification and deliberate disregard of problems seems implausible. The implausibility arises from the contradiction between the arguments that are used for defending the normative concept of a sovereign consumer and the findings from behavioural sciences.

The constraints of consumer sovereignty and the manipulation of consumer behaviour are often seen as analogous concepts. Since the term “manipulation” contains strong inferences and is normally used in ideological situations, it is appropriate to replace the term with a more neutral term, such as behavioural control or behavioural modification.
Marketing mechanisms to influence behaviour can be defined as intentional external influences on behaviour that are often not cognitively controlled by the person concerned. This is the case when:

- consumers do not see through the advertising and therefore do not consciously notice what is happening to them. For instance, this is sometimes the case when consumers are confronted with advertorials and misinterpret them as editorial reports and independent (neutral) “third party” comments.
- consumers see through the advertising but cannot resist the influence because they like it too much. For instance, consumers realise that the advertising campaign that was styled as an editorial report is an advert, but they love the idea that if they use the advertised product they could lose 20 pounds in weight within two weeks.
- advertisements have quasi-compulsive effects on consumers so that they cannot resist the influence. The advertised message evokes an immediate or automatic reaction. For instance, the image of an ice cream on a huge billboard poster looks so delicious and tempting that the consumer cannot help but buy one from the ice cream seller next to it.

Some more or less general rules explain the efficiency of these mechanisms.

In some cases, personal opinions can be influenced more effectively by distracting from the actual intention to influence. This technique is called distracting communication. Distraction can be carried out by choosing a narrator with an erotic or exotic accent in commercials, or showing pictures that don’t necessarily fit with the claims being made. Another example is showing attractive images of landscapes while arguing for a certain brand of car. Distraction can particularly influence consumers who have an indifferent attitude towards the advertised brand.

In these examples, consumers consciously process the information. However, the presentation of distracting stimuli interrupts their information processing in such a way that their resistance is weakened and they often do not understand the marketers’ intentions and practices. If consumers were to be asked if they are happy with a deliberate intention to influence their behaviour, they would probably not agree and may be highly indignant about the attempt to deceive them.

From a psychological perspective, many techniques are used that aim to influence consumers in this way. These techniques control consumers’ information processes and behaviour as they don’t consciously notice what
is happening to them. Taking this into consideration, it is highly problem-
atic to talk about consumers’ sovereignty or self-determination.

If a certain automatic behaviour is triggered, the consumer cannot easi-
ly withdraw. Consumers react to stimuli without cognitively controlling
their behaviour. One technique is emotional conditioning: the repeated
presentation of a neutral brand name in combination with a pleasant stimu-
lus (e.g. young children, erotic appeal or romantic pictures of the olden
days) can create a positive attitude towards the neutral brand name. In oth-
er words, an indifferent attitude can be transformed into a positive attitude
towards a certain product – without conscious elaboration. Remarkably, it
is not necessary to use a piece of factual information to bring about such a
transformation in attitude.

Appealing to innate reaction patterns and the systematic use of princi-
ples based on learning theory can influence consumer behaviour in such a
way that fits with marketers’ goals. This view is supported by behavioural
scientists who deal with innate reaction patterns (such as Eibl-Eibesfeldt
1995, pp. 63ff.) or learning abilities.

When stating the case for sovereign and sensible humans, it is impor-
tant to consider genetic ancestry. From an evolutionary perspective, the
central nervous system maintains the functionality of the organism. It con-
trols human behaviour from simple stimulus–reaction links. We like to
think that every erotic arousal, for instance, is the result of a consciously
controlled human affection, but we forget the fact that hormone release
and reactions driven by physical urges are innate and of a subconscious
nature. Modern social sciences in particular, such as comparative human
science or psychobiology, put a strong emphasis on genetic behaviour and
sensory reactions.

Marketing techniques that constrain consumers’ sovereignty are com-
monly used by marketers. It would be very difficult to attempt to regulate
these practices in marketing.

