Introduction
Over 40% of today's consumer spending is discretionary. Food, clothing, motor vehicles, furniture, shelter and other necessities, which accounted for about 67% of spending in 1930 and 64% in 1960, represent only 58% of spending today.

But while consumers don't absolutely need the discretionary items they purchase, they still buy them to satisfy concrete, distinctly felt needs. Satisfying consumer needs has less to do with the practical meeting of physical needs than with gratifying desires based on emotions.

Types of Discretionary Purchases
Discretionary purchases fall into four basic categories:

1. **Utilitarian Purchases.** These are purchases that people don’t necessarily need but that they perceive as making their lives better in meaningful, measurable ways. Examples include products that help you clean better, save time or do something you’re otherwise unable to do, such as blenders, rotisserie ovens, bread machines, food processors, microwave ovens and water purifiers. The focus is on the practical. Consumers will often leap from what's considered an essential purchase to a more discretionary one — replacing a worn-out chair and then buying a new sofa to match it — thus spending more money and gaining more emotional satisfaction from the purchase.

2. **Indulgences.** These are life’s little luxuries that consumers can buy without guilt. Examples include candles, lotions and potions to pamper yourself in the bath, cosmetics, costume jewelry, contemporary collectibles and figurines, gourmet chocolates, fresh flowers, perfume, entertainment products, games, videos, books, crafts and hobbies. Primarily, they bring emotional satisfaction by being frivolous, somewhat extravagant, but not so expensive that the consumer feels remorse.

3. **Lifestyle Luxuries.** These purchases have a practical aspect — a car, a pen, fine china or a watch. But while they fulfill a practical need, lifestyle luxuries are a quantum leap beyond the basic item that would serve the essential purpose. Examples include Mercedes and BMW automobiles, Gucci and Chanel designer clothes, Rolex watches and Jenn-Air gourmet appliances.

4. **Aspirational Luxuries.** Unlike lifestyle luxuries, which have a practical component, aspirational luxuries are purchased largely for the pure joy that owning them brings, such as original art, antiques and vintage collectibles, boats and fine jewelry. As with lifestyle luxuries, aspirational luxuries are usually tied to a “brand.” Consumers are

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making a statement about themselves, their aspirations and what they stand for.

The Economy’s Fuel
If consumer spending is the engine of the economy, then discretionary spending is the gas. The strong emotional gratification that consumers gain from their discretionary purchases of things they desire is the reward that reinforces continued purchases of things that are desired but not needed.

Like Pavlov’s dogs, consumers seek that same level of gratification repeatedly. As one focus-group respondent noted, “Essentials are things you need, but you also need a little ‘fluff,’ not all substance. Just buying essentials is boring, so you need to buy things that are frivolous to make life less boring. It makes you feel better.”

What is the source of gratification? Is it achieved through the act of shopping for something not needed or through gratification from the object itself? Evidence points to both as important contributors to consumer satisfaction.

Some consumers gain satisfaction from developing a shopping fantasy they can act out. For others, it’s the power they feel from finding something and being able to buy it. But it’s important to remember that the consumer’s feelings often may have more to do with the act of purchasing than with the object he or she buys.

Types of Discretionary Consumers
To understand why people buy things they don’t strictly need, Unity Marketing conducted a psychographic study of the typical American consumer. Five segments emerged when examining the attitudes and motivations that drive these purchases:

1. **Self-Expressives.** These consumers use their consumption as a means of self-expression, reaffirming their personal identity to themselves and declaring it symbolically to others. Their purchases satisfy their desires and fantasies. They’re highly involved in purchasing goods that enrich, enhance or improve the quality of their lives. Self-Expressives are the largest market segment, accounting for about 28% of all discretionary-income consumers.

2. **Careful Indulgers.** These people share many similarities with Self-Expressives but exhibit a more practical, reasoned approach to the purchases of “indulgences.” They’re less driven to make discretionary purchases and more reasoned in their purchases. Among all groups, these consumers rank two motivators highest: replacing an existing item and making a planned purchase. Unlike Self-Expressives, Careful Indulgers gain less emotional satisfaction from making these purchases and are far less likely to make impulse purchases. Careful Indulgers represent about 23% of all discretionary-income consumers.

3. **Impulsives.** They buy discretionary purchases to indulge themselves on the spur of the moment. They purchase these products for the sheer joy and pleasure the purchases bring. Their thrill comes from buying products they desire. Unlike Self-Expressives and Careful Indulgers, Impulsives aren’t motivated by the need to express themselves, their personalities and value systems in the purchases they make. For them, consuming and buying is the end in itself. Impulsives make up about 18% of discretionary-income consumers.

4. **Conflicteds.** Just as their segment name implies, these consumers feel conflicted about satisfying their desire for discretionary products. They don’t see their consumer behavior as an expressive outlet, yet they desire to buy these products. However, they have mixed feelings about making such “unnecessary” purchases and so tend to feel guilty after buying or have a feeling of letdown once they’ve made a purchase. They don’t get the same level of pleasure or emotional enjoyment from their consumption that other segments do. Conflicteds comprise about 17% of the total market.
5. Bargain Hunters. These are the least highly involved buyers of discretionary items. Compared with all the other segments, they derive the least amount of pleasure and emotional gratification from buying. They’re also the least likely of all segments to make an impulse purchase or a purchase based on improving their quality of life. They look for bargains when they shop and tend to evaluate the pluses and minuses carefully before making the purchase decision. Bargain Hunters comprise the smallest market segment, only about 15%.

