Team Purchase: Consumer Empowerment Through Collective Actions

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In this research, we examine the phenomenon of team purchasing to highlight a collective action that is initiated and organized by consumers. Through team purchase, consumers negotiate and challenge the conventional market system and manipulate it to achieve their own ends. We conducted depth-interviews with team buyers and merchants in three Chinese metropolises. Consumers’ rationales, tactics and rituals in team purchasing are examined. We plan to participate in team purchases and collect ethnographic data to capture the interactions, negotiations and transactions. The aim is to theorize a model of consumer collective actions and discuss its implications for the contemporary marketplace.

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Literature on consumer culture theory has illuminated the re-enchantment of consumption (Arnould and Thompson 2005; Firat and Venkatesh 1995). In contrast, the acquisition phase of purchasing is largely viewed as an individual decision-making process or an act framed by family traditions (Epp and Price 2008; Wallendorf and Arnould 1991). In this paper, we examine the phenomenon of team purchase as a collective act that is initiated and organized by groups of consumers in urban China (Arredy 2006). Through this ethnographic inquiry, we show how Chinese consumers have challenged the conventional market system and manipulated it to their own ends without necessarily aiming to escape the market as their counterparts in Western societies (see Kozinets 2002).

Team purchase is a consumer-organized collective activity gaining momentum just recently in urban China (Arredy 2006). It starts on the Internet, usually in chat rooms and discussion forums, where like-minded consumers devise plans to buy branded consumer products in large quantity at lower price. They then show up en masse at stores to demand discounts and more benefits. They usually defeat the merchants with their collective haggling. In addition to obtaining better pricing, they gain a sense of power and pride.

Team buyers unite to confront merchants. They defy the conventional retailer-buyer structure and demand concessions. By functioning as a team, they acquire negotiating power. The larger the team, the greater the discount they demand, knowing that sellers can make up their profits on larger volume. Instead of engaging in one-on-one negotiations, buyers collectively pressure the seller. The seller becomes an inferior in this face-to-face negotiation and often bends to consumers’ demands. In other cases, consumers depend on the organizers—usually the Internet initiators—to reach deals with merchants. They save time and effort and rely on the savvy and pugnacity of other buyers to make deals for them. The team leaders are responsible for contacting the seller, negotiating the deals, and organizing other buyers to participate in the transaction. They may even take responsibility post-purchase if fellow buyers encounter problems with the products. In return, team leaders may receive a greater discount or a gift from the seller.

Team purchase is increasingly popular in China where multiple websites service consumers nationwide and numerous discussion forums facilitate discussions among interested people locally. With domestic market becoming increasingly complex, Chinese consumers have become more knowledgeable and self-protective than ever before. They have realized that individual effort is less effective than collective actions in the marketplace. Chinese consumers now apply the popular political ideology “solidarity is strength” and form groups to confront merchants. Collective acts are especially beneficial because consumer rights have yet to be effectively protected. When laws and regulations lack adequate enforcement, consumers use collective power to demand benefits and protection. The Internet serves as an important tool to organize people with similar concerns and interests. Consumers create alliances and act in unison against more dominant powers in the marketplace.

As an explorative study, we conducted depth-interviews with team buyers and merchants in four Chinese metropolises of Beijing, Shanghai, Guangzhou, and Shenzhen from June to August 2007. Our interviews started with grand tour questions that were followed by probing questions for meanings and experiences of team purchase (McCracken 1988). The interviews lasted from thirty minutes to one hour. They were conducted in Chinese and then transcribed and analyzed. We plan to participate in team purchases and collect more ethnographic data this summer. Through an iterative process (Arnould and Wallendorf 1994; Spiggle 1994), initial analysis has generated rich insights about the phenomenon. We have found that there exist distinctive differences between team purchase and other kinds of purchases such as Internet purchase, direct sale or wholesale. Participants employ a wide variety of strategies to ease transactions and reduce risks. Trust between buyers and merchants as well as between buyers and organizers emerges as an important issue. Organizer plays multiple roles as a negotiator, expert (or Prosumer, see Cova, Kozinets, and Shankar 2007), buyer, and a distributor. Interestingly, some buyers maintain their ties with team members by engaging in more team purchases and organizing activities afterward. For them, group purchases initiate consumption communities not necessarily based on brand (McAlexander, Schouten, and Koenig 2002; Muniz and O’Guinn 2001).

Although it has been recognized that consumers produce, acquire, and consume in form of communities (Belp and Costa 1998; Muniz and O’Guinn 2001; Schouten and McAlexander 1995) and that they protest against commercialization by engaging in consumer activism (Kozinets 2002; Kozinets and Handelman 2004), it is unclear how consumers collectively make purchase decisions and how they formulate a transient group to challenge the established orders in the marketplace. By studying team purchase, we explore the dynamics between consumers and merchants and examine how consumers collectively co-opt market offerings (Thompson and Coskuner-Balli 2007). We show the benefits, risks, rules and rituals of team purchase as compared to individual purchase. This research will also shed light on the discussions of strategies for consumer empowerment.
The Impact of Source and Item Characteristics on Consumer Responses to Flattery in Retail Sales Transactions

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Consumer behavior research over the last 25 years has significantly informed us about persuasive communications in the context of interpersonal interactions in the marketplace (Frisvad & Wright 1994; Campbell & Kirmani 2000; Main, Dahl & Darke 2007). Flattery is a common method of interpersonal influence applied by agents in the marketplace. Although research on flattery in marketing has primarily focused on its negative influence (Main et al. 2007), studies conducted in other disciplines such as psychology and organizational behavior provide evidence of a positive influence of flattery (e.g., Cialdini, 2000; Watt, 1993; Wayne & Ferris 1990). The purpose of the present research was to search for similar positive evidence of flattery in the marketplace context and identify the boundary conditions of such an outcome.

We focus on two potential conditions under which flattery may have a positive influence on consumers. The first factor is the target item of flattery. To date, the literature has primarily looked at flattery on a store item that consumers try on (e.g., Campbell & Kirmani 1995). Flattery is a common method of interpersonal influence applied by agents in the marketplace. Although research on flattery in marketing has primarily focused on its negative influence (Main et al. 2007), studies conducted in other disciplines such as psychology and organizational behavior provide evidence of a positive influence of flattery (e.g., Cialdini, 2000; Watt, 1993; Wayne & Ferris 1990). The purpose of the present research was to search for similar positive evidence of flattery in the marketplace context and identify the boundary conditions of such an outcome.

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