The Hybrid Consumer:
Exploring the Drivers of a New Consumer Behaviour Type

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Key words: Hybrid consumer /-behaviour, consumption patterns /-trends, polarisation, omnivorousness

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A dramatically different consumption pattern seems to be emerging among a vast group of consumers. This may mean that conventional consumer stereotypes and segmentation theory are becoming outdated. The so called hybrid consumers seem to increasingly opt for both premium and budget alternatives in various product and service categories while mid-priced alternatives are losing share in their consumption basket. Although this type of polarisation, or dispersion, is already recognized as an important change, hybrid behaviour is still largely under-researched. The present study aims to analyze the possible drivers of hybrid consumption and by identifying typical categories and situations of trading up versus trading down derive tentative characteristics of hybrid consumption for further research on the topic.

A tentative pattern of hybrid consumption was identified, which relates trading up to high-involvement, discretionary spending and trading down to low-involvement necessities. However, it was also found that hybrid consumption transcends product category boundaries and may thus be less straightforward than previously perhaps assumed. In addition, a purchase pattern continuum was developed, accounting for various degrees of hybrid consumption.

Keywords Hybrid consumer /-behaviour, consumption patterns /-trends, polarisation, omnivorousness

The context of this study is a new phenomenon in consumer behaviour that can have potentially significant implications for marketing both consumer goods and services. We have coined this phenomenon the emergence of the “hybrid consumer”, by which we refer to a consumer type that does not fit into any particular market segment as defined in traditional marketing literature: This consumer will on some occasions buy cheap generics and low-end brands and on other occasions trade up to premium, high-end brands and happily pay for it. As this consumer does not behave according to any pre-specified consumer segment criteria and buy products and brands designed for any specific target group, we may need to rethink the process of segmentation. Targeting these consumers poses an interesting dilemma: If the same consumer buys, for instance, groceries at a discount store and accessories at Chanel, or flies with a budget airline yet stays at an upscale hotel, how can and how should this be
taken into account in the marketing process? What drives this type of consumer behaviour? How big a trend are we talking about?

**Polarisation of Markets**

Consumer markets around the world seem to be bifurcating into two poles: the low-end and the high-end, also termed polarisation. Silverstein and Butman (2006) claim that the consumer goods markets are being reshaped by mainly middle income consumers who are trading down to low-priced products and services and simultaneously trading up to premium ones and avoiding the “boring middle”, which is perceived as offering little added value: neither unbeatable prices nor unbeatable quality. Understanding the changing attitudes, behaviours and values of middle-market consumers could therefore be paramount in creating successful strategies for consumer goods markets.

Gabriel and Lang (2006) argue that today’s consumers are unpredictable, contradictory and unmanageable, and contemporary Western consumption fragmented and volatile. It has been argued that consumers’ income level and other demographic factors are not as clearly defining their behaviour as they used to and that the value calculus that guides their purchase decisions is shifting dramatically (Underhill 1999; Silverstein & Butman 2006; Gabriel & Lang 2006). In addition, the rapid growth of discount chains and the simultaneous “democratization” of luxury goods (Nueno & Quelch 1998; Eggert 1999; Danziger 2005; Silverstein & Fiske 2005; Silverstein & Butman 2006; Saksa 2007; Demos 2007; Gumbel 2007; Hafrén 2008) are changing the market place.

What is especially interesting about these developments coinciding is that they could be interrelated; the high end and the low end could actually support each other: Because there are more –and better– alternatives of low-budget goods, consumers have increased possibilities of saving money by choosing low-cost brands and are thus able to spend considerably more on other products and services, referred to hereafter as trading up vs. trading down, as coined by Silverstein and Fiske (2003; 2005; Silverstein & Butman 2006; Silverstein, Butman & Klara 2006). The authors assert that if companies fail to deliver superior products through constant innovation, then consumers will trade down to the cheapest product in that category. But they will also selectively distort their spending and buy luxuries in a few categories that matter to them the most.

While hybrid consumption is argued to occur in various demographic groups, the typical hybrid consumer (‘New Consumer’ in Silverstein and colleagues’ terms), according to the authors, is often female, well-educated, and has an increasing disposable income. The authors assert that these consumers do not view consumption as a “tedious necessity or an unavoidable chore” and that they are driven by a sense of purpose and power when
“hunting” for goods and services that they find functionally and emotionally significant. Based on the above, the following propositions were derived.

**Proposition # 1**
- Hybrid behaviour is a conscious choice, because it is about being a smart consumer who actively looks for the best value for money based on personal preferences for what is important and what is not.

**Proposition # 2**
- Hybrid behaviour occurs in various demographic groups.

There is an important difference in Silverstein et al.’s definition of a luxury good compared to other researchers’. Several researchers talk about the luxury segment as only consisting of the most expensive labels, whereas Silverstein et al mainly refer to so called New Luxury, premium labels, or “affordable luxury” (the price premiums typically varying between 20% -200% over middle-market brands). What is particular about New Luxury goods and services, according to the Silverstein et al, is that they seem to be able to generate high volumes despite their relatively high prices (e.g. Starbucks coffee). This is said to be due to its appeal to the much larger middle income segments by being within their reach rather than just to the traditional luxury segments of the wealthiest consumers.

Even the more traditional luxury goods industry seems to be targeting the middle income consumer like never before. According to luxury industry expert Pamela N. Danziger (2005), luxury is no longer something that is reserved for the wealthy: “It’s an experience everyone wants and believes they deserve. Today, everyone is part of the luxury market!” (Danziger 2005, front flap). At the turn of the millennium, luxury spending was growing four times as rapidly as spending overall in the US. The trend is similar in Europe, and Japan seems to have an even higher luxury fever, with 94.3% of women in their 20’s owning at least one Louis Vuitton item (Arnould et al 2004, Gumbel 2007). This has led to what is called mass affluence (Nunes & Johnson 2004) and the democratisation of luxury - although the concept of democratic luxury can be considered as impossible as hot snow (Saksa 2007).

There seems to be a change in attitudes towards being frugal, too; people are probably no longer negatively stereotyped as “penny-pinchers” or stingy for shopping at discount stores. Frugality, or thriftiness, may actually often be seen as a virtue, and people may be proud of being “smart” shoppers (Silverstein & Butman 2006). This change in attitudes is reflected in the forecast for discount channel sales growth of 36% in Europe by 2010 (Planet Retail 2007).
According to Silverstein and Butman (2006), the consequence for firms of these developments is that the middle market companies are losing ground and getting “stuck in the middle” - a view shared by Conroy: “Being in the middle is not a good place to be, you get assaulted from everywhere.” (in Cendrowski 2008, p.14).

**Competing Views on Polarisation**

Several consumer behaviour experts see the reason for the polarisation of markets in the widening gap between rich and poor (Nueno and Quelch 1998, Eggert 1999, Lampikoski 2000a, Arnould, Price and Zinkhan 2004). According to Arnould et al, companies have responded to this widening gap with two-tier marketing by developing brands and retail formats that cater to the top and the bottom of the market. They conclude that this focus can make mid-priced brands and stores suffer.

The viewpoint presented by Silverstein, Fiske, Butman and Klara (2003; 2005; 2006) is interestingly different (shared by Baumgartner and Hackl of McKinsey & Co 2005 and Miller 2008). They see polarisation not as much driven by increasing inequality and reactions initiated by firms, but by changes in consumer preferences and behaviour directly; they are of the opinion that it is to an increasing extent the very same consumers who occupy both the premium and low-cost segments. What firms probably did not expect when they created more brands and retail formats to cater to the top and the bottom of the market is that the middle market consumer would adopt both!

Silverstein and Butman’s (2006) main thesis is that “the market is bifurcating and the middle is becoming a wasteland”, and the whole phenomenon is led by the sophisticated middle-market consumer. They also assert that the polarisation phenomenon is global, and trading down perhaps even more pronounced in Europe than in the US.

**The Changing Meaning of Consumption**

Several researchers acknowledge that consumption is not just about fulfilling needs anymore. It is intertwined in our social relations, identities, perceptions and images; identity construction is increasingly taking form through lifestyles (Gabriel & Lang 2006). Consumption is used for enriching lives (Pantzar & Heinonen 1998), escaping the stress of everyday life, filling emotional needs and expressing oneself through symbols of consumption in an individualistic culture with hedonic tendencies (Lampikoski 2000b), increasing aesthetization (Matthiesen & Phau 2005) and aspirational affluence (Vigneron & Johnson 2004). Buying goods that are not deemed necessary may make the consumer look for justifiers for their consumption (Danziger 2004), and these justifiers could possibly be found in the act of trading down.
Firat (1997) emphasizes the fragmented nature of today’s consumer culture where the consumer experiments with a wider array of consumption alternatives and identities. Whereas the modern consumer’s consumption decisions were guided by questions like “Do I or don’t I buy this product? Is it reasonable to buy this product?” the ‘New Consumer’ is asking: “Am I finding meaning in this? Is it enjoyable? Does it construct (or allow me to construct) a life experience that I would like to experience again?” (Firat 1997, pp. 6 and 8).