With regard to consumer policy measures, these will only be effective if
they are based on consumers’ actual behaviour and properly coordinated
with innate and learned behavioural patterns. To put it another way, the
true concept of a sovereign consumer must be based on behavioural sci-
ences. Consumer protection needs to consider actual behaviour rather than
normative desired behaviour in order to establish effective measures.

One method to measure actual buying behaviour or information-pro-
cessing is the recording of eye-movements. Eye-tracking gives evidence
that consumers only take a very brief glance at products when they do their normal shopping.

2. Case Study Showing Consumers’ Actual Buying Behaviour at the PoS

Visual attention can be measured accurately via eye-tracking devices. Königstorfer and Gröppel-Klein (2012, also see Gröppel-Klein/Königstorfer 2013), for instance, conducted an eye-tracking study (head-mounted eye-tracking technology) in a retailer’s laboratory store (3,000 sq m, 4,500 different products). Some of the results of this study help to shed some light on realistic consumer behaviour at the point of sale. They show that consumers access products immediately and normally do not consciously seek elaboration with regard to product quality.

The initial goal of our study was to find out whether nutrition information on the products is observed at all and whether this information could be improved and made more relevant by changing the nutrition label.

We first conducted a benchmark study to measure attention given to existing nutrition labels. After recruiting participants of various age, income, and education groups, and some variations in body mass (BMI between 18.2 and 34.6kg/sq m), the eye tracking device was fixed. We used the monocular, pupil cornea-reflection based system from SMI which has a sampling rate of 25 Hz and allows free movement. However, we had to restrict consumers’ movements in the store to some extent to guarantee the validity of the data recordings. Participants were asked to walk on a 40cm wide carpet at all times in order to regulate the distance to the shelves at 60cm (the distance during calibration).

After the calibration, participants received a shopping list. They were told that we were interested in how they orient when buying a packet of muesli, a packet of biscuits and a ready meal according to their preferences. The available products differed in nutritional value, which was assessed via the products’ SSAg/l scores ranging from 0 (healthiest product) to 15 (unhealthiest product). After the shopping trip, the calibration was controlled for.

For the comparative study (four weeks later), using the same design as in study 1, new product packages with a new label were created. This new label had previously been controlled for comprehensibility and understanding in lab studies. The mock-ups were perceived as original products.

The results demonstrate first of all that the total gaze duration on the product packages was extremely low (around 1-2 seconds, see Figures 1.
and 2), irrespective of the nutrition labelling system, and that consumers spent only fractions of a second looking at nutrition information. Socio-demographic variables had no impact on label attention. However, attention increased when the new label was used, and the share of attention to the labels increased significantly from study 1 to study 2 (cereals 1.23% to 3.93%; biscuits 0.83% to 4.71%; ready meals 0.75% to 4.96%; p < 0.05).

The results of these studies are both encouraging and sobering. The introduction of the new label led to a significant increase in attention. We further found that the new label improved consumers’ ability to buy healthier food.

However, we also have to admit that nutrition information still is more or less irrelevant for consumers at the point of purchase: the share of attention is still less than 5 per cent. Most of the time is spent looking at the product/brand name and the picture. On average, consumers only glance 1 or 2 seconds at the product package indicating that most purchases are either habitual or without cognitive effort – this is realistic buying behaviour.

On average, 4,500 gazes per participant were manually coded (Observer XT 10)

<table>
<thead>
<tr>
<th>Productelement</th>
<th>Ø Gaze Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>0.055 s</td>
</tr>
<tr>
<td>Productname</td>
<td>0.342 s</td>
</tr>
<tr>
<td>Picture</td>
<td>0.276 s</td>
</tr>
<tr>
<td>Nutrition L.</td>
<td>0.021 s</td>
</tr>
<tr>
<td>Claim</td>
<td>0.003 s</td>
</tr>
<tr>
<td>Size</td>
<td>0.002 s</td>
</tr>
<tr>
<td>Barcode</td>
<td>0.005 s</td>
</tr>
<tr>
<td>X</td>
<td>0.139 s</td>
</tr>
<tr>
<td>Price</td>
<td>0.079 s</td>
</tr>
</tbody>
</table>

