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PREVIEW

A GROUNDED THEORY OF JOINT CONSUMPTION DECISION MAKING

by

Suraj Commuri

A DISSERTATION

Presented to the Faculty of

The Graduate College at the University of Nebraska

In Partial Fulfillment of Requirements

For the Degree of Doctor of Philosophy

Interdepartmental Area of
Major: Business

Under the Supervision of Professor James W. Gentry

Lincoln, Nebraska

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DISSERTATION TITLE

A Grounded Theory of Joint Consumption Decision Making

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A GROUNDED THEORY OF JOINT CONSUMPTION DECISION MAKING

Suraj Commuri, Ph.D.

University of Nebraska, 2001

Adviser: James W. Gentry

This research contends that there is a lack of a theoretical understanding of joint decision processes and that current theoretical perspectives may collapse into an anomaly in attempting to explain husband-wife decision processes. Interpretive research is used to build a grounded theory of joint decision making among married heterosexual couples where the wife is the primary earner.

Findings indicate that in order to understand spousal decision making, joint welfare rather than individual preferences may be the relevant central construct. A conceptual framework built around joint welfare as the central construct indicates that many anomalies in decision making behavior observed hitherto may be explained through the new framework. For example, the framework presented here demonstrates how a consensual decision may be possible even when individual preferences do not match.

The study also reveals that intra-household resource allocation may take many forms and substantial meanings and rituals are associated with such patterns of resource allocation. Holding separate pools of money appears to be common and seamless inter-pool flow of resources aids the household in believing that it is *normal* despite the comparatively lower earnings of the husbands.

ACKNOWLEDGMENTS

*Feeling lonely and ignoble indicates
that you haven't been patient. - RUMI*

This research was initiated in 1998 and during the last three years, I have felt lonely and confused at several junctures. The duration of this research and flirting with uncertainty were unsettling at times. I would have fallen prey to impatience had it not been for the support, guidance, and patience of many wonderful and inspiring people around me. I would like to acknowledge my gratefulness to them before I compile this dissertation.

In addition to his guidance, support, and inspiration with regard to my research, Dr. James Gentry also taught me several important lessons -- most importantly, the lesson that being a teacher is not about the self but about the students. I have learnt this through the example he has set for me during our many interactions and his collaborations with other students. I am also grateful for Dr. Gentry's contributions to this research in particular, most of all, because he stood by me during the many ups and downs during this project. At several of those downs, he had more faith than I in my abilities to accomplish this task. His keen interest in my point of view and the fact that he most carefully read each and every iteration of my analysis not only offered me much encouragement but also enforced a rigor in the way I was learning about the topic and the process. He has also been very critical of everything I proposed and, thereby, on many occasions saved me from walking in directions distant from the purpose of my dissertation. I am also grateful to the other members of my committee who have made significant and complementary contributions to my work. I have learnt over the years that when a personal, professional, or data analysis and interpretation problem plagues

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I had the privilege of participating in Dr. Julia McQuillan's first class at UNL. The energy and enthusiasm she continues to bring to everything convinced me that one's excitement about an enterprise need not decline with familiarity. She has always had time for a discussion and clarification whether it was at 10 AM or 9 PM. Before I met Dr. McQuillan, I struggled for about two years trying to understand the essence of feminist theory from a theoretical perspective and not necessarily as a critical agenda. It took only two classes in Dr. McQuillan's now very popular course. I will forever be grateful to Dr. McQuillan for this because it was only then that I was able to articulate my assertions about the current theories.

