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**Can Consumers Be Wise?**  
Aristotle Speaks to the 21st Century  
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What does it mean to be a wise consumer? We suspect that for most people, wise in this context means shrewd; that is, someone who is not taken in by marketing hype, who negotiates good deals, and who gets what he or she wants. In this chapter, we seek to develop a much needed and richer understanding of the wise consumer.

The origins of modern consumer behaviors have been debated by historians, whereas there has been little disagreement over the varieties and magnitude of acquiring, consuming, and disposing (Schor & Holt, 2000). Many analysts have noted that the proliferation of these practices, fostered by international organizations, governments, businesses, and consumers themselves, has harbored a general assumption that more products, possessions, and consumption translate into greater economic welfare and greater human satisfaction (Borgmann, 2001). However, the flaws underlying this supposition have been well exposed in recent years by distressing global and regional trends, including poor nutrition and rising obesity rates, thousands of annual vehicular deaths, wide-scale substance abuse (e.g., tobacco, alcohol, drugs), ecological degradation, credit card misuse and dwindling saving rates, heightened materialism and status aspirations, and declines in overall happiness (see, e.g., Andreassen, Goldberg, & Sirgy, Chapter 2 of this volume; Burroughs & Rindfleisch, Chapter 12 of this volume; Csikszentmihalyi, Foreword of this volume; Diener & Seligman, 2004; Grier & Moore, Chapter 15 of this volume; Kilbourne & Mittelstaedt, Chapter 14 of this volume; Markus & Schwartz, 2010; McDonagh, Dobscha, & Brothero, Chapter 13 of this volume; Pechmann, Biglan, Grube, & Cody, Chapter 17 of this volume; Schwartz, 2004; Scitovsky, 1976; Sonn, Cheema, & Chan, Chapter 20 of this volume; Speth, 2008). According to some observers, many of these developments and their chilling and killing effects are due to foolish personal choices (e.g., Keeney, 2008).

These trends reveal just how much consumer behavior is a moral activity and how much all of us as consumers have underestimated, if not shirked, that responsibility (Borgmann, 2001; Brinkmann, 2004; Mick, 2005). Morality concerns how humans should live their lives, particularly in cases in which their actions can be assessed as essentially right or wrong. Consumer behavior has moral dimensions, because all consumer choices involve a combination of spoken and unspoken values directed toward living things (e.g., our selves, our loved ones, the people who harvest, mine, and combine the raw materials; the animals sacrificed or otherwise affected by production and consumption) and toward the environment (e.g., natural resources, the biodegradability of ingredients and packaging, the impact of fossil fuels in making and transporting products). The rippling of moral waves from our ongoing consumer behaviors means, in a most daunting and humbling way, that "there is always something at stake" (O’Dea, 2004, p. 9).
TRANSFORMATIVE CONSUMER RESEARCH FOR PERSONAL AND COLLECTIVE WELL-BEING

Yet, making excellent, or at least better, consumer choices seems to be getting harder and harder. Many factors, such as technology and information overload, are contributing to increased complexity and stress in modern life (Levy & Levey, 1999). To add to this disorienting condition, researchers in behavioral economics have catalogued numerous unconscious biases in human judgments that regularly lead people to make decisions that are contrary to their chief preferences or best interests (Ariely, 2008; Thaler & Sunstein, 2008). It seems we have limited control of ourselves as consumers. Lacking control, there is diminished potential for goodness and quality of life in our spirits, minds, bodies, families, societies, and ecologies.

Is it possible for consumers to be wise, to do the right thing more often, when they make consumption decisions? In this chapter, we put that question to Aristotle. The question itself, and his response, are both timely and timeless. For Aristotle, there is hope and direction through practical wisdom, which he called *phronesis*. No other virtue in his philosophy is more simultaneously linked to morality and human well-being. The foundation of Aristotle's practical wisdom is the “capacity to recognize the essentials of what we encounter and to respond well and fittingly to those circumstances” (Fowers, 2003, p. 415). However, being a wise consumer is not just knowing one's preferences well, adding more dimensions to one's multivariate utility function, or being savvy at cost–benefit analysis. Wisdom is a metafunctional and integrative process that balances multiple and often conflicting factors. Rather than being a mixture of relevant expertise and useful decision rules, practical wisdom is about perceptive, context-sensitive judgments with a mission to maintain or enhance well-being.

In the next section, we review Aristotle's conception of practical wisdom in more detail, and then we turn to recent research from social science on wisdom. Next, we pull these insights together and apply them in the analysis of four consumer-behavior vignettes. We close with a discussion on the prospects of educating and encouraging consumers about practical wisdom and suggest future paths of scholarly research to understand and promote practical consumer wisdom.

PRACTICAL WISDOM FROM THE ARISTOTELIAN PERSPECTIVE

Wisdom has been addressed for hundreds of years in theological, philosophical, and literary works as the epiphrase of human virtues (Assmann, 1994; Hall, 2010). Across these sources, wisdom has been viewed as a superior, complex, and desirable form of knowledge that reflects a keen understanding and experience of the fundamental nature of reality and humankind's relationship to it (Clayton & Birren, 1980). Eventually, in less ornate terms and more readily linked to everyday actions, *wisdom* came to be defined in The Compact Oxford English Dictionary (COED; 1991) as “the capacity of judging rightly in matters relating to life and conduct; soundness of judgment in the choice of means and ends” (p. 2325).

Aristotle (ca. 350 BCE/1999) was among the first to distinguish between different kinds of wisdom, dividing the philosophical from the practical. On the one hand, he equated the former with metaphysics, or the study of the definitive principles and causes of reality. Practical wisdom, on the other hand, he associated with searching for the ultimate good of human endeavors, and it is the wellspring of the COED definition above. Practical wisdom is also distinguished by its orientation to action; it is more about know-how (i.e., the pragmatics of life) rather than know-that (i.e., factual expertise). Practical wisdom also departs from practical intelligence by its specific concern with human actions that have moral consequences and implications.