According to Belk (1988), prior theories considerably underestimate the extent to which possessions are incorporated into the self-concept. He uses the notion of the extended self which comprises not only what is seen as “me” (the self) but also what is seen as “mine”. As trading up is argued to be most common in “personally important categories”, it could be significantly linked to the self-concept and thus to identity formation, as Belk’s findings are interpreted here.

Dubois and Duquesne (1993) found that, in addition to income, there is a strong link between a positive attitude towards cultural change and the consumption of luxury goods. According to the authors, this indicates that many people buy luxury goods for what they symbolize, which is consistent with the hedonic consumption and extended self personality models. Based on these models, consumption of luxuries represents an extreme form of expressing one’s values. This would indicate that trading up could be focused on products and services which enable the hybrid consumer to communicate their personality and values and trading down would hence focus on products and services that are not as directly linked to personality and values.

While the reasons for trading up are considered to be largely emotionally driven, the reasons for trading down may include feeling smart, finding no material difference across different price levels, having learnt frugality at home or reasoning that one can go without. Silverstein and Butman (2006), whose research has to an extent focused on major categories of trading up and trading down, list the following categories as typical: canned foods, dry groceries, snack foods, household cleaners and paper products for trading down, and personal computers, meat, home and furniture as well as sit-down-restaurants for trading up.

**Proposition # 3**

- Typical trading up categories could be high-involvement products and services that feel more personal and are more closely tied to personal taste/identity than other categories. This type of categories could include clothing, home decoration and hobbies. Based on the trend towards experience seeking, it could also be about pampering, for instance with specialty food products or fine dining.
Proposition # 4

- Typical trading down categories could be low-involvement products and services that are not that closely linked to the person, i.e. products and services that do not directly express the consumer’s personality and taste. These could include staples (canned food and dry groceries such as pasta, flour and rice, most dairy products, detergents, paper products etc.) and other products and services that are viewed as commodities. E.g. flight tickets could be a category that has been commoditized in the view of the hybrid consumer.

Silverstein, Fiske and Butman’s proposition of trading up being focused on personally important categories implies that there are possibly considerable individual differences in how the hybrid consumers trade up (due to varying preferences and differences in what is considered as personally important). What is more, based on our observations made prior to this study, it is suggested here that the hybrid consumer mixes and matches expensive and cheap within the same categories, and thus the category-focus seems less relevant. We therefore suggest the following proposition:

Proposition # 5

- Trading up and trading down are not as category specific as previously implied; trading up and trading down can often occur within the same category, as such categories are defined in previous research, i.e., the hybrid consumer makes distinctions on a more fine-tuned level compared to generally defined categories as provided by Silverstein and Butman (2006).

Hybrid Consumer Behaviour – Conspicuous Consumption of the less well off?

Arantola (2006) links her view of the hybrid consumer to ‘cross-over’ behaviour where lower income level consumers reach for luxuries by saving on basics and staples. It may be the strategy behind this new purchase pattern, but does this make it conspicuous consumption?

Conspicuous consumption is linked to consumption meanings in the sense that luxury goods appear to be used as symbols. According to Dubois and Duquesne (1993), conspicuous consumption is motivated by a desire to impress others and is primarily concerned with ostentatious display of wealth. This somewhat derogatory definition is not as such adopted here, as the hybrid consumer combines luxury consumption with discount consumption and the pattern is thus less straightforward; the hybrid consumer may be equally proud of their thriftiness.

Hybrid consumption could, for instance, be more related to seeking hedonic value, which can be a more private matter than the display of wealth. The view adopted here is also in line with Lewis and Bridger (2001), who do not see the ‘New Consumer’ as that much seeking status through consumption anymore but rather yearning for authenticity and attention.
**Consumption Meanings and Omnivorousness**

Instead of an increase in conspicuous consumption, the explanation for the emergence of hybrid consumption may be increasing omnivorousness – loosely defined as the opposite of snobbishness, which includes rigid rules of exclusion - (colloquially, “liking a lot of different things”; Warde, Martens & Olsen 1999). Trading up and trading down could be linked to omnivorousness in the sense that this purchase pattern involves mixing and matching budget and premium. The hybrid consumer does not reject discount stores and budget brands as “low class” and as not appropriate for their own status, nor do they deem luxury brands as “too snobby”.

However, omnivorousness has previously mainly been studied with respect to cultural tastes (cultural activities, taste in music and food: López-Sintas & García-Álvarez 2005; García-Álvarez, Katz-Gerro & López-Sintas 2007; Favaro & Frateschi 2007), discussing the eroding boundaries between highbrow and lowbrow culture, and not in the context of consumption of regular consumer goods and services in the sense applied here.

As stated earlier, previous research (Dubois and Duquesne 1993) has also found a strong link between a positive attitude towards cultural change and the consumption of luxury goods. A positive attitude towards cultural change is interpreted here as being connected to an openness to appreciating everything, which defines omnivorousness. By taking this further one can hypothesize that an omnivorous person could therefore be more inclined towards consuming luxury goods. Hence one could apply the theory of omnivorousness to consumer behaviour.

**Relational vs. Transactional Mode of the Hybrid Consumer**

A further theory adopted here that has not been linked to hybrid consumption before is that of a relational vs. transactional mode of the customer, stemming from a rather different line of research, that of relationship marketing. According to Grönroos (1997), companies that adopt a *relational approach* and treat their customers in a way that makes them feel valued, regardless of whether they are making a purchase or not at any given point, are more likely to be successful in the long run. This is because this type of relational approach leads to more satisfied customers. There are, however, customers who do not wish to have a relationship with a company, and they can be characterized as being in a *transactional mode*. These customers are not interested in the active efforts of a firm to learn more about their customers and to maintain a relationship with them. Customers in a *relational mode*, however, are pleased that the company is making an effort to learn about their preferences and serve them better, and are more likely to respond positively to such activities. The mode a customer chooses is likely to vary from situation to situation.
Hypothetically, when the consumer is trading down, they are probably in a transactional mode, and when trading up, they are probably more likely to be in a relational mode, which allows for a much deeper bond between the company and the customer. The motivation for this assumption is that in the trading down categories the hybrid consumer’s choices seem to be driven by price whereas when trading up they seem to be driven by emotions, making them much more involved in the purchase and thus more interested in maintaining a relationship with the firm. Companies in the trading-down category are also focused on price rather than superior service, which further steers customers towards a transactional mode.

Proposition # 6

- The hybrid consumer is more likely to be in a relational mode when trading up and in a transactional mode when trading down.

The Hybrid Consumption Pattern

The following two illustrations of hybrid consumption aim to summarize the consumption pattern both from a market perspective and from the perspective of the individual hybrid consumer. Figure 1 represents the market view of the polarisation phenomenon. It illustrates how the growth in various consumer markets is shifting from mid-priced brands towards the high-end and the low-end, which are represented by the right and left tail respectively underneath the continuous reversed bell curve. The dotted bell curve in the middle represents the slow decline of the middle market.

![Figure 1 - "Watch the Middle Disappear" Source: IBM Institute for Business Value Analysis (in Miller 2008, p. 20)](image-url)
by thinking of the horizontal axis as the relative price level of purchased goods and services and the vertical axis as the volume in the division of the consumer’s purchases. The majority of the purchases lie in the mid-price range, while both budget and premium thin out towards the tails. This corresponds to the conventional view that middle-income consumers mainly shop at mid-priced stores and choose mid-priced brands, while budget and luxury alternatives are in the minority.

The continuous, reversed bell curve, in turn, represents the hybrid consumer’s division of purchases with respect to the relative price. The area underneath the reversed continuous bell curve line shows the emphasis in the tails whereas the middle is thinning out. This corresponds to a dramatically different purchasing pattern: the hybrid consumer is more or less turning the old model on its head. The left tail represents trading down and the right tail represents trading up, and it is evident in the illustration that the hybrid consumer’s consumption is concentrated in these extremes, i.e. the low-end and the high-end, budget and premium, while mid-priced alternatives are significantly losing share. This is summarised in Figure 2 below.

