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**Federal State Autonomous Educational Institution
of Higher Education "Peoples' Friendship University of Russia"**

Faculty of Economics

(name of the main educational unit (OUP)-developer of the EP HE)

COURSE WORKING PROGRAM

Global consumer trends

(name of the discipline/module)

Recommended by the MSS for the direction of training/specialty:

38.04.02 «Management»

(code and name of the training area/specialty)

The development of the discipline is carried out within the framework of the implementation of the main professional educational program of higher education (EP HE):

International marketing and business

(name (profile/specialization) of the EP HE)

1. COURSE GOALS

The aim of the training course "Global Consumer Trends" is the consideration of contemporary consumer behaviour in a globalized economy. In addition, attention is paid to the nature and characteristics of this phenomenon, we investigate the medium-and long-term trends of changes in consumer behavioral patterns.

The course combines the study of theory and modern concepts with application of practical methods of research of consumer preferences. The course material helps marketers to build a model of projected changes in consumer preferences and implement the advanced planning of marketing activities.

2. REQUIREMENTS FOR THE RESULTS OF MASTERING THE DISCIPLINE

The development of the discipline "Global consumer trends " is aimed at the formation of the following competencies (parts of competencies) in students:

Table 2.1. List of competencies formed by students during the development of the discipline (results of the development of the discipline)

Code	Competence	Competence achievement indicators (within this course)
UC-7	Able to use digital technologies and methods of searching, processing, analyzing, storing and presenting information (in the professional field) in the digital economy and modern corporate information culture.	UC-7.1 Searches for the necessary sources of information and data, perceives, analyzes, remembers and transmits information using digital means, as well as using algorithms when working with data obtained from various sources in order to effectively use the information received to solve problems UC-7.2 Assesses information, its reliability, builds logical conclusions based on incoming information and data
GPC-2	Able to apply modern techniques and methods of data collection, advanced methods of data processing and analysis, including the use of intelligent information and analytical systems, when solving managerial and research problems	GPC-2.1 Owns modern techniques and methods of data collection, methods of searching, processing, analyzing and evaluating information to solve management problems GPC-2.2 Analyzes and simulates management processes in order to optimize the organization's activities GPC-2.3 Uses modern digital systems and methods in solving management and research problems
PC-1	Able to conduct marketing research, taking into account the influence of the international marketing environment using the tools of a modified marketing mix corresponding to the latest global trends	PC-1.1 Knows the goals, stages and procedures for conducting marketing research PC-1.2 Able to work with digital data, assess its sources and relevance PC-1.3 Knows how to evaluate the economic and social effectiveness of marketing research PC-1.4 Knows the principles of interpreting the results of scientific research in professional activities

Code	Competence	Competence achievement indicators (within this course)
PC-5	Capable of developing, implementing and improving the marketing communications system of an international company	PC-5.1 Knows the main formats of marketing communications in international markets PC-5.2 Knows the specifics of working with various promotion tools at the international level PC-5.3 Knows how to navigate modern methods of promotion in international markets PC-5.4 Is able to develop strategic marketing solutions in the field of advertising PC-5.5 Knows how to plan an advertising campaign PC-5.6 Has the skills to assess the effectiveness of a promotion strategy in international markets

3. THE PLACE OF DISCIPLINE IN THE STRUCTURE OF THE EP HE

The discipline "Global consumer trends " refers to the variable component formed by the participants of the educational relations of the block Б1.В.ДВ.02.01 of the OP HE.

Within the framework of the educational program, students also master other disciplines and/or practices that contribute to achieving the planned results of mastering the discipline "Global consumer trends " .

Table 3.1. The list of the components of the educational program that contribute to the achievement of the planned results of the development of the discipline

Code	Competence name	Previous courses	Next courses
UC-7	Able to use digital technologies and methods of searching, processing, analyzing, storing and presenting information (in the professional field) in the digital economy and modern corporate information culture.	Managerial economics Management Research Methodology Management organization theory	Digital marketing Innovative entrepreneurship Research work
GPC-2	Able to apply modern techniques and methods of data collection, advanced methods of data processing and analysis, including the use of intelligent information and analytical systems, when solving managerial and research problems	Finance organizations Marketing Metrics Integrated Marketing communication	Integrated marketing communications International marketing strategies

Code	Competence name	Previous courses	Next courses
PC-1	Able to conduct marketing research, taking into account the influence of the international marketing environment using the tools of a modified marketing mix corresponding to the latest global trends	Managerial economics Management Research Methodology Management organization theory	Digital marketing Innovative entrepreneurship Research work
PC-5	Capable of developing, implementing and improving the marketing communications system of an international company	Finance organizations Marketing Metrics Integrated Marketing communication	Integrated marketing communications International marketing strategies

* - it is filled in in accordance with the matrix of competencies and SP EP HE

4. SCOPE OF DISCIPLINE AND TYPES OF ACADEMIC WORK

The total labor intensity of the discipline "Global consumer trends " is 4 credit units.

Table 4.1. Types of educational work by periods of mastering the EP in for FULL-time education

Вид учебной работы	ВСЕГО, ак.ч.	Семестр(-ы)			
		1	2	3	4
Контактная работа, ак.ч.	144			144	
Лекции (ЛК)	18			18	
Лабораторные работы (ЛР)					
Практические/семинарские занятия (СЗ)	36			36	
Самостоятельная работа обучающихся, ак.ч.	27			72	
Контроль (экзамен/зачет с оценкой), ак.ч.	27			18	
Общая трудоемкость дисциплины	ак.ч.			144	
	зач.ед.	4		4	

Таблица 4.2. Виды учебной работы по периодам освоения ОП ВО для **ОЧНО-ЗАОЧНОЙ** формы обучения*

Вид учебной работы	ВСЕГО, ак.ч.	Семестр(-ы)			
		1	2	3	4
Контактная работа, ак.ч.					
Лекции (ЛК)					
Лабораторные работы (ЛР)					
Практические/семинарские занятия (СЗ)					
Самостоятельная работа обучающихся, ак.ч.					
Контроль (экзамен/зачет с оценкой), ак.ч.					
Общая трудоемкость дисциплины	ак.ч.				

Вид учебной работы	ВСЕГО, ак.ч.	Семестр(-ы)			
		1	2	3	4
зач.ед.					

* - заполняется в случае реализации программы в очно-заочной форме

Таблица 4.3. Виды учебной работы по периодам освоения ОП ВО для **ЗАОЧ-НОЙ** формы обучения*

Вид учебной работы	ВСЕГО, ак.ч.	Семестр(-ы)			
		1	2	3	4
Контактная работа, ак.ч.					
Лекции (ЛК)					
Лабораторные работы (ЛР)					
Практические/семинарские занятия (СЗ)					
Самостоятельная работа обучающихся, ак.ч.					
Контроль (экзамен/зачет с оценкой), ак.ч.					
Общая трудоемкость дисциплины	ак.ч.				
	зач.ед.				

* - заполняется в случае реализации программы в заочной форме

5. COURSE CONTENT

Table 5.1. The content of the discipline (module) by type of academic work

COURSE PART NAME	PART CONTENT	WORK TYPE
Consumer markets and consumer purchasing behavior	Features of marketing research of consumer behavior. The essence of the analysis of consumer and types of consumer behavior. The theory of consumer behavior. The concept and purpose of studying the values of consumers. Types, scales and analysis of values. Factors influencing the decision-making process about the purchase. The study of the relations of consumers using multifactor models: Fishbein method, ideal point method, the model "black box", a model SOR. Main principles of formation of representations about consumer buying behavior: the consumer is independent, motivation and consumer behavior is attained through research, consumer behavior can be influenced, consumer behavior socially legitimate. Types of consumer markets and their classification	LTR, SS
Characteristics of the buyer and the modeling of consumer behavior considering external factors	The culture of a society as an important factor of external influence on consumer behavior. The classification of cultural values: other-oriented; focused on nature; directed to oneself. High and low context culture. Cultural variations in verbal and non-verbal communications. Cross-cultural and global marketing strategy. Social inequality and the determinants of social class. The concept of "social stratification of socie-	LTR, SS

COURSE PART NAME	PART CONTENT	WORK TYPE
	ty." Sociological status of the individual as the basis of social position. Determinants of social class and social status of the consumer: economic variables, variables interaction, and political determinants. Group communication as a factor of influence on consumer behavior. Reference groups and their types, forms of influence of reference groups on consumer choice. The impact of information by "word of mouth". The household and the family as the primary external factor of consumer behavior. Changes in household structure and marketing. Role behavior in family purchases and its use in marketing decisions	
The world economy and patterns of formation. Modern approaches to the typology of countries.	Main categories and indicators characterizing the condition and dynamics of development of MAE. Indicators international comparison of development of countries (GDP, GNP and NI, the Index of human development). The essence of the international division of labor (MRI). The main characteristics and development trends of the international division of labour. The classification of countries by economic potential and the level of their socio-economic development. Features and characteristics of economic development of advanced countries. Features modern economic development of USA, Japan and countries of Western Europe. Geopolitical and geoeconomic unity of third world countries. The main features of developing countries. Peculiarities of modern economic situation of third world countries. The location and differentiation of developing countries into the world economy	LTR, SS
Integration processes in world economy.	Background, objectives and stages of economic integration. Forms and levels of development of modern integration associations. The relationship of the integration process with the level of development of productive forces, internationalization and globalization. The EU as the most advanced integration Association. Economic, organizational and financial structure of the EU, their place and influence on the evolution of centrifugal and centripetal processes in the group. The introduction of the single European currency and its implications. North American free trade area.	LTR, SS
Consumer potential of the world economy	Dynamics and structure of the world's population. The concept of human capital. The age structure. The quantitative and qualitative aspects of labour. The problem of employment. The level of education. Consumer patterns of different cultures. Regional features of consumption. The concept and scope of population migration. The types of migration and economic consequences for countries. State	LTR, SS

