

Ilze Jankovska

THE IMPACT OF CRISIS AND THE VIRTUAL ENVIRONMENT ON CONTEMPORARY CONSUMER

Summary of the Doctoral Thesis



RIGA TECHNICAL UNIVERSITY
Faculty of Engineering Economics and Management
Institute of Business Engineering and Management

Ilze Jankovska

Doctoral Student of the Study Programme “Management Science and Economics”

**THE IMPACT OF CRISIS AND THE VIRTUAL
ENVIRONMENT ON CONTEMPORARY
CONSUMER**

Summary of The Doctoral Thesis

Scientific Supervisor
Professor Dr. oec.
ELĪNA GAILE-SARKANE

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DOCTORAL THESIS PROPOSED TO RIGA TECHNICAL UNIVERSITY FOR THE PROMOTION TO THE SCIENTIFIC DEGREE OF DOCTOR OF SCIENCE

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OFFICIAL REVIEWERS

Professor Dr. oec. Inga Lapiņa,
Riga Technical University

Associate Professor Dr. oec. Santa Bormane,
Riga Stradiņš University, Latvia

Associate Professor Dr. oec. Agne Gadeikiene,
Kaunas University of Technology, Lithuania

DECLARATION OF ACADEMIC INTEGRITY

I, Ilze Jankovska, hereby declare that the Doctoral Thesis submitted for review to Riga Technical University for promotion to the Ph. D. in Social Sciences is my own. I confirm that this Doctoral Thesis has not been submitted to any other university for promotion to a scientific degree.

The Doctoral Thesis has been written in Latvian. It consists of an Introduction, 3 chapters, Conclusions, 57 figures, 29 tables, and 6 appendices; the total number of pages is 162, not including appendices. The Bibliography contains 209 titles.

Abstract

Over the last decade, the contemporary consumer has been confronted with a triad of simultaneous global crises: the Covid-19 pandemic, Russia's war in Ukraine and the escalating climate emergency. This has fundamentally changed consumer's behaviour, preferences, and habits. Not only have these crises reshaped the behaviour of consumers: what they consume (products or services), why (habits) and how (behaviour), but it has also led to a critical re-evaluation of research methodologies for consumer understanding and analysis. The conventional method of defining consumers solely by their demography is now rendered inadequate, as the convergence of crises and other external factors, has brought a significant proportion of consumers into the realm of virtual reality.

This Thesis examines the contemporary consumer as a dynamic social phenomenon, its contours irreversibly altered by the multifaceted effects of various crises. An expansive analytical approach is used to identify and articulate the transformations that characterize the contemporary consumer's response to external factors. This approach focuses on several contexts – historical, economic and crisis-related – as well as brings a multitude of perspectives, including the views of consumers, professionals involved in consumer research, consumer decision-making, product design and development for consumers, and advisory functions related to consumer dynamics.

The complex and versatile definition of the modern consumer is a key innovation presented in this work. This encompasses a differentiation between virtual and demographic consumer profiling, the formulation of a theoretical framework for defining the virtual consumer supported by empirical research, and the formulation of a new consumer identity called “I consume myself”. This research significantly broadens our understanding of the modern consumer, providing new concepts and perspectives that have far-reaching implications for both theoretical research and practical application in the fields of business and economics. The Doctoral Thesis has been written in Latvian with the aim of contributing to the development of terminology in Latvian.

It contains an introduction, three chapters, conclusions, recommendations, and a list of 209 sources. It is illustrated by 29 tables and 57 figures. The volume of the Thesis is 162 pages, excluding 6 annexes.

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Introduction

The research is conducted during an exceptional juncture marked by the confluence of two crises – the COVID-19 pandemic and the war in Ukraine – which have significantly unsettled the global landscape between 2020 and 2023. Within this triennial period, both crises have fundamentally shaped and redefined consumer behaviour and consumption practices within a relatively brief span. This extensive inquiry aims to delineate, encapsulate, and categorize the multifaceted alterations observed in consumer behaviour.

Over the past decade, there has been an unmistakable and substantial shift in the demographic composition of consumers, observed both within Latvia and the broader European context. These transformations are propelled by various factors, including an ageing population, declining birth rates, migration patterns, and evolving family structures. However, these influences lose their prominence in a parallel existence of real-life scenarios and the emergence of virtual reality, enabling individuals to self-define their attributes, such as gender, age, and place of residence. Criticism akin to that of sociologist Dudley Kirk, directed at the demographic transition theory (DTT), suggests that a linear examination focusing on singular events (such as birth and death) may provide answers to “how?”, “who?” and “when?”, but fails to address the “how?” and “why?”¹ questions comprehensively. This unidimensional perspective of consumers significantly constrains the development of new business models and strategies. The potential consumer remains inadequately recognized due to their divergence, creating new or multiple identities within a virtual environment where they spend more time than in their physical realities.

The object of this research is the consumer, who has already been transformed by the various industrial revolutions and continues to be transformed by global crises - the COVID-19 pandemic, the Russian invasion of Ukraine, and the climate crisis, which is still recognised as climate change. These crises not only have a profound impact on the consumers themselves – **what they consume** (product or service), **why they consume** (habit), and **how they consume** (behaviour), but also **present an innovative viewpoint on approaching consumer analysis** – as a driver of the economy, or as someone who determines how consumption will take place and what will be consumed. Undoubtedly, during the fourth industrial revolution (from the early 2000s onwards), the most frequent point of view of the consumer was directly through the screens of mobile devices or computers.

