

CONSUMER DESIRE AND ABILITY AS DETERMINANTS OF PURCHASING BEHAVIOR IN THE DIFFERENT STAGES OF THE FAMILY LIFE CYCLE

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ABSTRACT

This theoretical research will integrate the family lifecycle concept with the Comish/Rader Desire/Ability model. The stages of the family life cycle will be analyzed to determine the relationship between a consumer's desire/ability to purchase and how these two factors interact to determine what consumers purchase during the different stages of the family life cycle.

INTRODUCTION

The idea that customers, rather than being similar in terms of their wants and needs, are different, is one of the most established tenets in the field of marketing. If customers are homogeneous in their wants/needs, one marketing mix would satisfy everyone. This strategy is commonly known as mass marketing. This approach ignores the fact that for most products and services, customers are heterogeneous in terms of their wants and needs (Perreault, Cannon & McCarthy, 2011). This shotgun approach, which ignores the differences between consumers, will result in lower sales and/or profits. A rifle approach is a better strategy to use when dealing with dissimilar customers. Instead of viewing all customers as the same, customers are divided into groups having similar preferences. Each group is referred to as a market segment and the process of dividing the whole into homogeneous groups is known as market segmentation (Hawkins, Mothersbaugh, 2010).

One of the more widely segmenting variables used by marketers in their quest to better understand the consumption patterns of consumers is the family life cycle. This concept, which was originally developed by sociologists during the 1930's, was concerned with studying the family from a developmental point of view. That is, individuals within a family context will develop in an orderly, coherent manner. This type of analysis has proven to be most helpful in the quest to understand the workings of the family.

Probably the best known study linking family life cycle with consumption was conducted by Wells and Gubar (Wells and Gubar, 1966). They constructed a classification system which consisted of nine stages. They hypothesized that:

In the United States today most households pass through an orderly progression of stages:

1. Bachelor; young, single people.

2. Newly Married Couples; young, no children,
3. Full Nest I; young married couples with dependent children.
 - A. youngest child under six.
 - B. youngest child six or over.
4. Full Nest II; older married couples with dependent children.
5. Empty Nest; older married couple with no children living with them.
 - A. head in labor force.
 - B. head retired.
6. Solitary Survivors; older single people
 - A. in labor force.
 - B. retired (Wells and Gubar, 1966).

By comparing age, life cycle, and data on consumption from the Michigan Survey of Consumer Finance, the authors determined that 177 of the products surveyed were better explained by life cycle rather than age. Age was favored in 54 of the product categories, and expenditures varied by about the same degree by life cycle and age for 231 products or services. Some of the products for which the life cycle discriminated better than age were: washing machines, refrigerators, vitamins, cornflakes, bicycles, and boats. Age was a better discriminator for such products as: fur coats, men's jewelry, scotch, curtains, and high fidelity components. They concluded that "whether the item in question is a product or a service, a durable or a nondurable, life cycle is likely to be a more meaningful way of classifying consumers." Because of the depth and thoroughness of their research, their classification system has become dominant in most consumer behavior literature, and has become known as "the traditional family life cycle."

This theoretical research will integrate the Comish/Rader Desire/Ability model with the family life cycle concept. Various stages of the traditional life cycle family life cycle will be analyzed in terms of the consumer's desires (products and/or services) and abilities. Further, each stage will be analyzed in terms of discretionary income vs. total income and essential vs. nonessential purchases. The findings will help market practitioners when making strategic and tactical marketing decisions

DESIRE/ABILITY MODEL

This paper offers an extension of the previously published theoretical model for viewing individuals in terms of their desire and ability. Rather than looking at desire and ability in general, potential customers are analyzed in terms of the different stages of the family life cycle. By expanding on the basic model, the technique's usefulness is increased, and will prove helpful in evaluating both the ability and desire to purchase different product for the different family life cycle stages (market segments).

The basic marketing model as proposed was a two axis concept formulated around the delineation of ability to purchase and desire to purchase (Rader & Comish, 2005).

<i>Purchase Desire/Ability</i>	<i>Low Ability</i>	<i>High Ability</i>
High Desire	Position 2	Position 4
Low Desire	Position 1	Position 3

POSITION ONE: LOW ABILITY AND LOW DESIRE: Position one is that position which reflected weakness in both desire and ability to purchase a product.

POSITION TWO: LOW ABILITY AND HIGH DESIRE: Customers in position two have

high desire for the firm's products, but do not have the ability to acquire them.

POSITION THREE: HIGH ABILITY AND LOW DESIRE: Position three occurs when consumers possess a high ability to purchase the product, but has very little desire to purchase the product.

POSITION FOUR: HIGH ABILITY AND HIGH DESIRE: Position four in some ways is the most critical position, particularly in the competitive market place. This is the firm's customer base. These people can and do purchase products. A primary concern is to sustain and defend this base against competitor encroachment.

NEWLY MARRIED COUPLES; YOUNG, NO CHILDREN

The income for newly married couples with no children, although low, is the highest it will be for the near future since both the husband and wife are usually working. Discretionary income will also be low. Families at this stage would be considered as low in terms of ability. The types of products purchased during this stage include new cars, recreational activities, more comprehensive insurance coverage, and items associated with the nest (appliances, furniture, etc.). Lifestyles are altered greatly, there are more joint decisions, and marketers often make use of promotional messages to reduce risk associated with buying unfamiliar items. In terms of desire, both essential and nonessential items would be rated as high. For the Desire/Ability model, customers in this stage would be placed in Position 2.