COURSE PART NAME	PART CONTENT	WORK TYPE
	regulation of external labour migration. Consumer models of mobile populations	
Socio-economic trends consumption in the world	A new "Global middle class", its consumer patterns, demographic characteristics, socio-cultural aspects. The gap between "rich and poor" as one of backbone factors of changing consumer patterns in the world. The impact of trends in health care on consumer behaviour in developed and developing countries. The impact of globalization on consumer habits. Reducing the time of decision to purchase	LTR, SS
Sustainable development and consumption	Especially the concept of "Sustainable development" and the regional specificity of the transition process to the last. Corporate Social Responsibility and its impact on consumer behavior in developed countries. The development of civil society, the awareness of responsibility for resource support for future generations. The changes in consumption patterns, the formation of a new style of life, the greening of consumption.	LTR, SS
The impact of digital technologies on consumer and marketing strategy in the world	Virtualization of Commerce and consumption. The influence of social networks on consumer behavior. Collaborative consumption and its modifications. Features of influence of mass media on consumer habits in different regions of the world. The role of gamification, personalization and other elements of interaction with the consumer. The impact of Multinational Companies on consumer behavior in different regions. Particular the issue of "adaptation-standardization" in the Internet space. The theory of generations Z and Y	LTR, SS

* - заполняется только по **ОЧНОЙ** форме обучения: ЛК – лекции; ЛР – лабораторные работы; СЗ – семинарские занятия.

6. MATERIAL AND TECHNICAL SUPPORT OF THE DISCIPLINE

Table 6.1. Material and technical support of the discipline

Audience type	Equipping the audience	Specialized educational/laboratory equipment, software and materials for the development of the discipline (if necessary)
Лекционная	Аудитория для проведения занятий лекционного типа, оснащенная комплектом специализированной мебели; доской (экраном) и техническими средствами мультимедиа презентаций. Аудитория 340	Мультимедиа проектор Casio XJ-F100W Экран настенный Digis Dsem-1105

Audience type	Equipping the audience	Specialized educational/laboratory equipment, software and materials for the development of the discipline (if necessary)
Компьютерный класс	Компьютерный класс для проведения занятий, групповых и индивидуальных консультаций, текущего контроля и промежуточной аттестации, оснащенная персональными компьютерами (в количестве <u>21</u> шт.), доской (экраном) и техническими средствами мультимедиа презентаций. Аудитория 27, 29	Моноблок Lenovo AIO-510-22ISH Intel I5 2200 MHz/8 GB/1000 GB/DVD/audio, монитор 21"Мультимедиа проектор Casio XJ-V100W, Экран моторизованный Digis Electra 200*150 Dsem-4303
Для самостоятельной работы обучающихся	Аудитория для самостоятельной работы обучающихся (может использоваться для проведения семинарских занятий и консультаций), оснащенная комплектом специализированной мебели и компьютерами с доступом в ЭИОС.	Зал библиотеки

* - аудитория для самостоятельной работы обучающихся указывается **ОБЯЗАТЕЛЬНО!**

7. EDUCATIONAL, METHODOLOGICAL AND INFORMATIONAL SUPPORT OF THE DISCIPLINE

a). Basic literature

1. The Global Economy, NYU Stern Department of Economics, CreateSpace Independent Publishing Platform, 2014.
2. Consumer Behavior, M. R. Solomon, Prentice Hall, 2012.
3. Loose-Leaf International Marketing, Philip Cateora, John Graham, Mary Gilly, McGraw-Hill/Irwin, 2012

b) additional literature

1. Robert M. Grant. Contemporary Strategy Analysis. 9-th ed. – Wiley, 2016.
2. Phanish Puranam. Corporate Strategy: Tools for Analysis and Decision-Making. Cambridge University Press., 2016..
3. An all-consuming century : why commercialism won in modern America, Gary Cross, Columbia University Press, New York, 2000.
4. Brandwashed : tricks companies use to manipulate our minds and persuade us to buy, Martin Lindstrom, Crown Business, New York, 2011

5. Gen Buy: How Tweens, Teens, and Twenty-Somethings Are Revolutionizing Retail, K. Yarrow and Jayne O'Donnell, Jossey-Bass publishing, 2009.
6. Erik Elgersma. The Global consumer trends Cycle Tool Book: How Advanced Data Collection and Analysis Underpins Winning Strategies. LID Publishing., 2017.
7. Babette E. Bensoussan. Analysis Without Paralysis: 12 Tools to Make Better Strategic Decisions. 2th ed. - FT Press, 2015..

Resources of the Internet information and telecommunication network:

UNIBC (Scientific Library) provides access to the following EBS:

- EBS RUDN Access mode: <http://lib.rudn.ru/> - from RUDN stationary computers
- University Library ONLINE – Access mode: <http://www.biblioclub.ru/>
- Book collections of SPRINGER publishing house. – Access mode: www.springerlink.com
- Universal databases of East View. – Access mode: <http://online.ebiblioteka.ru/>
- EBC publishing house "Yurayt" Access mode: <http://www.biblio-online.ru>
- EBS Publishing House "Lan", collections
- Electronic library system "Znanium.com" - access to the main collection is granted

Electronic resources for educational activities

Bulletin of the RUDN, all series / Access mode: <http://journals.rudn.ru/>

eLibrary.ru / Access mode <http://www.elibrary.ru/defaultx.asp> from any computer on the territory of the RUDN

RSL Dissertations Access mode: <https://dvs.rsl.ru/?>

BIBLIOPHIKA / Access mode: <http://www.bibliophika.ru/>

Columbia International Affairs Online (CIAO) Access mode: <http://www.ciaonet.org/>

East View. Collection "Statistical publications of Russia and CIS countries"

Grebennikon Access mode: <http://grebennikon.ru/>

LexisNexis Access Mode: <http://academic.lexisnexis.eu>

Search engines: Yandex (yandex.ru), Google (google.ru).

Information and reference portals:

1. www.advertology.ru
2. www.marketing.spb.ru
3. www.p-marketing.ru

4. www.4p.ru
5. www.advi.ru
6. www.cfin.ru
7. www.expert.ru
8. www.rbc.ru

Educational and methodological materials for independent work of students during the development of the discipline/ module:*

1. A course of lectures, standard tasks and a control test on the discipline "Global consumer trends " is posted on the TUIS portal, Access mode: <https://esystem.rudn.ru/course/view.php?id=11989¬ifyeditingon=1>

* - все учебно-методические материалы для самостоятельной работы обучающихся размещаются в соответствии с действующим порядком на странице дисциплины **в ТУИС!**

8. EVALUATION MATERIALS AND A POINT-RATING SYSTEM FOR ASSESSING THE LEVEL OF COMPETENCE FORMATION IN THE DISCIPLINE

Evaluation materials and a point-rating system* for assessing the level of competence formation (part of competencies) based on the results of mastering the discipline "Global consumer trends " are presented in the Appendix to this Work Program of the discipline.* - ОМ и БРС формируются на основании требований соответствующего локального нормативного акта РУДН.

Developers:

Доцент, каф. Маркетинга

Chernikov S.U.

Должность, БУП

Подпись

Фамилия И.О.

РУКОВОДИТЕЛЬ БУП:

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Наименование БУП

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Подпись

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Appendix to the Work program of the discipline
"Global consumer trends "

APPROVED

At the meeting of the Department of Marketing

" _____ " _____ 2022, Protocol no. ___

Head of the Marketing Department

_____ Zobov A.M.

EVALUATION TASK FUND FOR THE COURSE

Global consumer trends

(COURSE NAME)

38.04.02 «Management»

(code and name of the training area)

International Marketing and business

(name of the training profile)

Master

Qualification (degree) of the graduate

Passport of the fund of evaluation funds for the discipline Global consumer trends
Direction / Specialty: 38.04.02. "Management"
Specialization International marketing and business
Summary evaluation table of the discipline Global consumer trends

Код контролируемой комп..	Контролируемая тема дисциплины	ФОСы (формы контроля уровня освоения ООП)									Баллы темы	Баллы раздела	
		Аудиторная работа					Самостоятельная работа						Экзамен / Зачет
		Опрос	Тест	Работа на занятии	Презентация	Задачи	Выполнение дз	Реферат	Проект	Доклад/сообщение			
UC-7; GPC-2; PC-1; PC-5	Consumer markets and consumer purchasing behavior			1								1	17
	Characteristics of the buyer and the modeling of consumer behavior considering external factors			1			5		10			16	
UC-7; GPC-2; PC-1; PC-5	The world economy and patterns of formation. Modern approaches to the typology of countries.			1		4						5	22
	Integration processes in world economy.			1			4					5	
	Consumer potential of the world economy			1		4						5	
	Socio-economic trends consumption in the world			1	3		3					7	
UC-7; GPC-2; PC-1; PC-5	Sustainable development and consumption			2		5	6		10			23	34
	The impact of digital technologies on consumer and marketing strategy in the world			1	10							11	
	Контроль		10						8	9		27	
	Итого		10	9	15	15	21		20	8	2	100	

Description of the point-rating system

Conditions and criteria for grading. Students are required to attend lectures and seminars, participate in certification tests, and complete teacher assignments. Active work at the seminar is especially appreciated (the ability to conduct a discussion, a creative approach to the analysis of materials, the ability to clearly and succinctly formulate their thoughts), as well as the quality of preparation of control papers (tests), presentations and reports.

