

## **PSYCHOANALYSIS OF ETHNIC CONSUMERS AND SIMILARITIES OF CONSUMPTION**

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### **Abstract**

Consumer interventions to change everyday consumer behaviors, often attempt to change consumer intentions and desires (Plassmann, 2006). This paper adopts past works on neuroeconomics analysis, psychoanalysis and human rationality of consumers' consumption concepts on ethnic consumption by Damasio (1995), Solms (2000), Plassmann (2006), Freud (1954) etc. Consumers' belief similarities are explored to the extent to which Blacks, Hispanics and Asians pattern of consumptions are similar, and so make product-market and consumers' choices less difficult.

The author examined published works on theories of consumption and psychoanalysis research findings from texts and journal articles from 1984 to 2006, in terms of research design; data findings and data analysis methods supported with empirical findings. Results show that ethnicity consumption remains similar across ethnic culture. As unexpected, greater consumption of products and services similarities due to ethnic attribute values were perceived by subjects of these ethnic groups. Moreover, pre-identified racial identities have greater impact on the judgment of their psychoanalysis as consumers. Conclusions were derived in terms of implications for understanding racial consumption patterns, while making difficult product choices for consumption across racial classifications. Tips on formulating marketing strategy were suggested.

**Key words:** Psychoanalysis; Neuroeconomics; Ethnic Consumption; Human Values; "Somatic Market Hypothesis"; Rationality and Consumer Behavior; Product Commonality; Marketing Strategy; Consumer Intuition; Perceived Commonality and Correlation Analysis.

### **Introduction**

Sigmund Freud (1954) made a great contribution to Psychoanalysis with his concept of the super ego which was referenced as primitive and unconscious aggregate of values and psychoanalysis in form by contemporary authors. Still, he is often credited with having revealed the irrational content of consumer psychology and thus undermined traditional ideas of human rationality as it relates to ethnic groups (Damasio, 1995 and 2004; and Solms, 2000).

Therefore, psychoanalysis also questions traditional ideas of irrationality. It shows that human tastes, preferences and other apparently irrational psychological consumers marketing decisions have a meaning and it is rational. Even though, most theorists argue that there is continuity between rationality and irrationality. This remained controversial among scholars. They associate rationality with control by consciousness and freedom of choice (Plassmann, 2006). This point of argument is relevant to the intent of this paper, despite the fact that Freud's theories and other psychoanalysts have had a profound and revolutionary impact on consumer behavior and especially on human rationality. It should be noted that the marketing implications of psychoanalysis on ethnic consumption are more complex and far-revealing than this paper suggests.

### **Consumers' Views of Reason**

Most of the time, consumers are rational subjects, capable of governing their thoughts and actions by the principles of reason when faced with purchase decision. According to the view that became dominant with the enlightenment, human nature is divided into a rational part, the faculty of rea-

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son, and a non-rational part comprised emotions, appetites and desires (Damasio, 1994). These two parts are distinct and opposed. Reason is disinterested, universal, objective and autonomous in its operation. The emotions and appetites, by contrast, are partial, particular and subjective. They are a force hostile to reason in human life (Damasio A., 1994; and Mann J., 2002).

However in marketing practices, reason can and should guide and determine consumer behavior and action. Consumers are rational to the extent that it does so. Psychoanalytic theory calls this whole picture into question. Freud (1954) portrays the human being as a creature dominated by unconscious instincts, by infantile desires and primitive drives. He shows how consciousness and rationality is only one, relatively minor, facet of our psychology. He demonstrates how even the most apparently "rational" and conscious activities and experiences are influenced by unconscious wishes and fantasies, which operate in ways which do not apply to the principles of reason and logic. The "reasons" that we believe we have for our thoughts and actions are revealed as mere "rationalizations", which cloak and deny their real, unconscious motives (Damasio et. al., 1991; Plassmann, 2005; and Mann I., 2002).

As a result of existing controversy between Freudian theories and other recent theorists in the field of Psychoanalytic theories, we might not be able to reach satisfactory marketing applications to effective consumption. At best, we will have a fulfillment and understanding of rational buying behavior and similarity of consumption among ethnic groups.

