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The truth about buying and selling

Catherine Fox | Photography James Davies

Our choice of goods and services has never been broader. But if consumption is now a key driver, sending us out to work, replacing religion and redefining the economy, why doesn't business get it?

WHEN STUDENTS wearing Nike shoes and adidas caps sit enthusiastically discussing Naomi Klein's bestselling book *No Logo* in a lecture theatre, the irony is not lost on English academic Alan Aldridge. Nor are his students oblivious to the contradictions between their brand habits and anti-consumption activism.

But are the organisations selling to them quite so aware of these cross currents? "I sometimes think corporates are insensitive to the sophistication of the consumer," says Aldridge, a reader in the sociology of culture at the University of Nottingham. "It's the ambivalence and ambiguity that we are all locked into this ... and yes, I do think corporates tend to be insensitive to that and to think that it's a simple matter to manipulate culture."

The power of consumption to shape our society is so profound it is rarely adequately addressed. Even in the social sciences, where the analysis of consumption traditionally belongs, it is often ignored or dismissed as trivial. Even more surprisingly, there is little evidence that business itself has an in-depth understanding of this fundamental social driver.



Perhaps the sheer complexity of the role consumption plays for many of us, and the importance it has in our lives, contributes to this myopia. Derided as an evil force by some and lauded as a symbol of the free market by others, consumption is a hugely important part of modern life. To Aldridge, who has just written a book on the subject called *Consumption*, it's a "deeply debatable" issue.

The idea that "people's sense of their own identity and that of others is shaped less by their work than by the goods and services they consume" is certainly open to argument, Aldridge contends. He also takes issue with the pessimistic view of many cultural critics that consumer society has been destructive and alienating, and has led to an obsession with material goods at the expense of community.

Hedonists or visionaries?

Consumption is often defined as the opposite of production or citizenship; consumers are pigeonholed as victims, hedonists or identity seekers, according to a raft of literature. But there is some agreement that in developed economies, consumption is part of "the vision many of us have of the good society, the good life, and how to achieve them", Aldridge argues.

"In our society there are ambivalent feelings about consumption," he tells AFR BOSS from his home in northern England. "It's freedom versus manipulation, and that tension is there and there's no easy resolution. But nevertheless I think that cultural critics have gone too far in their critique of consumer society and ignored the appeal to people of life in a consumer society. Margaret Thatcher made a direct appeal to ordinary people about the benefits of the free market, and so ... one message of the book is to pay more respect to what ordinary people do."

This ambivalence can be seen in business, where there is a disconnect between corporates and the increasing amount of analysis of consumption and consumer behaviour. The idea that we have moved from being full-time producers to consumers is an over-simplification, says Aldridge, in much the same way that the work ethic is now often portrayed as revolving entirely around making enough money to support a lifestyle. There is much more at stake, with far more complex forces at play.

"Critics [of consumption] have overstated the case. Work does continue to be a major part of our identity. We spend a lot of time doing it; it takes up a large amount of our lives. Although I accept there are other sorts of identity [influencers], it has not ceased to play a role."

Work and consumption are inextricably linked for many of us, however, and the way we choose products and services is becoming of far greater interest to corporations. Nevertheless, the business world has suffered from “cultural lag”, says Aldridge, as it fails to come to grips with much of the research and analysis of consumption, although this is gradually changing.

The consumer revolution In the services sector, particularly telecommunications and financial services, there is a growing recognition of the need to understand consumption patterns and match products to different parts of the life cycle, says Michael Edwardson, a consumer psychologist and lecturer in the School of Marketing at the University of NSW.

“Marketing is needing to find new ways of understanding the consumer. We are going through a sea change at the moment,” he says. “We are moving from market research (which we’ll still need) to understanding consumers and looking at new techniques and ways to do that. We’re starting to call market research ‘consumer insights’.”

Expectation of service

Telcos, banks and insurance companies are aware of this and putting these new methods into practice, says Edwardson, who also consults to business. Part of the change is a recognition that consuming is now about an experience as much as the provision of the service.

“We moved through the service revolution 15 years ago; now we understand that people have an expectation of service. Service companies are having to build in more of an experience,” Edwardson says. A bank branch may offer a screen showing CNN as you wait in line for the teller; supermarkets are revamping their layouts to make the shopping experience more exciting; and customer experience managers are popping up in a range of businesses.