Grades in the disciplines taught are set based on the results of the study demonstrated by students throughout the entire period of study (usually a semester). The final grade is determined by the sum of points received by students for various types of work during the entire period of study provided by the curriculum.

All types of educational work are carried out exactly within the time limits stipulated by the training program. If a student has not completed any of the training tasks without valid reasons (missed a test, passed an abstract later than the due date, etc.), then points are not awarded to him for this type of academic work, and works prepared later than the due date are not evaluated. For various types of work during the entire period of study, a student can receive a maximum amount of 100 points.

Балльно-рейтинговая система оценки знаний, шкала оценок

Баллы БРС	Традиционные оценки РФ	Оценки ECTS
95 – 100	Отлично – 5	A (5+)
86 – 94		B (5)
69 – 85	Хорошо – 4	C (4)
61 – 68	Удовлетворительно – 3	D (3+)
51 – 60		E (3)
31 – 50	Неудовлетворительно – 2	FX (2+)
0 – 30		F (2)
51 - 100	Зачет	Passed

Description of ECTS grades:

A ("Excellent") - the theoretical content of the course has been fully mastered, without gaps, the necessary practical skills of working with the mastered material have been formed, all the training tasks provided for in the training program have been completed, the quality of their performance is estimated by the number of points close to the maximum.

In ("Very good") - the theoretical content of the course is fully mastered, without gaps, the necessary practical skills of working with the mastered material are mainly formed, all the training tasks provided for in the training program are completed, the quality of most of them is estimated by the number of points close to the maximum.

C ("Good") - the theoretical content of the course has been fully mastered, without gaps, some practical skills of working with the mastered material have not been sufficiently formed, all the training tasks provided for in the training program have been completed, the quality of none of them has been evaluated with a minimum number of 5 points, some types of tasks have been completed with errors.

D ("Satisfactory") - the theoretical content of the course has been partially mastered, but the gaps are not significant, the necessary practical skills of caring for the mastered material have been mainly formed,

most of the training tasks provided for in the training program have been completed, some of the completed tasks may contain errors.

E ("Mediocre") - the theoretical content of the course has been partially mastered, some practical work skills have not been formed, many of the training tasks provided for in the training program have not been completed, or the quality of some of them is estimated by the number of points close to the minimum.

FX ("Conditionally unsatisfactory") - the theoretical content of the course has been partially mastered, the necessary practical skills have not been formed, most of the training tasks provided for in the training program have not been completed or the quality of their performance has been assessed by a number of points close to the minimum; with additional independent work on the course material, it is possible to improve the quality of the training tasks

F ("Certainly unsatisfactory") - the theoretical content of the course has not been mastered, the necessary practical work skills have not been formed, all completed training tasks contain gross errors, additional independent work on the course material will not lead to any significant improvement in the quality of training tasks.

Materials for assessing the level of mastering the educational material of the discipline "Marketing metrics" (evaluation materials), including a list of competencies with the indication of the stages of their formation, a description of indicators and criteria for assessing competencies at various stages of their formation, a description of evaluation scales, standard control tasks or other materials necessary for assessing knowledge, skills and (or) experience of activity, characterizing the stages of competence formation in the process of mastering the educational program, methodological materials defining the procedures of knowledge assessment, the skills, skills and (or) experience of activity characterizing the stages of competence formation have been developed in full and are available to students on the discipline page in the TUIS RUDN.

Example topics for individual and group presentations

- The features and influence factors of consumer behavior at a selected consumer market (the market is being chosen by the group themselves)
- Neuromarketing in FMCG markets
- Irrational consumer behavior in B2C and B2B markets
- Social media as a tool of reference groups in consumer behavior
- Cultural impact on consumer behavior (on an example of a specific culture and products)
- The aging of population in developed countries as a consumption trend
- The healthy lifestyle consumer behavior trend
- Obesity problem as a driver for consumption changes
- The impact of global internet shops on consumption models
- Gamification as a trend in digital marketing worldwide
- Ecologisation of lifestyle and consumption
- Sustainable consumption
- Consumption trend in a selected market (the market is being chosen by the group themselves)

12. Approximate issues for self-preparation for the exam.

- a. Features of marketing research of consumer behavior
- b. The concept and purpose of the study of the values of consumers
- c. The study of consumer attitudes via multifactor models
- d. Three approaches to the formation of a model of consumer behavior
- e. Culture of Society as an important factor of external influence on consumer behavior
- f. High and Low context cultures
- g. Cross-cultural and global marketing strategies
- h. Classification of cultural values
- i. The sociological status of the individual as the basis of social position
- j. Determinants of social class and social status of the consumer
- k. Reference groups and their types
- l. Forms of influence of reference groups on consumer choice

- m. Classification of countries by economic potential and their level of socioeconomic development
- n. Household and family as the primary external factor of consumer behavior
- o. Key features of developing countries
- p. The characteristic features of the economic development of newly industrialized countries
- q. General characteristics of countries with economies in transition
- r. Forms and levels of development of modern integration associations.
- s. Features of international economic integration of developing countries.
- t. Consumer models migrant populations.
- u. Quantitative and qualitative aspects of the labor force.
- v. The new "global middle class"
- w. The gap between "rich and poor"
- x. Impact of health trends in consumer behavior aspects
- y. The impact of globalization on consumer habits
- z. Corporate Social Responsibility and its impact on consumer behavior in developed countries
- aa. The impact of social networks on consumer behavior
- bb. Role of gamification, personalization and other elements of interaction with the customer
- cc. Features of the problem of "adaptation-standardization" in the Internet space

13. *Examples of test questions.*
- 1) **Which of these countries is the richest in terms of per capita GDP?**
 - a. China
 - b. India
 - c. Spain
 - d. Poland
 - 2) **What is NOT the feature of low-income countries**
 - a. High birth rates
 - b. Low literacy rates
 - c. Capital-intensive industries
 - d. Heavy reliance on foreign aid

e. Political instability and unrest

- 3) The largest volume of FDI from developed countries goes to**
- New industrial countries
 - Other developed states
 - Own economies
 - Developing countries
- 4) According to Hofstede' cultural value measurement, Russia has the following traits:**
- | | |
|--------------------------|--------------------------|
| a. Power distance | e. Power neglecting |
| b. Individualism | f. Collectivism |
| c. Masculinity | g. Feminity |
| d. Uncertainty avoidance | h. Uncertainty tolerance |
- 5) What is the Schwartz Value Survey?**
- 6) Taking into account the cultural picture, do you think that the strategy of standardization or adaptation would be more successful in Russia in luxury perfume trading?**
- 7) TNC major progress started in mid 20 century due to**
- Political agreements
 - Improvements in Transport and Telecom industries
 - Decrease of military activity in the world
 - Improvements in Steel and Machinery industries
- 8) Please write down the regular process of consumer behaviour research**
- 9) What is the difference between primary and secondary information in marketing research of consumer behaviour**
- 10) Which of the following factors must NOT be considered during secondary data evaluation:**
- Measure that is used
 - Recentness of data
 - How the data was collected

- d. Suitability of the data
- e. Who collected the data
- 11) **What is the Awareness in consumer behavior theory and how is it different from involvement?**
- 12) **The 3 most typical categories for customer segmentation are:**
- 13) **What is Geodemographics?**
- 14) **Consumer behavior involves services and ideas as well as ____ products.**
 - a. Durable
 - b. Malleable
 - c. Tangible
 - d. Marketable
- 15) **Which of the following ethnographic research techniques is considered an observational study**
 - a. Video diary
 - b. Shopalong
 - c. In-home ethnographic research
 - d. Online ethnographic research
 - e. Interview
- 16) **When McDonald's advertises cheap soda on the side of their stores with giant banners they are targeting which of the following perceptual processes of the consumer?**
 - a. Attention
 - b. Exposure
 - c. Interpretation
 - d. Alternative selection
 - e. All of the above
- 17) **In the motivational process the desired end state is called which of the following?**
 - a. Need
 - b. Want
 - c. Desire
 - d. Drive
 - e. Goal
- 18) **The process of learning the value system of another culture is known as acculturation**
 - a. True
 - b. False

14. *Examples of case study materials for the course*

Study material – Source <http://trendwatching.com/trends/10trends2013/>

“10 Crucial consumer trends for 2013”

2013 will be the perfect storm of necessity and opportunity: some economies will do OK(-ish), others will be shaky, but whatever market or industry you're in, those who understand & cater to changing consumer needs, desires and expectations will forever have plenty of opportunity to profit. A remapped global economy, new technologies (or 'old' technologies applied in new ways), new business models... hey, what's not to like?

