Special Session Summary  Habitual Consumption

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SESSION OVERVIEW

It is the rare consumer who checks the price and selection of orange juice at a variety of grocery stores before making a purchase, or calls up multiple restaurants to investigate pizza offerings before making an order. Instead, on these and many other consumption occasions, we simply do what we did last time: we buy orange juice at the same store where we always buy orange juice, and we call the same number to order our usual pizza. Habitual consumption is a pervasive phenomenon. It is a part of the daily lives of most consumers, whether it is reading the same newspaper or drinking the same brand of coffee, much of what people consume today they have consumed in the past and will continue to consume in the future.

This special session was designed to disseminate the results of ongoing research aimed at developing a better understanding of habitual consumption—a form of behavior that plays a prominent role in everyday life, yet is often overlooked by consumer researchers. Three papers were presented, based on evidence from diary data, panel data and laboratory experiments, which demonstrated that habits have clear benefits, as well as some possible drawbacks, for consumers. In combination, the papers extend our current understanding of habits, and point out the minimal role being played by emotion and awareness in this type of consumer behavior. The first paper (Quinn and Wood) examined the role of habits in self-regulation and the generation of behavior in everyday life, with an emphasis on better understanding the psychological mechanisms underlying repeated consumer choice. The second paper (Khare and Inman) investigated the temporal and contextual aspects of food consumption habits, and outlines results that have important implications for marketing theory as well as public policy. The third paper (Murray and Häubl) integrated habitual consumption into the human capital models of consumer choice, and demonstrated the economic value of consumer habits to both firms and individuals. In addition, each paper spoke to possible ways to modify habitual behavior, with an emphasis on instances where such behavior may have negative implications for consumer welfare.

The session touched on many themes of emerging and established importance in consumer research including habit, automaticity, nonconscious influences on choice, variety seeking and brand-loyalty, as well as the more general topics of consumer preference formation and repeated choice. Two general conclusions seemed to emerge from the papers presented and the authors’ interaction with the audience during the question and answer period. First, habitual consumption is an important and pervasive, yet under researched phenomenon in consumer behaviour. Second, while we all have an intuitive understanding of what a habit is, little is known about the effects of habitual behavior on consumer choice or the psychological mechanisms that underlie consumption habits. The work presented in this special session provides a solid theoretical and methodological foundation upon which a better understanding of the phenomenon can be built.

LONG ABSTRACTS

“Everyday Habits and Self-Regulation”
Jeffrey Quinn, Duke University
Wendy Wood, Duke University

In this paper we describe our recent work on the role of habits in self-regulation and the generation of behavior in everyday life. Habits are behavioral dispositions to repeat past action that develop through frequent performance in a stable context. When habits have been formed, these dispositions are likely to guide purchase and consumption behaviors, even when they conflict with conscious intentions (Ouellette & Wood, 1998). Thus, an understanding of consumer habits provides insight into the psychological mechanisms underlying repeated consumer choices. Also, our work highlights the unique challenges associated with changing consumption and purchase habits.

The research used a descriptive, ecological approach and examined habits as they naturally occur, situated in the context of daily life. Studying habits in context is important because habit performance is triggered automatically by features of the situation in which the habits were formed. Specifically, we discuss the findings of several diary studies of the everyday habits of people from college and community samples, and we consider the implications of these findings for consumer research (Quinn & Wood, under review; Wood, Quinn, & Kashy, 2002).

Participants completed a 2-day diary procedure in which they reported their behaviors, thoughts, and feelings once per hour. Behaviors were classified as habits when they were performed just about every day and usually in the same location, whereas nonhabits were performed less often or in varying places. Analysis of respondents’ diary reports indicated that they tended to think about nonhabitual behavior when performing it, but were less likely to think about habits during performance. The minimal thought about behavior during the performance of habits reflects the automaticity of these acts and highlights efficiency as one benefit of habit use. Habitual behaviors can be performed quickly, easily, and with minimal conscious thought. Thus, habit performance conserves cognitive resources and frees people to devote their thoughts to behavior-relevant issues (e.g., planning future events, reliving past experiences). The diary data also revealed that people’s emotions differ for habits versus nonhabits. Participants experienced less stress and, in general, emotions of less intensity when performing habitual behaviors. Thus, the efficiency of habits is achieved through minimal drain on the affective as well as cognitive resources associated with their performance. However, because habit performance is associated with a general dulling of affect, efficiency and stress reduction appear to come at the expense of emotional experience. Thus, one drawback of a reliance on habits is the potential of emotional quiescence and absence of pleasurable intense emotions (e.g., excitement).

