

DETERMINANTS OF CONSUMER SOCIETY, ITS CHALLENGES AND PROSPECTS IN CASE OF GONDAR TOWN CITY, AMHARA REGION, ETHIOPIA

By

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Abstract

This paper mainly deals with the concepts and issues surrounding the contemporary notion of consumer society. The research was conducted with the end in the mind of the researcher to identify the driving factors behind consumer society, its challenges and prospects at Gondar city. The research design was cross-sectional (data wise) and descriptive and explanatory designs were employed to address the specific objectives and the specific research questions. Both qualitative and quantitative research approaches were used to counter balance the limitation of each other. The population of the study was consumers who purchase luxurious products. Two stage samplings were used: in the first stage from the six sub cities four were randomly selected and in the second stage shops with luxurious products were identified purposively. Because of the difficulty of knowing the exact consumer who are customers of luxurious products, the sample size was determined by the rule of thumb method advised by Green(1991). But to balance the limitation the researcher doubles the minimum standard. Of the nine independent variables six (education, income, house hold size, globalization, group influence and advertising) were found statistically significant. The challenges were a shift from producer to consumer, environmental degradation, addiction, waste, etc. The prospects are employment opportunity, a base for meeting the basic needs and engine for the economy. Further research direction is forwarded to use longitudinal research design to see changes over time on consumer society and consumed consumer society.

Key Words: Consumer Society, Consumption, and Consumerism & Luxurious Products

INTRODUCTION

Background and Justification of the Study

Consumption is initiated by a consumer (or a number of consumers) – whose “purpose is to purchase and consume the ever increasing quantities of goods and services” (Robbins 2002, 7). Today, being a consumer is one of the primary roles people play in life, especially in Euro-American societies. The eastern societies are more inclined to save and the idea of consumer society can best be expressed in the western kind of life style. The act of consumption is a dialectical process that can be viewed in terms of a subject-object relationship. A subject or actor (or population of actors) consumes or uses up something – a particular “object” of some sort. Through the act of consumption, the subject and object become engaged in a sort of interactive exchange. Through this consumptive dialectic (ritualized and routinized across the social landscape), subjects and objects are transformed in both significant and mundane ways (Giddens, A. 1990).

Consumerism can be defined as the institutionalization of social action associated with the human consumption of goods. Consumption is a key to all life. For example, plants consume sunlight, water, and nutrients from the earth, animals consume plants and other animals, and most humans, consume (at minimum) all of the above. Without consumption, life would cease existing. Despite its centrality to all existence, however, the particulars of human consumption are often left unanalyzed, are overlooked, or discussed only in superficial ways. To some, reflecting and analyzing our patterns of buying and selling (and the consequences of these transactions) might appear a bit silly – one might as well sit and think about the air we breathe or the water we bathe in. Consumerism is so ubiquitous that we hardly notice just how peculiar it has become (Debord, G. 1996). The Industrial Revolution clearly transformed production. It is less obvious, but equally true, that it transformed consumption. Large-scale industrialization began in the British textile industry; the amount of cotton used in that industry rose from less than 3 million pounds in 1760 to more than 360 million pounds annually

in the 1830s. Within one lifetime, that is to say, the production of textiles in Britain was multiplied more than 100-fold. Luxury consumption by the English upper class did not grow nearly that rapidly. Who, then, bought and used the vast outpouring of cloth? They were looking outside the country to export their production (Sarup, M. 1993).

The modern consumer is not an isolated individual making purchases in a vacuum. Rather, we are all participants in a contemporary phenomenon that has been variously called a consumerist culture and a consumer society. To say that some people have consumerist values or attitudes means that they always want to consume more, and that they find meaning and satisfaction in life, to a large extent, through the purchase of new consumer goods. Consumerism has emerged as part of a historical process that has created mass markets, industrialization, and cultural attitudes that ensure that rising incomes are used to purchase an ever-growing output (Sklair, L.1995).