Hence this overview of 10 crucial consumer trends from us at trendwatching.com (in random order) for you to run with in the next 12 months. Onwards and upwards:

1. PRESUMERS and CUSTOWNERS "Consumers will embrace even more ways to participate in the funding and (pre-)launch of new products and brands."

2013 will see passionate consumers embrace two innovative new 'consumption' models: becoming PRESUMERS and CUSTOWNERS.

PRESUMERS love to get involved with, push, fund, and promote products and services before they are realized. And thanks to countless new crowdfunding platforms and new manufacturing technologies that are finally tipping into the mainstream (and a burgeoning, global cult of entrepreneurialism at large), the coming 12 months will see them have more opportunities than ever to do so.

No wonder that the amount PRESUMERS spent on crowdfunding platforms has risen from just USD 530 million in 2009, to USD 1.3 billion in 2011, to USD 2.8 billion in 2012

(Source: Massolution/The Economist, May 2012).

Next for PRESUMERS? How about CUSTOWNERS: consumers who move from passively consuming a product towards funding/investing (if not owning a stake) in the brands they buy from.

However, these increasingly business-savvy consumers are often looking for both a financial and an emotional return, and therefore only brands that are open, friendly, honest, trusted, transparent, and somewhat 'human' will prove able to attract enthusiastic CUSTOWNERS.

Also, keep an eye on the US JOBS Act, which will be implemented in January 2013 and for the first time allows non-accredited US investors to buy micro-equity in start-ups. It's a major factor behind research firm Gartner's prediction that funds raised by crowdfunding platforms will rise to USD 6.2 billion in 2013. One for other countries to follow suit soon?

2. EMERGING² "Emerging brands from all over, are catering to emerging middle classes from all over."

While the last two decades were about developed markets catering to emerging ones, and emerging markets increasingly catering to developed ones; now get ready for an explosion in products and services from emerging markets for emerging markets.

Think Chinese and Brazilian brands selling to the middle classes in Turkey, India or South Africa. Or vice versa.

On top of that, with these emerging market brands having cut their teeth operating in fast-rising emerging markets and catering to ever-more important emerging middle classes, expect even more of the next global mass market powerhouses to come from emerging markets.

The numbers sure are juicy: in 2013, the GDP of emerging markets will exceed advanced markets for the first time (measured in Purchasing Power Parity terms) to USD 44.1 trillion versus USD 42.7 trillion (Source: IMF, October 2012).

One exercise for anyone (whether you're in an emerging market or not) with global ambition: ask yourself who are the new power players in your industry?

3. MOBILE MOMENTS - "Lifestyle multi-if-not-hyper-tasking: why micro-convenience, mini-experiences and digital snacks will rule in 2013."

For those wondering where 'mobile' will head next, one behavioral insight should give you plenty to run with: in 2013, consumers will look to their mobile devices to maximize absolutely every moment. Hectic, urban lifestyles mean that no amount of (micro) time will be too fleeting, or activity too absorbing, to cram in more content, connection, consumption or simply more fun.

All of which means the next 12 months will see an explosion in MOBILE MOMENTS: products, services and experiences that will enable mobile-loving consumers to embrace (seamless) lifestyle multi-if-not-hyper-tasking.

We could offer you a deluge of stats on everything from mobile use to addiction, but we know YOU don't have the time, either, so we'll just offer three:

1. A survey of US adult smartphone owners found that 63% of female respondents and 73% of male respondents don't go an hour without checking their phone (Source: Harris Interactive, June 2012).
2. Cell phone users between 18 and 24 exchange an average of 109.5 messages on an average day, more than 3,200 per month (Source: Pew Research Centre, September 2012).
3. An academic study of Android users' app-habits revealed that while users spend nearly one hour on their devices a day, the average app session lasted only just over a minute. (Source: DFKI, November 2011)

4. NEW LIFE INSIDE - "It's time for products that give back."

Recession or no recession, long term, one of brands' major quests is for more ecologically sustainable activities. So here's just one small, sign-of-the-times eco-mini-trend for 2013: the phenomenon of products and services that quite literally contain new life inside. Rather than being discarded or even recycled (by someone else), these products can be planted and grown, with all the eco-status and eco-stories that come with that.

Of course, NEW LIFE INSIDE products are not going to solve major sustainability challenges. But more than ever in 2013, there is great symbolic value in creating new, environmentally beneficial life out of a consumer product.

And symbolic, even playful statements of your values will resonate with consumers, too. Especially if they are seen as expressions of larger intent to take more meaningful action.

5. APPSCRIPTIONS - "Digital technologies are the new medicine."

Digital technologies are the new medicine, as doctors and physicians turn to health apps and services to improve health outcomes.

We flagged the rise of DIY HEALTH (consumers using tech to track, manage, monitor and improve their health, usually in an informal and self-imposed way) last year, but increasingly, with over 13,000 health apps in the Apple app store it's not a case now of finding an app, but finding the BEST one, and – given that this is a health issue – one that is accurate and safe.

So in 2013, expect consumers to turn to the medical profession and medical institutions to certify and curate these products, with doctors also 'prescribing' them, much as they prescribe

medicines, as part of a course of treatment. And for health providers, these digital ‘medicines’ promise to reduce costs by making consumers more aware of their health, improve compliance, and allow remote monitoring that can pick up warning signals earlier.

Even if you’re not in the health industry, and think APPSCRIPTIONS isn’t relevant for you, we bet that an hour spent considering the bigger underlying trend – towards mobile driven service delivery – could yield some profitable new insights.

6. CELEBRATION NATION - “Flaunting the new ‘it’ cultures.”

In 2013, global cultural capital will continue to be overturned just as dynamically as its financial equivalent. One result? Emerging markets will proudly export and even flaunt their national and cultural heritage in the next 12 months. Symbols, lifestyles and traditions that were previously downplayed if not denied, are being brought up to date, to become a source of pride for domestic consumers, and of interest to global consumers.

In case you're not from one of these CELEBRATION NATIONS, then it's probably time to partner with a hot local brand from an emerging market and bring their flavor to your customers. Or, if you’re already active in one of these markets yourself, start paying respect to local cultures.

7. DATA MYNING - "Why consumers want ‘good’ data not ‘big’ data.”

If data is the new resource, expect consumers in 2013 to start demanding their share of its value.

To date, the ‘big data’ discussion has focused on the value of customer data to businesses. Now, increasingly savvy consumers will start to reverse the flow: seeking to own and make the most of their lifestyle data, and turning to brands that use this data to proactively offer customers help and advice on how to improve their behavior and/ or save money.

Of course, this is nothing new in the world of entertainment but in 2013 expect even 'mundane' industries to start taking consumers' data and making it useful.

A word of warning: brands will have to walk a fine line between offering consumers a valuable (and ideally seamless) service, and freaking them out with aggressive if not downright scary 'services'. Yes, consumers want to feel served to, but they don't like to be watched.

8. AGAIN MADE HERE - “Local manufacturing is the new Service Economy.”

Driving this trend: the perfect storm of consumers’ ever-greater NEWISM, the expectation of getting just the right product (and NOW!), eco-concerns and the desire for more interest-

ing STATUS STORIES, all combined with the spread of new local manufacturing technologies such as 3D-printing and make-on-demand.

And of course, consumer embrace of AGAIN MADE HERE will be welcome news for executives concerned by rising labor costs in China, long lead times and fragile global supply chains.

Just one stat to kick-start the discussion:

- Four out of five US shoppers (76%) notice "Made in the USA" claims and labels, and are more likely to purchase that product (Source: Perception Research, July 2012).

Observant readers will have by now noted how PRESUMERS and AGAIN MADE HERE will feed off each other in the coming months. Get ready, as the reshaping of the mechanics and business models of manufacturing will make 'local' in 2013 about much more than just artisan food and craft!

9. FULL FRONTAL - "Not just transparent, but naked and proud"

So what's next for the mega-trend of transparency? Brands must move from 'having nothing to hide', to pro-actively showing and proving they have nothing to hide, and go beyond uttering lofty statements on 'values' or 'culture' to real, unambiguous and clear evidence, or statements about actual results.

No, not all consumers will be this demanding, but as total transparency becomes a hygiene factor, even those that aren't will expect brands to prove their ethical and environmental credentials to those that do care.

Some stats:

- The percentage of global consumers who trust business to do what is right fell from 56% in 2011 to 53% in 2012 (Source: Edelman, January 2012).
- The proportion of people saying brands making a notable positive contribution to their lives is around 8% in European markets, and 5% in the US. Interestingly, the comparable figures in in China and Latin America are 57% and 30% respectively (Source: Havas, February 2012).
- 69% of US consumers said they are more likely to buy from a brand that talks publicly about its CSR results, versus the 31% who would purchase from a brand that talks about its CSR mission and purpose (Source: Cone Communications, October 2012).
- Only 44% of Americans trust companies' green claims (Source: Cone Inc., March 2012).

While the bulk of the examples below might be food-related, the takeaway is clear... Only brands that have the utmost confidence in their product (and themselves) will be able to go FULL FRONTAL. If you're wondering what will your customers say if you go FULL FRONTAL, the real question for 2013 will be what they will think if you don't?