Another drawback of habit use is apparent when the behavioral consistency fostered by habits becomes an obstacle to change. This occurs when people change their intentions and an established habit is no longer desired. In such a case, existing habits oppose newly formed intentions, making it difficult for people to adapt their behavior to new situations and information. Another diary study explored this tendency of habits to maintain “unwanted”
behaviors regardless of intentions (Quinn, in progress). Participants completed a 7-day diary in which they tracked their “unwanted behaviors” in everyday life. These involved instances in which they tried not to perform some action, such as eating unhealthy foods, making a bad impression, sleeping too late. Some of these unwanted acts were habits (behaviors performed frequently in stable contexts) that, for various reasons, were perceived by participants as undesirable and contrary to their explicit intentions. Other unwanted acts were nonhabitual impulses, urges, or choices (i.e., behaviors performed infrequently or in an unstable context). The diary results indicated that unwanted habits are in fact formidable obstacles to self-control. Participants’ ratings showed that, compared with unwanted nonhabits, unwanted habits were more difficult to inhibit and participants had less success at doing so. In this research, performance of unwanted habits appeared to generate both positive and ambivalent emotions for participants. Although participants felt they should stop performing such behaviors, quitting would eliminate the good feelings associated with the act. Thus, positive feelings associated with unwanted habits contributed to the difficulty participants experienced in self-control attempts. Habits seemed to be especially difficult to overcome when they were performed in the context in which they were developed (i.e., context remained stable), presumably because they ran off automatically when cued by the supporting circumstances. Two specific behavioral strategies showed promise as means of overriding unwanted habits: (a) substituting a competing behavior in place of the habit, and (b) monitoring one’s behavior carefully for errors in performance. These findings suggest ways to combat consumer habits and to bring purchasing decisions under people’s conscious, intentional control. Such interventions may be useful when the costs of automatic patterns of consumption outweigh their benefits.

References

“Habit Regimes in Consumption”
Adwait Khare, University of Houston
J. Jeffrey Inman, University of Pittsburgh

Habits are highly likely to develop in temporally and contextually stable behaviors (cf., Ouellette and Wood 1998) such as food consumption behavior. Though habits can form for a variety of reasons such as unconscious acquisition and deliberate development among others, once developed, habits operate automatically i.e., at a lower level of cognitive processing (cf., Aarts and Dijksterhuis 2000). Habits serve to help people conserve limited mental resources by minimizing effort in decision-making (cf., Bargh and Ferguson 2000). These limited mental resources can then be used to deal with less recurring and novel situations in day to day life. Habitual behavioral routines such as eating the same type of breakfast cereal everyday are likely to be triggered by temporal and contextual cues such as eating at a particular time and at a particular place everyday. Through repetition these cues become associated with a consumption behavior and may eventually begin to initiate the behavior largely outside of awareness.

We study the nature of temporal and contextual consistency in a repetitive consumption behavior such as the consumption of food nutrients (e.g., saturated fat, calcium, etc.). Temporal consistency is evidenced from the fact that past behavior has a predictable carryover influence on future behavior and we accordingly term it as carryover habit. Contextual consistency is evidenced from the fact that behavior is stable within contexts but variable across contexts. We term it as baseline habit to reflect the consistent differences in baseline behaviors in different contexts. We empirically measure habit via a four-week long individual level food consumption panel dataset (n=1029) and demonstrate systematic patterns in the nature of carryover and baseline habits towards the consumption of food nutrients. Our data are aggregated up to the three primary meal levels (breakfast, lunch, and dinner) for each panelist. We model carryover and baseline habit for each panelist for each of three positive (calcium, carbohydrate, fiber) and three negative (caloric density, saturated fat, sodium) nutrients.