### **Racial Belief Similarity**

Human values play a fundamental role in shaping the consumption patterns of individuals. This is a phenomenon that has been studied extensively, apparently because of Neuroscientist, Macroeconomists, Marketing Scientists, Psychotherapists Psychoanalysts, Psychologists, Human Resource Managers and Marketers' long-standing interest in racial profiles, tastes, consumption, differences and in human prejudices (Kenning and Plassmann, 2005; Damasio et.al., 2004). Most of the time, these researchers apply their findings on ethnic stereotypes in classifying other people and their market (Henry Greenbaum, A., 1984).

In order for us to be functioning in a rational and productive way as marketers and as marketing research experts, we should be able to explain the behaviors and actions of ethnic consumers in psychoanalytic terms. Even though, research shows that there is no such thing as "pure irrationality" in consumer behavior (Bechara, 2004). Of course, this is another issue of major research topic in marketing. Even the most apparently abnormal and irrational buying behaviors are meaningful, because they occur for a reason, and in that sense, they are rational (Bechara, 2004; Damasio et.al, 1991).

Damasio and the "Somatic marker hypothesis: A neural theory of economic decision" contributed much to the understanding and analysis of psychoanalysis of Ethnic Consumers and their Similarities of Consumption, as described below. Even though Damasio's application is strictly scientific, but the conceptual adoption to consumer behavior (attitudes, values, and actions) is practical.

The "Somatic marker hypothesis" contributed to our modern economic theory which assumes that consumers' decision-making (buying decision) involves rational Bayesian maximization of expected utility function. By that, the theory postulates that humans (consumers) are equipped with unlimited knowledge, time and information-processing power about product consumption. Before now, the influence of emotions on consumers decision-making (buying decision) is largely ignored (Damasio, 1994; Damasio et.al., 1991).

Since the term "emotion" tends to mean different things to the man and woman on the street (layman), the psychologist, the physiologist and the marketer, have used the term "Somatic" to refer to the collection of mentally related responses that hallmark an emotion (Consumer behavior). Even though "Somatic" refers to the Greek word "Soma", i.e. body (Bechara et al., 2003; Plassmann, 2005). Therefore, consumer behavior, applying Somatic concept is induced by marketing stimuli, such as advertising, promotion and product quality and brand image, to mention a few. Therefore, psychological and physiological sciences (Psychoanalysis) have been widely applied to make marketing advances in our understanding of racial belief similarity in products-market consumption.

## **The Rationality of Consumer Behavior**

The approach taken here to analyze consumer behavior from neurobiological and psychoanalytical perspectives offers possibilities for marketing scholars and practitioners to better understand and analyze ethnic consumers and similarities of consumption. Economics traditionally, conceptualized a world populated by rational thinkers, self-interest guided, unemotional maximizes in consumption behavior (Plassman, 2005).

Despite the undisputable success of past economic models based on economic theories and concepts, their limitations are presently difficult to ignore. Therefore, experimental and behavioral economics have now revealed deviations from this classical economic theory. Despite the fact that economic theories and concepts have unquestionable explanatory value, "Consumer intuition" and "rationality" were a theoretical constructs alternative. These conceptual options enable researchers to investigate human behavior in a creative, more objective manner (Daniel Kahneman et al., 1991).

In summary, no matter the tools adopted to justify consumer behaviors' rationality, **no one ever seriously believed that all consumers have rational behavior and make rational decisions all the time as consumers.** The assumption of rationality is generally understood to be an approximation. However, the rationality model continues to provide the basic framework for the teaching and practices of consumer behavior across ethnic groups.

Sigmund Freud's treatment of people's desires, wishes and human feelings is extensively discussed in literature (Freud, 1954). These too, must be understood as rational in terms of buying behavior. No matter of the racial identity, all consumers suffer from degree of anxiety provoked by the buying decisions and massive product assortments. First, we often questioned such anxiety as irrational and quickly call for drastic revision. But consumers' skill, or anxiety, positively heightens our awareness and knowledge of new products and services.