Aristotle's moral theory is a virtue theory, which differentiates it from later theories like Kant's, which depends on universal principles, or John Stuart Mill's utilitarianism, which depends solely on rational decision procedures. The aim of life, Aristotle wrote in his book *Nicomachean Ethics*, is eudaimonia, which is akin to Seligman's (2002) notion of authentic happiness and has been also translated as well-being or flourishing. To achieve this aim requires the cultivation of the virtues—all of them. A parent or a judge who is strong in kindness and generosity but weak in justice and perspective would be a disastrous parent or judge—and not very happy. Further, Aristotle noted that more is not necessarily better when considering specific virtues for a given situation. Rather, we need to know how courageous, kind, honest, empathic, or loyal to be. The virtues need to exist in the right proportions, and they need to be developed and deployed to the right degree. In general, an excess of a virtue can be as counterproductive to eudaimonia as too little.

The need to choose among the virtues, calibrate our well-meaning actions, and balance virtues in conflict were central issues for Aristotle. In a well-known passage in *Nicomachean Ethics*, he warned that there can be too much of a good thing. Consider the virtue of courage so critical to a warrior. A good soldier needs to be brave enough to risk death, but taking himself, or his troops, into a battle in which he would be certain to be massacred is reckless, not courageous. Yet, if a soldier is never willing to put himself or his troops at risk, that is cowardice. Hence, courage lies somewhere between cowardice and recklessness. That point, in Aristotle's words, is the mean between cowardice and recklessness. Similarly, many consumer behaviors require, for instance, balances between needs and desires, frugality and indulgence, and short- and long-term preferences.

Aristotle's mean, however, is not a simple average of two extremes. Instead, it is just the right mix of caution and boldness, or thrift and lavishness, that is appropriate to the particular circumstance. Practical wisdom figures out what the mean or balance is for each situation.

Aristotle used several compelling metaphors to illustrate how to determine the mean. For example, a person who evokes a predetermined formula to find the mean, or a set of rules to identify which virtue should prevail in a situation of conflict, is like a builder who tries to use a straight ruler to make the curves of a molding. Instead, Aristotle suggested using the flexible lead rule in which the soft metal can be bent to conform to the shape of the molding. Thus, rather than forcing a situation to fit the formula or tool, a wise person knows when and how to adapt the formula or tool to fit the situation.

Furthermore, Aristotle argued that the right amount of any of the virtues is context specific. Is caution a strength? Yes. Remember to "Look before you leap," but change the context and remember that "He who hesitates is lost." The balance between caution and decisiveness is not the midpoint on some underlying scale. Where the balance or mean lies exactly will vary from circumstance to circumstance.

Practical wisdom, the master virtue, is Aristotle's solution to managing all the remaining virtues, including the judgment of which ones and in which degrees a specific context requires. Practical wisdom is essential for orchestrating the other virtues into an effective, moral, and happy life. From Aristotle's perspective, rules—whether Kantian, utilitarian, or of any other kind—are inadequate to the moral tasks of everyday life (see also Johnson, 1993; Nussbaum, 1995; Wallace, 1988). Rules have their place in our deliberations. Following rules is the best people can do if they do not know the context well enough to discern a pattern or its resemblance to other contexts they know. Thus, rules that consumers have learned directly or indirectly, such as do not discard unused paint in a garbage dump, give gift cards at holidays and celebrations when you do not know the recipient well, buy a higher priced item if you want better quality, and shop at store X if you want the lowest prices, make reasonable sense as best policies when a situation is full of ambiguity or ignorance. Following a good rule can often make the best of a difficult or perplexing situation. However, rules are like a road map that gets a driver to the right city but not necessarily to the right street. To find the right street, or know the right thing to do, Aristotle argued that practical wisdom is needed to improve on the mere application of a rule, however respectable or logical the rule might seem.
People need practical wisdom, because in order to decide how to act in any concrete situation, people must solve three problems. First, real-life situations do not always come labeled with the applicable rules or virtues attached. There is, thus, the problem of relevance. Second, real-life situations often put rules or virtues in conflict with one another. Finally, virtues and rules lack the specificity required for translation into action. Suppose two given situations necessitate, respectively, the virtue of kindness and the virtue of frugality. Then, it must be determined what exactly it would mean to be kind or frugal in those situations. It is in resolving these three issues—relevance, conflict, and specificity—that the Aristotelian philosophy of practical wisdom becomes essential (Wallace, 1988).

It is important to make clear that practical wisdom is not the same as practical intelligence. Practical intelligence, what Aristotle called technē, is what enables a person to know the right thing to do to achieve his or her goals. It is an important part of practical wisdom, but it is only one component. Practical intelligence is silent on the question of what human goals should be; it does not tell a person what to aim for. To have practical wisdom is to know what to aim for, to know the purpose of being a friend, a parent, a teacher, or a conscientious consumer. Also, practical intelligence does not make a person want to do the right thing. It is purely cognitive not motivational. Someone with practical wisdom not only knows the right thing to do but also wants to do it.

In terms of acquiring wisdom, Aristotle believed that wisdom is learned from experiences but cannot be taught, at least not didactically. One becomes wise by confronting difficult and ambiguous situations, using one's judgment to decide what to do, doing it, and getting feedback. Wisdom may thus be domain specific (e.g., the wise manager may not be a wise parent or a wise consumer). One becomes wiser in a given domain by developing the propensity for striving to be wise in that domain. In discussing the development of wisdom, Aristotle emphasized the importance of well-trained habit. People learn what wisdom is in the way they learn how to keep their balance when riding a bike: by practicing, falling, and trying again, until the moment-by-moment adjustments needed to stay upright eventually occur automatically and effortlessly. To be sure, many wise decisions require deliberation, but many require swift intuition honed by experience. Even the decisions that require deliberation are aided by experience-based intuition.

Aristotle thought of virtues such as courage, loyalty, and responsibility as enduring character traits of people. In other words, he wrote about courageous people, not just courageous acts. In the modern lexicon of social and behavioral science, these traits would be most usually labeled as personality traits or dispositions rather than character traits. The key difference, however, between personality traits and character traits is that the idea of personality is purely descriptive (e.g., you are outgoing, I am introverted). Character, in contrast, is also evaluative. Virtues are not just characteristics of people; they are excellent characteristics of people that are cultivated over time through repeated consideration and vigilant application.

