

Human Ecology: studying the great impact of consumer choices

Interview with Nancy Wong

By **Ricardo Zagallo Camargo (Editor IJBMKT)**

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NANCY WONG

Nancy Wong is Kohl's Chair in Retail Innovation, Department Chair and Professor of Consumer Science Department at School of Human Ecology - University of Wisconsin-Madison. Professor Wong is consumer psychologist who explores how cultural values influence consumption decisions, how people respond emotionally in different situations, and how materialistic values influence the way we consume. She is particularly interested in understanding how consumers make choices that could impact their health and financial well-being and promote environmental sustainability.



IJBMT: Good Afternoon. This is Professor Nancy Wong. She is Kohl's Chair in Retail Innovation and chair of the Department of Consumer Science at the School of Human Ecology at the University of Wisconsin-Madison. Her research interests include culture, materialism and emotion; cross-cultural research methods; consumer decision making and public policy. Thank you very much for your time and your availability to share your experience and knowledge with us. You mentioned that this is your first time in South America, also in Brazil. What are your first impressions?

NW: I like the spontaneity of the people in Brazil. I guess coming from Asia, when, I think Asians are generally much more reserved and quieter. I think the people here and the culture is very vibrant, energetic and I find it really interesting because I think my personality is fairly outgoing and the people here are friendly. I enjoy talking to them even though most of the time they don't understand me, and I don't understand them, but it is still fun, yes.

IJBMT: The University of Wisconsin-Madison's Institutional website presents you as "a consumer psychologist who explores how cultural values influences consumption decisions". How do you apply the psychological and cultural approaches to understand consumer behavior?

NW: I think they are very much interlinked to each other, both psychology and culture. I apply a psychological lens to understand why people behave the way they do in many ways. I think what products they choose and how or why they like one product versus another, how they relate to people, what a particular brand means to them and all of that is further influenced and complicated by their cultural background, you know, the way they treat savings, the way they treat spending and the way they think about consumption. I just spent a whole afternoon talking about that with my students here in Brazil and it is just so amazing how different cultures see the same thing so differently.

IJBMT: Could you talk about the idea of Human Ecology? How does it relate to your studies in consumer behavior?

NW: I think it is very much related. I actually had to look up the meaning of Human Ecology when I joined the school, so, Human Ecology is really an interdisciplinary study of humans in terms of their behavior within the environment, and that environment includes social, cultural and natural environment and the built environment in terms of how architecture, interior design, also influences human behavior. So, looking at consumer behavior in this framework is very encouraging, I think, because when I was at the Business School there was a narrower focus on just consumer as an individual making those choices in terms on what to buy, how much to pay for it and how marketers should market to them. But this is a very limited view of consumer behavior because when you take a human ecological lens to this transaction, you realize that whatever the consumer chooses to buy has an impact on the producers, who produce the product and its impact on the natural environment, for example. Whatever they choose to buy could have an impact on the labor practices, in what it is cheap labor, fast fashion and all that. That has its impact on the producers, the environment and the consumer. So, if you just buy a t-shirt from a business standpoint, a lot of times, we limit our scope of enquiry to just looking at that transaction without considering the upstream effects and the downstream effects on that simple consumption choice. I think that having the human ecological perspective makes you aware and be more mindful of the bigger impact of consumer choice.

IJBMT: You are a Kohl's Chair in Retail Innovation. The mission of The Kohl's Center for Retailing at School of Human Ecology is to create a synergistic relationship between the retail industry and the University. How does this it work in practice?

NW: Well, I'm really very fortunate that we have this endowment at the University from Kohl's which is one of the largest department stores in America, I think. The center is basically con-

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sisted of two directors: one is the executive director, a retired executive from the industry and he is the one doing the fund-raising, dealing with the industry partners and raising the money for the School. The mission of this center is to develop our students for the retail industries at large and they have been very successful in doing that in terms of arranging for internships, student placements. I think Kohl's hires something from 20 to 50 of our graduates every year. I just went to Kohl's to give a talk recently and I realized that they were like hundreds of our alumni working there. So, we have a very good relationship with them from that standpoint and my role is actually as the faculty director of the center, which means that I'm responsible for the curriculum development and the research opportunities. I try to make sure that our program stays relevant because, as the industries change so much, we want to make sure that we have the most updated curriculum and also helping the students to be prepared for the future career. I think that this is the most important part for us and I think I've also benefited from the generosity that they have this endowment to help fund my research activities for which I'm grateful.