10. DEMANDING BRANDS - "Brands' wishes will be consumers' command."

Expect to witness a daring change in the relationship between ambitious, responsible brands and their customers in 2013. Switched-on brands that are embarking on the much-needed journey towards a more sustainable and socially-responsible future will demand that their customers also contribute, and in doing so earn the respect of even the most hyper-demanding of consumers.

But consumers aren't going to put themselves out for brands unless they truly believe in the bigger vision. So, in positioning yourself as a DEMANDING BRAND, make sure you're 100% transparent and sincere. Otherwise, it's time to stick to being a SERVILE BRAND. One more thought for DEMANDING BRANDS in 2013: it's one thing being temporarily demanding as a stunt to grab consumers' attention, but quite another to make meaningful demands on an ongoing basis. Hey, no one said it was going to be easy.

To read examples for any of the above trends as well as case studies please click here to go to the original source.»

Questions: 1) Did these trends become true? Which of them are difficult to trace?

2) In your opinion, what did researchers base their analysis upon to come to these trends?

3) How do these trends apply to Russia? To Germany? To Nigeria?

Case for analysis and discussion at the seminar

Water fluoridation

Water fluoridation involves adjusting the natural level of fluoride in the public water supply so as to produce substantial improvements in the dental health of the population – especially among children and those living in deprived communities. Water fluoridation is a classic example of health promotion – safe, simple, effective – but, in the UK at least, not happening. No new water fluoridation schemes have gone ahead since the necessary legislation was passed in 1985.

Introducing water fluoridation in the UK is a complex process. Local health authorities request (but do not tell) water companies to start adding fluoride to the water once they have formally consulted the public and the relevant local government authorities. Research with the general public found that they were largely supportive of fluoridation and wanted to be kept informed of developments, but confirmed that they had little role to play in actively progressing the initiative. Furthermore, they were quite happy with the state of affairs, seeing it as a job for the health professionals, to whom they were prepared to defer.

Thus, fluoridation is an example of a valuable public health measure which will not be progressed by any behavioural change in the general population. Nonetheless, social marketing has a key role to play: its concepts of consumer orientation, voluntary involvement and mutually beneficial exchange are still very useful. In this case the key consumers are local authorities and water companies, whose cooperation can be encouraged by emphasizing the benefits *to them* of fluoridation. Market research showed these to differ for the two groups.

The local government authorities were not interested in public health, at least for its own sake, and being Labour-dominated, had no love for health authorities or their (Conservative) government-inspired policies. Their main concern was to represent and meet the needs of their constituents. If they were going to 'buy' fluoridation, their interest in and ownership of it would need to be stimulated by emphasizing the benefits that fluoridation would bring to *their* voters and by reminding them that the first UK fluoridation schemes, back in the 1960s, had been introduced by local authorities, not health authorities. In short, if they were going to buy it, fluoridation had to meet their political needs.

Similarly, the private water companies were not interested in public health. They wanted to provide their customers with clean, wholesome water, and their shareholders with a reasonable return.

However, they were interested in helping the government carry out its policies, retaining good relationships with public health professionals in their area and positive public relations. At a more practical level, they also needed a fluoridation product that met their technical requirements: that would suit their existing plant and have an acceptable safety standard, for example. They needed more than the basic 'benefit to the public' product that would satisfy the local authorities. Finally, segmentation and targeting ensured that the correct fluoridation product was marketed to the two customer groups.

Questions: 1) Is this behavior on behalf of consumers typical for developed countries?

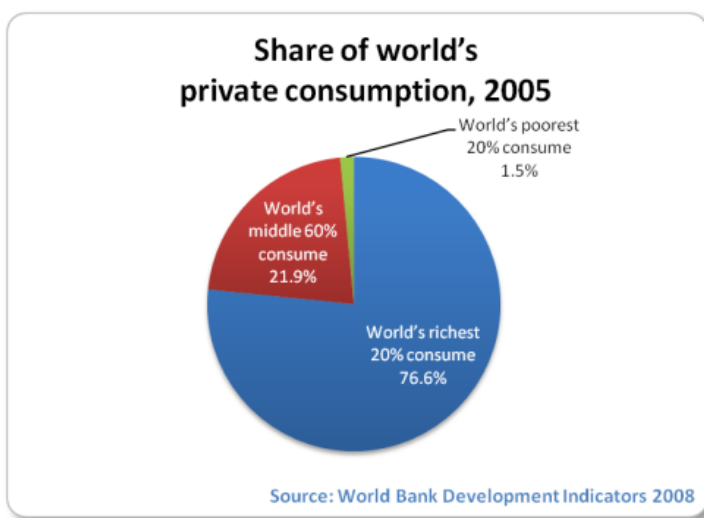
2) Do you consider the social marketing of this kind applicable to developing countries like India or Egypt?

3) What similar issues of forming socially acceptable behavior of consumers can you recall?

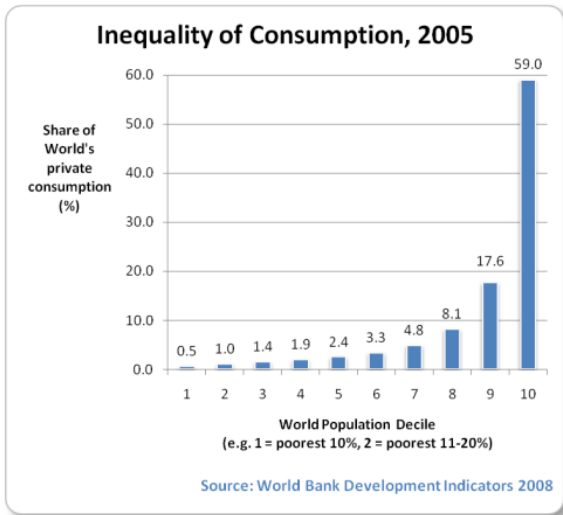
Study material – Source <http://www.globalissues.org/issue/235/consumption-and-consumerism>

«Consumption and Consumerism» by Anup Shah

Using latest figures available, in 2005, the wealthiest 20% of the world accounted for 76.6% of total private consumption. The poorest fifth just 1.5%:



Breaking that down slightly further, the poorest 10% accounted for just 0.5% and the wealthiest 10% accounted for 59% of all the consumption:



In 1995, the inequality in consumption was wider, but the United Nations also provided some eye-opening statistics (which do not appear available, yet, for the later years) worth noting here:

Today's consumption is undermining the environmental resource base. It is exacerbating inequalities. And the dynamics of the consumption-poverty-inequality-environment nexus are accelerating. If the trends continue without change — not redistributing from high-income to low-income consumers, not shifting from polluting to cleaner goods and production technologies, not promoting goods that empower poor producers, not shifting priority from consumption for conspicuous display to meeting basic needs — today's problems of consumption and human development will worsen.

The real issue is not consumption itself but its patterns and effects.

Inequalities in consumption are stark. Globally, the 20% of the world's people in the highest-income countries account for 86% of total private consumption expenditures — the poorest 20% a minuscule 1.3%. More specifically, the richest fifth:

- Consume 45% of all meat and fish, the poorest fifth 5%
- Consume 58% of total energy, the poorest fifth less than 4%
- Have 74% of all telephone lines, the poorest fifth 1.5%
- Consume 84% of all paper, the poorest fifth 1.1%
- Own 87% of the world's vehicle fleet, the poorest fifth less than 1%

Runaway growth in consumption in the past 50 years is putting strains on the environment never before seen.

If they were available, it would likely be that the breakdowns shown for the 1995 figures will not be as wide in 2005. However, they are likely to still show wide inequalities in consumption. Furthermore, as a few developing countries continue to develop and help make the numbers show a narrowing gap, there are at least two further issues:

- Generalized figures hide extreme poverty and inequality of consumption on the whole (for example, between 1995 and 2005, the inequality in consumption for the poorest fifth of humanity has hardly changed)
- If emerging nations follow the same path as today's rich countries, their consumption patterns will also be damaging to the environment

And consider the following, reflecting world priorities:

Global Priority	\$U.S. Billions
Cosmetics in the United States	8
Ice cream in Europe	11
Perfumes in Europe and the United States	12
Pet foods in Europe and the United States	17
Business entertainment in Japan	35
Cigarettes in Europe	50
Alcoholic drinks in Europe	105
Narcotics drugs in the world	400
Military spending in the world	780

And compare that to what was estimated as *additional* costs to achieve universal access to basic social services in all developing countries:

Global Priority	\$U.S. Billions
------------------------	------------------------

Global Priority	\$U.S. Billions
Basic education for all	6
Water and sanitation for all	9
Reproductive health for all women	12
Basic health and nutrition	13

(Source: [The state of human development](#), United Nations Human Development Report 1998, Chapter 1, p.37)

We consume a variety of resources and products today having moved beyond basic needs to include luxury items and technological innovations to try to improve efficiency. Such consumption beyond minimal and basic needs is not necessarily a bad thing in and of itself, as throughout history we have always sought to find ways to make our lives a bit easier to live. However, increasingly, there are important issues around consumerism that need to be understood. For example:

- How are the products and resources we consume actually produced?
- What are the impacts of that process of production on the environment, society, on individuals?
- What are the impacts of certain forms of consumption on the environment, on society, on individuals?
- Which actors influence our choices of consumption?
- Which actors influence how and why things are produced or not?
- What is a necessity and what is a luxury?
- How do demands on items affect the requirements placed upon the environment?
- How do consumption habits change as societies change?
- Businesses and advertising are major engines in promoting the consumption of products so that they may survive. How much of what we consume is influenced by their needs versus our needs?