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CHAPTER 1

INTRODUCTION

OVERVIEW OF THE DISSERTATION

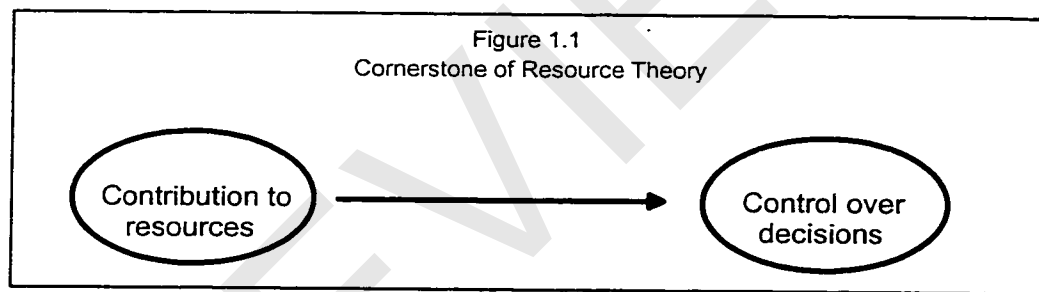
One in three working wives in the US earns more than her husband (CPS 1988-99). The number was less than one in five a decade ago, and all demographic and structural trends signal a further rise in the proportion of families and households with women chief wage earners. This segment remains under-researched. The household remains the seat of majority of consumption decisions and emerging household forms such as families with women chief wage earners (CWEs) need to be systematically examined to understand whether theoretical and strategic templates (sets of underlying assumptions that facilitate understanding) developed based on the modern (Stacey 1990) family forms continue to apply to this growing segment of households with women CWEs. Current theoretical perspectives of how families make decisions may be demonstrated to collapse into an anomaly in attempting to explain consumption decision processes in families with women chief wage earners. This dissertation inductively builds a theory of consumption decision making to explain consumption decision processes in families in this substantive domain.

A review of research on households so far (largely in marketing, economics, family sciences, and sociology) reveals that there appear to be two theoretical orientations of family decision processes. The first theory is drawn from sociology and economics and is commonly referred to as **resource theory** (also referred to as exchange theory as it views relationships as exchanges; Blau 1964; Blood and Wolfe 1960; Homans 1958; Homans and Schneider 1955; Levi-Strauss 1969; Figure 1.1).

Stated simply, resource theory argues that whoever controls the resources, controls decision making (see Blood and Wolfe (1960) for an illustration of this argument).

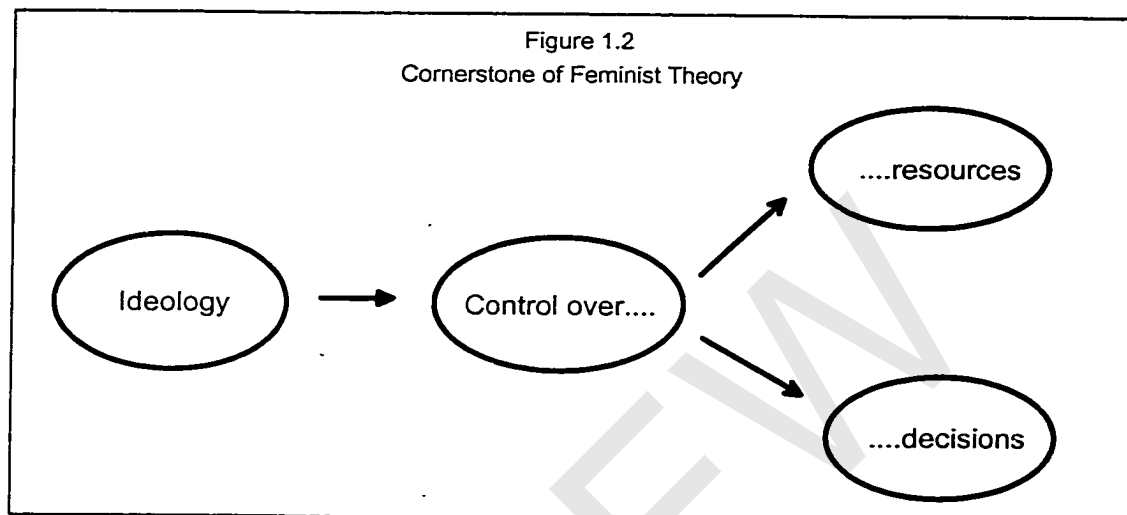
From a marketing point of view, it implies that if we know the income flows into the household, we should be able to predict decision making. Historically, since men have been the predominant wage earners, they have brought more financial resources into the household and have been found to have greater control over decision outcomes.

