Towards a Better Understanding of The Behavior of Poor Consumers: Exploratory Study

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Abstract

In a context of growing inequality, there are few marketing research dealing with customers who suffer the most from this situation: poor people. Through an exploratory study, we try to understand the behavior of these consumers, their needs and their expectations.

Interviews with 17 poor consumers in Tunis have enabled us to say that: the consumption of the poor is more utilitarian and rational, the poor consumer is impoverished but not destitute and it is used often for credits and overconsumption.

Key words

Poor consumer, rational consumption, produces cheap, popular store.

I. Introduction

As a developing country, the Tunisia presents a large size of the population below poverty line. Thus, these poor people are not only a major challenge for Governments, but for commercial entities (Lazarus, 2006). Indeed, they cease not, especially in recent years characterized by the worsening economic crisis, better understanding of the poor consumer behavior in order to better adapt to their needs and expectations. Thus, the complexity of the issue of poverty and the relative weakness of the research in the discipline of marketing require a deeper knowledge of the issues raised especially for poor consumers who are becoming more and more numerous due to a crisis profound economic (throat et al., 2012).

In this context of crisis, several issues are asked business leaders letting them think to redefine their strategies in order to meet the expectations of the poor consumer while seeking to give it power (Djelassi et al., 2009).

To our knowledge, previous research on this topic is rare and empirical verifications in the Tunisian context are almost absent. Thus, we found interest to clear up the profile of the poor Tunisian consumer, determine its needs and focus on expectations that professionals who choose the market benefit. Thus, we seek through this contribution to answering the following questions: What are the main determinants of poor consumer purchasing behavior? What are their expectations of the market? What are the factors of influence on the behaviour of poor Tunisian consumers?

To respond to these issues we are going to divide our work into two parts: at the level of our work theoretical, let’s start by defining marketing of the end of poverty, then we are going to focus on marketing of the poor client and the company and finally, the complexity of the issue of poverty and the relative weakness of the research in recent years characterized by the worsening economic crisis, better understanding of the poor consumer behavior in order to better adapt to their needs and expectations. Thus, the complexity of the issue of poverty and the relative weakness of the research in the discipline of marketing require a deeper knowledge of the issues raised especially for poor consumers who are becoming more and more numerous due to a crisis profound economic (throat et al., 2012).

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To respond to these issues we are going to divide our work into two parts: at the level of our work theoretical, let’s start by defining marketing of the end of poverty, then we are going to focus on the relationship between the poor client and the company and finally, we will complete this part by the determination of some features of this category of consumers. Then, through an exploratory study using a maintenance guide conducted a dozen poor consumers (17) in Tunis, we will seek the profile of Tunisian poor consumers as well as its expectations of the market. We will finish this work by the recommendations, limitations and future research pathways.

II. Theoretical Study

A. Definitions of Poverty Marketing

The majority of the attempts of the definition of poverty revolve around designs objective: the level of income and subjective to know the condition of life (throat and al, 2012). Beyond this definition, sociological approaches were made to evolve the definition of poor individual. Thus, according to Simmel (1999), «a poor person is assisted, someone receiving social assistance. More recently, in 2005, Paugam adheres also with this idea in interest to persons in receipt of social assistance, while making evolve the concept of poverty of social disqualification. The evolution of this concept also followed a historical process. Thus, deindustrialization and the advent of the consumer society extended this assumption, considering poverty not only as a group phenomenon but also an individual process (throat et al., 2012). Paugam (2005), 3 contemporary forms of poverty: integrated (associated with a specific social group), relative (a part of the population in a situation of extreme poverty) and finally poverty disqualifying that represents the form most modern associated companies post industrial (person on the margins of market employment and consumer society);

B. Relationship between poor customer and company

The poor consumer has until today’s not formed, in our view, an object of enough academic research in marketing. The economic and social crisis prolonged in developed countries and is aggravated in countries developing leave however researchers, especially in recent years, consider this issue centre of their interests. Our contribution is this same orientation, which we will consider the poor as consumer ‘ a consumer disadvantaged on the market, face still little competent companies in their responses to its needs ‘. (Throat et al., 2012). Otherwise, it is usually presented in great disadvantage compared with other consumers and business (Alwitt, Donley, 1996).

For Hill (1991) and Lazarus (2006), the poor consumer is “ a person who has neither resources economic and cultural which the average consumer has of course to understand and enjoyed the better of consumption. ” Therefore, marketers take advantage of this vulnerability by submitting credits, making it pay more or offering goods and services that are not suitable to him.

For Caplovitz (1968), poor consumers are subjected to a dual difficulty: not only their resources are low but in addition they pay more on market access. This is justified by many reasons in this case the absence of transport to move to less expensive point of sale, the needs to have a credit consumption (Parenin Heredia, 2009), and also lack competence relegates them expensive consumption (Alwitt and Donley, 1996).

Recent initiatives, some companies, show their interest for the...
III. Empirical, Exploratory Study

A. Methodology

Our overarching objective of this research work is to better understand the behavior of the poor consumer and identify its needs and expectations of the market. This study will be useful both for professionals, including distributors, as academics since scarce research having dealt with this subject. The importance of a comprehensive approach towards these consumers led us toward a qualitative methodology through long interviews (McCracken 1988). In total, we conducted seventeen interviews with a specific category of people affected by poverty: heads of households with income less than 350 Tunisian dinars (less than the minimum wage). Thus, we met his people in working-class districts (or living people whose standard of living is lower than the average national), in the suburbs of capital Tunis. Looking for these people (responsible for poor households) was not difficult since there are many and multiply rapidly in the suburbs after the revolution and with the worsening of the global economic crisis (la presse, January, 2013).