If the consumer is the object of the study, then **the context is the subject of the study – the global crises that are not only affecting but also irreversibly transforming this consumer.**

The first crisis, particularly the COVID-19 pandemic, accelerated a shift in consumption patterns towards online consumption, which included cultural activities, news consumption, educational events, social interaction and retail activities. This shift narrowed individuals' choices, making physical consumption impractical for those without access to the internet, thus limiting their options. Limited choice in the virtual sphere was interpreted as an advantage, giving more time for alternative activities, widening choices, and allowing comparison and other perceived advantages.

¹ Kirk, D. (1986) Preface. *Culture and Reproduction. An Anthropological Critique of Demographic Transition Theory*. Ed. Handwerker, W. Penn. London and New York: Routledge Taylor&Francis group. p. 11.

Based on this perspective of limited choice as an advantage, **the first hypothesis (H1) of this study was constructed: Within the expansive realm of virtual consumption spaces, the contemporary consumer faces constraints and constraints, being presented with options shaped by computer algorithms.** Consequently, the consumer finds themselves in a situation where their choices are simulated and dictated by the offerings presented.

During the COVID19 pandemic, as the distinction between virtual and physical reality blurred, the consumer itself changed, as virtual life offers ample opportunities to self-define – to be what you want to be, i.e. not to conform to the demographics of your physical life, by which consumers are most often directly identified by sellers and creators of services and products (entrepreneurs, policymakers, educational institutions, scientists, government institutions) and also by the algorithms of computer systems. Communication researchers Kathryn Segovia and Jeremy Bailenson point out that the brain cannot distinguish between authentic and synthetic experiences.² It should be noted that this conclusion was reached after observing and analysing the results of a study involving children conducted before the start of the COVID-19 pandemic. Applying this thesis to the experience of the people who lived through COVID-19, including consumers, it can be assumed that when life became virtual by default for almost everyone, regardless of age, the distinction between real or authentic life and synthetic or virtual life also disappeared. If we accept that there are two lives, the real and the virtual, we can also assume that there are two selves, the real and the virtual. Grounded on this premise, **the second hypothesis (H2) of the study is posited: While in realms such as business, innovation, technology, science, and education, consumers are commonly identified based on demographic or real "me" attributes, the increasing amount of time spent in virtual spaces elevates the significance of virtual "me" characteristics that consumers can construct.**

The second crisis – the Russian invasion of Ukraine – highlighted the weakness of consumers and reinforced society's dependence on consumption, as regular consumption or non-consumption of news in wartime can even be life-threatening, thus depriving consumers of the choice not to consume in wartime - to have an active mobile phone connection to receive text messages in case of alerts, or an internet connection to keep up to date with current events. Being a consumer is a matter of life and death in the face of crises because there is no choice to consume or not to consume. **Therefore, the third hypothesis (H3) of the study is that being a consumer in a crisis is a matter of life and death because there is no choice to consume or not to consume.**

Theses statements proposed for the thesis defence:

- Solely relying on demographic profile parameters to delineate and portray the contemporary consumer is impractical and inadequate. This limitation arises from the significant portion of consumers' lives spent within virtual realms, where they have the autonomy to self-define.
- Consumer self-definition within virtual environments is not the sole contributor; these digital spaces also exert influence by constraining the choice to consume or not, thereby establishing novel consumption frameworks and objects.

² Segovia, K. Y., Bailenson, J. N. (2009). Virtually True: Children's Acquisition of False Memories in Virtual Reality. *Media Psychology*, 12(4), 371–393. <https://doi.org/10.1080/15213260903287267>

- In the aftermath of a triennial period marked by global crises, the consumer landscape has not merely changed but has undergone a complete metamorphosis. This evolution has birthed a novel economic phenomenon necessitating the development of fresh strategic instruments for engagement.

The objective of this study is to ascertain and delineate the transformations experienced by the consumer due to global crises. Consequently, the aim is to construct a comprehensive profile of the contemporary consumer, define the attributes of the virtual consumer, and categorize the parameters inherent in the modern consumer profile.

To achieve the aim of the study, the following **tasks** have been identified as part of the research:

- To explore how the term “consumer” circulates (is understood and used) in the consumer-related professional environment.
- Identify the changes that have occurred due to consumer-related crises (the COVID-19 pandemic and the war in Ukraine) using available historical data.
- To investigate which crises has had the greatest impact on and changed consumer behaviour, consumption patterns and decision-making processes.
- To analyse theories of consumer identities to identify and select the characteristics that define the contemporary crisis-affected consumer.
- Interpret the data and information gathered in the various studies to obtain a multifaceted description of the modern consumer.

Research Theoretical Background

The theoretical framework of this study delves into a comparative analysis of the consumer's role within two economic models: the traditional economic model and the behavioural economic model. Within the traditional economic model, the study examines consumer demand theory, encapsulating seminal theories such as Adam Smith's free market theory, Milton Friedman's theory of the consumption function, and Alfred Marshall's scrutiny of consumer preferences and satisfaction. The behavioural economics model, as explored in this research, incorporates insights from the prospect theory developed by Daniel Kahneman and Amos Tversky, alongside Richard Thaler's investigations into consumer decision-making.

The study's investigation into shifts in marketing perspectives draws from foundational references such as the works of marketing stalwarts Philip Kotler and Michael R. Solomon. Additionally, the study incorporates a postmodern view of the consumer's role in business economics, as proposed by A. Fuat Firat and Alladi Venkatesh.

The study's economic-psychological underpinnings encompass theories proposed by various scholars: psychoanalyst Jacques Lacan's theory of mirroring, Abraham H. Maslow's motivation theory, and the theories of consumer self-determination and personal constructs presented by George A. Kelly and Jack R. Adams-Webber.