Carryover habit for a nutrient is measured for each meal by modeling the lagged influences of the three past meals on the current meal. If one or more of these lags is statistically significant then carryover habit with respect to that nutrient for that meal is observed. In this formulation, the first and second lags’ coefficients measure across-meal carryover effects (e.g., the influence of sodium levels at the immediately preceding breakfast and lunch on the sodium level at the current dinner) and the third lag’s coefficient measures the within-meal carryover effect (e.g., the influence of calcium level at yesterday’s lunch on the calcium level at today’s lunch). Additionally, we argue that each carryover habit influence can take one of two forms: fixed vs. cycling. When a lag’s coefficient is significant and positive we categorize this type of carryover habit as fixed carryover habit (e.g., eating nutritionally similar breakfast cereals everyday) (Heien and Durham 1991). When a lag’s coefficient is significant and negative, we categorize this type of carryover habit as cycling carryover habit (e.g., systematically alternating between nutritionally distinct breakfast cereals) (cf., Brickman and D’Amato 1975). Baseline habit (Connors et al. 2001) is observed when the consumption level of a nutrient is significantly different across meal types. For example, if a panelist consistently consumes lower levels of saturated fat at breakfast but higher levels of saturated fat at dinner then baseline habit with respect to saturated fat will be observed. We model carryover and baseline habit jointly via a panelist level seemingly unrelated system of regression equations (SUR). In this SUR system, each of the six nutrients has three equations (one for each meal). The coefficients of the lagged meals enable inferences about carryover habit, and the intercepts enable inferences about baseline habit.

In the second stage of our analyses, we hypothesize and test differences in the estimated panelist level parameters. The hypothesized differences are in terms of meal type (breakfast, lunch, dinner), nutrient type (positive, negative), carryover length (within meal, across meal), and habit form (fixed, cycling). Since these moderating variables vary within panelist, we employ a mixed modeling approach as this enables us to account for between panelist differences via random effect terms in each hypothesized effect. Our hypothesis testing shows that: (1) A majority (over 92%) of individuals exhibit carryover habit in the consumption of food nutrients. (2) Within meal carryover effects are stronger than across meal carryover effects and this effect is stronger at breakfast than at lunch and dinner. (3) The magnitude of fixed carryover habit is stronger than that of cycling carryover habit and this effect is: (a) stronger at breakfast than at lunch and dinner, and (b) stronger for within as compared to across meal carryover effects. (4) A majority of individuals (over 75%) exhibit baseline habit in the consumption of food nutrients and: (a) for negative nutrients, the nature of
baseline habit is such that they constitute dinner foods much more than breakfast and lunch foods, and (b) for positive nutrients, the nature of baseline habit is such that they constitute breakfast foods much more than lunch and dinner foods.

Our findings have important implications for public-policy making and managerial decision-making. First, based on the observed asymmetry between positive and negative nutrients, dietary guidelines for positive nutrients should focus more on breakfast foods and those for negative nutrients should focus on dinner foods. Such targeting could increase the effectiveness of dietary guidelines. Second, the asymmetry between positive and negative nutrients has implications for designing nutritional descriptors of foods. Nutritional descriptors for breakfast foods could focus on accentuating the positives (e.g., high calcium) and nutritional descriptors for dinner foods could focus on downplaying the negatives (e.g., low in saturated fat). Our findings also contribute in important ways to the emerging literature on habits. We measure habit based on data whose recall length is very small (panelists provide consumption data at the end of every day) and therefore our habit estimates are likely to be more realistic. We study habits not only via the traditional temporal consistency focus but also through a contextual consistency focus (e.g., differences in habits across the three daily meals).

References

“Skill-Based Habits of Use and Consumer Choice”
Kyle B. Murray, University of Western Ontario
Gerald Häubl, University of Alberta

This work examines the role of skill-based habits of use in consumer decision making. We conceptualize such habits as a class of goal-activated, automated behaviors (Bargh 1990) that develop as consumers gain brand-specific skills through repeated consumption experiences. Our approach integrates habits of use into human capital models of consumer choice (Ratchford 2001), and thereby extends the literature on consumer preference formation and choice.