Figure 2 - Division of a Hybrid Consumer’s Consumption (Modified from Figure 1)

Whether this trend is dramatic enough to turn the market curve upside down is questionable. Please consider this illustration as a somewhat overemphasized clarification. Other less polarised consumer behaviour patterns may also contribute to the polarisation of markets. Also to be noted is that there is no scale in the figure, because it should be viewed in relation to the individual’s income level, and is thus relative.
The Study

The scenario described above opens many interesting research possibilities. As Silverstein and colleagues claim that the middle income consumer has on a global scale become a bargain hunter who occasionally splurges on luxuries, this study set out to look at the phenomenon in a different corner of the globe, in Finland. Megatrends that have coincided with hybrid consumption in the US (Silverstein & Butman 2006), apply to Finland as well, and thus it is interesting to study the phenomenon in this market. These factors include social and economic drivers, especially increased discretionary wealth and the changing household structure with a growing number of single households, which may explain the increasing demand for premium products.

Aalto-Setälä, Matschoss, Nikkilä and Saarinen (2005), in a publication of the National Consumer Research Centre of Finland, state that the Finnish consumer is not particularly price-conscious and active in seeking the best prices. In addition, the egalitarian nature of Finnish culture could have an impact on hybrid consumption in Finland. Contrastingly, Arantola (2006) agrees with the concept of a global middle class with similar consumption patterns and also advocates that price sensitivity and price consciousness have become character traits for very different types of consumer groups.

The research in this report aims to study the possible drivers of hybrid consumption and by identifying typical categories and situations of trading up versus trading down derive tentative characteristics of hybrid consumption for further research on the topic. The study will also strive to analyse this apparently global trend in a different regional context than previous studies. It also adopts a lesser focus on major categories of consumption in favour of a more nuanced account of this new purchase pattern. In order to make the concept measurable, a hybrid consumer has been defined for the purposes of this study as follows: a person who selectively chooses to buy both budget and premium brands instead of middle market offerings and who shows this type of polarised consumer behaviour in more than one product and/or service category. Compared to previously reported studies (Silverstein et al. 2003; 2005; 2006; 2008), where trading up and trading down have largely been analysed in separate sections, instead of focusing on the combined behaviour, this is an important distinction. As it seems, the term hybrid consumer has not been used in other academic studies in a similar way before1.

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1 The term “hybrid behaviour” has been used in a fairly similar sense by Arantola (2006), who uses the term to refer to “cross-over” behaviour where lower income level consumers reach for luxuries by saving on basics and staples. Uusitalo (2008) uses the same term to describe an omnivorous consumer. The term has also been used in other contexts, e.g. by Jimenez-Martin & Ladrón-de-Guevara (2007), who discuss variety-seeking behaviour as the level of familiarity with the purchased items increases. Wind, Mahajan & Gunther (2002) and Hunter (2007) use the term “hybrid consumer” to describe consumers who need and appreciate the convenience of internet shopping while yearning to shop in person. King & Balasubramanian (1990) use the term “hybrid strategies”, referring to a preference formation style where the consumer uses both autonomous decision making and information processing combined with recommendations from other people. While Arantola’s and Uusitalo’s
Method

The ideal form of inquiry for this study was considered to be ethnographic interviewing (Patton 2001) which takes place in the respondents’ homes, creating a more relaxed atmosphere and a possibility for simultaneous observation of the respondents’ lifestyles on the basis of their living spaces. The method chosen could be described as semi-structured in-depth interviewing complemented by ethnographic observation where it was possible. The method is not strictly ethnographic in the sense that it does not include observation over a long period of time. Because observation was seen as a complementing method to the in-depth interviews, it was not considered a significant limitation if the respondent found it more convenient to meet outside their home. The amount of interviews supplemented by observations was 23, or roughly 55 % of the sample.

42 open-ended (semi-structured) in-depth interviews were conducted. All of the interviews were recorded and partially transcribed, some more completely than others, based on the relevancy for this study (those respondents with a different purchasing pattern than hybrid behaviour were transcribed to a lesser extent). The consumer interview data was complemented with two expert interviews. This was considered an effective way to gain a Finnish perspective as a counterweight for the US-focused theory (which has only very recently been complemented by The Boston Consulting Group with studies in other countries2).

In trying to determine the complete pattern of hybrid consumption, including product and service categories and situations where different consumers spend more versus save money, the study was not limited to certain products or services. New Luxury includes a wide range of products from chocolates to washing machines and clothing to cars, as well as services such as restaurants and hotels. Due to this, both fast-moving consumer goods and durables as well as services were included, and their differences in the consumer’s decision making process taken into account.

The interview guide was designed with the aim to find out various aspects about the choices made by the hybrid consumer, such as what a certain product category means to this person and how involved they are in purchasing and consuming it, what emotions are

versions come close to what is meant by hybrid behaviour in this paper, they do not provide exact definitions, and thus the definition has been specifically formulated for this study based on the work of Silverstein, Fiske, Butman and Klara (2003, 2005, 2006). The other contexts where the term has been used should not be confused with what is meant here.

2 In their latest update on trading up and trading down (Sept 2008), covering selected European countries, Japan and a number of developing countries, the Boston Consulting Group states that “Although consumers are continuing to trade up and down everywhere, there is considerable variation by region in the consumer segments that are doing one or the other, the reasons cited, the categories chosen, and the benefits sought” (p.7).

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associated with the product and how it relates to other consumption activities and products, how the products relate to the self and other people important to the consumer. There were also specific questions about bargain shopping, impulsive vs. cautious shopping style, post-purchase sentiment, and relationships to stores and service providers. The respondents were asked to ponder on how these products and services relate to their life, and why they find spending more in certain categories more rewarding than in other categories. The respondents were only aware of the study being about consumption habits in general, it was not mentioned what type of behaviour in particular was studied so as not to influence their answers.

These questions were intended for understanding the consumption practices and consumption meanings. Consumption practices, i.e. “the particular ways in which people understand, evaluate, use, and appreciate consumption objects across different contexts” (Holt 1997, p. 335) can help understand the why of behaviour as opposed to just what is consumed. Consumption meanings are important, as these can have a stronger impact on product use than product attributes do (Arnould et al 2004).

Data Collection and the Sample

The interviews were conducted in the Helsinki metropolitan area in Finland between the January and April 2008. A combination of convenience sampling and snowball sampling was used. Due to the exploratory nature of the study random sampling was not used. Nevertheless respondents representing varying demographics were obtained. The demographic division within the sample was analysed and deemed sufficient for the objective of deriving propositions for future research.

The sample of 42 respondents represents the middle class in a broad sense. This loosely defined “target group” was chosen because the concept of the “hybrid consumer” is not strictly defined to meaning any specific type of consumer with pre-specified demographics and lifestyles. The average length of the consumer interviews was appr. 1 hour.

The expert interview sample used included Dr. Liisa Uusitalo, professor in marketing and a consumer behaviour specialist at Helsinki School of Economics, and Dr. Heli Arantola, partner at Vectia Consulting, head of Vectia Foresight’s strategy practice and author of ‘Customer Insight’. These consumer experts were chosen, because they are one of the few who have referred to the phenomenon of hybrid consumption in Finland.

Two thirds of the 42 consumer respondents were female (28 resp. 67 %) and one third were male (14 resp. 33 %). The respondents were aged between 22 and 63 years. 64 % percent of the respondents are in their twenties, representing the largest age group. 33.3%
of the total sample were business students. This distortion is a “symptom” of the convenience sample, and the fact that such interviewees were chosen, who were observed to be possible hybrid consumers.

Results and Conclusions
The results of the research are presented together with the analysis and conclusions because they are largely intertwined. First, the results of the expert interviews are presented. After this, a new classification of consumption patterns – a purchase pattern continuum - identified in this study is presented, followed by separate discussions of two different degrees of hybrid behaviour. Subsequently, the most common categories of trading up and trading down, as well as drivers and tentative characteristics of hybrid consumption are covered. The role of service quality and a possible link between the relational mode and trading up and the transactional mode and trading down are also discussed. Finally, special characteristics relating to hybrid consumption in Finland are analysed, leading to the concluding discussion and implications for companies.

Results from the Expert Interviews
Uusitalo defines hybrid consumer behaviour somewhat differently compared to how the term has been used in this study. She sees the modern consumer as a hybrid who combines very different products and forms of purchase behaviour in their consumption, but would not go as far as to call it polarised consumer behaviour. According to her, the evaluation of quality and social distinction from others through consumption has moved inside different product and price groups. The hybrid consumer is, in her view, omnivorous, but still has hierarchies and makes distinctions even within mundane product categories, such as whether a hard discounter’s cheap bottled water is better than a competing supermarket’s bottled water.