Furthermore, the scientific-philosophical basis of this study is rooted in Jonathan A. Smith's interpretative analysis, which integrates frameworks from phenomenology (Edmund Husserl), hermeneutics (Martin Heidegger), and ideography.

The primary constraint of this research lies in the temporal dimension, given its substantial influence on the consumer, a focal point of analysis profoundly affected by the crises of the past three years. Consequently, it is imperative to establish a clear and comprehensible timeframe for consumer analysis. This study delves into the concept of the consumer from the

commencement of the 3rd industrial revolution to the onset of the 4th Industrial Revolution, spanning from 1970 to the present day. This timeframe is chosen because, firstly, post the industrial age, competitive dynamics empowered individuals to choose their consumption preferences; secondly, the age of information and technology introduced a new realm for living and consuming characterized by virtual life; and thirdly, global crises such as COVID-19, the war in Ukraine, and the climate crisis have fundamentally and potentially irreversibly transformed the nature of consumption, elevating it to a matter of life and death.

Exceptions to these temporal boundaries may be considered only in instances where the interpretation of the “consumer” concept is situated within a historical context and classical theories are employed in the research process.

Additionally, the availability of content generated by artificial intelligence (OpenAI) is acknowledged as a constraint, exerting a current and anticipated impact on the overall perception and utilization of concepts.

The Thesis is an interdisciplinary study in the sub-discipline of business economics, integrating scientific knowledge from sociology, philosophy, anthropology and psychology. The research is developed in a postmodern style, initially without separating the theoretical part from the empirical part of the research. This structure was deliberately chosen to identify contradictions or paradigm shifts affecting the modern consumer. The dialectical method, in turn, provides a deeper understanding of the multifaceted nature of the concept of the consumer, which is constantly changing due to global crises.

Research Method

The phenomenological research method is used for the interpretations of the study. Interpretative phenomenological analysis (IPA) involves sensitivity to context and can best capture the (consumer) experience during periods of life transition,³ such as the crises considered in this study. However, in the context of the timeframe of this study, the use of IPA in the study of consumers' experiences of crises is also a risk because, to quote Jonathan A. Smith, Paul Flowers, and Michael Larkin: “Experience itself is seductive and elusive. In a sense, pure experience is never available; we experience it after the event.”⁴ And because the event (the crises – COVID-19, the war in Ukraine, the climate crisis) is still unfolding, the experience will only reveal itself partially. The theoretical findings of the interpretative phenomenology analysis have been validated by quantitative methods – surveys.

This research design and method, as opposed to the usual “evidence-based” one, was deliberately chosen by the author in order to avoid repetitiveness and to explore the unknown, which is critically important for this research, as the consumer is in a completely new situation – affected by two world crises and spending a significant part of his life in a virtual world in completely different living conditions, but which is not more real than real life.

The research has been deliberately and purposefully developed in Latvian with the aim of developing terminology and increasing the possibilities of reflecting and describing business and economic systems and processes in which the consumer, his choice and behaviour play a key role in a more versatile and modern language. The primary sources of literature for the study are in English, therefore references to English translations of concepts will be provided

³ Jonathan, A. Smith, Flowers, P., Larkin, M. (2009). *Interpretative Phenomenological Analyses. Theory, Methods an Research*. London: SAGE Publications Ltd. p. 163.

⁴ Ibid.

throughout the study; Latvian translations will be justified if they are not literal or risk confusion.

Scientific Novelties

The study encompasses several key achievements in understanding the contemporary consumer within the context of crises and introduces novel concepts that hold implications for both theoretical and practical applications in business and economics.

- **Profiling the modern consumer amidst crises.** The study constructs a multifaceted profile of the modern consumer, emphasizing their experience during periods of crises.
- **Introduction of a novel consumer identity concept.** This research marks the inception, development, and theoretical exploration of a new concept in consumer identity – “you consume yourself”. This pioneering concept holds potential for application in both theoretical and practical research within the fields of business and economics, establishing new perspectives within consumer studies.
- **Development of the virtual consumer concept.** Within the study’s framework, a comprehensive definition and conceptualization of the virtual consumer have been formulated, addressing the burgeoning presence and significance of the virtual sphere in consumer behaviour.
- **Contribution to terminology development.** The study represents a groundbreaking initiative in Latvia, contributing to the development of descriptive terminology pertinent to the consumer domain. This contribution is not only significant for the advancement of scientific terminology but also holds importance for the enrichment of the Latvian language. The proposed definition of the virtual consumer is poised for submission to the Terminology Commission of the Latvian Academy of Sciences.
- **Identification of virtual and demographic consumer profiles.** A distinct divergence between the virtual and demographic profiles of consumers has been identified and delineated. These differences bear relevance for the formulation of marketing strategies, communication approaches, brand positioning, and the innovation of new services tailored to different economic systems and the fluctuations faced during crises.
- **Classification of consumer characteristics.** The study presents a systematic classification of consumer characteristics, emphasizing their application within varying economic systems and their adaptability amidst crises, providing insights into strategic decision-making within the realm of marketing, communication, and service development.

Practical Contribution of The Research

The study holds relevance for various professionals focusing on the modern concept of the “consumer”:

1. Economists will benefit from a redefined perspective on the modern consumer, fundamentally altered by severe global crises.
2. Marketing, communication, and brand strategists will gain a comprehensive understanding of the multifaceted attributes characterizing the modern consumer. This perspective widens the purview of an active consumer's role in decision-making processes and behavioural adaptations amid global crises.