Figure 1: Share of Interest

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Figure 2: Average Gaze Durations

Figure 2 also shows that the picture on the product package is often the most important source of information. So, for instance, when the consumer sees a jar of marmalade on the shelf with a picture of apricots, and also sees the slogan “70% fruit”, the consumer automatically assumes that the marmalade contains 70 per cent apricots. If, in fact, half of the fruit is apple, the consumer will feel cheated and can make the issue known at “Lebensmittelklarheit”.

“Lebensmittelklarheit” is a new internet portal organised by the German Ministry for consumerism. It helps consumers to discover products that mock high-quality food ingredients, pretend to be healthy or make claims to be nutritional via misleading pictures or slogans on product packages (see Figure 3).
On the one hand, this initiative helps to discover the “black sheep” in the food industry, but on the other hand perhaps more important is that it helps reputable companies to change their product packages when the information and/or the design are misleading.

The initiative will check the accusation and, if it is upheld, will instruct the company concerned to change either the picture or the ingredients. The examples show that consumers can feel cheated by exaggerated product promises. However, via internet communities they can also pillory companies that play dirty.

Thus the question arises: how do consumers evaluate their sovereignty?

3.  How Do Consumers Evaluate Their Sovereignty?

Recently, consumer behaviour has changed as an increasing number attach great importance to sustainable products, compliance with social standards and fair trade with producers (Heidbrink/Schmidt/Ahaus 2011). In addition, corporate social responsibility has become an important issue for
consumers (Stötzel 2010, pp. 163ff.) and they are now requesting companies to guarantee production standards. However, can consumers force companies to obey the standards, or do they simply have to trust in what companies pretend to do, even though organisations risk media scandals when unfair, illegal and exploitative behaviour is revealed? One should keep in mind previous public discussions about scandals such as BSE, horsemeat in lasagne, dioxin in eggs or the unauthorised filming of employees.

This problem can be discussed from two perspectives:

Perspective A:

Digital information and communication technologies have provided consumers with direct opportunities for inclusion (Lamla 2011). They can be informed about products through use of a barcode scanner or they can use their smartphones to log in to different networks and read up on product recommendations, download test reports, browse the standpoints of non-governmental organisations (NGO) or watchdogs in order to check whether the products meet their needs and values. In addition, consumers can join together, pillory companies via the internet or upload parodies of advertisements on YouTube. Finally, it could be said that we live in a direct consumer democracy in which consumers determine the success or failure of a product.

In the last few years, a variety of books dealing with consumer policy have become available, ranging from Naomi Klein’s bestseller “No Logo” (2000) to Peter Unfried’s entertaining book “Öko: Al Gore, der neue Kühlschrank und ich” (2008) (Lamla 2011, p. 103). Also the portal “Lebensmittelklarheit.de” (initiated by the Federal Ministry of Food, Agriculture and Consumer Protection) caused a furore with the following revelations: veal sausages were actually made from pork, cheese didn’t contain milk and confectionery contained pure sugar instead of the advertised vitamins. Consumers were outraged by these deceptions. Even consumer advocates underestimated consumers’ anger towards the food industry. The internet homepage “Lebensmittelklarheit.de” broke down immediately after its activation: up to 20,000 clicks per second were registered on the home page by the Federation of German Consumer Organisations (vzbv) on the Wednesday afternoon (FocusOnline, 2011). However, is consumer democracy an efficient system that is able to replace state control, or is
consumer democracy a burden for consumers as they are indirectly held responsible for any negative consequences?

