

Effects of Business Education on Consumer Awareness and Conscious Consumption

Mustafa Atahan Yilmaz (Research Assistant)

Duygu Koçoğlu (Associate Professor)

Pamukkale University Faculty of Economics and Administrative Sciences
Department of Business, Turkey

Abstract

Consumer awareness and conscious consumption are well known concepts that gained higher value in time. Increased communication networks and tools let people to reach information sources about products and companies easier and faster. Consumer mind is affected by many other factors indeed. Education itself has pretty much effect on these concepts since it begins at very young ages and continues for many years. Most of the students have standard classes until the end of high school but when it comes to the college all of them have different professions according to their departments. While some of the departments are significantly related to the consumption and consumers, some of them are not even close to these topics. Business education is one of the departments in college which focus on consumer in all ways. These students gain different perspective and knowledge, become more informed consumers at the end of business education.

This study aims to reveal effects of business education that comprises many consumption and consumer related classes as marketing, brand management, production management etc. on consumer awareness and conscious consumption. Two different student groups will be surveyed for this study. One of the groups consists of first grade students who are brand-new to business education and mostly have general classes. The other group consists of students who are last grade and succeed many consumption and consumer related classes. The data will be analyzed statistically and two groups of students will be compared. This study is important for revealing effects of business education knowledge on consumer awareness and consciousness.

Keywords: Consumer Awareness, Conscious Consumption, Consciousness

Introduction

Nowadays knowing consumers who are defined as target market by companies, is very important than before to manipulate their behavior. Not only companies need knowledge but also their consumers demand information about companies, products, working process and relationship with environment. Especially increase in communication tools boosted consumer knowledge and resulted with increase in aware customers and conscious consumption behaviors which mean radical changes are essential for all industries.

Consumer awareness and conscious consumption is strongly related two concepts that affect framework of consumption patterns. They are two main determinative of how deep and strong consumer mind is. This kind of knowledge is very valuable for the whole companies in any sector. They are also main factors that shaping what consumers want and need. This precious knowledge is most likely a window that has different point of view which cannot be ignored for the sector. Conscious and awareness are under the influence of many factors. Education has pretty much effect on these concepts since it begins at very young ages and continues for many years. In this study specific college education's effect, education of business will be examined. Business education contains many consumption and consumer related classes as marketing, brand management, production management etc. Education is already a strong factor for knowledge, so business education should be more effective.

Consumer Awareness and Knowledge

Knowledge is main figure in determining consumer awareness and conscious consumption. Product knowledge is mostly overlooked topic within the consumer behavior literature. Marketing strategists able to target customer groups with all tools of the marketing mix if they have consumer knowledge based insights (Vigar-Ellis et al. 2015: 684).

Consumer knowledge can be described in simple terms as “what a consumer knows”. It has always been important factor in marketing strategies. Consumer knowledge is important in whole purchase decision process, from the first stage to the post-purchase phase. (Vigar-Ellis et al. 2015: 680).

According to Vigar-Ellis et al. (2015) early consumer researchers have realized the importance of consumer knowledge but they considered objective, subjective and experiential knowledge as they are similar to each other. Some researchers distinguished the meaning of consumer knowledge with their studies (Vigar-Ellis et al. 2015: 680). While objective knowledge can be described as accurate information about the product class, subjective knowledge depends on perceptions of what consumers know about the

product (Park et al. 1994: 71). Objective knowledge tend to be measured with right and wrong answers, subjective knowledge should be measured with scales that indicate consumer perceptions of how much they know about particular product (Vigar-Ellis et al. 2015: 680). Subjective and objective knowledge are largely independent. What consumers think they know is not actually what they know, also consumer disappointment with their purchase is related to their selection on what they think they want (Vigar-Ellis et al. 2015: 684).

The knowledge or information about a product class is not always main factor in shaping behavior. According to Park et al. (1994: 79) knowledge assessment is more based on product related experience in information search, product usage and ownership behavior than product class knowledge.

Students, as a target group of this study, have great mobility in accessing all kind of information with their insane adaptation speed to the new technologies. Internet usage makes all kind of information available and ready to use for users. According to study of Şahin and Kor (2009) consumers who are college students or graduate has shown the highest consumer right conscious. It is all about the accessing process to the information.

Consumer awareness is concerned with the rights and responsibilities of individual consumers during exchange process at the marketplace (Rousseau and Venter, 1995: 18, Makanyeza, 2015: 169). When consumers are aware of their rights and responsibilities, they make informed purchase decisions and getting protected against exploitation by companies (Makanyeza, 2015: 168). In many developing countries consumers are ignorant about basic consumer rights and quality & safety of the products. (Rousseau and Venter, 1995: 19). Rousseau and Venter identified five distinguishable characteristics of consumer awareness. They are bargain hunting, general consumer knowledge, product knowledge, information search and price consciousness (Rousseau and Venter, 1995: 18).