PARADIGMS OF WISDOM IN RECENT PSYCHOLOGICAL SCIENCE

Compared to its Aristotelian heritage, the study of wisdom in the social sciences is young. The most prominent paradigms have variously drawn from Aristotle and include those headed by Clayton (Clayton & Birren, 1980), Baltes (Baltes & Smith, 2008; Baltes & Staudinger, 2000), Kunzmann & Baltes, 2005), Sternberg (1998, 2001), and Ardelt (2004). We focus on Baltes and Sternberg, as we are constrained by page limitations, and their paradigms have been the most influential thus far. Following Aristotle, Baltes and Sternberg both associate wisdom with certain types of knowledge and the application of knowledge, in pursuit of well-being and the common good. They regularly use the word wisdom without the modifier practical, but it is apparent they are most directly concerned with practical wisdom.

Baltes and his colleagues have mainly studied wisdom as an existential expertise that develops over the life span, known as the Berlin wisdom paradigm. They characterize wisdom as excellence in mind and virtue, specifically as an expert knowledge system, known as fundamental life pragmatics, for planning, managing, and understanding a good life (Baltes & Smith, 2008). Included in this system are knowledge of life's obligations and goals, knowledge of oneself and the limits of one's own knowledge, knowledge of translating knowledge into behavior (i.e., synergizing mind, virtue, and action), and understanding the socially and contextually intertwined nature of human life (Baltes & Staudinger, 2000). The measures of wisdom in action that Baltes and his colleagues have used include attentive listening, outstanding advice, insightful comments on challenging and ambiguous matters in life, affect regulation, and empathy in interpersonal settings. Some of the newest work in the Berlin wisdom paradigm is now examining the role of emotions as input into wise judgments and actions (Kunzmann & Baltes, 2005).

Sternberg's (2001) paradigm builds on his earlier work on intelligence. He defines wisdom as the application of tacit and explicit knowledge as mediated by values toward the achievement of a common good through a balance among (a) intrapersonal, (b) interpersonal, and (c) extrapersonal interests over (a) short and (b) long terms, to achieve a balance among (a) adaption to existing environments, (b) shaping of existing environments, and (c) selection of new environments. (p. 331)

Adapting means changing oneself to fit the existing environment or situation, shaping means modifying aspects of the environment or situation to fit one's interests, and selecting a new environment means abandoning the existing one for something else. Based on research he completed on people's implicit theories of wisdom among U.S. laypersons and experts, Sternberg (1985) uncovered six dimensions of wisdom: (1) reasoning ability (e.g., logical mind, makes connections and distinctions), (2) sagacity (e.g., displays concern for others, knows self best, unfair to make mistakes and correct them), (3) learning from ideas and environment (e.g., attaches importance to ideas, learns from mistakes), (4) judgment (e.g., thinks before deciding or acting, is able to take long views), (5) expedient use of information (e.g., is experienced, seeks out information, changes mind on basis of experience), and (6) perspicacity (e.g., can offer solutions that are on the side of right and truth, has intuition, is able to see through things and read between the lines).

Balancing is a key metaphor in Sternberg's paradigm, as it is in Aristotle's, the Berlin group's, and others'. Balancing is not just another word or manner for standard trade-off analyses. It reflects Aristotle's emphasis on the mean in terms of finding wise solutions and behaviors that are not extreme. Balancing also does not signify that all interests, consequences, or responses must be equally weighted. The weightings may vary depending on the degree to which a specific alternative contributes to a common good. Selecting the right balance depends on one's system of values, which serves to establish the person's vision of a common good and the relative weightings of various interests, consequences, and responses.

Tacit knowledge is another crucial component in Sternberg's paradigm. He argues that tacit knowledge (i.e., gained from prior relevant experiences) permits people to perceive intuitively and/or deliberately the exclusive complexities of the situation being faced and utilize the comprehension of those complexities in a tailored fashion to attain the desired objectives. Unlike some other wisdom theorists, Sternberg maintains that wisdom has aspects that can be taught or at least encouraged (Sternberg, 2001). Recently, he has developed a wisdom-oriented curriculum for precollege classrooms and is now engaged in tracking the results (see Reznitskaya & Sternberg, 2004).

There is an emergent fund of empirical findings from the social science of wisdom, including the burgeoning domain of neuroscience. Among the intriguing findings across research
APPLICATIONS OF PRACTICAL WISDOM TO CONSUMPTION CASES

Consider the following vignette involving a couple who faced a problematic decision about discarding an outdated, poorly performing television set:

Richard and Carol have been married for 16 years, over which time they have developed mutual interests in environmentalism, including recycling and donating. They are also not avid television viewers. But after 10 years of ownership, their current cathode ray television seemed small, and the picture quality had worsened. Replacing the set would cost more than its resale value. So, they searched television retailers in their area and found a good deal on a 42-inch, flat screen, high-definition television. Delivery and setup of the new set are scheduled for later this week.

With this new purchase completed, Richard and Carol now faced the decision of what to do with their older set. They are short on storage space in both their house and garage. One of their neighbors told them how he recently put out a broken-down television for the garbage service to pick up, and the next day, it was gone with the trash. That seemed the most convenient option, and he opined that the garbage service people probably know what to do with these older sets. The neighbor also mentioned that it seemed sensible to do, because after all, he pays a monthly fee for trash removal, and it makes sense to use the service accordingly. Richard and Carol understand their neighbor's position, but they have private qualms about it. They have both read that throwing electronic devices into landfills poses hazards to the soil and groundwater, and it ignores the possible value of the set and some of its components for other purposes.

The next day, Carol talked about the television disposal decision with some coworkers. One of them, Alice, told Carol that there are definitely other options, based on what one of Alice's relatives did with their defunct television. Alice suggested that Carol should call some local appliance repair shops and do some searching on the Internet. Carol was thankful for the advice and determined that afternoon that a recycling center exists in the next county. It accepts old televisions for a $12 handling fee and then passes the sets on to appliance and electronics stores where parts and materials are salvaged, and the remaining materials are sent to an electronic-waste recycling facility in a nearby state. Two days later, Richard and Carol drove the round trip of 38 miles to drop off their old set, and they returned home that afternoon for the installation of their new one.

