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College Students' Consumer Competence: Identifying the Socialization Sources

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**ABSTRACT**

Although young people seem to show many deficiencies in terms of consumer competence, we know very little about what sources will help to develop their competence in this area. This exploratory study was undertaken with a convenience sample of college students who completed a questionnaire during class time. The overall results suggest that older college students who are more influenced by their parents and school, and less influenced by their peers (normative dimension) and media such as television, Internet, and magazines, are more likely to be competent consumers than their counterparts. The results are discussed in the light of consumer education.

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**Introduction**

Consumption activities not only encompass the economic capacity to buy goods and services but also involve skills, attitudes and knowledge associated with a rational approach to consumption. A competent consumer is expected to be informed, alert, responsive and responsible (President's Committee on Consumer Interests 1970). Based on the criteria used by many authors (e.g., Gronhoj 2004; Lachance and Choquette-Bernier 2004; Moschis 1987), we could define consumer competence as a multi-dimensional concept composed of cognitive, affective and behavioral aspects related to well-advised, prudent and responsible consumer activities.

Youth is a time for many new and important consumer experiences (buying furniture or a car, using credit cards, etc.), and for learning consumer preferences, attitudes and behaviors, many of which will persist during the rest of their adult life. However, according to many researchers, young people seem to show many deficiencies in terms of consumer competence and we know very little about which sources could help to develop this competence.

Consumer socialization is defined as the process by which individuals acquire from their environment those skills, knowledge and attitudes that are relevant to their consumer role (Ward 1974). This perspective requires the review of the learning or socialization agents

(persons or institutions) involved, through their interactions, in the development of the consumer characteristics (knowledge, attitudes and behaviors). Thus, the main objective of the research was to assess the relative importance of the main socialization influences on young people's consumer competence. We studied the influences of parents, peers, media and school.

## Method

A questionnaire comprised of 183 items was administered to students from 10 colleges in two major urban areas in Quebec (Canada). The 751 respondents came from a variety of socioeconomic status levels and their mean age was 18.4. Of the group, 58.5% were females and 41.5% were males. A majority was studying full time and 85% lived with their parents.

Based on previous research about consumer competence, our measures took into account *knowledge* (labeling, personal finances, advertising and commercial practices); *attitudes* (towards consumption, credit, advertising and compulsive buying); and *practices* (preventive or prudent behaviors; defensive practices or propensity to take action when a facing a problem). Socialization influences were measured with items about *peers' normative influence* (consumption as a way to belong to or be accepted by a group); *peers' informational influence* (propensity to seek information from peers); *parents' influence* (perception of parental verbal influence and of parents as consumer models); *school influence* (perception of whether or not school helped to acquire consumer competence); and *media influence* (perception of influence from television, Internet, newspapers, and magazines). The questionnaire also included items about socioeconomic variables.

## Findings and Discussion

Despite some limitations, the overall results of this research suggest that older college students who are more influenced by their parents and school, and less influenced by their peers (normative dimension) and media such as television, magazines and Internet, are more likely than their counterparts to be competent consumers.

### Peers

The strongest socialization influences in our study came from peers and from the normative aspect. Students who want to be like their friends, to be accepted or complimented by them, and to make a good impression on others with the products and brands they buy are less likely to be competent consumers: in other words, less critical and showing less preventive and defensive practices. It suggests that this expressive aspect of the consumer role may be accentuated when basic instrumental (rational) skills are lacking. The informative peers' influence is positive, but only moderately linked to critical attitudes. However, it reinforces the idea that peers' information and advice can also contribute to learning consumer skills (Gunter and Furnham 1998; Moschis 1987).

### Media

Media were the second most important socialization influence and they affected attitudes for the most part. Young people who agree that they are influenced by TV, magazines or the

Internet when playing their consumer roles are more likely to show uncritical consumer attitudes than their counterparts. Their perceived influence is linked to less competence, and this is of great interest when discussing consumer socialization or education. Contrary to previous studies, it seems that young people who stated they were influenced by newspapers in their consumption were no more likely to have critical attitudes towards consumption than others. This difference in results may be partly explained by age of the respondents. For teens, it has been suggested that this relationship is indirect: reading newspapers would initiate discussions with parents who are in turn involved in the development of competence about consumer matters. This interaction may not exist anymore for college students.

## **Parents**

Parental influence was positively linked to advised consumer behavior and to a lesser degree to consumer knowledge. This positive influence suggests that members of this age group are still affected by their parents in a positive manner. The fact that the majority of participants live with their parents may contribute to this result. Recent research by Gronhoj (2004), however, suggests that even young adults who have lived on their own for five years or more are still influenced by their parents in consumer activities. This influence that parents have on preventive and defensive behaviors concurs with the points of view expressed by many socialization researchers, such as Arnett (2007) and Grusec (2002), who conclude that parents can assist their children during their emerging adult years in the development of their self-regulation capacity.

## **School**

School has a more positive influence on the behavioral aspect of consumer competence than on the attitudinal aspect, indicating that school helps to develop more prudent consumer behavior than critical attitudes. Courses taken in high school could be more oriented toward the development of critical attitudes on advertising, credit or over consumption, rather than just on the learning the “how to” skills such as budgeting and comparing guarantees or prices before buying. The small number of course hours devoted to consumer education combined with the nature of the course content are just two of the many factors that might explain the limited efficiency in teaching certain consumer skills. Also, it may be the students' lack of motivation in studying consumer issues that can explain this moderate influence. According to Ahava and Palojoki (2004), this lack of interest may be due to their perception that consumer education courses do not correspond to their own lives. For this reason, consumer education needs to include pedagogical renovation based on adolescents' needs and the particular characteristics of their consumerism.

## **Socioeconomics**

Among socio-demographic variables, gender was related to one aspect of consumer attitude, with boys showing less compulsive buying tendencies than girls. This finding is in line with many studies (e.g., Dittmar 2005). Having a job was linked to less critical attitudes. This result suggests that interaction with colleagues may resemble the influence of peers. It would thus be interesting to undertake further studies on the influence that colleagues have as consumer socialization agents at various career stages.

## **Conclusion**

Overall, the influence of parents and school on students' consumer competence was positive whereas that of peers and media was negative. This suggests ways to improve consumer education for young people.

Young people need consumer education more than ever, inasmuch as they have never been as much targeted by marketing and advertising as they are today (Schor 2004). Given the pedagogical means available and the great number of hours that youth spend there, school appears to be a relevant place for this. Our results suggest, however, that the effectiveness of school in consumer education may have to be improved. Also, although parents, as models and teachers, have an important and positive influence on the consumer education of their offspring, even during their late adolescent or young adult years, the parenting role needs support. Indeed, according to some studies, even the general population of adults may require consumer education or information, at least in subject areas such as personal finances (e.g., Canadian Banking Association, 2000; Lee and Hogart, 1999). Consequently, it would be important to study adults' needs regarding consumer competence, information and education. In order to provide consumer education or information for young students and workers, newspapers (paper and electronic versions) may represent a useful and interesting tool that could be used a great deal more. Given that newspapers are read by older adults, they serve as an effective means of reaching parents while also making them more aware of their role as consumer educators and offering them information that might help them perform this role. Television would also be an efficient tool in consumer education if its content regarding this topic was improved, and above all made more attractive to young people. Given that this influential source is so popular among young people, it could most certainly be exploited as a method of consumer education. TV can be fun *and* educative.

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