For country like Ethiopia where the majority of the population is young, consumerism can show greater willingness to test what the western world does. Everybody wants to do what Americans do. This, sometimes, expressed to the extent that if all Americans put Carbon Dioxide into water and drink it; a great deal of people do the same thing and says this is a real thing. Knowingly or unknowingly, people are promoting America into the leadership position (Bocock, R. 1993).

On the positive side of consumerism, industries create employment opportunities to combat the rampant unemployment rate in the country, achieve economic growth to finance the military, distribution of products to the peripheral regions; etc. (Baudrillard, J. 1995).

People satisfy their basic physiological (food & beverage & housing) and security needs by consuming products and services. However, in any society there are some people who would like to impress others by consuming and splashing out. Sometimes the priority of splashing out may be more than basic physiological and security needs. This style of consumption is called as conspicuous consumption which is the overt form of consumer society. This kind of behavior leads to environmental and self-distraction. People tend to associate themselves with material the objective of which has nothing to do with the spiritual being (Gray, J. 1999).

The study was undertaken to investigate significant factors behind consumer society, the challenges associated with the consumer society and the prospects of consumer society. Understanding the fundamental factors that cause changes in ecosystems and ecosystem services is essential to the design of interventions and strategies for reducing the bad impacts. There are a broad range of factors that lead directly and indirectly to changes in the social strata, and therefore affect human well-being. These precursors of change may be well defined, and closely associated with the implications under consideration, or they may involve more complex and diffuse interactions arising from institutional or cultural influences. Many changes in the consumption pattern are unintended consequences of human decisions and actions. The challenges that this new set of society poses will be evaluated in the context of culture, economy, nature of work, self-worth, environment, etc. The prospects will be seen in the context of growth, employment, production, distribution of goods and services to the needy.

Objectives of the Study

General Objective of the Study

The general objective of the study is to identify determinants of consumer society, its challenges and prospects.

Specific Objectives of the Study

- ▶• To determine the significant factor behind consumer society
- ▶• To analyze the challenges of consumer society
- ▶• To identify the prospects of consumer society

METHODOLOGY

Description of the Study Area

The study was conducted in Gondar City which is located in the northwestern part of Ethiopia, in Amhara Regional State, at a distance of 737 km from Addis Ababa, the national capital, 180 km north of Bahir Dar, the regional capital, and 250 km from Gedarif, the Sudanese border town. Gondar is a capital town of central Gondar Zone Administration. The town is linked to a neighboring country Sudan via Metema, expected as a promising center for transit of goods and services with Sudan. It is an important historic and tourist center registered by UNESCO at international level. Gondar is a political, economic, and transportation center for Zone Administration and Regional Administration (FDRE/ANRS, 2011).

According to the most recent population census of CSA (2007), which was compiled and reported in May, 2010, the population of Gondar town is 207,044 of which 98,120 (49.29 %) are male and 108,924 (50.71 %) are female. The average number of persons per household is 3.85 and a total of 53,725 households exist in the town. But the recent data from finance office of Gondar city the current population size of the city is actually 386,000. Annual average population growth rate for Gondar stands at 3.8 %, according to the population census document. Most of the inhabitants are civil servants, businessmen and pensioners.

Sampling and Data Collection

Several rules-of-thumb have been suggested for determining the minimum number of sample households required to conduct multiple regression analysis. The study used a method developed by Green (1991) to select the total sample size from the total luxurious product consumers. Luxurious products are products intended to meet the aspiration of consumers in status terms. Green (1991) suggested a rule-of-thumb that $N \geq 50 + 8m$, where N is minimum number of sample customers required to conduct multiple regression analysis and m is the number of explanatory variables used in the regression analysis. The explanatory variables in this study are nine. So that the minimum sample size is $N \geq 50 + 8 \times 9 \geq 122$. This method was used because of the difficulty of knowing the total populations as the sales people do not have lists of their customers. But to balance the limitation the researcher increased the sample size in good terms in conspicuous way. As sample size increases the quality of the data also increases. Taking this condition into consideration the sample size was almost doubles so that the population can fairly represented. With the justification given above the sample size was 240 of the six papers were uncollectable

Pre tested and structured questionnaire was distributed to and collected from respondents for ten successive working days. To collect the primary data through questionnaire, two data collectors who had experience in data collection were employed. Data quality has been ensured through provision of training to data collectors and supervision during the process of data collection by the supervisor.