Consumers are powerful and can influence marketplace (Ibarra and Revilla, 2014: 75). Knowledge has productive role for the sake of community. Companies operate in market with mix of aware and unaware consumers about their products which may contain harmful substance. Companies does not disclose all their information if the level of the harmful substance is high (Li et al. 2016: 222). Such abuses forces consumers to be more aware and conscious on market. As consumer awareness increase, they became a strong force on companies (Makanyeza, 2015: 170). Consumers, who are aware of their rights and responsibilities, can make informed purchase decisions, pressure companies to produce more appropriate products, and protect themselves against exploitation (Makanyeza, 2015:

171). Informed consumers are the most effective guarantee of quality, their choice boosts efficiency of production by stimulating competition among companies (Baldwin and James, 2000: 140).

When consumers are not informed enough about their rights, they cannot force traders to act in compliance with consumer protection rules. It may result to consumer abuse (Mazlan et al. 2014: 450). This loop goes forever, and the one who acts unconcerned will absolutely be detrimental. It is clear that knowledge is in the center of this circle and keeps its importance for both sides.

Increased food based diseases and food scandals made many consumers worry about their health and lose their trust in foods (Bektas et al. 2011:470). According to Bektas et al. (2011) older consumers are more careful to their health, so their presence increases the level of knowledge and awareness about sensitivity to food safety of household. But awareness does not always affect the relevant behavior change in consumption, for example while consumers want to consume less salt, it is hard for them to estimate how much salt they consumed (Zandstra et al. 2016: 377). Also dangers of smoking are well known issue but not all consumers change their consumption patterns. According to the study of Yılmaz and Kulaç (2016), consumers tend to smoke more and prefer higher priced cigarette brands when their wage is increased. It is an exceptional, rare situation, but it doesn't change the truth that knowledge may be ineffective on changing consumption behavior.

Conscious Consumption

Carr et al. (2012) indicated that conscious consumption has been defined by scholars as “any choice about products or services made as a way to express values of sustainability, social justice, corporate responsibility, or workers' rights and that takes into account the larger context of production, distribution, or impacts of goods and services”. Mayer (1976) claims that consuming with an environmental thought, conservation of scarce resources and social justice became a new way for middle class liberals' progressive and humanitarian proclivities. Conscious consumption comprises of social, environmental, health and many other concerns. Most of the concerns are related to socially conscious behavior. Socially conscious behavior stands for the greater good of society, so it is indirectly linked to both environmental concerns and health concerns as a result.

Personality variables explain socially conscious consumers better than demographic and socioeconomic variables (Webster, 1975: 188). Anderson and Cunningham (1972) described socially conscious consumer as pre-middle age adult of relatively high socioeconomic status and occupational attainment. Compared to the less socially conscious

counterparts, they are tend to be more cosmopolitan but less dogmatic, less conservative, less status conscious, less alienated and less personally competent. Socially conscious consumers are member of upper middle class (Webster, 1975: 196). Social consciousness tended to vary directly with socioeconomic status, occupational status and inversely with age of household head (Anderson and Cunningham, 1972: 30). The socially conscious consumers are not likely visible on measures or attend to community activities, rather they are willing to purchase with the sense of responsibility without criticizing what others do (Webster, 1975: 195, 196). According to Brooker (1976) higher level of self-actualization indicates psychologically health of a consumer; these consumers not only care themselves but also benefits of society. Self-actualizing trait positively related to socially conscious consumption (Brooker, 1976: 111).

Consciousness mainly depends on consumer decisions which may be used for competitive advantage for companies (Süle, 2012: 213). Study of Mayer (1976) described socially & ecologically conscious market segment as large and, despite serious difficulties in reaching it efficiently, is well worth the effort. Brooker (1976: 107) also mentioned that a socially conscious consumer whose action improves quality of life in society become part of a new market segment. It is clear that their foresights and results were successful, conscious consumers are still part of high populated market segments. Environment conscious consumers are also considered in a growing market segment (Fraj and Martinez, 2006: 141).

Environment conscious consumers have a self-fulfillment feeling which courage them to improve themselves and take actions for new challenge (Fraj and Martinez, 2006: 141). Ay and Ecevit (2005)'s study on college students reveals the relationship between environmental conscious consumption behavior and social political subjects. According to Kaynak and Ekşi (2014) environmentally conscious consumers may also have anti consumption attitudes.