Perspective B:

According to consumer behaviour research, a number of consumers do not see through the unconscious processes that are responsible for behavioural control. It is illusionary to think that consumers actually inform themselves about products – for instance, via barcode scanners – during every shopping trip to find out whether they can rely on the product promises. Consumers are not just constrained by money but also by time. Research points out that very few daily purchases are performed with high cognitive involvement (Kroeber-Riel/Gröppel-Klein 2013); consumers just take a quick glance at individual products (see also the above-mentioned eye-tracking study) and make decisions within seconds. A consumer who would actively reflect on every decision they make during the day would end up with a cognitive overload.

Thus, “rationality” in consumer behaviour should not be considered or discussed in isolation. It might be that “irrational” behaviour is beneficial for other areas of life. For instance, habitual quick shopping trips without thorough comparisons of different offers can lead to more time for leisure or with the family. This can be more valuable for the consumer than carefully selected products. Representatives of consumer policy might point out that consumers don’t take the bad with the good. Reasonable consumer performance includes the thorough consideration of goals and personal advantages gained by certain choices. In other words, the consumer needs to choose between more leisure time or more time for shopping.

In addition, consumers are often overtaxed by the appraisal of the “integrity” of offers of financial services (Oehler/Reisch 2012) and fast-moving consumer goods. Organisations increasingly take a stand on claims for marketing purposes and in support of consumers’ decision making processes. Claims can be very helpful for consumers, as findings on the acceptance of Stiftung Warentest claims proved. In the meantime, a large number of claims mushroomed, and the newspaper Bild published the following headline: “The madness with claims! Who is really making sense of this?” and added the different variants (see Figure 4).
Consumers are also easily influenced by (initial) comments published on the internet. In this way they demonstrate herd behaviour, as Campbell et al. (2011) verified. This herd behaviour often leads to panic or other irrational reactions that might be harmful for consumers.

In this way, it is likely that consumers adopt the opinions of others without verifying them. Consequently, people or brands are unjustly criticised. To avoid such situations, the editorial department of the portal “Lebensmittelklarheit.de” asks the criticised companies in turn to release a written statement. In addition, the editorial staff assesses the situation from both perspectives. After the these assessments are finished, the consumer complaints, the company’s written statement and the additional assessments by the office are published online (FocusOnline 2011). This contributes to a climate in which companies are willing to change and make amendments.

Finally, empirical studies have emphasised that consumers’ boycotts are fiercely debated in public, but change little about the situation itself. Koku (2012, p. 20) summarises his empirical findings as follows: “The results show that consumer boycotts launched by individuals on the internet are ineffective in inflicting economic harm on the targeted firm.” In the
analysis, 63 appeals to boycott were counted. The findings might be perceived as disillusionment by supporters of consumer democracy.

4. Conclusion

So how do we conclude? On the one hand, it is beneficial that opportunities for inclusion and therefore consumer sovereignty have increased. Consumers intend to take more responsibility. In addition, some consumers are tired and frustrated with the EU’s overregulation in the area of consumer protection and they fear that they will lose more and more responsibility.

On the other hand, different findings based on consumer behaviour research stress the fact that direct consumer democracy is not always efficient and doesn’t always deliver immediate results. Certain state-run organisations and regulations are urgently needed in order to guarantee suitable consumer protection. Companies, in particular, are in favour of state regulations as they protect and assure competitiveness as well as prohibit unfair competition. Therefore, a balance between essential protection and overregulation needs to be established.

The overriding aim to protect consumers from non-transparent marketing techniques is difficult to achieve, and certain techniques are still used to control consumer behaviour. Providing consumers with information and raising their awareness of these marketing techniques cannot prevent any behavioural control, as many of these techniques activate automatic responses. Once they are activated, consumers cannot suppress their responses, even though they are informed about the influence and use of these techniques. Consequently, it is necessary to increase consumer protection in order to avoid a lack of transparency and deliberate behavioural control, as consumers cannot fully protect themselves against these techniques.

References


The Problem of Consumer Sovereignty and the Concept of Consumer Democracy