Group discussion was conducted by the investigator. The challenges and opportunity of consumer society was seen from the perspective of economic development, employment opportunities, production and environmental protection, nature of work, cultural impacts, self-worth, etc. To manage the project well training was given to the selected members of the group consisting of seven people from different fields. Sociology, economics, marketing, social psychology, management and public policy and sustainable development professionals were selected along with one individual in the commercial sector. In order to get genuine information, the objective of the study, its purpose and the rationale for conduction the study was overt in stringent terms for the group.

Method of Data Analysis

Descriptive and explanatory research designs were employed in the study. The descriptive part was used to describe the demographic characteristics of the respondents' along with identifying the driving forces in positive form as they are. The explanatory employed to investigate the reasons behind the consumer society.

The collected data through questionnaire were coded, cleaned, and entered in to computer and presented and

analyzed with the help of STATA version 12 and Microsoft excel. In this study, the researcher was attempted to analyze the data in reference to the theory and empirical studies on the challenges and prospects of consumer society. The Pearson Product Moment was used for correlation analysis in order to indicate the strength of the association between variables identified.

Model and Description of Variables

In this section details are given for the dependent and independent variables that were used in the multivariate Probit model and Tobit/OLS model valuation functions, their definition and hypothesized directions of effects of the factors on the respondent's consumerism. A summarized variable description is presented in Table 2.1.

$$CS_i = \beta_0 + \beta_1 AGER + \beta_2 SEX + \beta_3 MARSTAT + \beta_4 EDUC + \beta_5 HHSIZE + \beta_6 INCOME + \beta_7 GLOB + \beta_8 ADV + \beta_9 GROIN + \epsilon_i, \dots \dots \dots (13)$$

Table 2.1 Summary of description of variables used in the regression models and their expected effect

Variable	Description	Measure	Expected Effect
AGER	Age of the respondent	Age in years	+/-
SEX	Sex of the respondent	1 = female, 0 = male	-/+
MARSTAT	Marital status of the respondent	0 = single, 1 = married	-
EDUC	Educational level of the respondent	Education in years	-/+
HHSIZE	Number of family members in the household	Household size in numbers	-
INCOME	Monthly income of the household	Income in Birr	+
GROUI	The influence of the group on your consumption behavior	0 = no, 1 = yes	+
GLOB	Impact of globalization in consumption, production, and distribution of products and western culture	0 = no, 1 = yes	+
ADV	The information which is transmitted in the advertising media including the what, how and the frequency of the information.	0 = no, 1 = yes	+

Results and Discussion

Demographic Characteristics

The socio-economic characteristics of total respondents as well as driving factors of respondents are summarized in table 3.1 and table 3.2 for categorical and continuous variables, respectively. Independent sample t-test was used to see whether the differences in mean values of continuous variables associated with consumer society. Chi-square statistics was employed to see the associations between categorical variables.

The majority of the respondents (59 %) were male and 41% of the respondents were female. In the consumer society studies of the west females do have the larger share than male but in this case since males have decision-making power in the family, the proportion of male was slightly higher. But, the association between sex and consumer society was not statistically significant.

The marital status figure reveals that 69.2 % of the respondents were married and 30.8% of the respondents single. The marital status was not statistically significant with consumer society.

Table 3.1 Descriptive statistics of some demographic characteristics for total respondents (frequency, percentages, and chi-square)

Variables	Total (N = 234)	χ^2	
	F (%)		
SEX	Female	96 (41.0)	0.014
	Male	138 (59.0)	
MRSTAT	Unmarried	72 (30.8)	0.484
	Married	162 (69.2)	

Note: Variables in which respondents: *** = at 0.01 levels of significance.