3. For policy makers and implementers striving to attain climate neutrality by 2050,⁵ the study provides insight into present-day consumer behaviours, motivations, and choice criteria. This understanding aids in “fostering alterations in consumer attitudes regarding resource consumption, waste production, food consumption, travel and shopping habits, product usage, and service utilization.”⁶
4. Businesses will find assistance in recognizing the modern consumer, as traditional demographic consumer characteristics become obsolete in the realm where consumers spend a significant portion of their lives within a self-defined virtual reality.
5. Consumers themselves, in their individual capacities, gain insight into their roles, decisions, consumption habits, and, most significantly, their responsibilities within the contemporary economy.

Chapter 1, “Contextualizing the Notion of the ‘Consumer’”, delves into the inception of the term “consumer”, explores diverse definitions employed within economic and business spheres, and investigates the consumer's behaviour within the framework of the economy, particularly in moments of crises.

Chapter 2, “Consumer Analysis in Business and Economic Contexts”, analyses the different angles from which the consumer can be studied, described and sequentially inferred in business and economic decision-making.

Chapter 3, “Characteristics of the Modern Consumer”, describes the consumer in the context of today's circumstances. The given circumstances that shape and transform the modern consumer are the three global crises – the COVID-19 pandemic, the war in Ukraine, and the climate crisis – as well as the opportunities offered by the virtual environment. The chapter concludes with a look at the strength and weakness of the modern consumer.

Approbation of Research Results

Topics of the Doctoral Thesis presented at scientific conferences

1. Academic report “A New Concept of Consumer Identity: Self-Consumption” 3rd IEEE-TEMS International Conference on Technology and Entrepreneurship (ICTE) 2023 “Digital Ecosystems for Sustainable Society” (Track 2: Sustainability-Based Models and Consumption Behaviour). October 9–11, 2023. Kaunas, Lithuania.
2. Academic report “A Screen as a Mirror of Consumer and its Consumerism: Does Modern Consumer Consumes Itself?” 27th World Multi-Conference on Systemics, Cybernetics and Informatics: WMSCI 2023, online. September 13, 2023. Orlando, USA.
3. Academic report “How to Identify a Consumer through Screen: How Crisis has Changed the Profile of Modern Consumer?” 27th World Multi-Conference on Systemics, Cybernetics and Informatics: WMSCI 2021, online. September 13, 2023. Orlando, USA.
4. Academic report “Virtual Consumer Identity: New Ways to Enhance Customer Experience” together with Jevgēnija Glazunova “8th International Conference of Business, Management and Economics”. August 25–27, 2023. Oxford, Great Britain.

⁵ *Latvijas stratēģija klimatneitralitātes sasniegšanai līdz 2050. gadam* (2019) [tiešsaiste]. Vides aizsardzības un reģionālās attīstības ministrijas informatīvs ziņojums, interneta vietne Ec.europa.eu [accessed December 1st, 2022]. Available: [Latvijas stratēģija klimatneitralitātes sasniegšanai līdz 2050. gadam \(europa.eu\)](#)

⁶ *Ibid*, p. 43.

5. Academic report “How to Identify a Consumer through Screen: How did Covid-19 and Russia’s War in Ukraine Changed the Profile of Modern Consumer?” Istanbul Annual International Multidisciplinary Conference on Economics, Business, Technology and Social Science 2013, online. May 14, 2023. Istanbul, Turkey.
6. Academic report “The Concept of Modern Consumer”, International conference organized by the Faculty of Business and Management, Brno University of Technology, online. December 10, 2021. Brno, Czech Republic.
7. Academic report “Self-definition of Post-Covid-19 Consumerist: Demographics vs Virtual Identity”, 1st IEEE-TEMS International Conference on Technology and Entrepreneurship (ICTE) 2021 “Leading Digital Transformation in Business and Society” (Track 5: Sustainable Consumption in Digital Society), August 24–27, 2021. Kaunas, Lithuania
8. Academic report “Self-definition of Virtual Identity: Post COVID-19 consumerist in details”, 25th World Multi-Conference on Systemics, Cybernetics and Informatics: WMSCI 2021, online. August 18–21, 2021. Orlando, USA.
9. “The influence of the transformation of the consumer demographic profile on new product development”, RTU SCEE 2019, October 11, 2019. Riga, Latvia.
10. Academic report “The Pleasures and Pains of Confluences and Influences”, “Naked I Came from My Mother’s Womb and Naked I Will Depart: Art of Dying in Consumerist Society”, together with Dr. theol. Ilze Jansone. August 15–17, 2019. Tartu, Estonia.

Approbation of the Thesis Research Results in Publications

Publications

1. Jankovska, I., Gaile-Sarkane, E. (2021). Self-definition of virtual identity: Post Covid-19 consumer in details. Paper presented at the *25th World Multi-Conference on Systemics, Cybernetics and Informatics, WMSCI 2021*, 3, 128–133. (SCOPUS)
2. Jankovska, I. (2021). The Concept of Modern Consumer. Paper presented at the *International conference organized by the Faculty of Business and Management*. 38–46. ISBN 978-80-214-6069-0, Brno.
3. Jankovska, I. (2021) Self-Definition of Post Covid-19 Consumerist: Demographics Vs Virtual Identity. Paper presented at the 2021 IEEE International Conference on Technology and Entrepreneurship (ICTE). *Book of Abstracts: Leading Digital Transformation in Business and Society*. Kaunas: Kaunas University of Technology, p. 56. doi: 10.5755/e01.2783-6037.2021
4. Jansone, I., Jankovska, I. (2020). Pliks es nācu no mātes klēpja, un pliks es turp atgriezšos!”: Māksla nomirt patērētāju sabiedrībā. *Ceļš / Way*, 71, 77–86. EBSCO
5. Jankovska, J. (2019). The influence of the transformation of the consumer demographic profile on new product development. *Riga Technical University 60th Conference SCEE’2019 Scientific Conference on Economics and Entrepreneurship*. Riga: Riga Technical University, 33 p.