Resource theory would suggest that when the relative contributions of husbands and wives change, control over decision outcomes will change accordingly (Blood and Wolfe 1960).



The other prominent theoretical argument is that of **feminist theory**. Stated simply, feminist theory suggests that the economic argument of resource theory is restrictive and ignores the role of social structure (Lipman-Blumen 1984). Feminist theory proposes that socio-cultural structures (norms, expectations, symbolic meanings, rewards, and punishments) serve as templates against which the roles of husbands and wives are played out and that these socio-cultural constructions privilege men (Acker 1973; Connell 1987; Kamarovsky 1964; Risman 1998; Figure 1.2). From a marketing point of view, it means that understanding social structure -- the norms that govern

husband-wife interactions -- is the key to understanding decision roles and outcomes, i.e., who plays what roles and who makes what decisions.



Under historical conditions, where men were chief wage earners, both resource theory and feminist theory observe similar outcomes, albeit with different explanations. Resource theory predicts that as husbands are chief wage earners, they control most of the decisions. Feminist theory suggests that as men have a privileged status in society -- including the family -- men control most of the decisions. The same outcome occurs -- men control decisions -- even though the explanations are different.

However, under alternative conditions, such as when women are chief wage earners, the two theories contradict one another with respect to outcomes. In this research, I have turned the predominant scenario on its head and asked, "what happens when women are the chief wage earners?" Resource theory will predict that women will control decision making while feminist theory will argue in favor of a more complex negotiation with substantial control resting with men because of their continued privileged status in society.

In other words, I conducted what I refer to as a naturalistic experiment. What I mean by that is, the theories discussed above hold well under certain conditions, but under others, they contradict each other. I gathered data under the second condition (families with women chief wage earners) to understand why they contradict and what would be a substantive theory of family decision processes under those conditions.

I used inductive methodology (Hamilton 1994; Guba and Lincoln 1994; Schwandt 1994) to arrange decision processes into a theoretical framework. Over the last two years, I have gathered and analyzed data, using the grounded theory methodology (Charmaz 2000; Creswell 1998; Glaser 1992; Glaser and Strauss 1967; Strauss and Corbin 1990, 1994), from twenty couples across the United States. Data have been gathered primarily through multiple in-depth interviews conducted separately with husbands and wives and supplemented by observation and accompanied shopping. Informants were sampled purposefully (Patton 1990) to represent typical cases, maximum variance, and extreme cases. All informants except for one couple were married for at least two years and wives earned at least \$10,000 more than husbands. Maximum variance was sought on parameters such as previous marriages, presence of children, differences in age; years in current marriage, and differences in incomes. Only families with incomes above the median income for households (annual income over \$55,000) but under \$140,000 (except for extreme cases) were sampled through convenience and snowballing. Eight informants also participated in member checks. Dependability, credibility, and trustworthiness (Guba 1981; Wallendorf and Belk 1989) were established through an inquiry audit by an independent auditor.

RESEARCH QUESTIONS

As the current theoretical perspectives collapse into an anomaly in attempting to explain decision making in families with women chief wage earners, the setting is ripe to raise two, related-research questions:

- a. What are the consumption decision processes in families with women chief wage earners?
- b. What will be a theory of consumption decision making in such households?

These two questions guided the dissertation research. The rest of this chapter outlines the rising incidence of families with women chief wage earners, the need to study decision making in such families, and the relevance of the research to the fields of marketing and consumer behavior.

