

From F.O.M.O. to Changxin: A Cross-cultural Exploration of Consumer Response to Newness in the Fast-moving Consumer Goods Industry

Introduction

Fast-moving consumer goods (FMCG) include food, drinks, cosmetics, cleaning products, toiletries and other consumables. Consumers purchase these products impulsively, regularly and at a low cost (Vinayagamorthy & Kannan, 2015). Hence, there is a huge opportunity for developing new products in this industry; however, there is also copious competition and a lack of brand loyalty (Creusen, Hutlink & Eling, 2013). As a result, 76% of the 12,000 new FMCG products introduced in EU markets in 2013 did not remain on the shelves for longer than a year (Neilson, 2015). In emerging markets, conversely, a new product was purchased in the last shopping trip by 69% of consumers in Asia-Pacific and 56% in Latin America (Neilson, 2015). Furthermore, in 2013, emerging countries created 98% of the growth of growing FMCG brands (Kantar, 2014), demonstrating increased opportunity in these markets for emergent FMCG brands, line extensions and new product development.

The present paper aims to explore why consumers in emerging countries are buying new FMCG products more than consumers in EU countries. Through an inductive, exploratory approach, qualitative data from 139 focus groups across three countries; UK, Brazil and China, are analysed to discover why newness is more attractive to Brazilian and Chinese consumers than UK consumers. The contributions of the paper are threefold. Firstly, it extends the academic understanding of consumer response to 'newness' within the new product development and product design literature by exploring responses to a different product category e.g. FMCG and across three different continents. Secondly, as a qualitative piece of research, it provides an underlying understanding of consumer responses to newness and why this characteristic varies in importance across multiple countries. Finally, the cross-cultural perspective is useful to multinational corporations operating in the FMCG industry; lessons can be learned from emerging countries to help improve new product adoption in EU nations.

Literature

There is no doubt that novel products have a pull on hedonistic consumers seeking new pleasures (Raghunathan & Irwin, 2001), for instance, boredom with familiar goods can attract consumers towards new alternatives (Martindale, Moore, & West, 1988). Additionally, when consumers buy new FMCG products this encourages brand switch, successful new product development, adoption of innovation and successful horizontal and vertical line extensions. Hence, there is an extensive list of literature on product introductions but surprisingly little understanding of consumers' perceptions of product newness (Radford & Bloch, 2011). The focus of literature on newness is often within the new product development (NPD) category. It is an area that is of particular interest to firms, as a successful endeavour could result in competitive advantage (Lee, Ho & Wu, 2018). As a result, the literature often explores managerial perspectives and company procedures related to the release of the new product (Creusen et al., 2013; Moultrie, Clarkson & Probert, 2007). There is therefore scope for further knowledge from the consumer perspective; to evaluate customer response to new products and how this can impact new product success and product design (Creusen, 2011).

The product design literature identifies newness as a vital selling point for consumers (Bloch, 1995), which can increase market share (Jindal, Sarangee, Echambadi & Lee., 2016) and breath

success into line extensions (Kreuzbauer & Malter, 2005). For example, Rindova and Petkova (2007) developed a theoretical framework to demonstrate how product form design can influence consumer perceptions of product innovations. The majority of the product design studies that relate to newness, conduct research on consumer response to high involvement goods such as motorcycles (Kreuzbauer & Malter, 2005), motor vehicles (Jindal et al., 2016), consumer electronics (Homburg, Schwemmler & Kuehnl, 2015; Radford & Bloch, 2011) and household electronics (Mugge and Dahl, 2013). These papers call for further scholarship on product design and newness across multiple countries and different product categories such as the FMCG industry.

The final school of thought on newness is the line extension literature, which explores extension of the brand name by introducing improvements and new products within the same product category, for example enhancements in quality and performance or new forms, flavours or sizes (Kotler & Keller 2016; Nijssen 1999). Although there have been studies on line extensions within FMCG brands (Nijssen, 1997) and between EU and emerging countries (Seizer, 2017), there is a lack of literature combining consumer response to FMCG line extension and in a cross-cultural context. Moreover, most research uses market factors (Seizer, 2017) or psychological evaluations of consumers to measure the success of the line extensions (Heath, DelVecchio & McCarthy, 2011). This paper intends to extend this understanding with a cross-cultural qualitative study to explore the underlying reason of consumer attraction to line extensions and newness in the FMCG industry.