Accepted for publication

1. Jankovska, I., Glazunova, J. Virtual Consumer Identity: Innovation through Experience Staging. *Design Studies. The Interdisciplinary Journal of Design Research*. Expected publishing time: December 2023. (SCOPUS)

2. I. Jankovska's publication, titled "The Virtual Consumer – Creator of Urban Values", is slated for inclusion in the forthcoming monograph titled "Creative Cities: processes and people". This compilation is edited by Ilona Kunda, Baiba Tjarve, and Ieva Zemīte and is part of the FLPP project "Revisiting the concept of creative cities: networks, intermediaries and development directions/RePrint (No. lzp-2021/1-0588)". The intended publication date for the monograph is set for autumn 2024.
3. Jankovska, I., Gaile-Sarkane, E. (2023). How to Identify a Consumer through Screen: How Crisis has Changed the Profile of Modern Consumer? Paper presented at the *27th World Multi-Conference on Systemics, Cybernetics and Informatics, WMSCI 2023*. (SCOPUS)
4. Jankovska, I., Gaile-Sarkane, E. (2023). A Screen as a Mirror of Consumer and its Consumerism: Does Modern Consumer Consumes Itself? Paper presented at the *27th World Multi-Conference on Systemics, Cybernetics and Informatics, WMSCI 2023*. (SCOPUS)

Submitted for publication (under review)

1. Jankovska, I., Glazunova, J. Virtual Consumer Identity: New Ways to Enhance Customer Experience. Paper presented at the *8th International Conference of Business, Management and Economics*. Oxford.

Accepted for publication (unpublished)

1. Jankovska, I. (2021) Self-Definition of Post Covid-19 Consumerist: Demographics Vs Virtual Identity. *Proceedings of the 2021 IEEE ICTE Leading Digital Transformation in Business and Society*. Kaunas.

Other validation of the research results:

Invitation to participate in a lecture and seminar "The virtual consumer: the metaverse as a market, and human beings who are consuming themselves?" at the University of Pretoria, Faculty of Humanities, Department of Philosophy, to present the results of the doctoral research to PhD students. The workshop will introduce students to the definition of the virtual consumer and will also examine the transformation of consumers in the digital era in a context of crisis. The workshop seeks to critically engage with the implications of the fact that people are increasingly becoming active participants in collective virtual economies, typically created by the convergence of virtually enhanced physical and digital realities, potentially to the extent that their engagement with the digital world affects their physical existence and self-identity.

Participation in research projects

- Study process expert: "European Deans Council for Designing Sustainability Impact Roadmaps (DECODE Sustainability)".
- Scientific assistant: Fostering Student Engagement through AI-driven Qualitative Quality Assurance Practices (Qual-AI-ty Engagement).

Empirical Background of the Research

The content of the paper is based on an extensive and multifaceted research process:

1. Semi-structured in-depth interviews conducted with the same participants two years apart: in summer 2021 (11–14.06.2021) and spring 2023 (21–30.03.2023). They were processed using an interpretative-phenomenological method of analysis (see Table i.1 for descriptions of the participants). Further, these will be referred to as **in-depth consumer interviews (R1)**.

Descriptions of the Participants in the In-depth Interviews

| Name of participants in the research* | Age | Family | Children | Occupation | Residence |
|---------------------------------------|-------------|--------------|----------|----------------|----------------|
| A. 2021 A. 2023 | 30–35 y. o. | Divorced | 2 | Office worker | City of region |
| B. 2021 B. 2023 | 30–35 y. o. | Living alone | - | Contract works | Changing |
| C. 2021 C. 2023 | 45–50 y. o. | Divorced | 2 | Business owner | Riga |

* The numerical value adjacent to each participant's name within the research denotes the year of the interview, specifically, either 2021 or 2023.

It is imperative to note that the details provided align with the circumstances observed during the initial interview period (June 11–14, 2021) and remained consistent throughout subsequent follow-up interviews (March 21–30, 2023).

2. A survey of professionals who have any role that may be relevant to consumers – consumer education, consumer research, development of services or products for consumers, consumer advice to other organisations. The survey aimed to (1) clarify the understanding and use of the term “consumer”; (2) explore professionals' perspectives on the relevance of the impact of different crises in relation to consumers; (3) test attitudes to three consumer self-definition concepts identified in the work (see Table i.2). Further, this survey will be referred to as **the professional survey (R2)**.

Table i.2

Description of Respondents of the Survey of Professionals

| Group name | <i>n</i> | Group description |
|--|------------|---|
| Consultancy, advertising and representatives of communication agencies | 44 | The group includes respondents who indicated that they represent marketing, advertising, communication and business consultancy companies. |
| Representatives of education and research institutions | 36 | The group includes respondents who indicated that they represent research and data analysis companies, an educational institution (university, academy, college, etc.), students or individual researchers. |
| Representatives of companies and organisations | 46 | The group includes respondents from manufacturing companies, service providers, government and municipal organisations. |
| Total | 126 | 122 questionnaires were completed in Latvian, 4 in English, respondents work both in Latvia and abroad. The questionnaires filled in in Latvian are not broken down by country. |

Note: Questionnaires were completed 07–27.02.2023.

3. Author's notes from **tour (08–14.12.2022) to Ukraine (R3)** for the MUSIC AMBASSADORS TOUR organized by the Ukrainian Association of Music Events. The aim of the tour was to identify the most important characteristics of consumption in crises.