RIISING INCIDENCE OF WOMEN CHIEF WAGE EARNERS

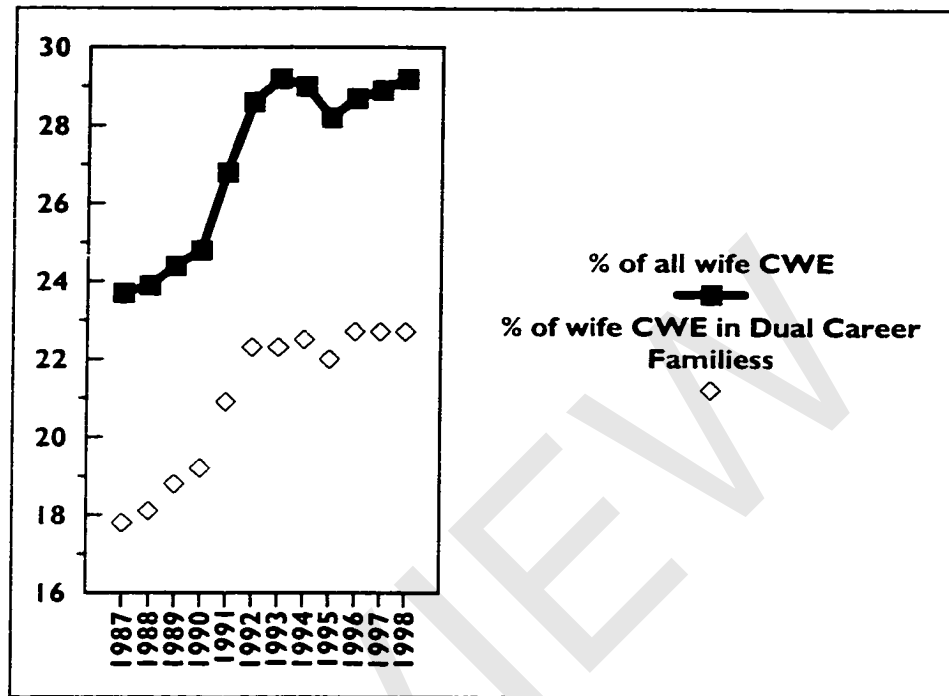
Today, women aged 25 to 35 have more education than men in the same age group. The possibility that women will occupy top positions in American corporations is a greater reality today than it has ever been in the past. What is even more remarkable is the fact that the odds favoring women for such positions is already a reality (see Farrell 1999). Electronic commerce has facilitated participation of women in commerce in a remarkable and unprecedented manner. In the US today, women start twice as many businesses as men. This shift is even more remarkable in hitherto conservative societies such as those in the middle-east where proposals are underway to issue identity cards to women and to allow women to travel independently. The shifts are compelling even in the US. Today, 42% of medical school graduates and 40% of all Ph.D.s are women. In

addition, women make up nearly half of entering classes in law schools. These trends signal a rise in the earning potential of women. Though the gender gap in compensation persists, economic trends project a surge in jobs for which women are likely to out compete men (e.g., service and information-oriented occupations in an information-based economy; see Fisher (1999) for a detailed argument of a similar stance).

All these trends indicate that the earning potential of women will remain on the rise. As Figure 1.3 illustrates, the percentage of wives that earned more than their husbands has risen steadily over the years and, it is estimated that, today, nearly a third of all wives earn more than their husbands (CPS 1988-99). The steady shift of women into managerial positions, the rising incidence of later marriages, and the "aging" of mothers (Hayghe 1993) imply that women are more likely than ever to maintain year-round employment and are thus likely to sustain their rising contributions to family incomes.

These are compelling shifts indeed. There should be no doubt that as women's position and roles outside the home change, there should be corresponding shifts in the roles women play within the family. While outsourcing and subcontracting household activities will be certain obvious implications, the changing roles of women may also alter marital exchanges and decision-making behavior in a fundamental manner. However, the fields of marketing and consumer behavior have ignored these exciting dynamics in the fundamental consumption decision making unit.

Figure 1.3
Families with Women Chief Wage Earners



RELEVANCE TO MARKETING AND CONSUMER BEHAVIOR

This dissertation research bears relevance at theoretical, policy, and managerial levels. From a theoretical standpoint, the purpose of the research was to build a theory inductively of joint consumption decision making in families with women CWEs. At the same time, the research critically reviewed current dominant theories, and the fact that they can be demonstrated to collapse into an anomaly raises several interesting theoretical issues that are revisited in the context of the findings of the research.