Consumer awareness to economic activities which cause environmental degradation is increased in recent years (Gil-Moltó and Varvarigos, 2013: 486). Various ecological and social problems cause decline in concept of life quality. Many consumer products which have deleterious effects exist in marketplace so products that alleviate some of these problems gain importance (Brooker, 1976: 107). Consumers tend to leave consumption and direct their sources to environmental activities after increase in pollution. This demand reduction pushes companies to adopt the clean technology (Gil-Moltó and Varvarigos, 2013: 501). As a result, companies which are perceived as socially and environmentally responsible are more favored by consumers (Dach and Allmendinger, 2014: 410). Also

many companies use green marketing as viable competitive strategy (Oyewole, 2001: 239).

There are various studies focused on environmentally conscious behavior of different consumer groups for various industries since ecological problems increased in recent years. Higher environmental behavior was found on consumers who most value ecological matters (Fraj and Martinez, 2006: 141). Psychographics variables are more effective than demographics in explaining environmentally conscious consumer behavior of college students (Straughan and Roberts, 1999: 570).

Companies must be very sensitive and careful about giving environmentally or socially promises. Consumers who have strong environmental consciousness are very sensitive to hypocrisy; they can be upset about companies which do not fulfill its promise to be environmentally or socially (Lin et al. 2015: 149). Hypocrisy or its perception may lead to serious consequences such as low purchase intention and losing customers (Lin et al. 2015: 152).

Education Effect on Consumer Awareness and Conscious Consumption

Consumer education which is related to fairness to all, equity and truth has important role to provide harmonious and civilized society. Being informed about their rights and responsibilities is the best protection for consumers (Ibarra and Revilla, 2014: 75). Educated consumers will be more responsible towards their own consumption and environment. It makes manufacturers and marketers to be more responsible (Mazlan et al. 2014: 448). Consumer behavior may be formed and shaped through social learning (Süle, 2012: 213). Schools and colleges are also interactive socialization areas where students spend most of their time.

Education starts at very early ages. Nowadays students are also consumer and customers for many market segments. Süle (2012) suggested that consciousness for critical thinking and problem-solving stages must be started earlier and be part of a lifelong process. Education is an important variable which influences levels of consumer awareness (Rousseau and Venter, 1995: 19). Bektas et al. (2011) pointed out that food safety awareness is positively linked to the education. To increase food safety knowledge, education level must be increased. Rousseau and Venter (1995) found different results among primary, secondary and tertiary education levels. Consumer with college education level has highest mean factor scores on general consumer knowledge and product knowledge. Most price conscious scores belonged to participants with primary school education. Educational level effects positively consumer awareness (Rousseau and Venter, 1995: 23, 24). Education of reference groups and family also affect

consumers. According to Ersoy and Nazik (2016)'s study, adolescents whose parents have higher education level, had shown more conscious behaviors.

In this study, business education in college is investigated. Consumer education literature is mostly pay attention to consumer education programs instead of general education system which includes education from primary school to higher education. Ibarra and Revilla (2014) have suggested that consumer education programs are necessary to ensure informed community about their rights. According to Mazlan et al. (2004) it is governments' responsibility to provide legal protection to consumers, even though consumer campaigns which is organized by government are successful, public knowledge about consumerism is still low in Malaysia. Consumer protection education establish more conscious consumer attitude (Süle, 2012: 213). But Mazlan et al. (2004) emphasizes that government itself will never be enough to educate consumers, non-government aligned organizations are also needed to fill consumer education gap.

Research Design and Analysis

This study aims to reveal effects of business education that comprises many consumption and consumer related classes. Two different student groups were surveyed. One of the groups consists of first grade students who are brand-new to business education and mostly have general classes. The other group consists of students who are last grade and succeed many consumption and consumer related classes. Hypotheses as;

Ha: There is a significant difference between first and last grade college students' attitude on general consumer knowledge

Hb: There is a significant difference between first and last grade college students' attitude on product knowledge

Hc: There is a significant difference between first and last grade college students' attitude on information search

Hd: There is a significant difference between first and last grade college students' attitude on price awareness

He: There is a significant difference between first and last grade college students' attitude on ecology dimension

197 business students were surveyed. Rousseau and Venter (1995)'s consumer awareness scale was adopted and translated in Turkish. General consumer knowledge, product knowledge and information search dimensions were used as original, price consciousness and bargain hunting dimensions were merged without discount related items. Also four items were used to measure ecology behavior. Short form of Maloney and Ward (1973)'s ecological attitude-knowledge scale were used in survey, this version of items were taken from the study of Maloney et al. (1975). Consumer and company related items were picked. The total survey consisted of 24 items.

