

# Developments in Business Simulation & Experiential Exercises, Volume 8, 1981

## CONSUMER ALIENATION AND PERCEIVED RELEVANCE OF THE BUSINESS SIMULATION

Ronald L. Decker, University of Wisconsin - Eau Claire

Noel M. Lavenka, University of Wisconsin - Eau Claire

### ABSTRACT

Business policy students were asked to evaluate the simulation exercise in terms of its appropriateness as an instructional method following the format of Chisholm, Krishnakumar, and Clay.<sup>1</sup> The same students were also given an attention survey to measure their individual degree of consumer alienation. The objective was to determine whether there was a relationship between satisfaction with the simulation, role-playing exercise and the individual's measured amount of consumer alienation.

### INTRODUCTION

Researchers and other writers have frequently evaluated business simulations as teaching instruments. Chisholm, Krishnakumar, and Clay<sup>1</sup> have presented a theoretical framework for evaluating the effectiveness of computer simulations in the classroom. Chisholm, et al. suggest that effectiveness in this context is a function of the simulations characteristics, environmental characteristics and respondents characteristics. The research reported here attempts to deal with the respondent characteristics aspect of their statement.

In a simulation a business student would ideally self-actualize himself to the role-playing task of a company executive. A change of role from that of a consumer to that of a business decision maker is a perceptual change that varies in degree from one student to another. The degree to which a student would connect with this role-playing activity of a business executive could well be determinable by his perception of how satisfied he is as a consumer. Satisfied consumers would positively view the actions of a business executive and actively participate in the business role-playing simulation activity. If these consumers have a negative view of the marketplace, the students interest and active participation in the business role-playing simulation would be greatly diminished-leading to overall poor results. A possible tool that can aid in understanding the degree of consumer discontent is the sociological construct of alienation.

Researchers and social philosophers have for many years realized that a common reaction to social institutions is feelings of estrangement or alienation. Alienation has been defined in a variety of ways to denote those dehumanizing conditions in modern industrial society that deprive individuals of their power and potential to influence creatively the conditions of their own existence. Marx viewed industrial man as alienated (separated) from his work and its products, and also from himself. His social theory has been the basis for many of the ideas related to alienation.

Eric Fromm interpreted alienation as a condition that results from an individual's need to conform to those institutionally defined expectations and segmented role demands of society. The result is a conformity to the impersonal norms of the social unit and automated role-playing without meaningful involvement.

One of the more widely used definitions of alienation centers on Seemans' separation of the concept into five components:<sup>2</sup>

**Powerlessness:** The expectancy or probability held by the individual that his own behavior cannot determine the occurrence of the outcomes, or reinforcements, he seeks.

**Meaninglessness:** Lack of clarity on the part of the individual regarding what he ought to believe; or lack of clarity in the individual's standards for decision making.

**Normlessness:** High expectancy that socially unapproved behaviors are required to achieve given goals.

**Isolation:** The assignment of a low reward value to goals or beliefs that are typically highly valued in the given society.

**Self-Estrangement:** Dependence on both extrinsic positive and negative sanctions that cause a disassociation between the individual and unrewarding activities.

One of the first attempts to gain empirical insight into the process of alienation and how it affects the consumer was done by Pruden and Longman in the 1970's.<sup>3</sup> They investigated the relationships of social isolation (anomie), attitudes toward marketing practices, belief in government intervention in the marketplace, and ethnic origin. The results indicated that anomie is related to negative attitudes toward marketing and a high belief in government intervention. Both Blacks and Mexican-Americans held stronger feelings in this direction than did Whites.

A study by Lambert<sup>4</sup> focused on powerlessness, normlessness, meaninglessness, and social isolation as they related to consumer dissatisfaction and their desire for change in the marketplace. Lambert concluded, that alienation is a potentially fruitful area for further explorations aimed at attempting to gain better insights into and understanding factors that fuel discontent and consumerism.

Most recently a psychometric test for consumer alienation from the marketplace was developed by Allison. His findings suggest that a reliable and valid unidimensional measure of consumer alienation has been constructed with the ability to identify the degree to which they are satisfied or alienated. Allison states:

to be able to use the construct for decision making, one first must know how alienated and non-alienated people differ in their processing, evaluation, and use of marketing information, inputs, and outputs. Research into consumer experiences and action in reference to specific product categories and industries should provide additional useful knowledge.<sup>5</sup>

This study is an attempt to measure the extent of consumer alienation of students and its effect upon their ability to apply themselves to a business simulation in which they are role-playing executives.

# Developments in Business Simulation & Experiential Exercises, Volume 8, 1981

## HYPOTHESES

H<sub>1</sub> Students with a high degree of consumer alienation will rate the simulation experience lower with respect to its usefulness in learning and Integrating course material and with respect to its overall appropriateness in an educational setting.

H<sub>2</sub> Students with a low degree of consumer alienation will rate the simulation experience higher with respect to its usefulness in learning and integrating course material and with respect to its overall appropriateness in an educational setting.

## METHODOLOGICAL PROCEDURE

Thirty-nine senior business majors have been divided into teams (companies) of four members each to engage in the 'Busim' simulation in a business policy course. The Busim simulation is a general management type requiring financial, marketing, and production decisions. This activity comprises approximately fifty percent of the course in terms of both time and grade.