Source: Survey Output, 2019

The data on age revealed a wide range of responses starting from 21 to 74 years where the average was found to be 40.34 year. This variable is not statistically significant. This is as opposed to the economic theory of consumption which says as individual's age increases consumption decreases. People are keen to saving when they are advanced in years.

The average household size of sampled respondents was 4.01 with a minimum of 1 household member and a maximum of 8 household members. The average family size is lower but closer to the city average of 3.85 persons per household of CSA, 2010 report of population statistics.

The educational level attained by the respondent ranged from illiterate to tertiary level, with a mean value of grade 10.78. This variable is statistically significant and the possible reason may be as individuals' educational level increases by one year he or she is tempted to test new commodities. The fact that the curriculum is derived from the west, educated people consider the act of the west as right.

The surveyed households on the average earn Birr 14,750.66 monthly income. The income level ranges from a minimum of Birr 11,500 to a maximum of Birr 25,500 per month. Taking the average family size of 4.01, the average per capita income was Birr 339.61 per month. Interested households earn Birr 1538.34 mean income per month which is significantly higher ($p < 0.01$) than Birr 1001.95 mean monthly income of the non-interested households. This shows that as monthly income of the household increases their probability of switching also increases. This might be because higher income earners are more flexible to invest for a good/service which secures them a higher level of utility.

Table 3.2 Descriptive statistics of some socio-economic characteristics for total respondents (Mean, Std. Dev, and t-value)

Variables	Min	Max	N	Mean	St. Dev.	p>/z/	t-value
AGER	21	74	234	40.34	10.00	0.234	0.208
EDUC	0	17	234	10.78	5.07	0.043	5.579**
HHSIZE	1	8	234	4.01	1.75	0.002	0.027***
INCOME	11,500	25,500	234	14,750.66	7507.62	0.001	4.413***

Note: Variables in which respondents have significant: *** = at 0.01 level of significance

Source: Survey 2019

Multivariate Analysis of Driving Forces of Consumer Society

Multivariate econometric analysis were used which provide better information and clearer focus on the driving forces behind consumer society such that policy recommendations can be based on the conclusions of the finding. Multivariate regression analysis helps to analyze consumer society responses by determining if estimates are internally consistent or theoretically valid. Both the Probit model and Tobit models were applied as specified in the methodology section to analyze the explanatory variables. Econometric regression analysis with cross-sectional data is associated with problems of heteroskedasticity and multicollinearity of explanatory variables. Before estimation was done, data exploration is an important step. Therefore, the model is checked for these problems.

Multi-co linearity among explanatory variables

Multi collinearity was checked using Variance Inflating Factor (VIF) for continuous variables. VIF, as explained in Gujarati (2004), shows how the variance of an estimator is inflated by the presence of multicollinearity. And the formula for VIF is;

$$\text{Variance Inflating Factor (VIF)} = 1 / (1 - R_j^2)$$

R_j^2 is the coefficient of determination in the regression of one explanatory variable on the other explanatory variables. A VIF value greater than 10, which happened when R_j^2 exceeds 0.9, shows the existence of multi co linearity problem.

The other test conducted was test of association among dummy independent variables. Contingency Coefficient (CC) was used to do this test as shown below.

Contingency Coefficient (CC) =

Where; χ^2 = Chi-square and N = total sample size

As CC approaches 1, the two variables became more associated and as a rule of thumb CC results greater than 0.75 show problem of association.

The VIF and CC results for our data show the data have no problem of multicollinearity on continuous variables and associations among dummy explanatory variables. So that all the continuous and dummy variables were part of the multivariate regression analysis. The VIF and CC results for our data are shown in Appendix B and Appendix C, respectively.

Heteroskedasticity in the error terms

Econometric theory tells us that we are likely to encounter heteroskedasticity frequently in econometric data, particularly with cross-sectional data. Before passing in to the analysis of the result of the estimation of the models, test on the possible existence of heteroskedasticity is important for this study. The violation of the homoskedasticity assumption in the general linear model, OLS estimates are consistent but insufficient. However the problem for non-linear models such as Tobit is more sever, i.e., the resulting estimates are not even consistent (Maddala, 1992).