In general, it is a basic principle of Psycho analyzers that those of our products and services desires and tastes which seem unintelligible and impulse buying behavior only appear to be so. But a further understanding of Psychoanalysis of Consumers across culture and ethnicity shows that most such buying decisions are rational depending on the marketing and product market situations which give rise to such buying decisions. Simply stated, every buying decision by various ethnic groups in terms of applying psychoanalysis happens for a reason and has a rational justification.

## **Damasio's Specific Contributions to Marketing Thoughts**

Antonio Damasio, a neuroscientist, neurologist and a humanist has made possible for marketing scholars and practioners to understand emotions in exactly the same way we understand marketing strategy. He also solved the problem of the concept and nature of consciousness which can now be applied to ethnic consumer behavior and in basic marketing principles.

Damasio's theories are based upon the standard neuroscientific conceptualizations of brain function, which forms a framework for consumer behavior in marketing. Consumer's emotions and consciousness are vital in understanding psychoanalysis of ethnic consumers and their similarities of consumptions. It also helps to explain the rational thinking process and action of consumers.

## **Research Methodology**

A survey method of investigation was used in collecting the data for the study.

### ***Population***

Subjects of the study were 160 (40 blacks, 40 Hispanics, 40 Asians and 40 mix racial groups). Graduate students assisted in administering the survey. All subjects (respondents) received a \$5 meal coupon for their participation in the study and to ensure immediate response.

**Procedure**

All potential participants were recruited randomly by one of two graduate students. After they introduced themselves to a potential subject, the recruiters asked if he or she would like to earn \$5 for participating in a behavioral-marketing study, which the recruiters explained would take only 15 minutes to complete. If the person agreed to participate then he or she was directed by the student to answer the questions. The subject was asked to read carefully all the instructions (which were located at the top of the page) before answering any questions.

**Results**

One of the three correlation analyses performed on the data that were collected showed similarities of consumption among the ethnic groups surveyed. It further examined if there was a direct relationship between perceived belief similarities in consumption across ethnicity. As expected the result was positive relationships, of  $r = .78$   $p < .0001$ .

The two remaining variables analyses performed in this study were analyses of variance (ANOVA). One ANOVA, performed on the perceived similarity scores (Item I on the questionnaire), is summarized in Table 1. However, further factors were applied to measure consumer attitudes towards specific products use (perceived commonality). The analysis revealed significant correlation between Black, Hispanic and Asian consumers (see Tables 3 and 4 below). These statistical tests were applied to examine the major hypothesis of the study.

Hypothesis 1 predicted that race of all ethnic groups (A-D) would influence perceived belief similarity. As Tables I and 2 indicate, the race of groups A, B, C and D was highly significant among the group. The means relevant to these two effects, presented in Table 3, indicate that subjects perceived themselves to be more similar in beliefs, product tastes, and to purchase more in common, no matter their ethnicity.

Table 1

Summary of ANOVA for Perceived Belief Similarity

	df	Ms	F
A. Race of Subject: Blacks	1	2.50	1.70
B. Race of Subject: Hispanic	1	0.40	<1
C. Race of Subject: Asian	1	490.00	334.10***
D. Race of Subject: Others	1	14.00	9.55**
A x B	1	0.40	<1
A x C	1	14.40	9.82**
A x D	1	0.40	<1
B x C	1	2.50	1.70
B x D	1	8.10	5.52*
C x D	1	0.90	<1
A x B x C	1	4.90	3.34
A x B x D	1	0.10	<1
A x C x D	1	0.90	<1
B x C x D	1	0.00	--
A x B x C x D	1	0.00	--
Error	144	1.47	
* $p < .05$ ;			
** $p < .01$ ;			
*** $p < .001$ .			