- Also influential is the very culture of today in many countries, as well as the media and the political institutions themselves. What is the impact on poorer nations and people on the demands of the wealthier nations and people that are able to afford to consume more?
- How do material values influence our relationships with other people?
- What impact does that have on our personal values?
- And so on.

Just from these questions, we can likely think of numerous others as well. We can additionally, see that consumerism and consumption are at the core of many, if not most societies. The impacts of consumerism, positive and negative are very significant to all aspects of our lives, as well as our planet. But equally important to bear in mind in discussing consumption patterns is the underlying system that promotes certain types of consumption and not other types.

Inherent in today's global economic system is the wasteful use of resources, labor and capital. These need to be addressed. Waste is not only things like via not recycling etc; it is deep within the system.

The U.N. statistics above are hard hitting, highlight one of the major impacts of today's form of corporate-led globalization.

“Over” population is usually blamed as the major cause of environmental degradation, but the above statistics strongly suggests otherwise. As we will see, consumption patterns today are not to meet everyone's needs. The system that drives these consumption patterns also contribute to inequality of consumption patterns too.

This section of the globalissues.org web site will attempt to provide an introductory look at various aspects of what we consume and how.

- We will see possible “hidden” costs of convenient items to society, the environment and individuals, as well as the relationship with various sociopolitical and economic effects on those who do consume, and those who are unable to consume as much (due to poverty and so on).

- We will look at how some luxuries were turned into necessities in order to increase profits.
- This section goes beyond the “don’t buy this product” type of conclusion to the deeper issues and ramifications.
- We will see just a hint at how wasteful all this is on resources, society and capital. The roots of such disparities in consumption are inextricably linked to the roots of poverty. There is such enormous waste in the way we consume that an incredible amount of resources is wasted as well. Furthermore, the processes that lead to such disparities in unequal consumption are themselves wasteful and is structured deep into the system itself. Economic efficiency is for making profits, not necessarily for social good (which is treated as a side effect). The waste in the economic system is, as a result, deep. Eliminating the causes of this type of waste are related to the elimination of poverty and bringing rights to all. Eliminating the waste also allows for further equitable consumption for all, as well as a decent standard of consumption.
- So these issues go beyond just consumption, and this section only begins to highlight the enormous waste in our economy which is not measured as such.
- A further bold conclusion is also made that elimination of so much wasted capital would actually require a reduction of people’s workweek. This is because the elimination of such waste means entire industries are halved in size in some cases. So much labor redundancy cannot be tolerated, and hence the answer is therefore to share the remaining productive jobs, which means reducing the workweek!
- We will see therefore, that political causes of poverty are very much related to political issues and roots of consumerism. Hence solutions to things like hunger, environmental degradation, poverty and other problems have many commonalities that would need to be addressed.

Questions:

- 1) What are the reasons for the increasing gap between the rich and poor?**
- 2) How does the gap influence the pattern of consumer behavior?**
- 3) Did the situation change since this material was written in 2006?**
- 4) What is the consumption basket of the rich and poor consumers in your countries?**

Study material – Source <http://www.globalissues.org/article/238/effects-of-consumerism>

Effects of Consumerism by Anup Shah

Richard Robbins is worth quoting at length on the impact of consumption on the environment and on people.

William Rees, an urban planner at the University of British Columbia, estimated that it requires four to six hectares of land to maintain the consumption level of the average person from a high-consumption country. The problem is that in 1990, worldwide there were only 1.7 hectares of ecologically productive land for each person. He concluded that the deficit is made up in core countries by drawing down the natural resources of their own countries and expropriating the resources, through trade, of peripheral countries. **In other words, someone has to pay for our consumption levels.**

... Our consumption of goods obviously is a function of our culture. Only by producing and selling things and services does capitalism in its present form work, and the more that is produced and the more that is purchased the more we have progress and prosperity. The single most important measure of economic growth is, after all, the gross national product (GNP), the sum total of goods and services produced by a given society in a given year. It is a measure of the success of a consumer society, obviously, to consume.

However, the production, processing, and consumption, of commodities requires the extraction and use of natural resources (wood, ore, fossil fuels, and water); it requires the creation of factories and factory complexes whose operation creates toxic byproducts, while the use of commodities themselves (e.g. automobiles) creates pollutants and waste. Yet of the three factors environmentalists often point to as responsible for environmental pollution — population, technology, and consumption — consumption seems to get the least attention. One reason, no doubt, is that it may be the most difficult to change; our consumption patterns are so much a part of our lives that to change them would require a massive cultural overhaul, not to mention severe economic dis-

location. A drop in demand for products, as economists note, brings on economic recession or even depression, along with massive unemployment.

— *Richard Robbins, Global Problem and the Culture of Capitalism, (Allyn and Bacon, 1999), pp. 209-210*

As hinted above, *within* the current economic system of “perpetual growth”, we risk being locked into a mode of development that is:

- destructive, in the long run, to the environment
- a contributing factor to poverty around the world
- a contributing factor to hunger amongst such immense wealth
- and numerous other social and ecological problems

Furthermore, as also hinted above, as consumption increases (in a wasteful way, which we shall see a bit later), the resource base has to expand to meet growth and related demands. If the resource base expands to other people’s lands, then those people don’t necessarily get to use those resources either. This is also quite bluntly captured in this following cartoon image:

Misuse of land and resources

How land is used to produce food etc. can have enormous impacts on the environment and its sustainability. (This can sometimes challenge assumptions on the instinct and common belief that we are overpopulated by sheer numbers and that this is the major cause of environmental degradation. While populations can burden the environment, the most populous regions in the world use far less resources than the wealthiest nations, and so the issue is more about how resources are used and for what purpose.)

Take the following as an example:

Junk-food chains, including KFC and Pizza Hut, are under attack from major environmental groups in the United States and other developed countries because of their environmental impact. Intensive breeding of livestock and poultry for such restaurants

leads to deforestation, land degradation, and contamination of water sources and other natural resources. For every pound of red meat, poultry, eggs, and milk produced, farm fields lose about five pounds of irreplaceable top soil. The water necessary for meat breeding comes to about 190 gallons per animal per day, or ten times what a normal Indian family is supposed to use in one day, if it gets water at all.

... Overall, animal farms use nearly 40 percent of the world's total grain production. In the United States, nearly 70 percent of grain production is fed to livestock.

— *Vandana Shiva, Stolen Harvest, (South End Press, 2000), pp. 70-71.*

Because industrial agriculture is using more monocultures, rather than a diversity of crops, the loss of biodiversity is leading to more resource usage, as described above. This as well as other political situations such as the motives for dumping surplus food on to developing countries to undersell the local farmers, leads to further hunger around the world. For more information on that aspect, refer to this web site's section on food dumping.

Consumption patterns in wealthier countries increases demand for various foods, flowers, textiles, coffee, etc. Combined with more harmful products such as tobacco and illicit drugs, and with input-intensive agricultural practices (including using herbicides and pesticides) the diversion of and misuse of land and the associated environmental damage in unsustainable methods adds up. For additional examples and information on misuse of land, refer to this web site's look at causes of hunger.

As land ownership has become more concentrated in the hands of fewer owners, larger companies, larger agribusinesses etc, and as things like food dumping, mentioned above, increases hunger and drives rural workers out of jobs, there is an increase in urban migration as people move to the cities in hope for a better chance. This then places additional stress on the larger cities to provide for more people. It also results in more slum areas, health problems, increasing crime, over-crowding, and so on.

But cities aren't the only places that the landless move to. Some, being pushed off their own lands, will move to less arable land to hope to farm that, which may conflict with wildlife. In other cases, others may move into forested areas, clearing them with a hope to make a living from farming that cleared land. Destruction of old forests in particular can also mean loss of habitat for many wildlife. In yet other cases, many may try to immigrate to other parts of the world if they feel there is no choice left in their own country. In yet other situations, economic growth can also lead to more urban migration. Sometimes this growth of cities can go in hand with decline in the rural areas.

Due to these and a multitude of other complex socioeconomic and political factors, in different parts of the world, there are different proportions of people in urban and rural areas. For example, the World Bank reported in a 1999/2000 report that 74% of poor in Latin America and Caribbean lived in urban areas, while in Europe and Central Asia it was 67%. In the Middle East and North Africa it was 58%. In East Asia and Pacific, 33% while in Sub-Saharan Africa it was 32%. In South Asia it was 27%. (For more details see the World Bank's World Development Report 1999/2000, Table A.2. The World Bank didn't explicitly categorize North and Central America for some reason, which have approximately 76% and 50% urban populations, respectively. Full country breakdowns are available in the report.)

It is not always the case that, as commonly held, the poor are the ones that end up stripping natural resource to survive. Many communities described as poor (materially) have traditions and practices that encourage protection of their environment because they understand their mutual dependency. In addition, land ownership for the poor provides mechanisms to ensure sustainable and efficient use, because of the need to care for it for their survival, as detailed for example, by Vandana Shiva, in her book *Stolen Harvest* (South End Press, 2000). Peter Rosset also shows that smaller farms are more efficient when it comes to ensuring a productive yet healthy ecosystem.