As it is shown in Appendix C, heteroskedasticity might be present in the data of explanatory variables. Thus, to correct for heteroskedasticity problem this research runs Probit/Tobit robust estimation.

Validation of the Models

To test the reliability and overall fitness of the models, we applied the likelihood ratio chi-square test. The Likelihood Ratio Test (LRT) was used as the measure of overall significance of the models. The LRT is a test against the null hypotheses that all the slopes coefficients are equal to zero (Mukherjee, *et al.*, 1998). This test is given by:

$$\text{LRT} = 2 [L(\beta_0, \beta_1) - L(\beta_0, 0)]$$

Where; $L(\beta_0, \beta_1)$ is the maximized value of the log likelihood of the model being estimated, $L(\beta_0, 0)$ is the value of the likelihood estimated only with constant term, β_0 is regression constant and β_1 the slope coefficients. The null hypothesis of all slopes are equal to zero will be rejected if $\text{LRT} \geq$ critical χ^2 value. In our probit model

the maximized log likelihood value was -57.18 and the value of log likelihood with only constant term was -148.24. Therefore, the likelihood ratio test is:

$$\begin{aligned} \text{LRT} &= 2 (-57.18 - (-148.24)) \\ &= 182.12 \end{aligned}$$

The χ^2 statistic of the likelihood ratio showed the overall model has a good fit and that the overall model is significant at the 1 % level and the LRT is 182.12. At 1 % level of significance the critical value $\chi^2(11)$ is 24.73. This implies that the joint null hypothesis of coefficients of all explanatory variables included in the models were zero was rejected. Thus, the model has some explanatory power.

Similarly, for Tobit model, χ^2 statistic of the likelihood ratio showed the overall model has a good fit and that the overall model is significant at the 1 % level and the LRT is 356.08.

Goodness of fit of the models was also measured using pseudo- R^2 . The pseudo- R^2 for Probit and Tobit models were found to be 0.6143 and 0.3312, respectively. The pseudo- R^2 for Probit model shows that the model seems adequate it explains 61.4 % of the variation in explained variable, which is common for cross-sectional data. The pseudo- R^2 for Tobit model indicates that the model explains about 33.1 % of the variation. Pseudo- R^2 s estimated in this study were above the minimum standard of R-square of at least 0.15 for behavioral evaluation studies suggested by Mitchell and Carson (1989).

In addition to pseudo- R^2 for the probit model, the correct prediction results which show how the estimated model fits the data reasonably well, also confirms the data set used in the regression was well specified. As correct prediction result shows, 90.6 % of the responses were correctly predicted.

Results of the Probit Model

So as to analyze the effect of each explanatory variable on the probability that respondents are saying yes or no to driving forces, the partial derivatives of discrete responses with respect to explanatory variables must be taken (Greene, 2003). For continuous variables the interpretation of marginal effects is for a unit increase/decrease in the independent variable from the baseline outcome may increase/decrease the probability of the occurrence of an event by the magnitude of the marginal change holding other variables constant. On the other hand for discrete explanatory variables (that takes 0 or 1); the interpretation of marginal effect is the probability of the occurrence of an event. It is expected to change based on the magnitude of the indicated change holding other variables constant when the explanatory variable change from 0 to 1. The marginal effects of the probit model estimation results are reported in table 3.3, column 4.

As the result of heteroskedastic corrected probit model estimate as shown in table 3.3 below, the sign of all variables except sex, age and marital status were as expected. Of the total 9 explanatory variables hypothesized to influence the probability of to be a consumer society, 6 variables were found to have significant effect on probability of a respondent driven by the forces of consumer society, and the remaining 3 variables were found to be insignificant.