Methodology

An inductive approach and exploratory research design were adopted to collect qualitative data, across three countries, with the intention of revealing consumers' attitudes and responses to new FMCG products, concentrating on the category of laundry detergents. Focus groups of 3-4 participants were chosen as the method of data collection to enable the researchers to develop group discussion surrounding the topic (Saunders, Lewis & Thornhill, 2012) but still assemble in-depth, rich data on thoughts, feelings and touchpoints within individual consumer experiences (Lemon & Verhoef, 2016).

The data in Table 1 reveals the details of the sample. There were 139 focus groups in total; data were collected between middle of 2016 to 2017 across three countries. Each discussion ranged from 90 to 120 minutes in duration and included a number of activities such as product categorisation exercises and participant profiling. For example, participants were provided with samples of laundry products, all varying in brand and form to the market and were asked firstly to group the products and secondly place them along a scale. Discussion was generated around the participant results and consumer experiences.

The focus groups were recorded and subsequent transcriptions were produced, which were later translated into English and fed into the NVIVO 11 software. Data were analysed using an inductive thematic analysis according to Braun and Clarke's (2006) step-by-step guide and framework. Data were independently coded by two researchers to ensure validity of the data analysis. The following section will discuss the themes that emerged from the thematic coding process.

	Brazil	China	UK	Total
Regions represented	North-east Central South	West North-east South Central	North-east England South-east England	
Number of participants	118	180	110	408
Sex	72% female 28% male	98% female 2% male	78% female 22% male	85% female 15% male
Age range	18-71	23-64	18-79	18-79
Average age	34	40	40	38
Household size range	1-9	1-5	1-8	1-9
Average household size	3.2	2.6	2.9	2.9

Table 1: Participant socio-economic data

Findings and Discussion

The results support the aforementioned statistics relating to the adoption of new FMCG products in the EU and emerging markets. For instance, of the UK participants only 19% are impacted by newness when purchasing laundry detergent in store, whereas in Brazil and China, 42% and 58% respectively, of participants respond to newness when buying their laundry products. Four themes are identified from the data to explain why newness has more impact on consumers in Brazil and China. The initial codes (Braun & Clarke, 2006) were grouped into the four different themes for each of the three countries. These four themes are: utilitarian consumption, hedonic consumption, touchpoints and self-regulation.

Utilitarian consumption

Utilitarian consumption is the satisfaction that a consumer has with the functional, practical and economic aspects of purchasing and using a product or service (Voss, Spangenberg & Grohmann, 2003). This concept is widely acknowledged in the consumer behaviour literature (Batra & Ahtola, 1991), however, in this instance it is applied to consumer response to newness. According to the data, consumers' respond to the following utilitarian attributes of new FMCG products: a good price, improved quality, better value for money, convenience, practical packaging, changes in ingredients and new functions. Differences in culture can impact these responses, for instance in Brazil low price is a huge factor influencing buying new products, whereas in China if a new product is priced too low, it can be seen to be untrustworthy and will not be purchased.

“First I check its functions, and then the price. I might feel less worried if it is very expensive.” (AA2, female, China)

The initial coding reveals that the utilitarian value of new products is perceived differently across the three countries. For example, in the UK, consumers are attracted to new products that are convenient; making everyday tasks quicker and easier:

“The tablets are so convenient, nobody wants to get their hands powdery or it stuck in your nails and all that and not the right measurements.” (AK1, female, UK)

However, in Brazil, consumers are attracted to new products in search of the best quality for money. It is important to Brazilian consumers that the product fulfils its purpose effectively for the least money possible:

“I think if there were a new product, I would give it a chance, otherwise you won’t know if it works. I think I would buy it to see its quality.” (H1, male, Brazil)

Finally, in China consumers buy new products in order to experience the best and newest functions in a product category. In other words, consumers attach utilitarian value to the functionality of something new:

“At that time, I will then look at the features that everybody has been talking about, and see what new functions have been added.” (B3, female, China)

Of the three countries, consumers in Brazil are driven mostly by utilitarian consumption when purchasing new FMCG products. For instance, they are attracted to low prices, better quality, more value for money, fulfilling needs and trial and error. Consumers in the UK and China are also subject to utilitarian responses such as convenience, functionality and a good price but are mostly driven by hedonic consumption, which will be explained in the following section.