The 14 Justifiers
In order for people to buy things they don’t need, they use justifiers as excuses and reasons that give them permission to go ahead. Some consumers and some purchases need more powerfully charged justifiers, while others require little in the way of an excuse or reason. Sometimes these justifiers are fairly mundane; at other times they’re elaborate fantasies consumers conjure up to give them license to make the desired purchase.

The 14 biggest justifiers, according to a Unity Marketing survey of 1,000 U.S. households, are:

1. Quality of Life. Nearly 90% of those surveyed identified quality of life as a “very important” or somewhat important motivator for their discretionary purchases. As well, many of the other justifiers — such as pleasure, beautifying the home, entertainment and education — fit under quality of life as well. The five different dimensions under which people try to enhance their quality of life are: intellectual, physical, spiritual, emotional and social.

2. Pleasure. Some consumers derive pleasure from anticipating, acquiring and owning a discretionary purchase. The entire buying cycle contributes to the joy. Marketers that sell through independent retailers need to be vigilant that their brands are sold in a pleasure-focused way. It’s a challenge for a company whose products bring pleasure when the shopping experience does not.

3. Beautify the Home. Making a beautiful home is a priority for most consumers because it’s central to a person’s identity. As one survey respondent explained, “I am house proud. The house is the single biggest investment you will make in your lifetime and you want it to reflect the care and love you put into it.” Another said, “You want the look of your home to reflect you.”

4. Education. Being better educated — learning something new, gaining new insights and skills — is an important motivator in discretionary purchases for over 80% of those surveyed. The more education Americans get, the more education they crave. Achieving more education will continue to be a primary driver for important discretionary product segments, especially books, magazines, newsletters, computers and related hardware, software, art and even entertainment products.

5. Relaxation. Achieving a state of relaxation is a key justifier for consumers in our hectic, over-scheduled world. Just as with other justifiers that stimulate purchases, relaxation isn’t only inherent in the product bought but in the whole shopping experience. Stores that are sensitive to the need for relaxation invite consumers to spend more time in them. Products that offer relaxation span a wide range, including candles, home fragrance and aromatherapy products, nature and outdoor gardening, art, music and bath lotions and potions.

6. Entertainment. People seek entertainment to reduce boredom and generate excitement. American consumers spent $256.2 billion on recreation and entertainment in 2000, according to the U.S. Bureau of Economic Analysis. Entertainment also comes in the experience of making a purchase, as the phrase “shopping as entertainment” indicates.

7. Planned Purchase. Three-quarters of consumers say making a planned purchase is an important
motivator for discretionary purchases. They enjoy the anticipation of making a purchase through the planning and research phases, and then excitement builds to the ultimate satisfaction of the purchase. They feel that impulse buyers miss out on all the fun of the search and anticipation.

8. Emotional Satisfaction. Consumers buy things they don’t need in order to achieve emotional comfort. It’s the feeling of satisfaction, the gratification of having bought something desired, the happiness of purchasing something that expresses one’s identity. The art of branding is about building an emotional connection with the consumer.

9. Replacing an Existing Item. The desire to replace an existing item for the home isn’t only the justifier for many purchases but can also be the catalyst for an extended shopping spree. A worn-out chair, rug or broken television is frequently the spur that moves buyers from their homes and into the store to purchase various items that are now needed to complement the new item. A new chair, after all, may make the sofa look dingy.

10. Stress Relief. Finding a way to relieve stress motivates three-quarters of survey respondents in their discretionary purchases. Stress relief results in the act of shopping — the relief and satisfaction of making a purchase — and can be a benefit of the product itself.

11. Hobbies. Passion for a hobby is an important justifier for two-thirds of consumers, from those who devote themselves to collectibles, to sports, to gardening.

12. Gift for Self. Many people when shopping for a gift for somebody else will also buy a gift for themselves, which costs more than the present for the other person. This isn’t selfishness — since they’re more attuned to what they want, they’re likely to be more passionate about the gift that’s intended for themselves.

13. Impulse Purchase. Buying on impulse is an important factor in discretionary purchases for about 40% of consumers. The impulse purchaser gains a sense of power and entitlement from buying the item. Sales, naturally, are a powerful motivator for impulse purchases. Finding a good price or a bargain is the ultimate justifier for a purchase as it takes away any guilt from making the unplanned purchase.

14. Status. Status is the least recognized justifier, with only one-third of purchasers being willing to admit it. But people will buy to satisfy feelings of envy that arise when somebody else has something they don’t have, or buy visible goods that enhance their own status with others.

Conclusion
Companies will achieve success today only insofar as they tap into the hearts, minds and desires of their target market. The consumer’s discretionary pocketbook has never been larger. Consumers will ultimately decide the fate of companies that don’t satisfy their needs and desires.

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