4. Online consumer survey (data collection: Norstat Latvia, 27.02–03.03.2023), respondents – permanent residents of Latvia aged 16–74 ($n = 1007$). The aim of the survey was to find out consumers' self-descriptions as well as the factors influencing consumer and consumption habits as a result of the various crises. It will be referred to hereafter as **the consumer survey (R4)**.
5. Two in-depth interviews (18.03.2023 and 25.03.2023) with Jānis Gailis, ⁷ a practicing Lacanian approach psychoanalyst, psychiatrist and doctor of psychology. The first interview validated the concepts of consumer self-definition identified in the Thesis according to Lacanian mirror period theory and identified contradictions in the definition of the virtual consumer. In the second interview, the rationale for the definition of the virtual consumer was reviewed. Further, **the interviews with psychoanalyst Jānis Gailis are referred to as (R5)**.
6. Focus group discussion “Definition of the Virtual Consumer” (25.03.2025), eight participants. Participants for the focus group discussion were selected to represent one of the groups of professionals surveyed or working with language or to comment on the definition of the virtual consumer from a philosophical and phenomenological point of view (see Table i.3). Further, this discussion will be referred to as **the “Defining the Virtual Consumer” focus group discussion (R6)**.

Table i.3

Focus Group “Defining the Virtual Consumer” Participant Profile

| Participant | Occupation | The chosen role |
|------------------|---|---------------------------|
| Edwards Kuks | Poet, translator. Expert in the field of social sciences and humanities with a degree in social anthropology. | Poet |
| Zigurds Zaķis | Strategy, marketing, communications and branding practitioner with more than 20 years of experience in the advertising and creative industries. | Communications Strategist |
| Baiba Liepiņa | Head of the Latvian Advertising Association with more than 20 years of leading experience in the Latvian media advertising industry. | The Curious |
| Uldis Vēgners | Doctor of Philosophy, senior researcher at the FSI. Interested in the question of time experience and phenomenological approach to health care. | The Accompanying |
| Ieva Andersone | Associate Professor, Programme Director, RTU IEVF, implemented research on consumers in decision-making. | Teaching Power |
| Ilze Jansone | Doctor of Theology, scientist, writer, scientific editor and publicist. Actively engaged in the precise use of modern Latvian language. | Theologian |
| Linda Ezera | Director of a data collection and market research company, representative of ESOMAR, an international research quality standards organisation in Latvia. | Data |
| Ģirts Jankovskis | Doctor of Philosophy, senior researcher at the Faculty of Social Sciences, focusing on German philosophy, researching the perception of information in social networks. | Hegelian |

⁷ Psychoanalyst Dr. Jānis Gailis represents a school of thought and psychoanalysis based on the studies and practice of the French psychoanalyst Jacques Lacan (1901–1981). Lacan is one of the most significant psychoanalysts of the 20th century, and his studies encompass the ego, identification, and the subjective perception of language.

7. **Interpretation based on Kantar Atlas data (R7)** (2008–2022).⁸ The rationale for using this data to study consumer behaviour and consumption patterns is to be able to look at it from a 15-year perspective, as well as from different angles – demographic, values and attitudes.

The snowflake structure was chosen as the logical framework for the study (see Fig. i.1).

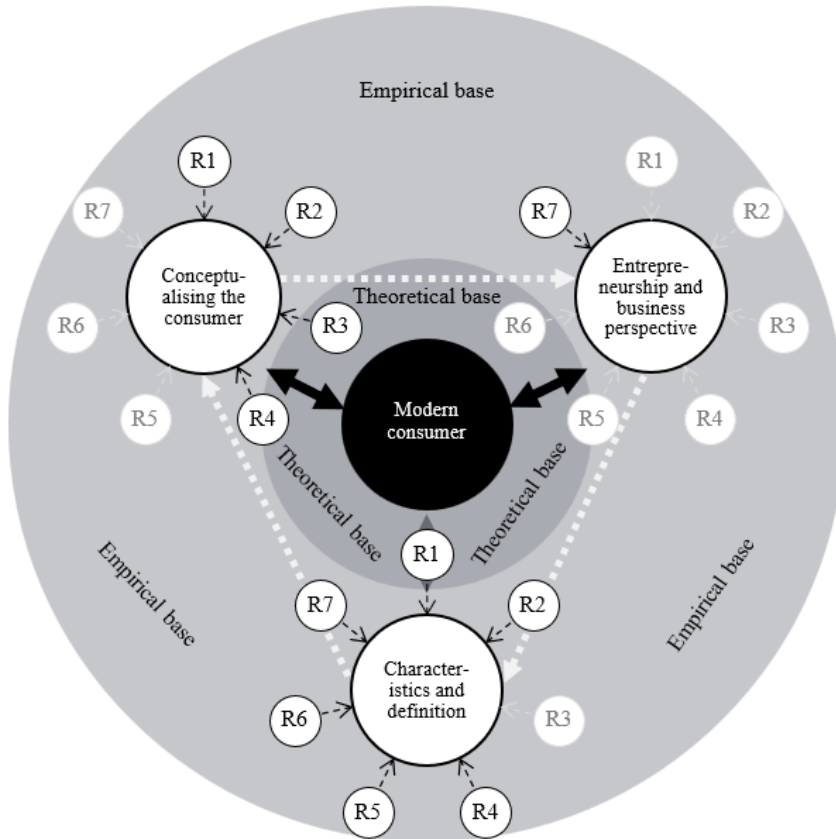


Fig. i.1. Structure and logic of the Thesis (created by the author).

Due to the multifaceted nature of the subject of analysis, encompassing various facets and influencing factors, a snowflake scheme has been selected as the organizational framework for this study. This deliberate choice of data analysis and structuring principle is adapted from models used in data organization and storage.