Hedonic consumption

Hedonic consumption is consumer behaviour which seeks sensory or self-indulgent pleasures from purchasing goods or services, for instance entertainment, enjoyment, excitement, captivation and escapism (Babin, Darden & Griffin, 1994; Overby & Lee, 2006; Roy & Ng, 2012). In other words, consumers buy products for the overall emotive experience rather than to complete a task (Babin et al., 1994). In this instance hedonistic consumption refers to the pleasure involved in purchasing new FMCG products, something which occurs more than one would expect for everyday mundane purchases. The data reveals that brand love, variety seeking, spontaneity, boredom, aesthetics, curiosity, product involvement, fragrance, trust, desire and fear all influence the purchasing of new laundry products.

An interesting finding emerging from the data is the hedonistic idea of F.O.M.O., a fear of missing out or that others might be having rewarding experiences from which one is absent (Hodkinson, 2019; Przybylski, Murayama, DeHaan & Gladwell, 2013). This experience is linked in psychology to the self-construal theory and more specifically to the interdependent self, which is commonly associated with non-Western cultures (Dogan, 2019). The data reveals that consumers desire the best product available and if they do not try the new product, there is an apprehension that they will ‘miss out’ on something superior, for example:

“I don't know really, I think it's that am I missing out on something, when something new comes out, it's psychological with me, if people are raving about something new I think I'd better try it.” (J3, female, UK)

This phenomenon occurs across the three countries; however, cultural differences do emerge. In the UK, for instance, F.O.M.O is driven by social status and social norms, whereas in Brazil, although there is a word-of-mouth element, most consumers are driven by a desire to discover “which is the best product” (AA1, female, Brazil). In China, F.O.M.O. has its own terminology, Changxin, which is translated as “tasting new”. It means to try new products or brands, or even familiar products with new fragrances or functions out of curiosity and apprehension of missing

out on what other consumers are using. There is also a desire to be the first person to try the new product:

“I hadn’t seen an advert or heard anyone talk about them, I wandered down to where the washing powder is...I thought I’ve not tried this before; I’ve not used this before I’ll buy it and try it out.” (D1, female, China)

When it comes to buying new FMCG products, consumers in the UK and China are driven primarily by hedonic consumption, whilst Brazilian consumers are motivated mostly by utilitarian consumption. In reference to the presence of F.O.M.O. or Changxin, the hedonic motivation is definitely more prominent in China and Brazil, the emerging countries, than in the UK. This concurs with Dogan’s (2019) research where F.O.M.O is experienced more by the interdependent self in collectivist, non-Western cultures.

Touchpoints

The third theme to emerge is touchpoints, which are moments when consumers interact with the product or brand along the consumer experience (Baxendale, Macdonald & Wilson, 2015; De Haan, Wiesel & Pauwels, 2016). Lemon and Verhoef (2016) identify four different touchpoints; brand-owned, partner-owned, customer-owned and social/external, across three different stages of the customer experience; pre-purchase, purchase and post-purchase. With the purchasing of new FMCG products; brand-owned touchpoints include eye-catching designs, packaging, advertising, testers and slogans; partner-owned touchpoints are in-store discounts and promotions, sales promotion staff and shelf space; social/external touchpoints involve word of mouth (WOM) from family and friends and social media influence.

In relation to touchpoints, consumers in Brazil and China are subject to further stimuli along the consumer experience than customers in the UK. Moreover, consumers respond to these touchpoints and are hence open to the idea of new products:

“If someone tries it, likes it and tells me about it, only then will I try it.” (CC1, female, Brazil)

“If these brands promote the new product, and the salesman introduces that to me, I will buy a small bottle and go back home to try it.” (Z3, female, China)

In China and Brazil the power of social/external touchpoints are important and WOM from social media or face-to-face contact can really increase interest in a new product. In China, many decisions are made in-store and heavily impacted by numerous stimuli such as sales representatives, on screen demonstrations, product testing and promotions. Furthermore, there is a profound trust in advertising; if a product has the money to create an advert it is a trustworthy product. In the UK consumers are influenced by promotions and shelf space but the response to WOM relating to FMCG is much lower than in emerging countries.