IJBMT: Are the results of the research connected to the management of these companies?

NW: Well, the way it works, I think, is that the company contributes to set up an endowment fund with the university foundation, so it's considered foundation money. The way it works for an endowment is that the money is invested by the Foundation, it generates an income and then this income pays for the faculty research activities. That's kind of how it works, so, there is this management body.

IJBMT: You had recently published a paper with two ESPM researchers, Mateus Ponchio and Rafaela Cordeiro, about Financial Vulnerability in Brazil, which may have showed you a little bit about the Brazilian context and consumption vulnerability. Have you noted anything about consumption or another curious behavior here in Sao Paulo?

NW: Two things come to my mind. What was most amazing to me and Rafaela has already shared that with me in the data we work on, is the common practice of retail stores to sell products by instalments, such as, you know, I saw in the store yesterday. You can buy a pair of Nike shoes for, let's say, 400 reais or you can make ten payments of 40 reais each month to buy the shoes. That does not exist in anywhere else and I find that really surprising. I think that it contributes to consumers financial vulnerability in this market which is part of the problem. The other one that I learned from my students is when people are careful with money or trying to be frugal as compared to those who spend money very carelessly and it seems

like within the Brazilian culture, people actually have a lot of nicknames or they make fun of people who are conservative with their money. As a cultural psychologist, I think that it tells a lot about how it shapes people behavior, from that standpoint. What about people who are spender? Do you have any names for them? They say: not that many!

IJBMTK: Interesting. Talking about the paper *Conceptualizing the multiple dimensions of consumer financial vulnerability (2019)*, you and your colleagues propose a new definition and framework to understand the consumer's financial vulnerability. Could you talk about its findings and maybe, an agenda to future research on financial vulnerability?

NW: Yes, I think what motivated us to develop that paper is the fact that, there is a lot of research about what we called financial hardships, about people going into bankruptcies, for example, or, I think in the case of Brazil when your names get black listed. It is the same thing, right? But we were saying that, by the time you get to that stage, it is too late, you are already in financial hardship. I think what is more useful is to think about vulnerability, is to think of "Is there a way for us to understand how to identify vulnerability?" So that you can actually create interventions or strategies to prevent people from getting into hardship.

When you think about it, and that is based on the research that I've worked with Rafaela and Mateus and some other researchers, you realize that, many times, people tend to think that poor people are the ones that are vulnerable, but I think in reality it is not always the case. You don't have to be poor to be vulnerable, there are a lot of rich people with high income, who are equally vulnerable if they don't manage their money well or if they lost all of their investments, they could easily be vulnerable. And what is even more important is this because they have high income, they are not even aware that they are just as much at risk and vulnerable. So, I think in our paper we try to look at this as four quadrants. It is like people who are high and low income, so they have financial resources and people who are high and low in vulnerability. I think they are two separated things and I think what a lot of research has done is to combine the two. We will try to separate them, so then you can actually see it easier and we are still continuing to analyze things that way, using quantitative data now, to validate that.

IJBMTK: Ok, so the idea is to split the concepts.

NW: It is the four quadrants. Yes.

IJBMTK: As you know, some authors like Bourdieu emphasizes the social constraints of structure in consumer behavior and others like Giddens, emphasizes the individual capacity of the agency. You make some kind of combination of both ideas, the paper is about skin lightening and social capital, exploring the conception of cultural agency. Could you talk about the findings, this framework and the skin lightening, because it seems so controversial.

NW: Yes. So, what comes to your mind when you hear skin lightening?