An essential element of this study is its historical context, notably the singular temporal positioning against the backdrop of two global crises. For the sake of clarity, Table i.4 outlines the temporal chronology of the studies incorporated within the Thesis.

⁸ Data used in this study with permission of Kantar Latvia. The data were used within the scope of the Thesis.

Table i.4.

Chronology of Research Periods in the Thesis

| Periods: | 2019 | | 2020 | | | | 2021 | | | | 2022 | | | | 2023 | | |
|------------------------------------|------|-----|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|-----|------|-----|---|
| | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | |
| Phases of the research: | | | | | | | | | | | | | | | | | |
| Theoretical analysis | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| In-depth interviews (R1) | | | | | | | | X | | | | | | | | | X |
| Professionals survey (R2) | | | | | | | | | | | | | | | | | X |
| Tour to Ukraine (R3) | | | | | | | | | | | | | | | X | | |
| Consumers survey (R4) | | | | | | | | | | | | | | | | | X |
| Interviews: J. Gailis (R5) | | | | | | | | | | | | | | | | | X |
| FGD (R6) | | | | | | | | | | | | | | | | | X |
| <i>Kantar Atlas</i> data (R7) | | | | X | | | | X | | | | X | | | | | |
| Background of the Research: | | | | | | | | | | | | | | | | | |
| COVID-19 pandemic | | | X | X | X | X | X | X | X | X | X | | | | | | |
| War in Ukraine | | | | | | | | | | | | X | X | X | X | X | X |

In order to facilitate readers' comprehension of the research, every chapter will commence with the primary research findings and data interpretations. These elements will serve as the foundation for analysing the chapter's subject matter and presenting the rationale for the study.

1. Contextualizing the Notion of the “Consumer”

This research centrally revolves around the “consumer” concept, which profoundly influences the understanding and application of its findings. The concept of the “consumer” is commonly approached and discussed from two main perspectives.

Aspect 1: The consumer, who is a member of a consumer society (a communal being); this consumer, to quote Firat and Venkatesh, is “a participant in an on-going, never-ending process of construction that includes a multiplicity of moments where things (most importantly as symbols) are consumed, produced, signified, represented, allocated, distributed, and circulated”.⁹ Following on from this postmodern idea of the consumer, the American marketing and international business scholar John D. Branch defines the consumer as one who “actively participates in the ongoing creation of meaning rather than merely seeking to satisfy the needs dictated by his psychological make-up”. Most often, the concept of “consumer” is analysed from this point of view in the context of changes in the overall consumer society.

Aspect 2: The consumer, essential to the business economy as the agent driving consumption (in economic terms, a physiological entity), acts as a pivotal element in the economic system, balancing supply and demand. This perspective resonates with sociologist Baudrillard's notion that consumption functions as a form of social labour, portraying the consumer as an active participant in economic activities referred to as a “consumer worker”¹⁰ or “economic man” in alignment with Sidney J. Levy's conceptualization.¹¹ Within this context, the significance of

⁹ Branch, J. D. (2007). Postmodern Consumption and The High Fidelity Audio Microculture. J. Russell W. Belk and John F. Sherry, *Consumer Culture Theory* (pp. 79–101). Amsterdam: Elsevier Ltd, p. 96.

¹⁰ Baudrillard, J. (1998). *The Consumer Society: Myths and Structures*. London: Saga. p. 84.

¹¹ Levy, S. J. (1959). Symbols for Sales. *Harvard Business Review*, 37(4), 117–124. p. 117.

the “consumer” derives from analysing it through the lens of classical economic supply and demand theory, where the fundamental equilibrium point is the price of the product or service.

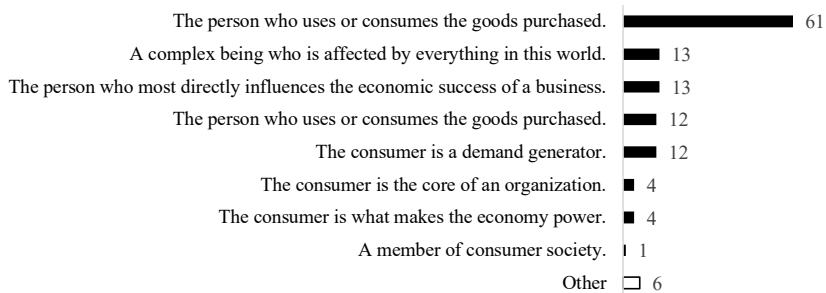
The concept of “consumer” is not only very broad, but also very controversial, as it is revealed in different contexts and is multidimensional in the understanding of different groups.

Artificial intelligence (OpenAI) also generates its own response by defining the consumer: “Consumer is an individual, company, or institution that buys and uses goods or services. The consumer is the ultimate user of products or services, and their wants and needs are taken into account in the production and sales process. The role of the consumer is significant because their choices in purchasing can influence the economic success of a business and the structure of production.”¹²

The description of the consumer by OpenAI is more in line with the role of the consumer in the economy, i.e. the consumer is the demand provider and the one who drives the business economy through consumption. This proposed definition also includes businesses and institutions in the concept of the consumer and confirms the consumer's most important factor of influence: his or her preferences.

From the examined theoretical framework, eight consumer definitions were tested among professionals engaged in various consumer-related roles such as research, education, advisory services, product development, and more.

Which answer do you think most accurately defines what a consumer is?



$n = 126$; all.

Fig. 1.1. The most appropriate consumer definitions chosen by professionals¹³
(created by the author, 2023).

A significant majority (48%) of professionals agree that the most accurate answer to the question of who is a consumer is the consumer profile generated by artificial intelligence (OpenAI).