Table 3.3 The Probit Regression Model Estimation Results for Consumer Society (with robust standard errors)

Explanatory Variables	Coefficient	Robust Std. Err.	dF/dx	z-value	P> z
AGER	0.019	0.0133	0.0052	1.47	0.142
SEX†	-0.146	0.2629	-0.0383	-0.56	0.578
MARSTAT†	0.190	0.2915	0.0519	0.65	0.516
EDUC	0.081	0.0276	0.0214	2.93***	0.003
HHSIZE	-0.144	0.0871	-0.0382	-1.65*	0.098
INCOME	0.001	0.0003	0.0003	3.68***	0.000
GRUINF	0.756	0.3152	0.2317	2.40**	0.016
GLOB	1.326	0.4838	0.2866	2.74***	0.006
ADV	0.474	0.1016	0.1257	4.67***	0.000
Constant	1.371	0.6208		2.21**	0.027
No. of observations	234				
Log likelihood	57.18				
Pseudo R-square	0.6143				
LR chi2(11)	182.12***				
Prob > chi2	0.0000				
Correctly predicted (%)	90.6				

Note:

Significant variables affecting CS at 0.01 (***) , 0.05 (**) and 0.10 (*) levels of significance.

†dF/dx is for discrete change of dummy variable from 0 to 1

Source: Survey 2019

The result of the probit model showed that the variable education level (EDUC) of the respondent is positively related to the probability of respondents to be a consumer society as expected (table 3.3). Education is highly significant at 1 %. The result of the marginal effect estimate of the probit model for education variable revealed that holding the influence of other factors constant, a unit increase in years of schooling of the respondent increases the probability that a respondent is expected to consume by 2.14 %.

The sign of the variable household size (HHSIZE) turned out to be consistent with the prior expectation. Household size has negative sign and significant at 10 % level of significance. That is, respondents with higher family size are less likelihood to inactively. The marginal effect of probit model result shows that keeping all other variables constant if the number of family size increases by 1 person, the probability of respondents' for consumption decreases by 3.82 %.

Household monthly income (INCOME) had expected positive sign and statistically significant at 1 % level of significance on respondents' ability of consumption. This indicated that a household with higher monthly income is more likely to pay for new market offering than a household with lower monthly income. The significance and positive sign of income variable is consistent with economic theory that says income is positively related with demand. The marginal effect estimate for households monthly income (INCOME) variable shows that a 1 Birr increase in income of the individuals will increase the probability of consumption by 0.03 %.

The impact of group influence (GRUINF) to consume more was found to have significant ($P < 0.05$) effect with a positive parameter estimate on the probability of consumption decision for market offering. This means that respondents consume one brand to the other based on the information of the group members. Sometimes group may have implicit objective and to secure their advantage they aggressively challenge the individuals to use the brand they want. The researcher witness this while he was sharply observing respondents. The marginal effect of this variable shows, those respondents having frequent contact with the group will have 23.17 % more probability of testing new products to maintain relationship with the group.

The estimated coefficient of globalization of (GLOB) dummy variable had an expected positive effect related to the likelihood of saying yes to changes in the global world, especially the west. The coefficient of this variable was statistically significant at 1 % probability level. That is, individuals are more likely to say yes to the change in the western world. Particularly, the marginal effect result of the probit model shows changing in the western world dummy variable from 0 to 1 will increase probability of respondents inclining to match by 28.66 %. Ger and Belk (1996) examine how the consumption patterns of the western society – or as they called ‘More Affluent Societies’ spread to the rest of the world – ‘to the Less Affluent Societies’. Ger and Belk (1996) find that rising consumer expectations and desires are fueled by global mass media, tourism, immigration, the export of popular culture, and the marketing activities of transnational firms.

The coefficient of the (ADV) was found to be statistically significant at the 1 % level with the expected positive sign. The estimated marginal effect of the probit model showed that keeping the influence of other variables constant; a 1 Birr increase in advertising increases the probability of respondents to purchase and consume by 12.57 %.