This research also has the potential to aid public policy. Demographic shifts indicate that the gap between the performance of boys and girls is now narrower than ever in colleges. Occupations that have traditionally remained the domain of women are flourishing while traditionally male-dominated (blue collar) occupations are on the

decline. However, research of roles played by husbands and wives in the household and sharing of household tasks indicates that changes in this domain are far slower to occur. This means that while women are partaking in the workforce economy in greater numbers, there is little release from responsibilities in the domestic sphere, thereby causing a strain. This dissertation outlines the coping mechanisms that women are using in bridging nontraditional roles they play in the external workforce economy and the traditional roles perpetuated in the household. Insights developed here may be useful in developing social policy aimed at reducing the social costs that result due to emotional attrition concurrent with the transitions.

At a managerial level, this research fills the void in research among dual career couples with women CWEs and the data offer insights into targeting and positioning to these households. In addition, the rich descriptions on decision making behavior offer insights into how to communicate to these couples.

Theoretical Relevance

Richins (2000) argued that "if we fail to develop our own theoretical formulations, we risk losing our identity as a discipline and being viewed instead as an applied _____ology (applied psychology, applied sociology, applied anthropology)." The primary purpose of this dissertation research was to observe, discuss, and describe household decision making and use the various data points thus generated to propose a theory of consumption decision making. The fundamental premise of this dissertation is that current theoretical frameworks "borrowed" from other disciplines can be shown to fall short in predicting consumption decision outcomes, and, thus, that there is a need to build an indigenous theory of consumption decision

making. The domain of families with women chief wage earners had been chosen as a naturalistic experimental context -- it serves as a setting where current theoretical explanations can be shown to collapse into an anomaly. This does not mean that the outcome of this research will be of value only to this substantive domain. Any theory of consumption decision making in families with women chief wage earners cannot but offer insights into or raise significant questions about how decision making is understood in "traditional" households. Thus, this research makes a significant theoretical contribution to the field of consumer behavior.

Further, family as a unit of consumption and as a consumer decision making unit has received relatively little attention from scholars in the areas of marketing and consumer behavior (Commuri and Gentry 2000a). While the level of interest (reflected both in terms of publications in the leading journals of the disciplines and the diversity of the research questions explored) has consistently been marginal, it can be argued that, in a comparative sense (comparing the early years of the disciplines and the current period), there has in fact been a decline in interest in family consumption and decision-making behavior. Research on family consumption has been reduced to almost a trivial plane of determining who makes the final decision; such reductionism has led to a disenchantment with the domain. At the same time, research that attempted to resist this wave of reductionism and grapple with family consumption in terms of all its nuances, oscillates to the other extreme where there is a dearth of even appropriate metaphors to talk about such behavior; e.g. most theories of behavior and personality in psychology are at the individual level and, given that family is not a simple sum of two

or more individuals, the theories of behavior and personality do not facilitate an explanation of behavior observed in families.

Therefore, several substantive questions that pertain to family consumer behavior have been ignored and research continues to focus on collecting data from only one family member and projecting it to make generalizations about the entire family. Further, there has been no comprehensive review of the state of the research in the field during the last two decades, which speaks to the lack of development in the field in the recent past.

Considering the strides that women are making in education, occupation, and thus earning potential, several implications of these structural shifts may be hypothesized. However, in order to map such effects, there is a need for an appropriate theoretical framework. Yet, as discussed earlier (and will be demonstrated in detail later), current theoretical explanations of marital power and decision-making propel us in opposite directions when applied to families formed by economically and educationally successful women. Thus, there is a need to revisit the drawing board to discover a comprehensive theory of decision-making that can be applied to emergent family structures to understand the implications for consumer and consumption behaviors. It may well have been this lack of a theoretical perspective that has restricted our research interest in the implications of changing roles of women. Research so far has only examined corresponding shifts in decision roles, power outcomes, and the use of timesaving devices but has ignored the richer power processes (Bellante and Foster 1984; Bryant 1988; Douglas 1976; Madill-Marshall, Heslop, and Duxbury 1995; Nickols and Fox 1983; Oropesa 1993; Reilly 1982; Rubin, Riney, and Molina 1990;