Uusitalo says that the use of luxury goods is more limited in Finland and differentiation through the consumption of luxuries is not common. Rather, Finns prefer to differentiate horizontally from others on the same “level” that have different tastes instead of differentiating hierarchically from higher or lower classes. She relates this to the egalitarian nature of the Finnish and other Northern European societies. In the US, the society is more polarised to rich and poor, which in her view increases the role of consumption as a measure of success.

Arantola defines the hybrid consumer in a similar way to Uusitalo, but does not exclude polarised patterns of hybrid consumption. Arantola seems to consider there to be several different types of hybrid consumers. In fact, she does not see hybrid consumers as limited
to a certain consumer segment of their own, but views all consumers as hybrid consumers, in their own relative and subjective ways.

Arantola does not agree with Silverstein and colleagues’ argument that the consumer trades up in personally important categories and trades down in personally less important ones (which would indicate conscious category priorities), but sees this as a more situation-specific matter. She states that consumption has become a part of living, being and identity formation. This identity formation can often be unconscious, even if it is consistent. This has expanded from branded clothing and watches to an entire lifestyle, including grocery purchases. Arantola does not believe in the “rational consumer”, but rather sees hybrid behaviour as erratic and unsystematic, and as a consumption pattern that is here to stay. This view of unconscious, unsystematic hybrid behaviour contrasts with proposition 1 (please refer to p.3). Further results in this study also contradict this proposition, which was thus not confirmed (respondents’ reactions, convenience orientation and lack of clear category-focus, as discussed later).

The Hybrid Consumption Continuum
This section describes the main finding of this study: a new classification of purchase patterns as a purchase pattern continuum. This classification is suggested as a basis for future research.

It was found that hybrid consumption should be defined with a lesser focus on polarisation than assumed prior to the study. Three general types of consumption patterns were identified: “traditional”, “omnivorous” and “polarised”. “Traditional” is used as a simplification for a non-polarised, non-scattered consumption pattern where the majority of purchases are mid-priced relative to the person’s income. The two latter types are varying degrees of the same phenomenon; the omnivorous consumer is a milder version of the polarised hybrid consumer. Both mix and match expensive with cheap, but with the difference that the omnivorous hybrid consumer has a more scattered consumption pattern, including a significant amount of mid-priced products and services, whereas the polarised hybrid consumer divides his or her purchases more clearly into two “camps”.

Where exactly can the line be drawn between what is hybrid behaviour and what is not? Silverstein uses the expression ‘polarisation of markets’ as opposed to ‘polarisation of consumption’. Yet, there is very much an analogy in this in his argumentation, as the polarisation of markets is said to be caused by the fact that the consumer “increasingly buys at both ends of the spectrum, while ignoring the middle.” (p. xv, emphases added). But just how comprehensive does this behaviour need to be in order to be validly called hybrid consumer behaviour? The line is difficult to draw.
There is some ambiguity in the Trading Up/Trading Down thesis concerning how comprehensive the behaviour is. The latest research by Boston Consulting Group (Roche, Silverstein and Charpilo 2008) also suggests that there are considerable differences in the propensity to trade up and down between countries. In the introduction to ‘Treasure Hunt – Inside the Mind of the New Consumer’ Silverstein writes: “I have seen that consumers will always ‘trade down’ and buy the cheapest product in a category if suppliers fail to deliver a stream of innovation and build loyalty based on product superiority. - - - Middle-class consumers have embarked on a relentless, continuous treasure hunt.” (Silverstein & Butman 2006, p.xiv and xv, emphases added). This is also the overall impression from the theory. Yet, in Seckler (2006, p.6), an article covering the two books written on the topic, it is said that “- - - women tend to treasure hunt in just a few categories. ‘Women’s discretionary income per capita has increased dramatically, but they have a limited amount of time’, Silverstein said of women’s tendencies to confine their treasure hunting to a few areas.”

Given the indefinite character of hybrid behaviour, it is perhaps best to look at it as existing on a continuum. At one end are those consumers who only have some sporadic or solitary distortions in their purchasing pattern, such as a dear hobby, without it affecting the rest of their consumption dramatically, and at the other end are polarised hybrid consumers, who consciously and consistently choose goods and services that are mainly premium or discount. In between these ends lies the omnivorous hybrid consumer. This is illustrated in Figure 3.

![Figure 3 - Classification of Purchasing Patterns as a Continuum](image)

**Traditional**
A traditional middle-market consumer whose majority of purchases focus on middle-market offerings, “blending-in”

**Omnivorous Hybrid**
An omnivorous hybrid consumer buys from all price categories without a larger “purpose”, looks for variety and good choices from a broad spectrum

**Polarised Hybrid**
A polarised hybrid consumer is a bargain hunter and “big spender” in one person, clear distinction between what is worth spending on and what is not. Mid-priced options in minority of total spending

Figure 3 - Classification of Purchasing Patterns as a Continuum
In analogy to the Figures 1 and 2, the y-axes represent volume and the x-axes represent the relative price of purchases. There is no fixed scale on the x-axes, as the relative price level depends on the consumer’s income level. The omnivorous hybrid’s consumption pattern is not a strict straight line, but represents milder variations (i.e. flatter curves) of the two other types.

The “traditional” consumption pattern resembles the shape of a bell-curve: The majority of the “traditional” middle-income consumer’s purchases are in the mid-priced category, but there are some exceptions, occasional premium and budget products or services. This pattern was not deemed hybrid consumption, but the occasional deviations from mid-priced place it at the beginning of the continuum. The polarised pattern resembles a reversed bell curve, as explained in conjunction with Figures 1 and 2. Both curves can take different shapes, some steeper and some flatter. This corresponds to a continuum of various degrees of hybrid behaviour. The steeper the reversed bell curve, the more polarised behaviour it represents. The omnivorous consumption pattern means that the consumer mixes and matches products and services from varying price groups, and is thus represented by a fairly flat curve pattern.

When deciding whom to classify as a hybrid consumer, the respondents own evaluation of the division of their spending was used as a rule of thumb, but not a definite guide. This rule of thumb was that if less than 50 % of the number of purchases falls in the mid-priced category, the behaviour is more or less polarised. This has been done with the awareness that when having to give an estimate people tend to exaggerate one way or the other. Another factor that makes the division into hybrids and non-hybrids difficult is the fact that trading up and trading down cannot be measured in absolute terms - which is especially true when looking at the phenomenon on a global scale - hence the continuum.

An indicative division of the respondents into the three categories finds 14 % of the sample to be polarised, 48 % omnivorous and 38 % traditional. However, these figures should not be generalised in any way, because the sampling did not strive to representativeness of the general population, but rather concentrated on finding respondents with polarised hybrid consumption behaviour. Given the demographic variation among the respondents classified as hybrid consumers, support for proposition 2 (p.3) was found.

**The Polarised Hybrid Consumer**

Based on what the polarised hybrid consumers in the sample have in common, they seem to be a fairly distinctive lifestyle group and possible opinion leaders, as opposed to the typical bargain-hunting middle-market consumer of Silverstein et al (2003; 2005; 2006).
The polarised hybrids are young, urban, generally well educated, lively and creative people who value design and want to stand out from the crowd as opposed to blend in. They do this by expressing their individual style, and fashion and clothing seem to be very important to all of them. They seem to be strong, outgoing personalities, which fits together with this somewhat bold purchasing pattern. These characteristics combined with broad social networks could make them opinion leaders. Interestingly, all of the polarised hybrid respondents in the sample live in the city centre of Helsinki, none in suburbs.

These consumers could be characterized as so called ‘self-fulfillers’, a shopper type who enjoys shopping, shops fairly often and may also view it as a reward for something. Shopping makes them feel good, and they generally do not seem to regret their purchases or feel guilt for buying luxuries. This does not mean that they are generally spendthrift as they continuously also trade down. They find this type of purchasing pattern more rewarding, because it allows them to spend more on things that matter to them.

Based on the results, it cannot be determined whether the polarised hybrid consumer is typically a spontaneous or cautious decision maker, because both types were represented. It seems that the hybrid consumer is more attentive, in general, when it comes to prices and considers purchases carefully, but can also make spontaneous decisions driven by emotional factors. The polarised hybrid consumers in the sample seem to have thought about their consumption more thoroughly than some of the other respondents. They did not have difficulties describing their consumption habits, whereas others struggled at times.