Results of the Tobit Model

Tobit regression estimate of the parameters of the variables expected to know the factors that drive respondents are shown in Table 3.4. The robust Tobit regression model was estimated to correct for the heteroskedasticity problem. Of 9 explanatory variables 6 variables were found to significantly influence the respondent’s behavior. The possible reasons for these variables are mentioned in detail in the probit result.

Table 3.4 Tobit Regression Model Estimation Results for Driving Forces of Respondents (with robust standard errors)

Explanatory Variables	Coefficient	Robust Std. Err.	t-statistic	P> t
AGER	0.013	0.0092	1.38	0.169
SEX	-0.062	0.1676	-0.37	0.713
MARSTAT	0.249	0.2041	1.22	0.224
EDUC	0.048	0.0188	2.55**	0.045
HHSIZE	-0.049	0.0607	-0.80***	0.000
INCOME	0.002	0.0001	13.99***	0.000
GROUINF	0.326	0.184	1.77*	0.077
GLOB	0.890	0.1741	5.11***	0.000
ADV	0.353	0.1953	1.81*	0.071
Constant	1.905	0.4575	4.17***	0.000
Number of observations	234			
Log likelihood	359.44264			
Pseudo R2	0.3312			
LR chi2(11)	356.08***			
Prob > chi2	0.0000			

Note: Significant variables affecting CS at 0.01 (***) , 0.05 (**) and 0.10 (*) levels of significance.

Source: Survey 2019

Conclusion

The modern consumer is not an isolated individual making purchases in a vacuum. Rather, we are all participants in a contemporary phenomenon that has been variously called a consumerist culture and a consumer society. To say that some people have consumerist values or attitudes means that they always want to consume more, and that they find meaning and satisfaction in life, to a large extent, through the purchase of new consumer goods. Consumerism has emerged as part of a historical process that has created mass markets, industrialization, and cultural attitudes that ensure that rising incomes are used to purchase an ever-growing output. For country like Ethiopia where the majority of the population is young, consumerism can show greater

willingness to test what the western world does. Everybody wants to do what Americans do. This, sometimes, expressed to the extent that if all Americans put Carbon Dioxide into water and drink it; a great deal of people do the same thing and says this is a real thing. Knowingly or unknowingly, people are promoting America into the leadership position. The study was conducted with the objective of investigating determinants of consumer society, its challenges and prospects. So, of the nine independent variables six of them found significant these are: Education, Family member, Income, Group influence, Globalization and Advertising.

The results of focus group discussion showed that challenges of consumer society are inclination of shifts from producer to consumer, environmental degradation, waste and pollution, misconception, sustainability problem, lack of accountability and material dependency. The prospects are economic development, employment opportunity, need satisfaction, innovation and productivity.

Future Research Direction

The way forward for the next researchers who are interested in the topic under consideration will be as the data is cross sectional, use longitudinal research design to notice the changes over time and if similar results are found this state of society will be changed to consumer society. Researching the behavior of consumer society is the way forward as research area.

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Appendices

Appendix A: VIF for continuous explanatory variables used in regression models

Variable name	R ²	1- R ² (Tolerance)	VIF = 1/(1-R ²)
AGER	0.255	0.745	1.342
EDUC	0.258	0.742	1.348
HHSIZE	0.356	0.644	1.553
INCOME	0.409	0.591	1.692

Appendix B: Contingency Coefficient for discrete independent variables

Variables	SEX	MARSTAT	GROINF	ADV	GLOB
SEX	1				
MARSTAT	0.253	1			
GROINF	0.062	0.061	1		
ADV	0.028	0.098	0.109	1	
GLOB	0.081	0.045	0.055	0.089	1

Appendix C: Breusch-Pagan test for heteroskedasticity using fitted values of consumer society

Ho: Constant variance
Chi2(1) = 18.47
Prob > chi2 = 0.0000

Management Support

Self-efficacy

Appropriateness

Personal Valance

Readiness for
organization
change

```
graph LR; MS[Management Support] --> ROC((Readiness for organization change)); SE[Self-efficacy] --> ROC; AP[Appropriateness] --> ROC; PV[Personal Valance] --> ROC;
```