Viswanathan Awarded NSF Grant for Study of Consumer Illiteracy

The National Science Foundation recently awarded Madhu Viswanathan, associate professor in the marketing group in the Department of Business Administration, nearly $59,000 over two years for a study of “The Illiterate Consumer in the Global Market Place.” The illiterate consumer has been almost totally neglected in business research, and Viswanathan hopes to develop a greater understanding of the illiterate consumer in different cultures and to develop information with practical policy recommendations for businesses, government, aid agencies, and adult education. Research will be conducted in a variety of settings and cultures in order to understand issues concerning a range of products and situations. Viswanathan will study the use of health-related information and the consumption of unhealthy products; the use of credit and money management; responses to advertising, selling, and promotional appeals; the use of product instructions; and the use of computer media including the Internet.

Research on the Illiterate Consumer

Issues of consumer illiteracy and innumeracy have been occupying Viswanathan for the past few years. As part of his research, he has been studying how the students in an adult education program function as consumers. He has found that illiterate consumers have developed strategies to survive in the marketplace. These strategies can include getting a family member to handle all purchases, avoiding % - off - sale signs that require computation, buying small amounts at a time to avoid mistakes and cheating, paying for groceries with a large amount of money, such as $200, to avoid being caught short, carrying only a specific amount of money to control losses due to cheating, and always buying certain brands or choosing products by the look of the label. (“It looks good!”) He also found that illiterate and low-literate consumers are very conscious of how they are treated by retailers and can be very loyal customers if they perceive that a store or clerk is helpful and respectful when dealing with them.

In a related study he has used a grant from the Illinois Center for Business and Economic Research (CIBER) (a College unit funded by the U. S. Department of Education) to travel to his native India to study how the illiterate deal with the challenges of buying the things they need. He found that in India, in fact, illiterate consumers have an easier time than their peers in the U. S. In India, for the most part, the illiterate poor do their shopping in markets and from street vendors. In these face-to-face transactions, the customer learns to evaluate generic products, bargain, and count money. The illiterate Indian consumer needs to have a considerable facility with monetary units because of a strong tradition of bargaining both in markets and with street vendors. An American illiterate shopper, on the other hand, may be unable to make calculations and, thus, may only order one item from the fast food menu at a time to avoid the embarrassment of not having enough money to pay for a whole meal. Such shoppers deal with large stores, a plethora of symbolic information on packages, and technological devices for computation, settings where basic skills may remain undeveloped.

Numerical information has always fascinated Viswanathan. From the time he was working on his dissertation, “The Processing, Storage, and Use of Attribute Information:
An Examination of the Numerical and Verbal Modes,” at the University of Minnesota, Viswanathan has maintained an unflagging interest in how consumers use numerical information of all kinds, nutritional information such as calories, size, price miles per gallon, and even consumer ratings, in making consumer decisions.

Viswanathan’s interest in numerical information has led him to focus much of his research in consumer behavior on the effects of numerical versus verbal size information on various aspects of consumer decision-making, including memory, the search for information, and the making of product comparisons and product judgments. His research on numerical and verbal information in nutritional labeling has provided useful insights for public policy such as the use of such summary information as an average or a range for, say calorie content in certain product categories.

**Research on Research Methods**

Viswanathan’s work has includes the study of research methodology, where his research has emphasized the development and application of methods to examine how consumers think about magnitudes in all of its aspects. It covers such topics as comparative judgment, sorting, magnitude scaling, and techniques to assess the degree to which products are members of different categories (e.g., hybrid products like sports utility vehicles). This line of research has also included the development of a variety of measures, including a measure of individuals’ preference for numerical information and a personality measure of individuals’ need for precision in information. Viswanathan is presently completing a book to be titled, “Measurement Error and Research Methodology in the Social Sciences.” Coming full circle, this book examines how researchers use numbers in measurement and research methodology.

As a teacher, Viswanathan enjoys sharing his love of measurement with students. He teaches research methods to undergraduates, Ph.D. students, and students in the Illinois MBA Program. He plans to keep teaching those courses and to continue his research in both the areas of low-literate consumer behavior and in research methods. At present he is researching a book on the illiterate consumer.