As is evident in this case, Richard and Carol wanted to dispose of their old television in a manner that made it more likely that as little as possible would be dumped into a landfill. Many, but far from all, consumers are aware that lead, copper, and plastic components in electronic equipment are not readily biodegradable. Careless disposal can increase earth and groundwater contamination, which is an unmistakable moral issue that affects quality of life for future generations of human and nonhuman beings. Rather than quickly following a neighbor's well-intended but expedient- and expense-driven advice, Carol showed the moral will to find an alternative option that emphasized recycling of key components. Richard and Carol thought about long-term issues and other stakeholders and balanced their interests with those of others and the environment for the common good. Without perhaps realizing it, they consciously sought an Aristotelian mean between a trouble-free versus onerous disposal of their old television set and between immediate removal and indefinite storage at home. They accepted the relatively moderate sacrifice of delivering the old
set themselves to a recycling organization 38 miles away. In making their disposal decision, they reflected on and lined up their values, goals, and behavior in a meaningful way by asking important questions and seeking new information to do what seemed most right to them in this situation.

But, how much time should Richard and Carol have spent researching the alternatives? How much inconvenience should they have been willing to sustain to dispose of the television as safely as possible? What other useful things might they have done with their time if they had just left their old television at the curbside for garbage pickup? These are not easy questions to answer, but as it is so often the case in the assessment of practical wisdom, many of us, as post factum observers, would call Richard and Carol’s actions admirable and wise. According to the qualities discussed above, their process evoked a substantial degree of practical wisdom.

Now, consider a woman named Beth who, like many contemporary parents, has children who have developed a keen interest in electronic games. Here are the details of her case:

Beth is a single mother with two sons, Ryan and Andy, ages 7 and 13, respectively. Like a lot of kids in their age groups, they are fond of electronic devices, particularly those that play video games. Andy recently had a birthday and has been unrelenting in asking his mother to allow him to use the money to purchase a new Apple iTouch; he does not have his own computer as yet. The iTouch uses WiFi to search the Web, send e-mails, and download music and games, among other activities. When Beth and the boys stopped at an electronics store to get a music CD for a friend, the boys gravitated immediately to the electronic devices. Andy was impatient with his mom, as she showed continuing hesitation to agree to let him buy an iTouch. At the same time, Ryan was playing with an iTouch as they stood in the aisle discussing the device. Ryan reminded his mom that he had also some Christmas money left over to buy his own iTouch. After all, if Andy was going to get one, he said, why couldn’t he have one, too? Both Ryan and Andy pleaded with their mom, pointing out that some of their friends have an iTouch or something similar.

Beth felt stressed and under significant pressure from the boys. She didn’t want the boys feeling left out or backward among their friends, but then she also knows that kids can be prone to playing video games too much, to the detriment of other worthwhile activities. With the purchase price of the iTouch being around $200 at the time, Beth asked the boys if they had enough money in their individual savings accounts at the bank, and both said yes, although it turned out that Ryan was wrong and had only $110 in his account. Beth agreed to let them each buy an iTouch. The boys were elated, and Beth wondered as they drove home whether this was a purchase decision she would soon second-guess or defend.

From the outline of this consumer decision, it seems that Beth did not think much about the context and appropriateness of the new electronic device for each son. Also, she rushed this decision in certain respects, when there seemed no reason to have done so, aside from getting her sons to stop whining. The older son is age-appropriate for the iTouch, but the younger is arguably not. Beth could have told the boys that she wanted to sit down in quiet with them at home, in advance of buying any device, to discuss the buying of new electronic devices. If the meeting was productive and cooperative, she could consider agreeing to the purchase of the devices. This short delay would have allowed her to find out more about the iTouch (e.g., via Internet and other parents) and determine whether a less sophisticated device would be available and satisfactory for her younger son for the foreseeable future (e.g., a Nintendo DS). She could also use the meeting to discuss guidelines for the use of the devices (e.g., when to use or not, how long each day they can play, her intentions to activate parental controls on the devices) and the consequences of going against those guidelines.

The meeting would also allow her to discuss how some children get too attached to electronics and ask them to imagine and discuss what those problems might be. Once Beth knew more and had the parameters of device use established, she could return to the store and help the boys make the right purchases for them and their family situation.

This is obviously not what Beth did. She did not link up her values, goals, and behavior well, she did not try to consider short- and long-term perspectives on the purchases, and she did not trust her moral intuitions about the appropriateness of the product for both boys. Simply put, she did not read the situation well. Or, did she? This device decision is just one in a series of decisions Beth must make in raising her sons. She may have learned that parents must pick their battles if they are to avoid unending conflicts with their kids as the kids enter adolescence and struggle for independence. Should Beth hold the line here or save being tough for other things? How should she balance her desire to treat her kids equally with her desire to give each boy what he needs? Beth knows more about parenting her children than we do, and in this context, her decision may have been the right one. Yet, by the qualities of practical wisdom established above and the facts given about this case, Beth’s practical wisdom in buying the same device for both boys, in the emotional buzz of an imposing electronic retail environment, without setting a baseline of family policies as to usage of the devices, seems less wise than it could have been. In general, she was not as metafunctional in the overall situation as she could have been, had she taken the time and effort to step back, rise above, and more thoroughly process the range of issues and implications that were in play for the nearer and longer terms.

Next, consider the following case that centers around a father’s thorny decision about rifle training for his son:

Phil is married and has two sons, one of whom is 16 and the other 12. As a matter of his own beliefs, throughout his life, Phil has been critical of gun laws that he sees as too lenient and contributing to high rates of violent crime. In raising his sons, he has not owned a gun in his home and has limited their exposure to toy guns and other guns, such as BB guns and airsoft guns. Recently, however, his younger son attended a weeklong 4-H camp where one of the adult-supervised activities for kids 12 and over was training at a rifle range, with practice using bull’s-eye targets in a remote side lot of the 4-H camp.