Stigler and Becker (1977) argued that “the costs of searching for information and of applying the information to a new situation are such that habit is often a more efficient way to deal with moderate or temporary changes in the environment than would be a full, apparently utility-maximizing decision” (p. 82). Their approach links the concept of human capital to decision making, which opens a new perspective on consumer behaviour over time and throughout an individual’s lifecycle. Unfortunately, other than this seminal work, “there is not much on human capital applied exclusively to consumer behavior in the economics literature, and . . . the marketing and consumer research literatures have virtually ignored this concept” (Ratchford, 2001, p. 398). We argue that the accumulation of human capital, and its economic value to the consumer, is directly related to the observed reductions in task completion time that have been thoroughly researched by psychologists as The Power Law of Practice (Newell and Rosenbloom 1981).

In three experiments, we demonstrate that habits of use are an important type of human capital that influence consumer choice by making it difficult to switch from an initially-adopted brand (an “incumbent”) to a different one (a “competitor”). The primary task, common among the three experiments, requires participants to search through a web site to find a specific piece of information (i.e., the goal). The web site itself was designed to resemble a news site such as CNN.com or nytimes.com, and contains a series of pages that the participant must navigate in order to achieve the search goal assigned to them. Although the specific piece of information varies between trials, the sequence of pages that must be navigated (i.e., the navigation path) to find the target information remains constant. Initially, participants will have to make a choice among the paths available on each page. However, with practice, and given that the correct sequence of pages remains constant across trials, the opportunity exists to automate this navigation behaviour. The idea is that as task performance becomes increasingly habitual, the consumer becomes increasingly locked-in to the incumbent interface. This process of practice leading to the development of habitual behaviour, which in turn leads to high levels of loyalty, offers an explanation of the psychological mechanism underlying many of the predictions of the human capital model. In essence, habit development reduces the time required to complete a consumption task and, therefore, increases the value of the interface that the consumer associates with that task.

As a result, habitual product use can create a distinct type of consumer loyalty that is driven by the degree of skill transferability among brands, rather than traditional antecedents such as affect or trust. We argue that the accumulation of human capital during habit formation has an economic value to the consumer that is directly related to a reduction in the effort required to consume or use a brand. When such habits are specific to an incumbent brand, the latter has an advantage over competitors in the marketplace since switching to another brand would require the acquisition of new skills that are specific to that brand. The results of Experiment 1 support this theory. In addition, they demonstrate that the effect of experience on preference is fully mediated by an objective measure of skill transferability between an incumbent and a competitor brand.

Another important determinant of choice, evident from the first experiment, is whether or not product usage errors were made as participants searched for the target information. Such errors decrease the ease of using the product, as evidenced by task completion times and the participants’ self-reported perceptions of ease of use, and increase the probability of switching to the competitor. It appears that by slowing down the task completion times usage errors impede habit formation and, as a result, reduce the value of practice with the incumbent. Conceptually, such errors are a potential source of product dissatisfaction because they reduce the usability of the product and, therefore, reduce the ability of the product to satisfy the needs of the consumer. Our data support Oliver’s (1999) conjecture that such dissatisfaction may be the “Achilles’ heel” of consumer loyalty.
In addition, we contend that skill acquisition is a necessary, but not sufficient, condition for the development of habits of use that lead to consumer loyalty. In particular, since habits of use are goal-specific (Aarts and Dijksterhuis 2000), loyal consumption driven by such habits should also be goal-specific. We propose that, in order for this type of loyalty to form, it is critical that the acquired skills are automated and associated with a specific consumption goal. Experiments 2 and 3 examine the central role of goal activation in connection with consumers’ preference for an incumbent brand. Our results suggest that, even in the presence of objectively equivalent competing brands, an incumbent brand can acquire a market share as high as 100 percent when the activated goal is congruent with consumers’ usage habits. However, an incumbent gains no advantage when the activated goal is incongruent with its habitual use, but congruent with the use of a competing brand. This is the case even if the consumer has extensive experience with an incumbent brand that is equally suited to achieving the activated goal, and only very limited experience with the competitor. The paper concludes with a discussion of the theoretical and practical implications of our findings.

References