Table 2

Summary of ANOVA for Perceived Commonality

	df	Ms	F
Race of Subject (A)	1	0.10	<1
Sex of Subject (B)	1	2.30	1.24
Race of Target (C)	1	406.40	218.90**
Sex of Target (D)	1	18.90	10.18*
A x B	1	2.20	1.18
A x C	1	18.90	10.18*
A x D	1	1.00	<1
B x C	1	3.90	2.10
B x D	1	0.00	
C x D	1	33.30	17.94*
A x B x C	1	3.30	1.78
A x B x D	1	1.10	<1
A x C x D	1	2.80	1.51
B x C x D	1	0.30	<1
A x B x C x D	1	1.10	<1
Error	144	1.86	
*p<.01;			
**p<.001.			

Hypothesis 1 predicted that all ethnic groups would perceive a greater degree of belief similarity while Hypothesis 2 predicted that ethnicity would be less dissimilar to blacks than Hispanic and Asian would to other races. Thus, the measurement showed a significant ethnic (same or different) interaction than dissimilarity in consumption (see Table 3 below).

Table 3

Means Relevant to the Effect of Ethnicity

Dependent Measure	Ethnic Groups	
	Same as S	Different from S
Perceived Similarity	7.58	4.08
Perceived Commonality	7.56	4.38

The relevant means, presented in Table 4, and appropriate individual comparisons, indicated that both corollary hypotheses were supported. The ethnic groups effect was stronger for black subjects ( $t = 15.13, 12.72$ , for belief similarity and "in common", respectively) than it was for others ( $t = 10.72, 8.20$ , for belief similarity and "in common", respectively). Moreover, Asians saw themselves as less similar in their beliefs and having less in common with others than did Blacks ( $t = 3.13, 2.37$ , for belief similarity and "in common," respectively), and Asians saw themselves as somewhat less dissimilar to blacks than blacks did to other races ( $t = 1.29, 2.13$ , for similarity and "taste", respectively)

Table 4

Means Relevant to Ethnic of Consumers By Racial Consumers

Ethnic Subject	Racial Grouping Consumers	
	Same as S	Different from S
	Perceived Stability	
Black Consumers	8.00	3.90
Hispanic Consumers	7.15	4.25
	Perceived Commonality of Consumption	
Asian Consumers	7.92	4.05
Other Consumers	7.20	4.70

## Summary and Conclusion

While neuromarketing has only recently begun to concern marketers and academicians, this article has shown that neuroscientific marketing concepts have been adopted to conduct marketing research especially in the area of retailing and selling. Its legitimacy for future marketing research to assist in understanding consumer behavior is extremely important.

Damasio et.al., 1991 and Sigmund Freud, (1954) and other behavioral Psychologists and Psychologist theorists like Plassmann, (2005), Bechara, (2000), George Kelly, (2005) and others have definitely transformed modern thinking about human identity, human rationality and especially on ethnic consumption. In some instances, Freud's writings on the subject have been interpreted differently by different scholars. Some negative and some skeptical. They have at least called in question, ideas on consumer behavior and especially on issues of buying decisions and rationality of consumers. However, the significance of psychoanalysis cannot be appreciated if it is seen only in this negative light.

Most importantly, the concept has provided an immensely illuminating and fruitful conceptual framework to marketers and researchers. Although there is no doubt where Freud, Damasio, Plassmann and other contributors stood intellectually, psychologically and morally, there are, however crucial ambiguities in their psychoanalytic theories which is beyond the scope of this study. These theorists and other emerging psychoanalysis theorists' contributions to psychoanalysis (values, attitudes, and behavior) continue to appeal to researchers, psychologists, sociologists, and Marketers (Consumer Behavior) alike. Collectively, they have been able to provide a theoretical framework for these groups of scholars and practitioners. This may explain why it serves as a central issue in this study.

Finally, data collected from this study and results reported, do support the predicted hypotheses 1 and 2 stated above. That means that there is a similarity of products and services consumptions among ethnic groups. Also, those ethnic beliefs often appear to be a more important determinant of ethnic product choices, tastes, and consumptions. Thus, the findings (see Tables 1-4) and the conclusion drawn from the study support the premise that ethnicity or racial affiliations is not a primary factor in the sequential sense of product market segmentation and consumption. But, we strongly recommend further research in the topic area.

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