After returning home from the camp, his son expressed a strong wish to learn more about riflery. He showed his dad the paper targets he shot at, which had several hits near the middle of the target. His son sheepishly bragged that he was told that he had a real good eye and technique for shooting a rifle. His son also mentioned that one of the adult supervisors at the camp talked about a local gun club where rifles could be rented or purchased and classes and a rifle range are provided.

In light of the past, Phil naturally felt quite reluctant to give any prompt feedback that might indicate he could agree to his son’s request. Phil thought more about his role as a father in protecting his sons, but also in building their skills and respect in things that matter to them, provided such related activities could be performed safely. He did some searching online, including on message boards and through chat rooms, to learn more about riflery. He shared these insights with his wife, Phil also called the local rifle range to get information on classes and costs, and then discussed the situation with his wife. They decided that it was worth the effort for Phil and the younger son to visit the range. Afterward, Phil and his wife decided to sign up both their son and Phil for classes in rifle use.
Phil approached this situation with much considered, well-articulated values, but he did not strictly or uniformly enforce his prior values as unbending rules. He also did not let his emotions (e.g., anger, frustration, fear) get control of him in this decision. His son had a growing interest in rifeley. Phil balanced his feelings about weapons against his son's enthusiasm, and he strove to balance a number of other personal, interpersonal, and extrapersonal matters. He sought to make sure that safety would be maintained, and his son would learn to appreciate the need for protocols and practice in performing a dangerous activity well. Phil hoped that his son would learn to respect guns and respect the need to ensure the safety of those around him. Phil balanced his conflicted values, fitting them to the situation as best he could, and thought about the short- and long-term consequences for his son. In a sense, Phil sought an Aristotelian mean between authoritarianism and democracy or anarchy in the family. Going further into the realm of practical wisdom, Phil might also have taken into account the importance of his son's self-confidence in learning to shoot well. Phil might have thought further about the way in which the training involved would enhance perseverance and self-discipline. In addition, he might have contemplated how this training could develop in his son an appreciation for dedication and expertise in life. Finally, he might have also realized that denying his son access to guns via a rifle range could, as a boomerang effect, intensify the son's interest and lead the boy to use a gun in the future in a less respectful and unsafe manner.

Guns are almost certainly not the medium Phil would have chosen to teach his son certain lessons that Phil hoped the boy would learn in growing up. Yet, there it was. Phil could not deny his son's access to or interest in guns for the son's entire life. Overall, Phil approached the situation as one needing more than the unreflective application of a prior value rule (i.e., no guns). Instead, it required a strong dose of metafunctionality and an integration of thoughts, feelings, and values, plus flexibility and improvisation.

In the final vignette, a consumer named Chris buys some ground beef, which is typically a routine, low-involvement purchase:

Chris is running errands on a summer afternoon and needs to pick up some items for dinner that night with her husband and 6-year-old daughter. Like millions of other families in the United States, they enjoy cooking on their backyard grill. Chris stops at a large, regional grocery store and buys two pounds of packaged ground beef for $7, plus hamburger buns, pickles, and two tubs of coleslaw and potato salad.

In what sense might this decision be practically wise or not? The answer partly surrounds the response to a second question, namely, what are the true costs of a pound of beef? In a perceptive New York Times Magazine article, Pollan (2002) notes that we know what we pay for the beef in the market. But what about other costs—what economists call externalities—that are not reflected in the market price? Beef costs what it does, in part, because the growing of the corn that is used to feed the cows is subsidized by the U.S. federal government. So, we pay for beef with our taxes. Cows eat corn rather than grass, because it is cheaper to feed them corn than it is to have them graze on grass. However, the cow's digestive system cannot handle corn, so cows must be dosed prophylactically with antibiotics to keep them healthy long enough to get them to market. The cost to the farmer of the antibiotics is reflected in the market price of beef, but we also pay for this antibiotic prophylaxis in drug-resistant strains of bacteria that make human illnesses harder and more costly to treat. This cost is not reflected in a pound of beef.

Corn feed also changes the acidity of the cow's digestive environment, making it compatible with the human digestive system, so that microbes—some of them potentially lethal—can survive the trip from cow to person intact, and then make people sick. Corn-fed beef is fatter than grass-fed beef, and it is a kind of fat that is considered less conducive to human health. Growing the corn that feeds the cows also depends on heavy doses of fertilizer, which depends on petrochemicals. Thus, if one framed the price of a pound of beef broadly, to include all these externalities, the cost of a pound of beef would have to include some fraction of the cost of bacterial infection and cardiovascular disease. That, in turn, would have to include the costs of treatment, the costs in mortality and morbidity, workdays lost, and decreases in quality of life. Also, it would have to include some fraction of the cost, in money and lives, of a U.S. foreign policy partly driven by the need for reliable access to petrochemicals. Where does this accounting for the price of a pound of beef stop?

This case sounds like a situation in which the consideration of multiple stakeholders as well as short- and long-term effects could be overwhelming. In fact, as Kahneman (2003) points out, people tend to frame the options they face and the possible consequences of their choices very narrowly. They try to put up their hill, looking down at their feet, and fail to appreciate adequately the long-term consequences for themselves and others. This can lead to decisions that are inherently driven by simple rules and meso-level features. How this happens, what framing is, and how it affects the choice of options is the subject of this chapter.

"Frame your decision more broadly" may be good advice for most people most of the time, but one of the benefits of narrow framing is that it gives people the opportunity to do less contemplating and more deciding. Narrow framing may lead to more focused judgments, but extremely broad framing can induce paralysis. Thus, narrow framing may lead to bad decisions, but the solution to this problem is not to frame decisions as broadly as possible in all situations. Clearly, a measure of balance, an Aristotelian mean, is called for, guided in large part by an assessment of what breadth of framing allows people to make good decisions in the context of a particular practice.