Economic policies of the wealthier nations and their consumption demands mean that more land is therefore used to grow cash crops (bananas, sugar, coffee, tea etc) for export to wealthier countries (primarily), while other land is diverted for non-productive

uses (tobacco, flowers etc). Additional land is also cleared and used to grow things like cattle for beef exports. In the quantities that some of the products of these exports are consumed, it could be argued that a lot of this production is wasteful and unnecessary. The cost to the environment and local populations is borne not by the consumers of the products, but local people instead. [These economic policies that encourage this pattern are often imposed upon the poorer nations, through things like Structural Adjustment (SAPs) etc.]

And because food is a commodity, then it is those who can afford to pay, that will get food. The following is worth quoting at length (bulleting and spacing formatting is mine, text is original):

To understand why people go hungry you must stop thinking about food as something farmers grow for others to eat, and begin thinking about it as something companies produce for other people to buy.

- Food is a commodity. ...
- Much of the best agricultural land in the world is used to grow commodities such as cotton, sisal, tea, tobacco, sugar cane, and cocoa, items which are non-food products or are marginally nutritious, but for which there is a large market.
- Millions of acres of potentially productive farmland is used to pasture cattle, an extremely inefficient use of land, water and energy, but one for which there is a market in wealthy countries.
- More than half the grain grown in the United States (requiring half the water used in the U.S.) is fed to livestock, grain that would feed far more people than would the livestock to which it is fed. ...

The problem, of course, is that people who don't have enough money to buy food (and more than one billion people earn less than \$1.00 a day), simply don't count in the food equation.

- In other words, if you don't have the money to buy food, no one is going to grow it for you.

- Put yet another way, you would not expect The Gap to manufacture clothes, Adidas to manufacture sneakers, or IBM to provide computers for those people earning \$1.00 a day or less; likewise, you would not expect ADM (“Supermarket to the World”) to produce food for them.

What this means is that ending hunger requires doing away with poverty, or, at the very least, ensuring that people have enough money or the means to acquire it, to buy, and hence create a market demand for food.

— *Richard H. Robbins, Readings on Poverty, Hunger, and Economic Development*

When the best agricultural land is used up to produce these cash crops, more marginal land is used for food and subsistence farming. This can also lead to clearing parts of rainforests, or other forms of encroachment on other ecosystems.

It’s not just food crops. Other uses of the world’s resources by the wealthier nations include metals and other raw minerals to produce automobiles, planes and so on. As nations such as China begin to rise, their appetite for these resources are quite large. However, while there is some concern raised at the amount of environmental resources such nations will eventually require, little is raised about how for decades richer nations have been consuming in further excess and waste. For more details on this, see Richard H. Robbins, as quoted above.

Many wonder why the poor cannot follow the example of the rich and get out of poverty themselves. Numerous mainstream commentators suggest that the poor should follow the example of the rich and that globalization (in its current form) provides the answer. Some may say this because they or their society has followed this ideology to get out of poverty and it worked for them, so it should work for others. Yet, often missed is where the resource base to support the increase in wealth has typically come from. If it comes from other regions then it can (not always) mean that for one society’s gain, others may not. This was apparent in imperial and colonial times where vast amounts of the world’s wealth was plundered and accumulated in the imperial centers in Europe. Yet, the consumption inequalities of today and the regions of immense wealth

and immense poverty, on a global scale shows a similar pattern to those of previous decades and centuries. The U.N. resource consumption statistic mentioned at the start of this section (of 86 percent of the world's resources being consumed by just the world's top 20 percent) is testimony to this.

Hence, the resource base, from which to get out of economic poverty is lacking and so the same process that may have made today's wealthy richer, is not necessarily the best way for all people.

Furthermore, if today's poor attempted to reclaim those resources for their own use and for sustainable development, it will naturally be seen as a threat to the way of life for those who currently use those resources. As described in the poverty section of this web site, wars throughout history have been because of this control of resources. World War II and the resulting Cold War were also such battles. Yet because in the mainstream this is not acknowledged it is easy to just see this as a threat and act on it, without really understanding why it has become a threat.

This YouTube video from *Journeyman Pictures* explains some of the imbalances of power that results from resource exploitation:

The wealthier consume precisely because others are poor — the rich consume at the expense of the poor. Such global inequality is very wasteful of resources, as further resources are expended maintaining this unequal balance of power (be it through military, political, social or other means). As Robbins was quoted above, “someone has to pay for our consumption levels”. (The causes of these imbalances are discussed throughout this web site, as well as later on in this section on consumption and consumerism.)

Exporting Pollution and Waste from Rich Countries to Poor Countries

Pollution is also related to increased consumption. That is, the consumption itself, plus the production and waste of products used in consumption. Automobiles are a clear example. Other examples include industrial waste (especially when just dumped into the rivers and oceans), waste from the tourist industry (including cruise liners, air trav-

el, etc.), waste from industrial agriculture, consumer waste such as household waste, excessive product packaging, our “throw-away” culture, and so on.

While pollution is increasing in poorer countries as well, it is not solely due to rising populations, because, as the U.N. points out, and as mentioned earlier, 86% of the world’s resources are consumed by the world’s wealthiest 20%. Hence, even if pollution is occurring in poor countries, a large portion of it is to meet this consumer demand. In its September 2008 issue, the journal *Energy Policy* found that around 1/3rd of Chinese carbon dioxide emissions were due to the production of exports and that it is mostly the developed world consuming these.

And long before the fears that the Kyoto Climate Change protocol would encourage western businesses to move dirty industry to poorer countries that were exempt from emissions reduction targets, multinational businesses were already looking for places with lower standards.

In 1991, then Chief Economist for the World Bank Larry Summers, (and US Treasury Secretary, in the Clinton Administration, until George Bush and the Republican party came into power), had been a strong backer of IMF/World Bank Structural Adjustment Policies, which have proved to be so disastrous to the developing world. He wrote in an internal memo (leaked to the Economist in 1992) that is very revealing:

Just between you and me, shouldn’t the World Bank be encouraging more migration of dirty industries to the LDCs [less developed countries]?... The economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable, and we should face up to that... Under-populated countries in Africa are vastly under-polluted; their air quality is probably vastly inefficiently low compared to Los Angeles or Mexico City... The concern over an agent that causes a one in a million change in the odds of prostate cancer is obviously going to be much higher in a country where people survive to get prostate cancer than in a country where under-five mortality is 200 per thousand.

— Lawrence Summers, *Let them eat pollution*, *The Economist*, February 8, 1992. Quoted from Vandana Shiva, *Stolen Harvest*, (South End Press, 2000) p.65; See also Richard Robbins, *Global Problems and the Culture of Capitalism* (Allyn and Bacon, 1999), pp. 233-236 for a detailed look at this.

Summers was talking about *migrating* industries. That is, moving them elsewhere, but to still serve their original purpose — produce for consumption by wealthier nations and people. So instead of expensive changes to factories to deal with environmental and other issues that the public and society demand, they have had the ability to move elsewhere and continue on without making these costly changes. As a result, we may see a relatively cleaner environment in the industrialized world, but it is not all explainable by using newer technologies, being more efficient, etc (which are no doubt certainly part of the explanations).

This is a partial explanation of why some of the wealthier countries have cleaner air, water and so on, compared to poorer countries that are facing more pollution, even though they consume a fraction of what wealthier nations consume. Consumption in richer countries can come at a high price for those in poorer countries as well then. (See Robbins, cited above, for a more detailed discussion of this “paradox”, who also points out for example, that the “core countries already ship 20 million tons of waste annually to the periphery”, or poor, countries (p.235).)

Another trend is to also export waste to other regions of the world. As one example, hazardous electronic waste, such as old computers, old computer monitors, etc primarily from wealthier nations, are also being exported to places like China, India and Pakistan, where they are processed in operations that are extremely harmful to human health and the environment. However, minimal or non-existent environmental and working standards and regulations, old technologies for recycling and processing, etc. is putting a lot of people and surrounding environment at risk due to the sheer amount of waste to be processed.

Questions: 1) Does the modern concept of Sustainable development address the issues stated in the article?

2) What is the economic consequence of the abovementioned issues?

3) In what extent does the understanding of these issues influence the changes of consumption behavior patterns in developed countries? What about the developing countries?

Case study Social marketing materials

The ‘societal marketing concept’ encourages firms to ‘market goods and services that will satisfy consumers under circumstances that are fair to consumers and that enable them to make intelligent purchase decisions, and counsels firms to avoid marketing practices which have dubious consequences for society’. In short, societal marketing is concerned with ensuring that commercial marketers go about their business properly, without prejudicing either their customers or society as a whole.

Socially responsible marketing harnesses desirable social causes, such as the environment and consumerism, to advance the interests of a commercial organization.

Public concern about the environment or the social implications of commercial activity can lead to bad publicity for the organization. Some organizations have chosen to act proactively and position themselves as socially responsible or ethical organizations – the Body Shop is a typical example.

However, commercial organizations which market ethically sound products, such as condoms, are not engaged in social marketing because their success is measured in terms of commercial goals rather than reductions in the prevalence of sexually transmitted diseases.