Self-regulation

The final theme identified from the data is self-regulation, which refers to the ability of consumers to regulate their behaviours, thoughts and feelings so that an outcome is in-line with the norm (Baumeister & Vohs 2007; Gross 2007). According to the regulatory focus theory developed by Higgins (2002) there are two distinct motives; promotion focus enables people to desire and reach out for good things through aspiration whereas prevention focus induces

vigilance and an avoidance of pain and losses. Verplanken and Sato (2011) have previously applied this theory to impulse buying, which has similar characteristics to purchasing new FMCG products. In this case, the main self-regulatory motivations are preventative to avoid spending money on risky purchases. Prevention strategies include making shopping lists, maintaining a budget, calculating purchases, cognitively comparing prices and shopping online:

“I have the list, we’re not allowed to buy anything that isn’t on the list because I would be tempted and perhaps then the package would get me and I’d think oh what’s that I haven’t seen that before” (T1, female, UK)

The UK participants are more prone to self-regulatory strategies and as a result they tend to purchase fewer new products. In Brazil, strategies such as having a set budget and making a list are used to prevent buying new FMCG products; however, sometimes these techniques are not very successful:

“I make a list and buy everything from it but I usually add some things while I am at the shop. I leave home with a list, but if I see something new I will take it” (P1, female, Brazil)

In China, on the other hand, very few self-regulation strategies are adopted and similarly to Brazil, those that are adopted have little impact on the temptation of newness.

Conclusion

In summation, the present study identifies that attraction to FMCG newness is subject to utilitarian and hedonic consumption, F.O.M.O, brand-owned, partner-owned and social/external touchpoints. Moreover, self-regulatory techniques, explored in similar research on impulse purchasing (Verplanken & Sato, 2011) and emotion regulation (Tamir, Chiu & Gross, 2007), are adopted to counteract these temptations. The cross-cultural comparison provides an interesting perspective on why new FMCG products are more successful in emerging countries.

In Brazil, the majority of motivations to buy new laundry products are utilitarian, for example the price and quality of that product, whereas, in the UK and China motivations are more hedonistic in nature, for instance variety seeking and curiosity. F.O.M.O, or Changxin in Chinese, impacts consumer response across all three countries, however in Brazil and China the impact is more extensive due to the interdependent self in collectivist cultures (Dogan, 2019). Touchpoints also reveal cross-cultural differences as there are further partner-owned and social/external touchpoints in Brazil and China. Finally, self-regulation is greatest in the UK, which implies that new products succeed in emerging markets due to a higher number of marketing stimuli, the interdependent self and a lower level of self-regulation.

Limitations of this study include the small, non-representative sample size in which case, future research should quantitatively test the four identified themes within the context of consumer response to line extensions, new product development and product design. The cultural differences should also be quantified to see if there is a significant difference and impact on customer response to newness. Furthermore, F.O.M.O. is a new idea within marketing (Hodkinson, 2019) leaving scope for additional investigation of this concept both in relation to new product purchasing and other consumer behaviours.

References

- Babin, B. J., Darden, W. R., & Griffin, M. (1994). Work and/or fun: measuring hedonic and utilitarian shopping value. *Journal of consumer research*, 20(4), 644-656.
- Batra, R., & Ahtola, O. T. (1991). Measuring the hedonic and utilitarian sources of consumer attitudes. *Marketing letters*, 2(2), 159-170.
- Baumeister, R. F., & Vohs, K. D. (2007). Self-Regulation, ego depletion, and motivation. *Social and personality psychology compass*, 1(1), 115-128.
- Baxendale, S., Macdonald, E. K., & Wilson, H. N. (2015). The impact of different touchpoints on brand consideration. *Journal of Retailing*, 91(2), 235-253.
- Bloch, P. H. (1995). Seeking the ideal form: Product design and consumer response. *The Journal of Marketing*, 59(3), 16-29.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative research in psychology*, 3(2), 77-101.
- Creusen, M. E. (2011). Research opportunities related to consumer response to product design. *Journal of Product Innovation Management*, 28(3), 405-408.
- Creusen, M., Hultink, E. J., & Eling, K. (2013). Choice of consumer research methods in the front end of new product development. *International Journal of Market Research*, 55(1), 81-104.
- De Haan, E., Wiesel, T., & Pauwels, K. (2016). The effectiveness of different forms of online advertising for purchase conversion in a multiple-channel attribution framework. *International journal of research in marketing*, 33(3), 491-507.
- Dogan, V. (2019). Why Do People Experience the Fear of Missing Out (FoMO)? Exposing the Link Between the Self and the FoMO Through Self-Constural. *Journal of Cross-Cultural Psychology*, 50(4), 524-538.
- Gross, J. J. (2013). Emotion regulation: taking stock and moving forward. *Emotion*, 13(3), 359-365.
- Heath, T. B., DelVecchio, D., & McCarthy, M. S. (2011). The asymmetric effects of extending brands to lower and higher quality. *Journal of Marketing*, 75(4), 3-20.
- Higgins, E. T. (2002). How self-regulation creates distinct values: The case of promotion and prevention decision making. *Journal of Consumer Psychology*, 12(3), 177-191.
- Hodkinson, C. (2019). 'Fear of Missing Out' (FOMO) marketing appeals: A conceptual model. *Journal of Marketing Communications*, 25(1), 65-88.
- Homburg, C., Schwemmler, M., & Kuehnl, C. (2015). New product design: Concept, measurement, and consequences. *Journal of Marketing*, 79(3), 41-56.
- Jindal, R. P., Sarangee, K. R., Echambadi, R., & Lee, S. (2016). Designed to succeed: Dimensions of product design and their impact on market share. *Journal of Marketing*, 80(4), 72-89.