In the case of Chris's beef purchase, the decision was framed quite quickly and narrowly, without any consideration for personal health, the sentient animals involved, or the environment. There was no wider or more reflective perspective, even if only momentary. At one important level, the decision indicates an unquestioned inclination for certain habits or cultural routines. Although it seems harsh to say so, the argument can be made that Chris's purchase of the beef, based on a number of dimensions, was relatively unwise. Yet, to do the kind of analysis that Pollan did, not just in purchasing beef but also in purchasing any food, poses challenges that few ordinary people can meet during the flux of everyday decision making. Practical wisdom, therefore, is also about producing an appropriate amount of reflection relative to the web of interactions, moral issues, and consequences that inhere or result from the considered action.

What, then, is an appropriate amount of reflection? In the context of a wisdom framework for decision making that disallows hard-set rules, it is frustrating, but hardly surprising, that there is no formulaic answer to this central question. The answer is, it depends. It depends on the magnitude of the decision. It also depends on whether there are well-established social norms or institutional practices that will make elaboration reflection unnecessary. Sunstein (1996; Sunstein &
Ullmann-Margalit (2000) has written extensively about the role of rules, laws, policies, and social norms in aiding individual decisions. Societies make what he calls second-order decisions about where to allow discretion for first-order decisions. Much cognitive effort and deliberation may go into formulating a rule or policy regarding, say, recycling, after which individual decision making becomes effortless. In this view, the appropriate amount of reflection in a given situation depends on one's assessment of how much reflection society has already done in setting down rules, policies, and guidelines. Wise judgment is still required to determine whether a given amount of what might be called collective reflection is enough, but at least the individual decision maker does not have to face each new situation from scratch.

HELPING CONSUMERS BE WISER MORE OFTEN

Wisdom is an intricate concept and an intimidating goal. In fact, philosophers and social scientists have sometimes asserted that, as the pinnacle of human achievement, wisdom is relatively rare. Nonetheless, nearly all of these same analysts emphasize the significance of practical wisdom to decision making and quality of life. If nothing else, practical wisdom is a vision of human character that asks the most and best of people.

In the challenging era of human and earthly evolution we inhabit, which is pervaded by consumer behaviors, it would seem dangerously premature to give up on wisdom just because it demands a lot of us. These are times when practical wisdom deserves the most thoughtful analysis and research we can provide. Confronting practical wisdom, as we have done in this chapter, is not for creating or realizing algorithms that will definitively tell consumers what they should think, feel, or do in any given situation. Rather, our purpose has been to outline Aristotelian philosophy and recent social science for suggesting how practical wisdom can be evoked by consumers for implementing better judgments, decisions, and behaviors.

Behavioral economists of the last few decades would likely say that practical wisdom requires too much of people in everyday situations. Humans, as these behavioral economists have maintained, have unavoidable, unconscious frailties for processing information, which lead them into consistently flawed decisions. These frailties include overconfidence, myopia, favoring the status quo, susceptibility to framing, and anchoring and adjustment (for others, see Thaler & Sunstein, 2008). Yet, as we have implied throughout, practical wisdom is directly concerned with recognizing and overcoming simple and mindless human inclinations, especially in decision contexts that have sensitive moral issues in play.

Practical wisdom is not all or none. It is a matter of more or less, according to the qualities discussed earlier. Importantly, it has long been believed in Western and Eastern philosophies that wisdom can be nurtured with practice. The next critical question becomes, how can such nurturing be facilitated among consumers?

Consumer Education

Given the substantial role of consumption in daily life, it is clear that children, young adults, and older adults could benefit from increased instruction and guidance on practical wisdom in consumer behavior. Sternberg (2001) has outlined a number of strategies for teaching wisdom in school settings, and many of these could be developed specifically for the area of consumption. Depending on their educational level, students could read articles or watch films that inform them about current trends in economics, lifestyles, and ecologies that involve wise or unwise consumption behaviors, and then discuss their reactions and possible solutions within society and their own lives. One example is through documentary films, such as Fresh and Food, Inc., which raise serious questions and dilemmas about contemporary food production and consumtion in American society. New consumer cases can be written for class discussions, with the derivation of personal and societal solutions to be evaluated according to practical wisdom criteria (e.g., recognizing self-interests and balancing those with other interests; taking short- and long-term perspectives; using emotions and intuitions of moral issues as triggers to deeper thought and analysis of the situation at hand to be metafunctional; linking values, goals, and behaviors).

Consumer situations and decisions vary widely and occur persistently across daily life, from health decisions, food consumption, and the purchase of household furnishings, automobiles, and real estate, to credit card use and saving behavior and the discarding of garbage, packaging, and unused possessions. Books, newsletters, radio and television programs, community seminars, and online forums can be created to make adults more aware of the scope, processes, and consequences of their consumer decisions and behaviors and provide them with tools for being wise and more fulfilled in their consumer activities. Ideas from other insightful books on decision making that dovetail with aspects of practical wisdom could be consulted to develop such programs and materials.

For instance, Keeney (1992) and Hammond, Keeney, and Raiffa (1999) emphasize the importance of people clarifying their values and objectives before making important and difficult decisions. These techniques need to be extended to a wider range of life's decisions. The authors also stress the merits of clarifying uncertainties and understanding consequences (e.g., how an imminent decision links with others that will be necessary later as a result). When possible, writing down values, objectives, uncertainties, and consequences during a calm moment can be quite beneficial. Focusing particularly on values, they argue, fosters more innovative thinking about decision alternatives and, potentially, stakeholders who could be affected by the decision. Keeney's and Hammond et al.'s perspectives exclude some aspects of practical wisdom (e.g., not recognizing the use of emotions and intuitions as resources for better decisions), but they express many worthy ideas that are concordant with aspects of practical wisdom.

Consumer education of the sorts we have pointed to is not a panacea and will not be successful for all consumers in engendering practical wisdom. For those who desire help and for whom such materials and programs fit with their learning abilities and styles, consumer education focused on practical wisdom could have some large and lasting effects on well-being. The greatest need may exist in elementary grades to begin planting the seeds of practical wisdom as children grow into full-fledged consumers. But to be true to the spirit of Aristotle, if wisdom depends on experience, on doing, then didactic efforts will be informative but only partially effective. People must act, sometimes mistakenly, and learn from their mistakes. The power of learning through trial and error is now, after a century of research, a truism in learning theory. It is also a prominent agent in the development and tuning of the architecture of the cognitive networks that have long been thought to play a major role in our ability to make sense of the world (McClelland, Rumelhart, & the PDP Research Group, 1986).