“When people think of brands there are some that form part of our lives. If you move beyond that, in our society who we are and what we are is driven by where we see our lives going – the story of our lives,” says Edwardson. “I talk to service companies about the life story and the use of services and trying to link services into people’s lives as a whole.”

The message is falling on fertile ground. The retail banks, for example, are now tackling a very different range of demands from customers, which involves a wealth management strategy, he says. Gone are the days when the branch was filled with balloons to make banking look like fun – it didn’t work and customers are now after security. And that requires a much deeper understanding of their needs, and how to best deliver those services.

More than a fancy label As American commentator Virginia Postrel explains in the Autumn 2003 edition of *strategy+business* magazine, the customer now wants a sensory experience and aesthetic satisfaction as much as high quality goods or services: “To turn aesthetics pluralism into an opportunity, hard-nosed engineers, real estate developers and MBAs must study what consumers value about look and feel – not prestige but enjoyment, not conspicuous consumption but personal meaning.

A fancy label isn’t enough.” And this new standard is not about elitism – it applies to everything from shopping malls to Starbucks, Postrel says. It seems the move beyond brand to experience is already under way.

Meanwhile the level of sophistication of consumers will also increase as the efforts to attract them become ever more complex. With the anti-advertising and anti-brand forces mobilised and waving banners in demonstrations outside the WTO, along with books such as *No Logo* sitting on bestseller lists, no business can afford to talk down to the new millennium shopper. Pundits are also tipping a new era in which word of mouth plays a far greater role in spreading fads, via trend spotters who eschew established brands. It adds up to a kind of consuming which feeds off the anti-consumption movement.

“I think *No Logo* connected with that feeling,” says Edwardson. “What I think I’m seeing, and working in with the demographic shift, is you have young people who are still very brand conscious. They are branded.”

Even so, Alan Aldridge warns corporates against assuming that their brands have a vice-like grip on any group of consumers, no matter what temporary success they may achieve. “Brand loyalty is scarcely secure: modern corporations are not, as they might wish, objects of unquestioning adulation, and few people find the meaning of life in trainers or a sweatshirt,” Aldridge writes in *Consumption*.

The impact of globalisation on consumption is a message gradually making its way into corporate HQ as well. Far from producing a global blandness, Aldridge sees a kind of commercial “creolisation” – or hybrid – range of consumer goods emerging as geographical barriers break down.

“Products are adapted to a local environment so that we do get this combination of global and local for a corporation to be successful – it does have to recognise that and adapt to the local. I’m not confident about the long-term survival of McDonald’s – it does have a formula but it has been challenged.

“That’s part of the future as consumers – we do have the ability to contest standardisation and globalisation and adapt

products.”

Too much choice? The concept that we have more choice than ever is another part of the consumption puzzle that is beginning to garner more interest. In their book *Funky Business*, Swedish academics Jonas Ridderstråle and Kjell Nordström outline three key forces behind the emergence of the “surplus society”: the growth in markets resulting in market mania; senseless over-supply; and technological advances which have made communication more or less cost free.

That over-supply is having a potent effect on older consumers, who are not keen to have messages about more goods rammed into their consciousness.

“Older consumers have been through it all and are tired of branding. They want well-being,” says Edwardson. “You can see this in the explosion of day spas and short breaks; they are interested in rejuvenation.”

Consuming the experience

The 2002 Nobel laureate in economics, Princeton University’s Daniel Kahneman, calls himself a hedonic psychologist and has written about the concept of happiness and well-being, which then influences how the baby boomer generation reacts to brands.

“A brand has to be not so much the brand as ‘does it contribute to my well-being and happiness?’,” Edwardson says. “They are saying ‘don’t tell me how good you are but really contribute when it comes to the crunch’.”

At the same time, older consumers are rejecting more money and feeling the need for more time. “I think we are prepared to trade off salary for extra hours. I think we have moved past thinking about consumption to thinking about consuming the experience,” says Edwardson.

The catch is that the “experience” should not be put at such a premium that employees are expected to transform themselves into mouthpieces for the organisation so they can offer better customer service. With many jobs now defined as “meeting the needs of the customer”, corporates are seeking to extract greater emotional commitment from employees. Aldridge describes this investment as the “emotional labour” required from more and more of today’s employees in the pursuit of customer satisfaction. It can go too far when it becomes a sort of “corporate colonisation” of the employee.