The social marketer seeks to build a relationship with target consumers over time, and their input is sought at all stages in the development of a programme through formative, process and evaluative research. The consumer-centered approach of social marketing asks not ‘What is wrong with these people, why won’t they understand?’, but ‘What is wrong with us? What don’t we understand about our target audience?’.

While marketing principles can be applied to a new and diverse range of issues – services, education, high technology, political parties, social change – each with their own definitions and theories, the basic principle of exchange is at the core of each.

Exchange is defined as an exchange of resources or values between two or more parties with the expectation of some benefits. The motivation to become involved in an exchange is to satisfy needs.

Exchange is easily understood as the exchange of goods for money, but can also be conceived in a variety of other ways: further education in return for fees; a vote in return for lower taxes; or immunization in return for the peace of mind that one’s child is protected from rubella.

Exchange in social marketing puts a key emphasis on voluntary behavior.

Social marketing is certainly not only concerned with influencing the behavior of the individual consumer, but also the broader social, cultural, structural and policy influences on health and social behavior.

Therefore, social marketing campaigns need to address behavior change at the individual level, the immediate environment and the wider social context. At either the individual, immediate or wider levels, the social marketer's objective is behavior change, either of the end consumer or some other key stakeholder, such as families, community groups, policy-makers or the media.

The marketing product has traditionally been conceived of as something tangible – a physical good which can be exchanged with the target market for a price, and which can be manipulated in terms of characteristics such as packaging, name, physical attributes, positioning and so on. As marketing has extended its scope beyond physical goods, marketers have had to grapple with formulating product strategy for less tangible entities such as services. In social marketing, the product is extended even further from the tangible to encompass ideas and behavior change.

Marketing cannot create needs but commercial marketers do manage to harness needs previously unknown for new product categories such as CDs, catalytic converters and 'new' washing powders. Social marketers must not only uncover new demand, but in addition must frequently deal with negative demand when the target group is apathetic about or strongly resistant to a proposed behavior change. The benefits may be tangible, intangible, relevant to the individual or relevant to society. Demand is easier to generate where the benefits are both tangible and personally relevant. In those situations where the product benefits are intangible and relevant to society rather than the individual (as with CFCs in aerosols), social marketers must work much harder to generate a need for the product. This, they argue, is the hardest type of behavior change, as the benefits are difficult to personalize and quantify.

Social marketers must often target groups whom commercial marketers tend to ignore: the least accessible, hardest to reach and least likely to change their behavior. For example, health agencies charged with improving population health status must, if they are to avoid widening health inequalities further in the general population target their efforts at those groups with the poorest health and the most needs. Far from being the most profitable market segments, these groups often constitute the least attractive ones: hardest to reach, most resistant to changing health behavior, most lacking in the psychological, social and practical resources necessary to make the change, most unresponsive to interventions to influence their behavior and so on.

Marketing traditionally divides products into high and low involvement categories, with the former comprising purchases for items such as cars or mortgages which are 'expensive, bought infrequently, risky and highly self-expressive', and the latter comprising items such as confectionery or cigarettes which are much more habitual. High involvement products typically command careful consideration by the consumer ('central processing') and demand detailed factual information from the marketer. Low involvement products are consumed much more passively, with very limited (or no) search and evaluation ('peripheral processing'), and simple advertising emphasizing 'visual symbols and imagery' is called for.

Both the categorization scheme – high and low – and its marketing implications need to be extended in social marketing. Social marketing frequently deals with products with which the consumer is very highly involved (complex lifestyle changes such as changing one's diet fall into this category). While high involvement can result in a motivated and attentive con-

sumer, higher involvement may be associated with feelings of anxiety, guilt and denial, which inhibit attempts to change. At the other extreme, social marketers might seek to stimulate change where there is very low or no involvement.

Social marketers, like their commercial counterparts, must be aware of their competition. The most obvious source of competition in social marketing is the consumer's tendency to continue in his or her current behavioral patterns, especially when addiction is involved. Inertia is a very powerful competitor.

Other sources of competition involve alternative behaviors. For example, time spent donating blood is time which the consumer could spend doing other more enjoyable, more convenient and more personally beneficial activities.

Competitive organizations include other health promoters, educators or government organizations trying to use similar methods to reach their target audiences. For example, the typical doctor's surgery in the UK displays such a plethora of leaflets and posters that any one message or idea stands little chance of being noticed. Social marketers must then be innovative and careful not to overwhelm their target audience.

Finally, one of the most serious forms of competition comes from commercial marketing itself, where this markets unhealthy or unsocial behaviors. The most obvious examples are the tobacco and alcohol industries.

Commercial marketers typically segment according to three broad criteria: personal characteristics, behavioral characteristics and benefits sought by consumers, all of which are relevant to social marketers.

The relevance of demographic segmentation to social marketing is widely accepted. As noted at the beginning of the chapter, for many health and social problems, the main predictors of mortality, morbidity, health behavior and health risk continue to be demographic. The role of poverty has already been highlighted, but ethnicity, gender (for types of cancer and for coronary heart disease) and age (for the prevention of substance and tobacco use) are also very significant. Existing health status may be an additional characteristic addressed in this classification; for example, health promotion programmes may be directed at people with asthma or diabetes (so called secondary prevention).

Moving beyond basic demographic characteristics, the application of psychographic segmentation in social marketing is less well established. Many of the major causes of mortality and morbidity in the developed world are lifestyle related, and health promoters have in the last 20 years or so reoriented their efforts from a focus on specific disease prevention to a focus on the lifestyle risk factors which impact on a wide range of disease – exercise, nutrition, smoking, drinking, safer sex.

Another important issue is Geodemographics. This is the classification of people on the basis of where they live. The geographical distribution of much ill-health and the clustering of health and social problems in certain areas, particularly urban areas of deprivation, suggest that this approach can contribute usefully to social marketing. Obvious applications of geodemographics to social marketing are in selecting channels for health advertising, identifying locations for health services, and direct mail. A number of syndicated geodemographic information systems have been developed in the commercial marketing context. While these are already proving to be useful to social marketers, public health is very often most concerned with geodemographic segments who are of least interest to many commercial marketers – the very poor. Classification systems such as ACORN and MOSAIC provide socio-

economic indicators of small areas, and these can be combined with classification systems such as the Carstairs index for

Scotland which provide a measure of affluence or deprivation within postcode sectors. Measures of deprivation, such as housing tenure, telephone and car ownership, and financial status, can also be incorporated to provide accurate targeting data for social marketers. In commercial marketing, behavioral characteristics may include volume of product usage – heavy, medium, light users – transactional history (previous usage), readiness to use, responsiveness, and attitudes towards usage.

Again, these categories are of relevance to social marketing. Social marketers planning an initiative to encourage participation in a health promotion clinic could segment on the basis of current health behavior, previous usage of health clinics, frequency of GP consultation and so on.

A particularly important behavioral characteristic in social marketing is the concept of readiness to change. The theoretical model of behavior change posits that behavior change is not a discrete event, but a process that occurs through several stages: pre-contemplation, contemplation, preparation, action and maintenance.

The model was initially developed to explain smoking cessation behavior, but has since been applied to smoking, alcohol and drug addiction, weight control and eating disorders, safer sex behavior, exercise participation, mammography screening, sunscreen use, and other health behaviors. During pre-contemplation, individuals either do not want to change their behavior or are unaware of its consequences for themselves or others. During contemplation, they begin to think about the costs and benefits of changing their behavior. In preparation, the individual is motivated to change, and makes initial mental and practical preparations. During the action stage, the individual is in the process of changing, following which he or she may proceed to either maintenance or relapse to an earlier state. The model is helpful in two ways. First, it emphasizes that behavior change is complex and multi-staged, and that relapse may occur a number of times. Second, it provides a framework for designing appropriate messages and support interventions. By understanding the target audience's readiness to change, the social marketer can develop strategies appropriate to the group's needs and wants. For example, proposes a series of marketing tasks for each stage of change. During pre-contemplation, the marketer must create awareness and interest in the behavior, and it may be necessary to try and shift value and belief systems. During contemplation, the marketer must persuade and motivate to enhance the benefits of the behavior (e.g. mobilize social influence) and reduce the costs associated with change (time, effort or money).

The special, and often delicate, nature of social marketing problems necessitates careful consideration of certain moral and ethical dilemmas.

Social marketers are in the business of entrenched, taboo or even illegal behaviors, and their resolution may involve the conflicting interests of the social marketer, the consumer and wider society. Social marketers must decide which behavior to address, ultimately prioritizing certain issues over others, and, implicit in this, advocating the desirability of certain lifestyles or habits. Furthermore, reaching an exchange ultimately involves some form of compromise, but 'harm reduction' approaches are notoriously controversial. The design of the social marketing mix is no less thorny. The temptations the use of strong fear-based appeals, but the over-reliance on threats may be at best ineffective, at worse disempowering, distressing and damaging. While powerful and hard-hitting campaigns can be political successes, the underlying assumption that consumers are awkward, fearless and irrational is not

constructive. Finally, social marketing research, while absolutely vital to the development of interventions, can pose its own difficulties. Researchers need to be sensitive not to raise fears about health risks, suggest risky behaviors are normal or cause embarrassment.