More recently, Churchland (1996) and others (e.g., Flanagan, 1996; Johnson, 1996) have illustrated how network theory applies to moral judgments in general and practical wisdom in particular. If we are mindful of the importance of mistakes, especially trial and error, we can seek to organize pedagogical experiences, especially among young people, and improve parenting perspectives so that mistakes are not too costly, and their role in building a life of greater practical wisdom is realized (see also Prinz, Chapter 28 of this volume). Among the most important topics under this broad approach include spending and saving, credit cards, gambling, and food consumption (Cotte & LaTour, Chapter 23 of this volume; Faber & Vohs, Chapter 22 of this volume; Grier & Moore, Chapter 15 of this volume; Loewenstein, Cryder, Benartzi, & Preville, Chapter 19 of this volume; Soman et al., Chapter 20 of this volume).
The Internet

Many insights and tools for wiser consumption exist via the Internet, although many consumers remain unaware of them or, worse, cannot access them (Hoffman, Chapter 9 of this volume). New websites, such as GoodGuide and Ethical Consumer, are appearing with general and specific advice on companies and products that seem more likely to assist consumers in making wiser decisions. The next step would be for an organization to serve as a locator, consolidator, and evaluator of such sites to ensure that the knowledge and guidance offered are as credible and valuable as possible for wiser consumption decisions. Such a development would be valuable for consumers across the world who have Internet access.

There is also the opportunity to make greater and better use of social media (e.g., Facebook, Twitter) to promote wiser consumption decisions. See Kozinets, Bels, and McDonagh (Chapter 10 of this volume) for specific insights and recommendations on the use of social media for facilitating consumer democracy and empowerment. This general approach could be particularly effective if organized and implemented by individuals versed in group discussion moderation as well as the literature on practical wisdom.

Better Business Practices

Businesses themselves could begin to take an even higher road of corporate social responsibility by asking how they can facilitate consumer wisdom (see also Mick, Bateman, & Lutz, 2009). Retailers, for instance, have broad authority over their point-of-purchase displays, return policies, service departments, consumer help lines, and so forth. Each could be evolved in ways that reflect encouragement of wisdom, by asking key questions about needs, intended product uses, and past experiences with similar products; cautioning about debt that cannot be unquestionably repaid in a timely manner; making return policies more lenient; training service personnel to help consumers understand their values and goals before buying, and so forth. Such strategies may sound lofty and could be patronizing if not implemented effectively, but companies that genuinely take their customers’ best interests to heart are likely to reap new levels of customer trust, loyalty, and positive word-of-mouth recommendations (Fournier, Dobscha, & Mick, 1998). The time has come for companies to not just satisfy consumers but also help them be as wise as possible. Some may say this is not business’s job, but in today’s world, no business can survive, let alone thrive, if it does not live up to its role as a steward of society and quality of life.

Government Policies via Libertarian Paternalism

In their admirable book Nudge: Improving Decisions About Health, Wealth, and Happiness, Thaler and Sunstein (2008) use findings from behavioral economics to develop a philosophy of libertarian paternalism to guide public policies and consumers toward smarter decisions. Their suggestions are founded on the idea of structuring choice environments, so natural human biases in decision making can unfold in due course and still result in favorable outcomes for the individual and society. Their examples span from health care decisions and financial investing to education and marriage. For instance, many people profess to want to be organ donors upon their death, to aid society’s medical needs, but they often do not sign up for such programs when offered the opportunity while obtaining or renewing a driver’s license. It takes a deliberate effort to check off a box indicating that the individual is joining the program. The status quo or default option of not checking the box means that the individual is not volunteering as an organ donor. Thaler and Sunstein (2008) discuss research that reverses this choice situation, whereby the default is an assumption of being an organ donor, with the requirement to check a box if the person wishes to opt out of the program. Not surprisingly, the result of this change in one state was a near doubling of organ donors to over 80%.

This is arguably a valuable route to encouraging people to make wiser choices; insofar as wider and longer term considerations are taken into account, the common good is taken into account, and so forth. The trouble is, however, that taking into account is not done by the consumer chooser but by someone else, namely the choice architect. In the example above, a large share of consumers who leave the box unchecked, and then become potential donors, never faces the given societal moral issue, are never reflective of their values and goals as linking to behaviors, and so forth. That is, the qualities of practical wisdom are hardly to be found in their decision processes.

Thaler and Sunstein (2008) argue that libertarian paternalism and choice architecture do not alter freedom of choice, which is true insofar as the decision maker is not restricted to only one option or compelled to pick an option from two or more. Nonetheless, in the example of the default option in organ donations, we would contend that the societal outcome can be subjectively judged to be wise, but the process internal to the consumer is rendered rather fallow in terms of practical wisdom. This is reminiscent of the age-old aphorism embedded in the question surrounding a situation in which there is a starving person who lives near a lake: Is it better to give him a fish to eat or teach him or her how to catch fish?

In sum, we admire many of Thaler and Sunstein’s (2008) suggestions for guiding choices that improve quality of life. What remains to be more thoroughly considered is the extent to which the research and presumpations underlying their approach can lead not only to free choices but also to wise choices, either through the alteration of the choice architecture and/or the addition of questions and information to consumers before they decide. This is not a minor or hair-splitting concern. As Calkszentmihalyi (1995) has argued, evoking wisdom can be a joyful and rewarding experience unto itself. As Aristotle emphasized, wisdom is a character trait developed through good habits of thoughtfulness and behavior. If we can help people make decisions that are both free and wise, with the assistance of libertarian paternalism, then the decision outcomes will be beneficial not only to society but also to consumer decision makers. This should be an important priority for new research and policy consideration.