Cronbach's alpha values are 0,705 for consumer awareness and 0,663 for ecology in this study. Reliabilities can be considered as high. Also data distribution is normal for this study. T-tests were used to test hypotheses. The results will also be checked with eta squared values to see the effect size.

Table 1: Paired-Samples T-Tests

		N	\bar{X}	SD	t	P	Levene's Test
Product knowledge	1 st Grade	89	4,35	0,439	-1,524	0,129	0,893
	4 th Grade	108	4,44	0,419			
Price awareness	1 st Grade	89	4,15	0,676	0,131	0,896	0,163
	4 th Grade	108	4,14	0,611			
Information search	1 st Grade	89	4,05	0,529	0,688	0,492	0,182
	4 th Grade	108	4,00	0,508			
General consumer knowledge	1 st Grade	89	3,75	0,486	-2,96	0,003	0,765
	4 th Grade	108	3,95	0,486			
Ecology	1 st Grade	89	3,56	0,711	-0,277	0,782	0,105
	4 th Grade	108	3,59	0,827			

According to T test results, there is only one significant difference exists. P=0,003 value of general consumer knowledge is lower than significance level 0,05. Only Ha hypothesis is supported. Effect size is $\eta^2 = 0,0427$ low for the general consumer knowledge. There is a significant difference with low effect size between first and last grade college students' attitude on general consumer knowledge.

Table 2: Means of Student Groups

	1 st Grade \bar{X}	4 th Grade \bar{X}	Total \bar{X}
Total Survey	3,97	4.02	4.00

Total survey results show that last grade students have higher mean points than first grade students, but it is not significantly different. With the 4 point mean of total survey, it can be said that students think their consumer awareness and conscious behaviors are relatively high. As mentioned before, it is subjective knowledge which depends on their opinion. Results do not include 2nd and 3rd grade students.

Conclusion and Suggestions

This paper tried to reveal consumer awareness and conscious consumption degrees of business students who are at the beginning and at the end of the education. It is expected that comparisons of the first and the last grade students would give some important clues because of two reasons. First of all, high education is strong factor for consumer awareness and

conscious consumption. Last grade students can be considered as graduated which means they are expected to act more conscious in all kind of behaviors. And the second reason is about the nature of business education which is mainly related to consumer and consumption. According to results, only one dimension, general consumer knowledge, is significantly different with low effect size, last grade students have higher point than first grade students for the general consumer knowledge. Contrary to expectations, it can be said that business education has very slight effects to awareness and consciousness for the consumer behavior perspective. It is clear that business education is not enough to change conscious and awareness of students.

There are several estimations to explain this result. Present-day college students were borned in more consumption-oriented world that made them customers at very early ages. Being active in marketplace caused their consumption patterns and market knowledge to be shaped in very early ages, long before college education. It can be recommended that conscious consumption should be topic for primary education to provide more conscious community in the near future.

When it comes to knowledge based subject, Internet cannot be ignored. Internet usage is not only very common but also the main source for knowledge based activities. An ordinary student can search for consumer rights, product information, substitutions, nearby stores and best prices in a few seconds. Also every product can be bought, all kind of opinions can be seen and every company can be complained via Internet and social media. It can be said that this powerful tool is removing the conscious and knowledge level between low and high educated consumers.

Survey technique which was used for this study has a disadvantage that would affect the result. The technique is asking consumers about their conscious and knowledge level, which means it was asked participants how much they know but while doing so, it was ignored the truth about what they really know. Simply what consumers think they know is not always what actually they know. They may be unaware of their knowledge and mislead the study. To overcome this limitation, in-depth interviews should be conducted with open ended questions. Also Semi-structured surveys may be a good choice to reveal degree of knowledge.

References:

- Anderson W. T., Jr., & Cunningham, W. H. (1972). The socially conscious consumer. *The Journal of Marketing*, 23-31.
- Baldwin, G., & James, R. (2000). The market in Australian higher education and the concept of student as informed consumer. *Journal of Higher Education Policy and Management*, 22(2), 139-148.