If there existed a stereotype of a hybrid consumer - a paradox for something so elusive - then it could be the “I love Aldi + Prada” -slogan (which can be found printed on clothing in Germany). Young ”fashionistas” are probably more inclined to polarised hybrid behaviour than the average consumer. Design seldom comes cheaply so those consumers with a hunger for it will perhaps more likely make compromises elsewhere in order to obtain it – if they do not have the financial means to buy whatever they want. Half of the polarised hybrid respondents in this sample actually work with fashion and the majority of them talked about fashion and style as an important interest without being asked specifically.

Analysis of the Omnivorous Hybrid Consumer

This section provides an initial analysis of the omnivorous hybrid consumer type identified in the study. Further research is needed, and this paper serves as an introduction.

Uusitalo labels the ‘modern consumer’ in general as a hybrid consumer who is omnivorous, but does not discuss various degrees of hybrid consumption or see it as polarised. Arantola’s statements, on the other hand, identify the possibility of various different types of
hybrid consumers, and varying degrees of omnivorousness have been identified in a different context by García-Álvarez et al (2007).

Previous research on omnivorousness has focused heavily on cultural taste (arts, music, culinary) and is thus of somewhat limited use, when analysing omnivorousness in a wider consumption context. Previous research has found a link between higher social class and omnivorousness, but it is argued here that an analogy should not be drawn in the wider context. For instance, Arantola (2006) has referred to ‘cross-over’ behaviour where lower income classes reach for luxuries by saving on staples.

As stated above, omnivorous hybrid consumption is seen as a milder version of the same phenomenon as polarised hybrid consumption. Perhaps it would even be more appropriate to talk about the phenomenon of omnivorousness in consumption as the norm, and about polarisation as an extreme form of omnivorous hybrid consumption instead of the other way around? The primary difference between the two could be a convenience orientation of the omnivorous hybrid, which means they are not on a “mission” to find the best value every time. They value convenience, and perhaps consider it too much work to be on a continuous bargain hunt. Another explanation could be that they have a somewhat lesser desire for luxuries, and thus a lesser need to trade down.

Based on the results of this study, Uusitalo’s insights about the omnivorous hybrid consumer having hierarchies and making distinctions within product and service categories are considered plausible. Several respondents referred to the concept of ‘value for money’ in various ways, which implies hierarchies based on a ‘value for money calculus’ as opposed to hierarchies based on mere categories. Uusitalo’s view supports proposition 3, according to which hybrid consumption is not as category specific as previously implied. There was further evidence of this in the consumer interviews (discussed later).

Omnivorous hybrids could perhaps rather be described as explorers (Pantzar & Heinonen 1998) than bargain hunters. These consumers are delighted to find bargains, but not equally willing to make continuous efforts to find them. They trade up in individualistic ways as part of their identity formation and in order to gather experiences. In other words, they seek influences for their identity formation through explorative consumption. This identity formation could - consciously or subconsciously - be influenced by aesthetization and experience-seeking that have become more dominant in media and society.

Why this behaviour may seem so unpredictable could be explained by the simultaneous existence of multiple life themes and projects, which are related to identity formation, such as striving to be a good mother, an attractive wife and a competent career woman all in one
– goals that may be challenging to unite, even controversial at times. This insight can be linked to Firat’s (1997) arguments about the postmodern consumer experimenting with a wide array of consumption alternatives and identities. This hypothesis of an “omnivorous explorer” could be used as a starting point for future research.

**Categories**

There seems to be a pattern of trading up and trading down in the sample. In general, those respondents with polarised or somewhat polarised purchase behaviour saved on groceries and other household staples and utility items, and traded up on products and services that express personal style and taste. The results indicate that high-involvement durables and categories of discretionary spending are more common trading up categories, while low-risk, low-involvement fast-moving-consumer goods (FMCGs) dominate in trading down. (A more detailed list is provided in conjunction with the analysis of behavioural drivers, Figure 4)

According to Silverstein and Butman (2006), demographics influence the trading up and trading down behaviour and also based on the results in this study this seems plausible. Similarly, there are commonalities in the categories listed as typical for trading up vs. trading down. However, while the most common trading down categories largely match those provided by Silverstein and Butman, there is more variation in the trading up categories compared to the US examples: clothing, shoes, accessories, cosmetics and hobbies top the list only in our study. If clothing, shoes and accessories are considered as a single category of wardrobe, it is clearly the most common trading up category for the consumers in this sample. By contrast, Silverstein and Butman actually list clothing and accessories as typical trading down categories.

Hobbies were a further clear category where several respondents reported buying top-end products and services. It seemed like a category where the respondents allow themselves to spend more money more easily than in other situations, especially those respondents with less polarised behaviour. Further, electronics has been claimed to be the most polarised category (Miller 2008), but this was not evident in this study, as the large majority opted for mid-priced brands. Cosmetics seemed to be a category lacking consensus, and together with home décor it seemed to be a typical category where the respondents mix expensive with cheap, e.g. luxury perfumes and facial creams with mass-market hair and body care products. Travel was also an interesting category, because trading up on hotels was in several cases combined with budget airline tickets. But this was also a mixed category, as especially several polarised hybrids traded down in travel accommodation.
The “traditional” respondents more often traded up in smaller indulgencies, little luxuries that can be consumed without much guilt (Danziger 2004), such as ‘weekend food’ (more expensive meat or fish, good wine), cosmetics, perfumes and hobbies. They did not buy lifestyle or aspirational luxuries, which was one way to separate them from the hybrid respondents.

The clearly most often mentioned trading down category was groceries and other daily products bought at grocery stores and supermarkets, such as paper products, soaps and detergents. Trading down in selected grocery items was very common, but the degree to which the respondents traded down varied significantly. Trading down in groceries was also very selective, with a concentration on canned and dried food, as well as selected milk products. The respondents also reported being price conscious when it comes to mobile operators and flight tickets. In both of these categories many make active price comparisons and choose mainly based on the cheapest price.

Based on the results, buying cheap(er) durables is not necessarily perceived as saving, and thus saving by buying cheaper alternatives is mainly focused on fast moving consumer goods (FMCGs). As durables are per definition supposed to be durable, many use this as a justifier (Danziger 2004) to trade up in several categories of durables.

The division into durables and FMCGs is linked to high involvement products vs. low-involvement products. The hybrid consumer seems to trade up in selected high-involvement categories and trade down in most low-involvement categories. This can also be expressed as trading down in necessities in order to be able to have more to spend on discretionary consumption. Of course there are some high-involvement necessities as well, such as housing, and these do not seem to be typical trading-down categories. This could also be explained by the risk perceived in buying the given items: Higher-risk goods mean higher involvement, and tend not to be in the trading down category. For example, as the disappointment is more costly there is a higher risk of being disappointed with a budget brand electronics purchase, such as a personal computer, compared to buying a cheap household detergent.

A further correlation could be seen between trading up in public goods and trading down in products used at home, with indications of the public nature of a product inciting trading up. However, the pattern is far less straightforward than it may at first appear, because the behaviour is mixed even within the categories, as discussed next.

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3 Lifestyle luxuries: goods that offer utility combined with prestige, image and superior quality, such as cars, designer clothes, design furniture and watches. Aspirational luxuries: goods used to express one’s values, interests and passions, primarily satisfy emotional needs, e.g. original art, antiques, boats (Danziger 2004).
Hybrid Consumption Transcends Category Boundaries

In Silverstein and colleagues’ theory, the consumer will trade up in product categories that are personally meaningful to them and trade down in categories of little importance, which makes the division of products into these categories seem very relevant. But in our observations we have found that the hybrid consumer does not trade up in one category all the time and trade down in another all the time, which makes the pattern seem much less consistent; they will rather purchase both high-end and low-end goods in the same categories of products. One interpretation of this is that in different situations the purchased products and services have different meanings to these consumers, they represent different aspirations. The lack of category consensus in the individual hybrid consumer’s consumption has not been explored in Silverstein and colleagues’ research, and has thus been examined more thoroughly in the present study.

Considerable variation, or inconsistency, in purchase behaviour within categories was found in this study. This is somewhat in contrast with Silverstein, Butman and Fiske’s (2003; 2005; 2006) theory on important versus less important categories. Silverstein and Butman claim that “consumers are eagerly spending less (often much less) on a wide variety of goods in many categories so they can acquire more of what they need and want in a few categories of significance to them” (2006, p.10). Their surveys have also focused on categories, counting the number of categories in which consumers trade up or down. Because the hybrid consumer may also trade down in a category they list as very important to them, their behaviour seems even more mixed than perhaps assumed by Silverstein et al. Especially the principally trading up categories seem to include trading down as well, whereas the principally trading down categories are somewhat more congruent.