Present and Future Research

Research on practical consumer wisdom is just beginning, and the potential topics are many and varied. One approach would be the study of specific consumer behaviors in everyday settings and learning from the ground up how consumers evoke or do not evoke practical wisdom. Important areas include product safety and maintenance, parenting young consumers, disposing of hazardous materials, finding and using product information online and buying online, knowing when and how to use consumer credit, and so forth. Such studies can be used to compare and interpret actual consumer tactics in terms of wisdom theory and research, for the purpose of expanding knowledge about wisdom as well as consumer behavior.

For instance, using purchase diaries and interviews, Mick, Spiller, and Baglioli (in press) found that several of their participants perceived promotional deals (e.g., buy one and then get a second one at half the price) as encouraging excessive consumption that they felt was wrong. Promotions invited unsold purchases when the consumers became distracted by the pricing lure and, thereby, became less mindful of their emotional reactions and realistic product needs. Some participants also reported a conscious focus on regret minimization as their chief manner of increasing the wisdom of their purchases. To do this, they deliberated on their values and goals as well as they could and did not rush the final decision. More research insights such as these need to be developed and shared with consumers for encouraging wiser decision making.
Future research should focus particularly on when and why the qualities of practical wisdom are evoked or not in different consumption situations by different types of consumers. In other words, research should determine which wisdom qualities seem most crucial for which types of decisions and consumption situations, which dimensions of situations (e.g., physical, social, time) encourage or discourage practical consumer wisdom, and which types of consumers are more or less prone to be practically wise in specific situations, such as consumers who vary on life span stage, cognitive traits such as need for cognition or need for closure, and personality traits such as egoism. More basic research is needed to understand how and when consumers take multiple interests into account and how they balance those as best they can before deciding and acting.

Another major frontier surrounds the matter of learning from past mistakes, as this is crucial to the development of practical consumer wisdom; however, little is known in the consumer research field about this phenomenon. Questions abound, such as, what sorts of mistakes are consumers most prone to in their purchasing, using, and disposing of products? Why do consumers sometimes learn from mistakes and make wisdom-oriented corrections, and why at other times do they not? Also, which types of consumers are more likely to learn from and correct mistakes, and which are not?

The neuropsychology of practical wisdom is a resource-laden frontier waiting for further explorers (Hall, 2010; see also Litt, Pirouz, & Shiv, Chapter 25 of this volume). Topics could include the use of simulated purchase decision making, including the use of loans or credit cards, cognitive efforts at mental accounting, experiences in online gambling, the consumption of pornography, the construction of virtual lives through computers, sharing behaviors, and family consumption events (Albright, Chapter 24 of this volume; Belk & Llamas, Chapter 30 of this volume; Cotte & LaTour, Chapter 23 of this volume; Epp & Price, Chapter 29 of this volume; Loewenstein et al., Chapter 19 of this volume; Novak, Chapter 11 of this volume; Soman et al., Chapter 20 of this volume). Finally, the meaning and processes of practical wisdom are unstable across human history (Asmann, 1994) and probably not homogeneous across contemporary cultures and societies. Future research is needed to flesh out the similarities and differences, including the implications for guiding practical consumer wisdom in different settings in a manner that is locally respectful but still aiming to maximize the common global good.

Individuals, families, and societies need more wisdom. We have drawn from Aristotle and social science to sketch out the nature of practical consumer wisdom as it ensues from Western perspectives and research. We have discussed the role of consumer choices and morals, offered guidance on future wisdom research, and suggested how people could become more committed to and more capable of being wiser consumers.

REFERENCES


Epilogue

SUGGESTIONS FOR THE FUTURE

This volume begins with Mick, Pettigrew, Pechmann, and Ozanne’s (Chapter 1) welcome historical perspective on what has become known as Transformative Consumer Research (TCR). There are in fact many precursors to TCR, including the public policy–style research element within the American Marketing Association and among professors like Lee Preston in the 1970s at the State University of New York at Buffalo. One of us also remembers using kindergarten teachers to interview 2–6-year-olds to assess the impact of television advertising on children, a popular 1970s topic. Interestingly, one 2½-year-old referred to himself in the third person and was unimpressed by cartoon character endorsements. When asked why a certain cereal was his favorite, he said, “Baby ah ha [Arthur] likes chocolate.” This toddler’s response suggested that the cumulative effect of advertising was more critical than any impact on specific brands, a result which, when reported to the Federal Trade Commission had a less than resounding impact.

Importantly, support for concern about consumers and nonfinancial aspects of business in general has been expressed for a long time by the heroes of capitalism. For example, Adam “Invisible Hand” Smith, whose The Wealth of Nations is a staple of free-market advocates, also wrote The Theory of Moral Sentiments (1759/2002), in which he noted that “gratitude and resentment, therefore, are the sentiments which most immediately and directly prompt to reward and to punish” (p. 81). Similarly John Maynard Keynes, known primarily for his influence on economic policy, also wrote, “The day is not far off when the economic problem will take the back seat where it belongs, and the arena of the heart and the head will be occupied or reoccupied, by our real problems—the problems of life and of human relations, of creation and behavior and religion” (as cited in McCann, 1998, p. 6). Thus, balancing economic activity, competition, and growth with concern for human sentiments and conditions has a long and distinguished history.

Of course, the term Transformative Consumer Research is a bit of a misnomer. In principle, understanding consumers (i.e., consumer/customer insight) is the basis for marketing decisions, and hence, all consumer research has the potential to change the behavior of firms and subsequently impact customers, or for customers to use the information to change their thoughts and behaviors on their own. Further, the transformation need not be positive (i.e., insights can be used to manipulate consumers in undesirable ways). In practice, the TCR term is being used to describe research designed for the purpose of improving consumer welfare. Because RDPICW (research designed for the purpose of improving consumer welfare) is a foreboding acronym, rather than quibble about the name, we treat TCR as a simpler name for RDPICW.

As we prepared this Epilogue, we were struck by the diversity of topics studied and approaches followed in this volume. To some extent, it matches the difference between the two of us, one of
TRANSFORMATIVE CONSUMER RESEARCH
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