At the beginning of the simulations introduction each student was asked to complete the alienation questionnaire. These were tabulated to identify those individuals exhibiting the greatest extent of consumer alienation and those who do not. After completion of the course all students were asked to evaluate the simulation experience using those questions used by Chisholm et al. See appendix A for scales.

## DISCUSSION

The nine scales used for measuring satisfaction with a simulation were combined into a single value for each participant by treating the most favorable response on each item as a "1" and the most unfavorable as a 5. Thus, a completely favorable rating would be "9" and a totally unfavorable evaluation would be 45 using a Likert scale. The indifference point would be a 27".

Similarly the alienation questionnaire items, which were based on a seven-point scale ranging from strongly agree to strongly disagree, were totaled for each respondent. An alienation score for each subject along with a satisfaction with the simulation score could then be analyzed.

The overall coefficient of correlation for these two variables yielded an r value of only .189 which is not statistically significant at even the .1 level. While the coefficient is at least in the right direction (positive) we did not find a significant relationship in this study.

One of the reasons for the lack of significant results may well be the lack of overall dissatisfaction on any subject's part with the simulation exercise. With 27 as the indifference point, three students had scores of 27 but not one of the 39 had a higher value (which would have been some level of dissatisfaction). we were unprepared for this positive response given the students normal complaints during the semester. Similarly, the attention scores were not indicative of high levels of alienation from the market place. The overall average for alienation was 4.19 where 4.00 would have been neither positive nor negative. The most extreme negative score for all subjects was 5.2 where 7 would have been highly alienated.

## CONCLUSIONS

This study is an attempt to measure the relationship, one exists, between consumer alienation and satisfaction with the simulation experience. While a positive relationship was found,  $r = .189$ ,  $n = 39$ , the relationship was not statistically significant. With larger sample or with a group with greater variation in levels of satisfaction and alienation a significant relationship might be observed.

As an exploratory study seeking to explain why some students express satisfaction with the simulation exercise while others strongly criticize it. This study has suggested yet another intervening variable.

### APPENDIX Simulation Questionnaire

Please circle the number that most closely represents your degree of agreement to disagreement.

1. The simulation helped me to better understand the basic principles of the course.  
highly agree 1      agree 2      3      disagree 4      highly disagree 5
2. The simulation helped me to better understand the basic principles of business.  
1      2      3      4      5
3. Most of the students I know liked the simulation.  
1      2      3      4      5
4. The simulation took more time than it was worth.  
1      2      3      4      5
5. The simulation brought together material I had learned in several other business courses.  
1      2      3      4      5
6. The simulation added a lot of realism to the class.  
1      2      3      4      5
7. Our computer simulation was more entertaining than it was educational.  
1      2      3      4      5
8. Performance in the simulation is a good way for a student to tell how well he or she is learning the subject.  
1      2      3      4      5
9. Using a simulation is a relatively inefficient way to study a subject.  
1      2      3      4      5

### ALIENATION QUESTIONNAIRE (Eight Representative Questions)

1. Most companies are responsive to the demands of the consumer.  
strongly disagree 7      6      slightly disagree 5      4      slightly agree 3      2      strongly agree 1

## Developments in Business Simulation & Experiential Exercises, Volume 8, 1981

2. It seems wasteful for so many companies to produce the same basic products.

strongly disagree		slightly disagree		slightly agree		strongly agree
7	6	5	4	3	2	1

3. Unethical practices are widespread throughout business.

7	6	5	4	3	2	1
---	---	---	---	---	---	---

4. Stores do not care why people buy their products just as long as they make a profit.

7	6	5	4	3	2	1
---	---	---	---	---	---	---

5. Shopping is usually a pleasant experience.

7	6	5	4	3	2	1
---	---	---	---	---	---	---

6. People are unable to help determine what products will be sold in the store.

7	6	5	4	3	2	1
---	---	---	---	---	---	---

7. Advertising and promotional costs unnecessarily raise the price the consumer has to pay for a product.

7	6	5	4	3	2	1
---	---	---	---	---	---	---

8. What a product claims to do and what it actually does are two different things.

7	6	5	4	3	2	1
---	---	---	---	---	---	---

### REFERENCES

1. Chisholm, T. , P. Krishnakumar, and J. Clay. An examination of the Perceived Effectiveness of Computer Simulation in a Classroom Setting as Affected by Game, Environmental and Respondent Characteristics." Insights into Experiential Pedagogy Proceedings. (Association for Business Simulation and Experiential Learning, 1979).
2. Seeman, Melvin. On the Meaning of Learning Alienation," American Sociological Review, Vol. 24, June, 1959, pp. 783-791.
3. Pruden, H., and D. Longman. "Race, Alienation and Consumerism, Journal of Marketing, 36 (July, 1972) pp. 58-63.
4. Lambert, Zarrel V. 'Consumer Alienation: Some Correlates of Discontent, unpublished working paper, College of Business Administration, University of Florida, 1976.
5. Allison, Neil K. A Psychometric Development of a Test for Consumer Alienation from the Marketplace," Journal of Marketing Research, Vol. XV, November, 1978, pp. 565-575.
6. Chisholm, T. et al.