Interviews are an average duration of 30 min to 45 min and conducted with men and women between the ages of 30 and 65. They have all met at the Grocers of the districts. The discussions were face to face, recorded and then transcribed and analyzed according to the hermeneutic method (Thompson et al. 1994) that allow a true iteration of interviews with the review of the literature (throat et al, 2012). Most of the respondents have low mobility, which reflects the idea of rather situational and not generational poverty (determined by the situation of the previous generations). The courses of respondents tend in any cases to confirm the feelings of instability and uncertainty towards the present and future (Bauman), 2006. Moreover, poor consumers are a real challenge for distributors given their size and their weight on the market: they live below the poverty threshold but are considered “average” consumers because they are not dissocialized (throat and al, 2012).

B. Results

Based on the responses of respondents to describe the consumption of the poor as well as the expectations of the category of the consumer which forms a large size of the market, we can draw a set of conclusions which the most interesting are:

1. The consumption of the poor is more rational

The ‘poor’ consumer seeks to initially meet its physiological needs with the lowest cost possible almost the majority of the interviewees. Hedonism takes its place for them with rare and “luxury” products that are complementary or products not necessities. Indeed, these consumers, distinguish between, the process of selection and rational products without or with brands of low-end they buy in everyday life for everyday use and brands more expensive but are of true ‘pleasure’ especially when ‘balance’ purchasing. In total we can say that poor Tunisian consumers are more rational when purchase of basic product and looks a little “fun” and “hedonism” in selection of other products.

2. A massive recourse to credit and over-consumption

Poor consumers interviewed (having a very limited monthly income level) state that they are confined to their low incomes during consumption. Almost the majority of them spend more than its income. These consumers often use, loans and credits both of the Bank, their loved ones or else traders (use credit notebooks with the grocer in the area). This situation is explained by several reasons: firstly we must say that the Tunisian consumer tends to consume more (non-physiological) secondary products and this regardless of its income level. We can mention here as for example catering, cafes, connecting to the internet... Then, several products are considered now as commodities or basic necessities such as telecommunication, connection to internet.

3. A consumer depleted but not powerless

On the theoretical plane, we heard of the “culture of poverty” (Lewis, 1969, Hill, 2002), which means the economic, social and cultural challenges that make the individual incompetent and dominated on the consumer market. However, through our verbatim, we see that consumers develop skills that allow them to manage their consumption and improve their situation, such as the good knowledge of the combination products and familiarization with the operation of the market. Indeed, the poor consumer is, in most of the time, described as a “destitute” facing a world of incomprehensible consumption (throat et al, 2012). But, in some cases, we find poor consumers but have significant intellectual levels. Their wells manage their resources (despite that are very low and the reasons are various...), think of the utility of credit, and manage their accounts and the budget of the month.

IV. Conclusions And Implications

This research is designed to investigate a class of consumers little studied marketing: poor consumers who, despite their low incomes, are also part of the word of consumption (lazarus, 2006). Integrate them is even more critical of where the economic crisis is aggravated and creates enormous difficulties. Through our analysis of the discussions with some poor in Tunisia, we can recommend professionals who are on the world of distribution to adapt their strategies and align to the real needs and expectations of this category of the consumer who does not cease to will increase on the market. This can be done, in our view, through:
Good study of preferences and the consumer expectations poor in order to adapt the specific offerings available: development and diversification of ranges available, taking into account the income limited the majority of customer of the store. It therefore vary low range offerings that best fit the needs of this category of consumer:

- Development of the available discounts by public transport, with a very suitable and highly customized offer.
- Adaptation of the size of some products and offer goods in smaller quantities, and therefore lower sale prices.

Dissemination of a wide promotion in several periods of the year as well as loyalty cards specific to capture its consumers and maintain the relationship with them.

Enhancement of skills and knowledge of poor consumers to promote a continuation of their dignity because despite their low income, they do not want to feel discriminate or stigmatize for reasons purely economic (through the communication, the service related to products...).

Valorization of the atmosphere of the store: since some clients express their needs to find a low-priced product, but also expect the store to find a pleasant atmosphere that their permit to stay more time in the store, to feel comfortable and live some emotional moments (stimulated by colors, the cleanliness of the place, the good assortment of products, the welcome of the vendors...).

Research on poverty stressed repeatedly the difficulty of counting the poor population. This difficulty lies both in the complexity to define what a person or a poor household, and methodological choices that must be madeduring the actual estimate. At the level of our research, we have considered the consumer poor one that has a very low income (maximum 250 d). We have tried to identify their needs and seek their expectations to the market. Thus, this study has allowed us to move a certain number of recommendations for distributors or any entity that chooses on the market. This contribution is not without limits. Indeed, we focused on a sample very reduced consumer (17 persons) that does not reflect all the situations of poverty. Also, given the exploratory aspect of this research, we focused on interviews conducted in the face to face with a very small sample unrepresentative of the parent population. Later, it will be interested to complete the speech by an empirical study in an ethnographic approach for example.

References


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