IJBMTK: The opposite of what we do: tanning.

NW: Right. So what is really interesting is that most people tend to think of skin lightening is one of the fastest growing segment in the cosmetics and beauty care industries, and it's still growing and I think that skin lightening is a consumption and that is related to social capital. You observe this globally, especially in the non-white cultures: Africa, Asia, America and South America. In my research, and I found that, it is the same for whites to actually engaged in skin tanning because that is what allows you to acquire social capital, and it just works in the reverse. However the process of gaining, or the motivational desire for social capital is

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the same because I did my experiment and I tried on both, white and non-white respondents and I measured something that I called a skin tone tension, is how they desire to be either fairer or darker, and you find that actually predicts their reactions in the opposite direction. The more they feel that tension, the more they either want to be fairer or darker. So, for non-white, they want to be fairer, and then for the whites, they want to be darker. I demonstrated that in the process.

Why does this happen? I think it is easier to explain it from the agentic consumption of skin lightening because they are using this as a way to overcome the social structures, and because if it allows them to actually gain in social mobility, so, the stronger they desire for social mobility, it actually creates stronger desire to be lighter, and I also have empirical data to show that. However, from an agency standpoint, the more they feel that they have an opportunity to improve, and, in this case, I actually measured how powerful, how their level of empowerment, if they feel powerful, they will actually reduce the tension to be lighter, because it is a compensation for that.

IJBMT: This idea of a consumption compensation to powerless people appears in another article of yours. Is there any strong idea in your research nowadays about it?

NW: Yes. I think so, because power is a very relevant concept in consumer behavior, it is sort of like, feeling powerful, will lead to people saving more money sometimes. They can retain their power and feeling powerless make people want to engage in compensatory consumption and I think skin lightening is probably one of them because by doing so, they gain social status, which is what social capital is about. Therefore, the more powerless they feel, the stronger that desire would be. It is the same process, yes.

IJBMT: The idea of complementarity and antagonism is discussed by Edgard Morin. Do you consider that consumption and savings are complementary or antagonistic practices?

NW: I think this is an interesting question. They are both complementary and antagonistic at the same time. If you think about is not possible to have consumption without savings in some ways and also if you consume without savings, that will lead to debt and you probably have to save again to pay off the debt. So, from that standpoint, one leads to the other and they could be complementary, but they could be also antagonistic because when you increase consumption, you would reduce saving, so, they go in opposite directions. That is why they could be both.



IJBMT: You have now an open space to share with us your opinion about “hot topics” or tendencies in marketing and consumer behavior research.

NW: I think marketing and consumer behavior is actually adopting a more human ecological view, in the sense that there are greater interests in looking at the role of consumer choice in influencing both upstream and downstream behavior. You can take for example the impetus for sustainable farming in environmental protection. Consumers are recognizing that they have an impact in shaping the environment by the products that they choose, so they are demanding that from the producers. Consumers think that it is cruelty free, chemical free, and then, if you want to target these consumers, the marketers have got to respond to that. I think there is greater recognition of the linkage between a single consumption decision and the power that is driven by the consumers, they recognize that. They have that power to influence manufacturers to be environmentally conscious, to be fairer employers, to care about labor protection for example and all that, because I always tell my students, if you want to protest about anything, the more effective way of protesting is to use your money to influence that decisions, instead of protesting for policy changes, your dollar can do the whole thing, but you have to remember to do that, right? That is greater awareness of that, so, I think research that touch on sustainable practices or human policies in increasing consumer welfare, whether it is improving the financial situations. They are no longer financially vulnerable, so those are all really important things. I think the emphasis on what we call Transformative Consumer Research has really a much more ecological perspective to consumer research, considering a bigger environment. So, I would say that it has been a movement that started maybe about ten years ago but is increasing in importance, because you see all the major journals within marketing and consumer behavior having special issues, their calls are for research and transformative consumerism.

IJBMT: Good news! It is an important social concern for all of us. Thank you very much!

NW: Thank you for having me here.