<i>Purchase Desire/Ability</i>	<i>Low Ability</i>	<i>High Ability</i>
High Desire	Position 2: Low Discretionary Income and Low Total Income; High Demand for both Essentials and Nonessentials	Position 4
Low Desire	Position 1	Position 3

FULL NEST IA; YOUNG MARRIED COUPLES WITH YOUNGEST CHILD UNDER SIX

As with young married couples, Full Nest I families with children under six years will often have less income than when they were a young married couple. This is the result of the husband being at the start of his career (level is related to seniority plus educational tier). The wife often quits work to take care of the young children. The discretionary income will usually be even lower. Again, families at this stage would be considered as low in terms of ability. The types of products purchased during this stage include items associated with the young children (furniture, washer, dryer, Huggies, baby clothes). Very little is spent on nonessentials as there is little discretionary income available. In terms of desire, only essential would be rated as high. The desire (demand) for nonessential products would be rated low. For the Desire/Ability model, customers in this stage would be placed in Position 1 and Position 2 depending on whether the product is an essential or nonessential product.

<i>Purchase Desire/Ability</i>	<i>Low Ability</i>	<i>High Ability</i>
High Desire	Position 2: Low Total Income; High Demand for Essentials	Position 4
Low Desire	Position 1: Low or No Discretionary Income; Low Demand for	Position 3

Nonessentials

FULL NEST IB; YOUNG MARRIED COUPLES WITH YOUNGEST CHILD SIX OR OVER

Full Nest II families with children age six or over will have more income than when their youngest child was six or under. The husband’s career is advancing and the wife is often working again. The family will now have some discretionary income. Families at this stage would be considered as moving toward high in terms of ability. The types of products purchased during this stage include both essentials and nonessentials. Nonessentials are now often purchased as there is discretionary income available. In terms of desire, families at this stage purchase both essentials and nonessentials resulting in a high rating. For the Desire/Ability model, customers in this stage would be placed in Position 4.

<i>Purchase Desire/Ability</i>	<i>Low Ability</i>	<i>High Ability</i>
High Desire	Position 2	Position 4: Moderate Discretionary Income and Moderate Total Income; High Demand for Essentials and Nonessentials
Low Desire	Position 1	Position 3

FULL NEST II; OLDER MARRIED COUPLES WITH DEPENDENT CHILDREN

Full Nest II families will have more income than any of the previous stages. Both the husband and the wife are reaching the height of their careers. The family will now have a moderate-high amount of total and discretionary income. Families at this stage would be considered as high in terms of ability. The types of products purchased during this stage include both essential such as educational expenses, extra cars, and medical and dental expenses. Appliance and furniture is often replaced with more tasteful and fancier items. Nonessential item related to recreation are now affordable. In terms of desire, families would be rated as high. For the Desire/Ability model, customers in this stage would be placed in Position 4

<i>Purchase Desire/Ability</i>	<i>Low Ability</i>	<i>High Ability</i>
High Desire	Position 2	Position 4: Moderate-High Discretionary Income and Moderate-High Total Income; High Demand for Essentials and Nonessentials
Low Desire	Position 1	Position 3

EMPTY NEST A; OLDER MARRIED COUPLE WITH NO CHILDREN LIVING WITH THEM, HEAD IN LABOR FORCE

Empty Nest A families will have the highest income of all stages. Both the husband and the wife are at the height of their careers. The family will now have a high level of total and discretionary income since there are fewer required expenses. Families at this stage would be considered as high in terms

of ability. The types of products purchased during this stage include essential items such as medical and dental care. They purchase many nonessential recreational items plus home improvements are often completed. In terms of desire, families would be rated as high. For the Desire/Ability model, customers in this stage would be placed in Position 4

<i>Purchase Desire/Ability</i>	<i>Low Ability</i>	<i>High Ability</i>
High Desire	Position 2:	Position 4: Highest Discretionary Income and Highest Total Income; High Demand for Essentials and Highest Demand for Nonessentials
Low Desire	Position 1	Position 3

EMPTY NEST B: OLDER MARRIED COUPLE WITH NO CHILDREN LIVING WITH THEM, HEAD RETIRED

The Empty Nest B stage can be divided into two groups: the haves and the have nots. The first group are those families that have planned for their retirement and have an adequate amount of money available for retirement. These families will have an adequate amount of money available and would be considered as high in terms of ability. The types of products purchased during this stage include essential items such as home upkeep, medical and dental care. They also engage in many nonessential recreational activities. For the Desire/Ability model, customers in this stage would be placed in Position 4

<i>Purchase Desire/Ability</i>	<i>Low Ability</i>	<i>High Ability</i>
High Desire	Position 2:	Position 4: Moderate Discretionary Income and Moderate Total Income; Moderate Demand for Essentials and Moderate Demand for Nonessentials
Low Desire	Position 1	Position 3

The second group consists of families that have not planned for their retirement and have little money available for retirement. These families will have a low level of total income and almost no discretionary income and would be considered as low in terms of ability. Many Baby Boomers will fall in this category. The types of products purchased during this stage again include only essential items such as medical and dental care, home upkeep, etc. For the Desire/Ability model, customers in this stage would be placed in Position 1 and Position 2.

<i>Purchase Desire/Ability</i>	<i>Low Ability</i>	<i>High Ability</i>
High Desire	Position 2: Low Total Income; High Demand for Essentials	Position 4
Low Desire	Position 1: Low or No Discretionary Income	Position 3

; Low Demand for
Nonessentials

SUMMARY

By integrating the family lifecycle concept with the Comish/Rader Desire/Ability model, marketers can gain further insight into consumer purchasing behavior. The relationship between a consumer's desire/ability to purchase and how these two factors interact determine the consumer's discretionary income vs. total income and essential vs. nonessential products purchased during the different stages of the family life cycle. Viewing customers in this way can lead to beneficial changes in marketing strategy for the firm. A better allocation of scarce resources is one such change since the firm can more precisely target customers.

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