While the most common categories of trading up and trading down surely have some indicative value, it was clear in this study that consumers increasingly mix and match expensive with cheap within categories, thus transcending category boundaries for trading up vs. trading down. This was especially clear in clothing, cosmetics and home décor, where this type of behaviour was even more common among the omnivorous respondents. The hybrid consumers may, for instance, trade down in basic clothing, such as t-shirts, yet trade up on shoes, accessories and the like, which they feel have a larger impact on their style. In other words, they do not trade up in the category of clothing as a whole even though this was often listed as the most important trading up category. Similarly, the hybrid consumer may mix antique or designer furniture with mass-produced mainstream furniture, such as IKEA, or trade down on flight tickets in order to have more money to spend in the travel destination, be it on upgrading the hotel, on restaurants or on shopping. These nuances were lost in Silverstein and colleagues’ analysis (2006; 2008), because they were...
lumped together as single categories such as “home décor” and “travel”, both ranked as important categories of trading up (e.g. 2008, p.18; 2006, section 2.6). Very fine-tuned definitions of specific (sub-) categories would be needed in order for the category-focus to be adequate. These findings support proposition 3 (p.5).

Arantola (2008) does not agree with Silverstein, Fiske and Butman on category-relatedness, but argues that the distinction is situational: “guest coffee vs. everyday coffee” (perhaps a typically Finnish example). A complementing aspect is suggested here: Mixing and matching expensive and cheap could be based on an evaluation of best value-for-money as opposed to what is seen as an important category or situation. The value-for-money argument was frequently brought forward by the respondents. It is influenced by both categories and situations, but is not restricted to either. With some purchases emotional factors are likely to override a fact-based value-for-money calculation, but emotional value can equally contribute to a sense of value-for-money. Therefore, in Figure 4, which presents three presumably interrelated dimensions influencing hybrid behaviour “aesthetic value” and “experience value” are included as sub-dimensions of Value-for-Money.

**Figure 4 - Three Dimensions Relating to Trading Up and Trading Down**

Drivers of Hybrid Consumer Behaviour

In this section the drivers of trading up and trading down are analysed. This section relates principally to the polarised hybrid consumers, who were the main object of study, but also has relevance with respect to omnivorous hybrids, as they are considered to show milder variations of the same type of consumer behaviour. The behaviour which is analysed relates specifically to consumers who trade both up and down, not just one or the other.

Figure 5 presents the most common categories of trading up and down found in this study and their categorisation based on presumed drivers. The left-hand side shows the
presumed main driver behind the choice. The right-hand side links the categories to the previous discussion (e.g. Figure 4) and further explains the connection to the main driver on the left.

**Figure 5 - Classification of Trading Up and Trading Down**

**Drivers of Trading Up**

There seem to be several different drivers behind different trading up situations. Taking care of oneself and connecting with others could, however, be overriding drivers, as they manifest in the other drivers. For example, self-actualisation can be seen as a form of taking care of oneself, while aesthetics and the expression of personal style and taste can be ways to connect with others. In this study the trend towards the aesthetization of everyday life has a seemingly profound impact on consumption decisions. These are also related to identity formation and lifestyle consumption, as discussed by Arantola (2008). Belk’s (1988) views on the incorporation of possessions into the self-concept and extended self, which we interpreted as making these purchases emotionally significant, are also in line with our findings.

The need to express oneself and one’s personality through symbols of consumption could also be linked to the individualisation of consumer society in Finland (Ahlqvist & Raijas 2008; Lampikoski 2000b), which seems evident in the trading up categories. Many of the typical categories of trading up are individually oriented, relating to looks and personal well-being. This individualisation may to an extent be a result of the “because you’re worth it” - ideology fed to consumers by marketers. It could also be a result of a distortion in the sample towards young respondents with few obligations. In comparison, those with children (24 % of the respondents) frequently traded up when buying something for their offspring. Interestingly, none of these respondents, not even the young parents, had a polarised
hybrid consumption pattern. Their behaviour could be linked to the construction and maintenance of a key life role and identity of being a responsible mother/father. This life role will shift the focus of consumption away from the person themselves and towards the family and children especially, who thus become the primary objects for trading up.

Since only one respondent couple with a child could be classified as omnivorous, and the rest as “traditional”, Silverstein and Butman’s (2006) argument about the polarisation phenomenon being primarily led by (American) working mothers does not seem to apply to Finland, and it may not hold generally either. It seems to be much more common among young, urban socialites. But even though there is likely to be a shift in focus in the young hybrids’ consumption at some point, some habits will likely remain.

In addition to expressing individual style, consumers could also try to positively influence their social life through trading up by spending on products and services that they feel better enable them to connect with people around them. This is probably linked to a need for affiliation, a basic human motivation. In some situations this can, for example, mean expressing one’s social identity through certain purchases, such as fashion, and in other situations it can be about spending quality time together over a special dinner.

The trade up purchases also have an aspect of pampering and “taking care of oneself”, and could be classified as hedonic rather than utilitarian purchases, although utility aspects, such as high quality and longevity were used as justifiers (Danziger 2004). The desire for certain personally important goods is so strong that it makes the consumer distort their spending in order to obtain them. These goods/brands seem to manage to create an emotional connection with the consumer and simply make the consumer feel good, thus providing emotional satisfaction. The purchase in these cases is not a result of an estimation of the utilitarian qualities of the good, but mainly driven by emotions and hedonic motivations. This conclusion is arrived at because the purchases, such as an €800 handbag, are far above the necessary level, have few practical or functional components (such as technical appliances would), and because design aspects seem to play an important role, (as adjectives such as cool and good-looking were frequently used by the respondents), which is linked to the hedonic value of premium/luxury goods (Vigneron & Johnson 1999). None of the respondents even mentioned the word “practical” when talking about their trade ups.

There are also so called “justifiers” in play, as implied above. According to Danziger (2004), the consumer needs reasons for buying things that they do not need. Many “needs” may often be wants disguised as needs. High quality and longevity were the most frequently used justifiers for buying something clearly more expensive than necessary, and some
even viewed their trading-up purchases as investments, especially when these required distorting the budget considerably. In most cases, these purchases are not investments in a literal sense (no intention to sell later), but from the point of view of lasting value, which makes the expenditure seem more reasonable. The above mentioned driver “taking care of oneself” could also be seen as a general justifier that applies to a myriad of purchase decisions. Further, trading down is used as a justifier for trading up; the luxury purchases are frequently viewed as *rewards* for being economical in other situations. This could also be linked to the motive of a sense of achievement.

Quality and longevity of the purchased goods are perhaps part of the “norm” answer anyone would be expected to give, but when explored further, the polarised hybrids started talking about expressing their style and personalities through certain purchases, rewarding themselves for being economical in other situations and being willing to pay for products that enhance their looks. Hence, the conclusions about hedonic value, aesthetization and expression of individual style as major drivers ahead of quality arguments seem justified. The argument for quality and lasting value is not being dismissed here. Most purchase decisions are probably influenced by both rationality and emotions, in varying degrees.

Especially polarised hybrid consumption could be a mix of conspicuous consumption and consumption as a form of statement. This conclusion is arrived at, because many of the trading up products and services in this group of respondents are such that are publicly consumed - which according to Nueno and Quelch (1998) conveys social status and image - as opposed to privately consumed, and involve prestigious, well-known brands. Further, the trading down items are generally privately consumed. Hybrid consumption as a form of statement could in this case mean being proud of being a price-conscious, smart consumer who weighs carefully what is worth paying a premium for and what is best value in the budget segment, i.e. a statement of consumer smarts.

There were some stereotypical differences between men and women in the sample, such as men trading up on electronics and women on accessories, but no major motivational differences could be identified based on the data.

Roche, Silverstein and Charpilo (2008) have identified four very similar drivers for trading up as were found in this study, namely those of a need to care for oneself, a desire to have a personal style, a need to connect with others, as well as a “questing” desire” (i.e. experience-seeking). As these two studies have been conducted simultaneously and independent of each other, this can be considered to ad external validity (generalisability) to the results.
Drivers of Trading Down

The clearest reason for trading down seems to be that the consumer perceives no relevant difference in the quality of the product or service. Why pay extra for average? Alternatively, the hybrid consumer may not be so particular about the quality in these categories or situations. The hybrid consumer looks for trade down options where the compromise is minimal, and thus the purchases are focused on goods and services that are not emotionally significant, which is evident in the mundane categories of trading down presented in Figure 5 above.