- Kantar (2014) *Global Ranking Top 50 of the Most Chosen Consumer Brands*. Retrieved from www.brandfootprint-ranking.com (Last accessed: November 29, 2017).
- Kotler, P. & Keller, K. L. (2016). *Marketing Management*, 15th edition. Hoboken, NJ: Pearson Education Inc.
- Kreuzbauer, R., & Malter, A. J. (2005). Embodied cognition and new product design: Changing product form to influence brand categorization. *Journal of Product Innovation Management*, 22(2), 165-176.
- Lee, Y., Ho, F. N., & Wu, M. C. (2018). How do form and functional newness affect adoption preference? The moderating role of consumer need for uniqueness. *Journal of Consumer Marketing*, 35(1), 79-90.
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6), 69-96.
- Martindale, C., Moore, K., & West, A. (1988). Relationship of preference judgments to typicality, novelty, and mere exposure. *Empirical Studies of the Arts*, 6(1), 79-96.
- Moultrie, J., Clarkson, P. J., & Probert, D. (2007). Development of a design audit tool for SMEs. *Journal of Product Innovation Management*, 24(4), 335-368.
- Mugge, R., & Dahl, D. W. (2013). Seeking the ideal level of design newness: Consumer response to radical and incremental product design. *Journal of Product Innovation Management*, 30, 34-47.
- Nielson (2015). *Looking to achieve new product success? Listen to your consumers*. The Nielson Company (UK)
- Nijssen, E. J. (1999). Success factors of line extensions of fast-moving consumer goods. *European Journal of Marketing*, 33(5/6), 450-474.
- Overby, J. W., & Lee, E. J. (2006). The effects of utilitarian and hedonic online shopping value on consumer preference and intentions. *Journal of Business research*, 59(10-11), 1160-1166.
- Przybylski, A. K., Murayama, K., DeHaan, C. R., & Gladwell, V. (2013). Motivational, emotional, and behavioral correlates of fear of missing out. *Computers in Human Behavior*, 29(4), 1841-1848.
- Radford, S. K., & Bloch, P. H. (2011). Linking innovation to design: Consumer responses to visual product newness. *Journal of Product Innovation Management*, 28(s1), 208-220.
- Raghunathan, R., & Irwin, J. R. (2001). Walking the hedonic product treadmill: Default contrast and mood-based assimilation in judgments of predicted happiness with a target product. *Journal of Consumer Research*, 28(3), 355-368.
- Rindova, V. P., & Petkova, A. P. (2007). When is a new thing a good thing? Technological change, product form design, and perceptions of value for product innovations. *Organization Science*, 18(2), 217-232.
- Roy, R., & Ng, S. (2012). Regulatory focus and preference reversal between hedonic and utilitarian consumption. *Journal of Consumer Behaviour*, 11(1), 81-88.

Saunders, M. Lewis. P., and Thornhill, A. (2012). *Research methods for business students*. Harlow, England: Financial Times Prentice Hall.

Seizer, F. L. (2017). The influence of line extension strategies by premium brands on brand equity: cultural differences between Germany and Thailand. *Management & Marketing Journal*, 15(1), 77-105.

Tamir, M., Chiu, C. Y., & Gross, J. J. (2007). Business or pleasure? Utilitarian versus hedonic considerations in emotion regulation. *Emotion*, 7(3), 546-554.

Verplanken, B., & Sato, A. (2011). The psychology of impulse buying: An integrative self-regulation approach. *Journal of Consumer Policy*, 34(2), 197-210.

Vinayagamorthy, A., & Kannan, P. (2015). The Impulse Buying Behaviour of Consumers for the FMCG Products in Salem. *Impulse*, 2(2), 71-76

Voss, K. E., Spangenberg, E. R., & Grohmann, B. (2003). Measuring the hedonic and utilitarian dimensions of consumer attitude. *Journal of marketing research*, 40(3), 310-320.