- Bektas, Z. K., Miran, B., Uysal, O. K., & Gunden, C. (2011). Consumer awareness for food safety in Turkey. *Bulgarian Journal of Agricultural Science*, 17(4), 470-483.
- Brooker, G. (1976). The self-actualizing socially conscious consumer. *Journal of Consumer Research*, 3(2), 107-112.
- Canan, A. Y., & Ecevit, Z. (2005). Çevre bilinçli tüketiciler. *Akdeniz University Faculty of Economics & Administrative Sciences Faculty Journal/Akdeniz Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 5(10).
- Carr, D. J., Gotlieb, M. R., Lee, N. J., & Shah, D. V. (2012). Examining overconsumption, competitive consumption, and conscious consumption from 1994 to 2004: disentangling cohort and period effects. *The ANNALS of the American Academy of Political and Social Science*, 644(1), 220-233.
- Dach, L., & Allmendinger, K. (2014). Sustainability in Corporate Communications and its Influence on Consumer Awareness and Perceptions: A study of H&M and Primark. *Procedia-Social and Behavioral Sciences*, 130, 409-418.
- Ersoy, S., & Nazik, M. H. (2006). Ergenlerde tüketicilik bilinç düzeyi üzerine bir inceleme. *Selçuk Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, (16), 313-328.
- Fraj, E., & Martinez, E. (2006). Environmental values and lifestyles as determining factors of ecological consumer behaviour: an empirical analysis. *Journal of Consumer Marketing*, 23(3), 133-144.
- Gil-Moltó, M. J., & Varvarigos, D. (2013). Emission taxes and the adoption of cleaner technologies: The case of environmentally conscious consumers. *Resource and Energy Economics*, 35(4), 486-504.
- Ibarra, V. C., & Revilla, C. D. (2014). Consumers' Awareness on Their Eight Basic Rights: A Comparative Study of Filipinos in the Philippines and Guam.
- Kaynak, R., & Ekşi, S. (2014). Effects of Personality, Environmental and Health Consciousness on Understanding the Anti-consumptional Attitudes. *Procedia-Social and Behavioral Sciences*, 114, 771-776.
- Li, S., Peitz, M., & Zhao, X. (2016). Information disclosure and consumer awareness. *Journal of Economic Behavior & Organization*, 128, 209-230.
- Lin, C. P., Tsai, Y. H., Chiu, C. K., & Liu, C. P. (2015). Forecasting the purchase intention of IT product: Key roles of trust and environmental consciousness for IT firms. *Technological Forecasting and Social Change*, 99, 148-155.
- Makanyeza, C. (2015). Consumer awareness, ethnocentrism and loyalty: An integrative model. *Journal of International Consumer Marketing*, 27(2), 167-183.

- Maloney, M. P., Ward, M. P., & Braucht, G. N. (1975). A revised scale for the measurement of ecological attitudes and knowledge. *American psychologist*, 30(7), 787.
- Mayer, R. N. (1976). The Socially Conscious Consumer—Another Look at the Data. *Journal of Consumer Research*, 3(2), 113-115.
- Mazlan, D., Redzuan, A. M., & Bakar, D. A. (2014). Consumer Education in Creating a Consumer Conscious Nation. *Procedia-Social and Behavioral Sciences*, 155, 448-453.
- Oyewole, P. (2001). Social costs of environmental justice associated with the practice of green marketing. *Journal of Business Ethics*, 29(3), 239-251.
- Park, C. W., Mothersbaugh, D. L., & Feick, L. (1994). Consumer knowledge assessment. *Journal of consumer research*, 21(1), 71-82.
- Rousseau, G. G., & Venter, D. J. L. (1995). Measuring consumer awareness in Zimbabwe. *SA Journal of Industrial Psychology*, 21(1), 18-24.
- Straughan, R. D., & Roberts, J. A. (1999). Environmental segmentation alternatives: a look at green consumer behavior in the new millennium. *Journal of consumer marketing*, 16(6), 558-575.
- Süle, M. (2012). Can conscious consumption be learned? The role of Hungarian consumer protection education in becoming conscious consumers. *International Journal of Consumer Studies*, 36(2), 211-220.
- Şahin, A., & Kor, Ö. (2009). Mersin’de Yaşayan Tüketicilerin Tüketici Hakları Konusundaki Bilinç Düzeylerini Etkileyen Faktörleri İnceleyen Bir Araştırma.
- Vigar-Ellis, D., Pitt, L., & Berthon, P. (2015). Knowing what they know: A managerial perspective on consumer knowledge. *Business Horizons*, 58(6), 679-685.
- Webster, F. E., Jr., (1975). Determining the characteristics of the socially conscious consumer. *Journal of consumer research*, 2(3), 188-196.
- Yılmaz, M. A., & Kulaç, O. (2016). An Analysis Of Smoking Policy Attitudes Of Low-Income Group And Cigarette Consumption Patterns Upon Increased Wage. *European Scientific Journal*, ESJ, 12(10).
- Zandstra, E. H., Lion, R., & Newson, R. S. (2016). Salt reduction: Moving from consumer awareness to action. *Food Quality and Preference*, 48, 376-381.