While many of the respondents said they save for the sake of saving, the more polarised hybrid consumers tended to have a different goal: They save in order to be able to put more money where it matters to them most. Thus the main driver of trading down for polarised hybrid consumers was identified as facilitation of trading up, i.e. compensatory behaviour which links trading up and down together, supporting the theory of Silverstein et al. This driver was not similar among all respondents: some viewed trading down as just a habit learnt from parents or as a conscience-soothing temporary activity, which clearly differentiates the various degrees of hybrid behaviour. Further, the polarised hybrid respondents seem to view frugality less as a virtue (i.e. save for the sake of saving) and more as being smart.

While some of the less polarised respondents talked about having a bad conscience after a more-expensive-than-average purchase, the polarised hybrid consumers did not seem to suffer from a bad conscience after luxury purchases, because they feel they are economical in so many other areas. The polarised hybrid consumer has some sub-categories where she or he allows herself or himself to spend. Among the “traditional” and omnivorous respondents these sub-categories were not as clear, and one such respondent also talked about a “psychological limit” to buying luxuries while another talked about moderation.

In conclusion, based on this study, the drivers for trading down are largely the same as presented by Silverstein and Butman (2006) and the more polarised hybrid consumers tend to have a clearer connection between trading up and trading down than the omnivorous hybrids, among whom the arguments was more mixed. Based on the discussion of categories and drivers, support for propositions 4 and 5 (p.6) was found.

Relational vs. Transactional Mode

Trading up seems to correlate with a relational mode that a consumer adopts towards a company (Grönroos 1997). The strongest example of this was the relationship several respondents felt they have with the upmarket department store chain Stockmann, their
prime address for trading up. Many were willing to pay “the Stockmann premium” for products that are also available elsewhere just for the sake of shopping at Stockmann, referring to the relationship they feel they have with the company. Many respondents had grown to trust Stockmann due to their generous and flexible guarantee, which is of special value when buying something expensive/trading up. This is a relationship built upon many years of reliable and flexible service. These respondents talked mainly about the reliability value that Stockmann means to them. This finding is also linked to the discussion on high-involvement purchases: trading up is linked to high-involvement, which in turn can be thought to positively influence the customer’s inclination towards a relational mode as the higher risk associated with high-involvement categories implies that such a relationship has more value to the customer by reducing risk.

There also seems to be a link between the transactional mode and trading down, given that the attitudinal bonds to trading down stores were weak. However, at first glance the lack of attitudinal bonds when trading down are not that evident, because the consumer is also convenience oriented, not merely price oriented, and will thus frequently visit certain stores without being genuinely relationship oriented. As this area was not the primary objective of this study, further research would be required. However, initial support for proposition 6 (p.7) was found.

Special Characteristics Relating to the Phenomenon in Finland

Although Silverstein et al argue that the polarisation of markets is taking place on a global scale, and Arantola (2006) argues that consumer trends have become global and simultaneous, based on the results it would seem that this is not the case with polarisation of consumption in Finland. Uusitalo’s remarks on the egalitarian nature of Finnish society could provide a partial explanation to this, as the egalitarian culture may to some extent negate the incentive for polarised consumer behaviour. The changes in behaviour could also be such recent developments that the pattern has not yet quite established itself in Finland4.

Convenience seems to play a crucial role in the shopping behaviour of the typical respondent in the study, so much so that it seems to override the interest in finding bargains. This is because being a ‘bargain hunter’ requires being active, aware, and diligent on a continuous basis. That is hard work. Based on the results of this study, the typical consumer seems to appreciate convenience more than thriftiness.

4 Nota Bene: This analysis is based on qualitative data, not on an extensive quantitative study which would be useful for confirming the findings on a larger scale.
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Most respondents did not seem to be that interested in “squeezing a deal out of every dollar” (as Betts 2006 puts it). For most, it seems, shopping for daily necessities is still more of a chore than a bargain hunt they are emotionally engaged in, which contrasts with the arguments by Silverstein and Butman (2006). For the working mother in the sample, shopping for daily necessities seems to be a routine she wants to be done and over with quickly and handily. It is not a bargain hunt and a pastime she is willing to put a lot of time and effort into, because she seems to value the time saving and practicality more than saving money. She does not consider herself having so much time in her hands that it would be worthwhile to make the effort of planning purchases according to special offers or regularly going to a discounter. The opportunity cost of her time weighs more: The working mother would rather spend that time with her family.

Whether bargain hunting really takes considerably more time than routine shopping could be debated – you can make bargain hunting into a routine as well – but it certainly feels that way to the respondents who are not eager hybrid consumers. Arguments presented by Aalto-Setälä et al (2005) that Finns are fairly passive when it comes to searching the market for better prices and have a rather strong conception that cheap cannot be good, and do not think the savings are big enough to be worth the effort were largely confirmed in this study.

Also the meagre interiors were said to influence why most of the respondents do not go to hard discounters. It would seem like most respondents were not, on a regular basis, willing to compromise on convenience and the amenity and comfort of the surroundings in exchange for cheaper prices. With Lidl (the only hard discounter in Finland at the time) so far having such a brief history in Finland, and discount stores in general being less established in Finland than in the US or Germany, for instance, perhaps the Finns are just not used to stores that “feel cheap”, and thus shun them.

**Differences in Culture and Mentality**

Some respondents’ comments relating to their polarised consumption, such as “I don’t know if it makes any sense” or “This sounds quite stupid. I know this must seem silly to others.” and “Luckily this is anonymous, because this sounds so awful.” gave the impression that these consumers are not particularly proud of their simultaneously frugal and spendthrift behaviour. This could relate to motivational dynamics: the respondents could have mixed feelings about their consumption pattern, which they find rewarding but potentially controversial from the point of view of social affirmation, especially when taking into account the egalitarianism of Finnish society. Many Finns have traditionally perhaps considered it inappropriate to buy luxury brands, and even though it has been argued that attitudes are changing, this is still reflected in these young respondents’ comments.
In other cases there was sometimes an impression of uneasiness in the respondents when talking about things they save in, indicating they could find it somewhat embarrassing. Even though this was not apparent for all respondents, it brought about the hypothesis that maybe it is not considered as esteemed to be frugal in Finland, compared to some other cultures. Whereas a German, apparently, can be proud to carry an Aldi or Lidl bag (Silverstein & Butman 2006, p.67), a Finn perhaps is not. According to a German market research group GfK, Aldi, Lidl’s main competitor, is the third most respected brand in Germany, right after Siemens and BMW and ahead of DaimlerChrysler (Silverstein & Butman 2006). In Finland, there is not a single discount or budget brand in the top 20 of the most respected brands (Metsämäki 2007; Taloustutkimus 2007).

While foreign brands were typical in trading up, the Finnish origin of the company and brand seems to be of importance when trading down. This was evident in the preference for domestic budget brands as opposed to Lidl, for example. While in trading up the foreign origin of a brand sometimes seemed to add to its coolness and desirability, there seemed to be a lack of trust towards foreign budget brands. This indicates that the hybrid consumer holds universal values of luxury when trading up, but is nationally oriented when trading down. However, further research on this is needed.

**Tentative Characteristics of Hybrid Consumption**

This section summarizes the results of this study as tentative characteristics of hybrid consumption, aimed to serve as a basis for future research on the topic.

**Hybrid Consumption**

1) There are various degrees of hybrid consumption, with varying degrees of polarisation. For research and segmentation purposes consumers can be classified along a purchase pattern continuum into three consumer types: traditional, omnivorous, and polarised.

2) Hybrid consumption can be found in very different demographic groups. Thus there are different individual styles of hybrid consumption within the various degrees, accounting for different tastes and priorities that to an extent reflect demographics.

3) Polarised hybrid consumption is more typical among a distinctive lifestyle group of young urban socialites with a faible for fashion. These consumers are generally well-educated, outgoing ‘self-fulfillers’ who do not try to blend in and who may be opinion leaders within their reference groups. They are more engaged in the activity of consumption than the traditional type of consumer.

4) Families tend to have a less polarised consumption pattern in favour of a more traditional one.

5) When trading up hybrid consumers tend to hold universal values of luxury, but are nationally oriented when trading down.
6) Polarised hybrid consumption may be best analyzed as a subcategory of omnivorousness in consumption.

Drivers
7) Taking care of oneself and connecting with others can be seen as two overriding drivers for trading up, supplemented by self-actualisation, experience-seeking, pampering and aesthetisation.
8) Especially among the polarised hybrid consumers, trading down is driven by a will to put more money where it matters most, i.e. to facilitate trading up, not to buy more of the mundane nor to primarily save for the sake of saving.
9) Polarised hybrid consumption can be seen as a combination of conspicuous consumption and consumption as a form of statement (of consumer smarts).
10) Omnivorous hybrid consumers are more convenience oriented than polarised hybrid consumers, which mitigates their purchase pattern.
11) Omnivorous hybrid consumers can be better described as explorers rather than bargain hunters; they seek influences for their identity formation through explorative consumption. Lifestyle is increasingly intertwined with symbols of consumption, and the hybrid consumer is probably subconsciously influenced by increased aesthetisation and individualisation of the consumer society.