“It risks alienating and undermining the motivation of employees. I think the thing is that most of us consumers can see right through it. That people in call centres are reading off a script I don’t mind. But I don’t necessarily expect the person reading the script to sincerely believe it.”

That’s when we can flex our muscles as consumers and call for less manipulation. The consumer of the future will know all about that power and use it.

“Consumption has broken free from its former boundaries,” Aldridge concludes. “Images, objects and people flow unstopably across national frontiers, despite the border guards. Markets are becoming global and consumer activism is adapting to the trend.”

Jacqueline Murray

Manager, Giorgio Armani boutique, Sydney.

Walk into Gucci, Giorgio Armani or Prada stores around the world and you’re likely to strike some of the world’s best sales people. People like Jacqueline Murray, who remembers what you bought last season and can advise on what will work with it from this season.

Murray’s elegant business card is just the start of what sets assistants of her ilk apart from the shopgirls of a different age. When you’re buying at this level, you’re looking for attention; you’re on a crucial excursion and you need an expert guide – someone who has your best interests, and not the sale, at heart.

“What you don’t sell is just as important as what you do,” says Murray, who has been at the Elizabeth Street, Sydney, Giorgio Armani outlet for seven years. It’s a long way from the “that looks beautiful on you” approach.

As manager of the store, Murray also travels to Milan twice a year to do the wholesale buying, allowing her to select items she knows will suit not only the Australian market in general, but specific clients.

“Because of our relationships with our clients, I know what they may need and then we can keep aside items,” she says.

Remembering a client’s name and seeing them through the entire sales process – including walking them to the door when they leave – are other techniques Murray uses to make people feel special. When new people come through, she tries to introduce them to the “philosophy of the brand” and asks them questions about their lifestyle. But it’s just as important to know when to walk away and leave someone alone, says Murray.

David Heimann
Co-owner, Orson & Blake

There probably aren't many people who can sell a \$1595 silk Akira Isogawa "picnic bag" and a \$22 eggcup in the same day, but David Heimann is one of them. He's been selling to Sydney through his lifestyle store, Orson & Blake, for more than a decade and says it's all about customising the customer service.

"The days of using one skill, one style of sales approach, are over," says Heimann. "Different people have different requirements; some want to be left alone, others seek guidance and want to have an uplifting shopping experience ... Some people, particularly those who are buying furniture, want technical know-how. And some people just like to come in for the ambience."

Heimann and partner Mandy Heimann opened O&B in Woollahra in 1992 to sell goods previously only sold in specialised stores – high-quality candles, photo frames, jewellery, bed linen, cotton shirts. Their second store in Surry Hills also has cutting-edge clothing and contemporary furniture, plus a bookstore and cafe.

Knowing how to read people, and realising they may just want to be left alone to browse, is something that comes from experience as well as intuition, Heimann says. Salespeople also need to be confident and well-groomed, as well as have product expertise: "Top salespeople endorse products [when talking to customers]." But you can't teach someone to be a good salesperson.

"Essentially, it's a gift," says Heimann. "A special something ... a confidence, a willingness, a craving to sponge information and the ability to pass it on."

Pauline Goodyer
Associate director, McGrath

Sorting the serious buyers from the nosy parkers for one of reality-TV show The Block's apartments would test the mettle of any real estate agent. "Most people weren't buyers and so it made my job very tough," says Pauline Goodyer, who was engaged by contestants Gavin and Warren to sell their renovated apartment.

Goodyer's calm manner has earned her other high-profile clients – actor Jason Donovan, Foxtel's Kim Williams, designer Jodhi Packer. Her speciality is Sydney's sought-after Eastern Suburbs beach areas and she's set house price records ranging from \$2 million to \$3.5 million.

She treats people selling a million-dollar mansion the same as someone with a small one-bedroom apartment on the market. Sydneysiders move house about every five years, she estimates, and when 70 per cent of her business comes from client referrals and a substantial portion from repeat business, nurturing relationships is important. At an open-for-inspection she will introduce herself to everyone, and has a knack for remembering names, other properties people have looked at and what they're after.

"It's essential people know who they are dealing with," Goodyer says, "and they have to feel comfortable. I invite them to register with me and I put them on our database to email them information on properties that meet their requirements.

"Honesty is a key element in selling," she says. "When someone asks me to sell their house for them and I don't think it's the right time, I'll actually say: No, don't sell now; it's winter – leave it until November."



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