Categories
12) Typical trading up categories tend to be high-involvement products and services that feel more personal and are more closely tied to personal taste and identity than other categories. They are also more often discretionary, higher-risk and public goods. These types of categories include clothing, home decoration, hobbies, gourmet food and selected travel services.
13) “Traditional” consumers more often trade up in smaller indulgencies, little luxuries that can be consumed without much guilt. They do not buy lifestyle- or aspirational luxuries such as the polarised hybrid consumers.
14) Typical trading down categories tend to be low-involvement products and services that are not closely linked to the person, i.e. do not directly express the consumer’s personality and taste. They are also often low-risk necessities consumed privately. These include staples (canned food and dry groceries such as pasta, flour and rice, most dairy products, detergents, paper products etc.) and other products and services that are viewed as commodities. E.g. flight tickets are a category that seems to have been commoditized in the view of the hybrid consumer.
15) Buying cheap(er) durables is not necessarily perceived as saving, and thus trading down is mainly focused on fast moving consumer goods (FMCGs). As durables are per definition supposed to be durable, many use this as a justifier to trade up in several categories of durables.

Further Characteristics
16) Trading up and trading down are not as category specific as previously implied. Trading up and trading down can often occur within the same category, as such categories are defined in previous research. I.e. the hybrid consumer makes distinctions on a more fine-tuned level compared to generally defined categories provided by Silverstein and Butman (2006).
17) The decisions to trade up vs. trade down are based on the consumer’s personal evaluation of best value-for-money. This is related to the personal importance of various categories to the consumer, as discussed by Silverstein et al, as well as to the products’ relative importance in a given situation, as noted by Arantola, but all in all it is more than these two dimensions; in addition the value-for-money calculus incorporates value in relation to cost, taking into account fact-based aspects of quality and durability, as well as emotion-based aspects of aesthetic and experience value.

18) The sometimes contradictory hybrid purchase pattern may alternatively be explained by the simultaneous existence of multiple life themes and projects, which are related to identity formation, such as striving to be a good mother, an attractive wife and a competent career woman all in one – goals that may be challenging to unite, even controversial at times.

19) Hybrid behaviour is not necessarily a conscious choice. The consumer may often not be aware of a connection between trading up and trading down in their consumption choices.

20) The hybrid consumer is more likely to be in a relational mode when trading up and in a transactional mode when trading down.

21) Differences in the mentalities of different cultures impact the shape of the phenomenon globally (supporting Roche, Silverstein and Charpilo 2008). There is no universally valid list of the most important categories of trading up, neither do hybrid consumers everywhere enjoy bargain hunting for the ‘thrill of the deal’.

Discussion and Implications for Companies

The results were, to an extent, in line with the theory of the ‘New Consumer’ by Silverstein, Butman and Fiske (2003; 2005; 2006). However, important discrepancies exist and some new findings regarding hybrid consumer behaviour were made. Overall, the present study has sought to capture a more nuanced pattern of hybrid consumption by taking into account fine-tuned differences in the consumer’s value calculus and concentrating on underlying drivers and variations among respondents as opposed to general categories of consumption.

The present study has made use of the work of Silverstein, Butman and Fiske and the views on hybrid consumption presented by them. Many sources, including the Financial Times and the Wall Street Journal, have discussed Silverstein, Butman and Fiske’s views (PR Newswire 2004 and 2006; Danziger 2005; Sheban 2005; Stern 2006; Betts 2006; Waters 2006; Wen 2007; Miller 2008), but none have challenged them to any extent. This is, of course, also due to lack of academic research on this new topic. This present report has delved deeper into aspects not previously studied, questioning some previously presented arguments and conclusions.

Polarised hybrid consumer behaviour does not seem to be as wide-spread a phenomenon in Finland, but rather the purchasing pattern of a fairly distinctive lifestyle group, as
opposed to the typical middle-market consumer. There are, however, milder versions of hybrid consumerism, omnivorousness, which seems to have become a significant purchasing pattern for the postmodern consumer.

If the alternatives in the high- and low-end start proliferating in Finland (such as the fairly recent arrivals of hard discounter Lidl and luxury label Louis Vuitton indicate), adding more options for trading up and trading down, then Finnish consumers might increasingly make use of this new “shopping strategy”. The pattern could trickle down to the bigger masses once they are more introduced to the idea through opinion leaders.

On the other hand, the analogy of the most commonly cited trading down categories in this study, groceries/staples, mobile operators and air travel, with the businesses that have been most active with price oriented advertising in Finland prompts the question which was there first: Are these businesses’ advertising focus on price a consequence of price sensitive consumers or have the companies with their own actions taught the consumers to demand low prices in these markets?

For companies who do not wish to compete with the lowest price, the findings mean that it would increasingly seem to make sense to concentrate on the emotional value of the product or service. These companies need to turn needs into wants by differentiating their offering, not just on a technical dimension, but on an emotional one - which could also be done through the functional quality, i.e. how the product or service is delivered. For this they need to engage the consumer emotionally, figure out ways to turn something daily into an experience, into a luxurious necessity, if they wish to reach the trading up consumer and improve their margins and competitive position. The concept of a luxurious necessity is, of course, full of controversy, but so is today’s market place.

For companies in the discount segment it would seem to make sense to have a strategic focus simply on price and further improvement of the no-frills alternative through cost-effectiveness and quality control. “Escaping the middle”, as recommended by Silverstein and Butman (2006) is seen as a somewhat over-dramatized advice for Finnish companies for two reasons: the egalitarianism rooted in the Finnish mentality has not lost its significance and what is considered a trade up is relative of the individual’s income level. Even more so when looking at the phenomenon on a global scale: trading up in the developing countries, for instance, probably means they opt for mid-priced brands by western standards. Nevertheless, the middle market is likely to become a harder place to be for undifferentiated players who cannot contribute to the hybrid consumer’s identity formation.
Limitations

The backbone of the theoretical frame of reference is formed by the work of Silverstein, Butman and Fiske (2003; 2005; 2006) and may be considered somewhat one-sided due to the lack of competing theories related to this specific behaviour. Efforts have been made to balance this by presenting a range of other theories and trends in consumer behaviour that are related to the phenomenon, but there seem to be none that present directly competing views. The lack of critique can be understood in the light of the newness of the theory and the phenomenon itself.

Although the sample was fairly extensive for a qualitative study, it was limited in its geographical scope and includes special characteristics relevant to this specific culture that may not be applicable elsewhere. The sample has a large percentage of highly educated young adults, most of them with a specialisation in business and economics, and thus other demographic groups should receive more focus in consecutive studies. These respondents constitute 47.6 % of the total sample (55 % female). A thoroughly representative sample was not a priority in this study as it sought to unveil the underlying drivers of hybrid behaviour as opposed to discuss it from a demographic point of view. As stated in the section on the sample, the interviewees were chosen based on an estimation of possible hybrid behaviour. Further, Silverstein and Butman state that the typical trading-up and trading-down consumer is often a well-educated female with increasing disposable income – a description that very well fits the majority of the respondents in this study.

Recommendations for Further Research

Further research on hybrid consumption is needed. This paper has contributed to the groundwork for further studies on the topic on the academic field. The omnivorous hybrid consumer, especially, would be of interest as they seem to form a larger group than polarised hybrid consumers, and because they were not thoroughly explored in this study due to spatial and temporal limitations. A more in-depth look at the possible link between the relational mode and trading up and the transactional mode and trading down could provide useful insights. The lack of clear category consistency with respect to trading up and trading down in the individual hybrid consumer’s consumption also provides an interesting starting point for future research on the drivers of these purchase decisions.

A further highly interesting area for further studies would be segmentation and targeting issues. Given the seemingly unpredictable, erratic hybrid behaviour of the postmodern consumer, it would seem like the conventional methods of segmentation and targeting are dated. Can consumers really still be grouped into homogenous segments according to certain common characteristics? The need for, and the trend towards, more fine-tuned segmentation is widely recognized while the targeting of ever smaller segments has been
made possible by the Internet and the advances of information technology, especially IT-based CRM. How can marketers better take into account this type of behaviour when designing marketing campaigns and selecting target groups for products and services?

How can companies target hybrid consumers, who seem to occupy a myriad of segments?

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