¹² Assistant, OpenAI, 2021–09 knowledge cutoff. Available: <https://chat.openai.com>, accessed: 19.12.2022.

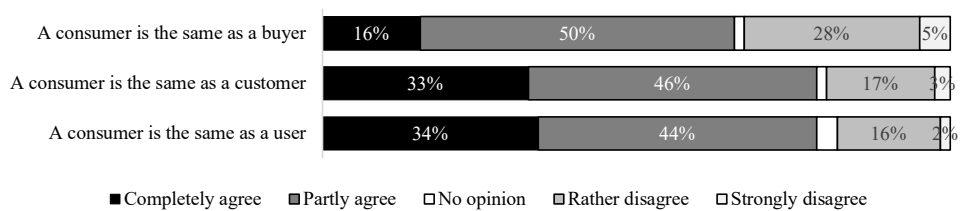
¹³ Survey of professionals (CAWI, $n = 126$), survey created by the author, platform: visidati.lv, data collected: 07–27.02.2023.

Professionals often view the consumer as an economic and business catalyst, primarily consuming to fulfil personal needs without actively engaging in the consumption process themselves. The responses from the focus group discussion categorized into three groups:

1. Definitions in which the consumer does or does not do something.
2. Status quo consumer.
3. Definitions in which a consumer becomes a consumer because of some circumstance or action.

The focus group did not extensively explore an action-based definition of the consumer, specifically centred on consumption-based characteristics. However, there was a significant and wide-ranging discussion surrounding the identification of the circumstance-based consumer and the status quo consumer. Within this discourse, all participants aimed¹⁴ to ascertain the precise moment when an individual transitions into a consumer. One interpretation suggested¹⁵ that possession of resources is the defining factor, indicating that someone becomes a consumer when they possess the requisite resources. This perspective further supported the notion of the passive consumer, where the consumer, shaped by the available resources, is passive in contrast to the active producer who generates and creates these resources.

The survey conducted among professionals reveals that the complexity in understanding the “consumer” concept does not merely stem from its intricacy in terms of cultural, historical, and linguistic dimensions, nor the varied interpretations dependent on context. The lack of clear distinction between the concepts of “consumer”, “user”, “buyer”, and “client” in professional circles contributes significantly to this complexity (refer to Fig. 1.2).



n = 122; those who completed the survey in Latvian.

Fig. 1.2. Professionals' understanding of the concept of “consumer”¹⁶
(created by the author, 2023).

Considering the survey results (refer to Fig. 1.2), professionals exhibit a higher inclination toward employing the term “client”. Conversely, the consumer remains more enigmatic and is perceived as a phenomenon undergoing changes due to specific circumstances. There is an inherent acknowledgment of the need to comprehend this phenomenon, given its potential impact on the company's operations.

¹⁴ Focus Group Discussion “Defining the Virtual Consumer” (April 25, 2023), added by The Curious.

¹⁵ Ibid, Hegelian’s note.

¹⁶ Survey of professionals (CAWI, *n* = 126), survey created by the author, platform: visidati.lv, data collected: 07–27.02.2023.

1.1. Consumer in the Context of Crises

To examine consumer crises in context, the question to be answered in this chapter is: does this transformation take place through coping with crises or adapting to the situation created by crises?

The crises identified in the context of this paper are:

- COVID-19 pandemic – from February 2020 (first outbreak in Latvia on 13 March 2020) until now.¹⁷
- Russian invasion of Ukraine – from 24 February 2022 to now.
- Global warming and climate change – European Parliament declares a climate emergency in November 2019;¹⁸ in response, the EU Commission launched the “European Green Deal”, which aims to make Europe a climate-neutral continent by 2050.

In order to achieve a correct interpretation of the concepts, it is necessary to distinguish between the terms “crisis” and “change”, avoiding the word “challenge”.¹⁹

1.1.1. Differentiating: “Change” from “Crisis”

The terms “change” and “crisis” are frequently interchanged, both in terms of attitudes and proposed solutions. While terms such as “war” and “pandemic” are employed in crisis contexts, “climate change” remains the most prevalent.

However, as emphasized by the Guardian’s Editor-in-chief Katharine Viner, the term “climate change” may sound passive and soft, despite scientists referring to it as a potential catastrophe for humanity.²⁰ Viner highlights the repeated calls from researchers to use precise terminology for a shared understanding of global ecological and climate challenges, including terms such as climate collapse, climate crisis, climate emergency, ecological collapse, ecological crisis, and ecological emergency.

The study validates the significance of identified crises through the intensity of Google news searches. Variability in the search demand for different crises is evident over time, with direct competition for news consumers’ attention primarily between war and the COVID-19 pandemic (refer to Fig. 1.3).

¹⁷ The World Health Organisation has not declared an end to the Covid-19 pandemic by January 12, 2023.

¹⁸ *Eiropas Parlaments pasludina ārkārtas stāvokli klimata jomā* (28.11.2019.) [online]. European Parliament’s homepage [accessed 8 February 2023]. Available: [Eiropas Parlaments pasludina ārkārtas stāvokli klimata jomā | Aktuāli | Eiropas Parlaments \(europa.eu\)](#)

¹⁹ Although this word is often used synonymously with the terms “crisis” and “problem” in the media and colloquially, its meaning in Latvian is twofold: an accomplished action → to challenge (2); behaviour, action, speech that offends, causes a strong reaction, incites to retaliation, struggle.

²⁰ Carrington, D. (17.05.2017.) [online]. The Guardian. *Why the Guardian is changing the language it uses about the environment*, available: [Why the Guardian is changing the language it uses about the environment | Environment | The Guardian](#)

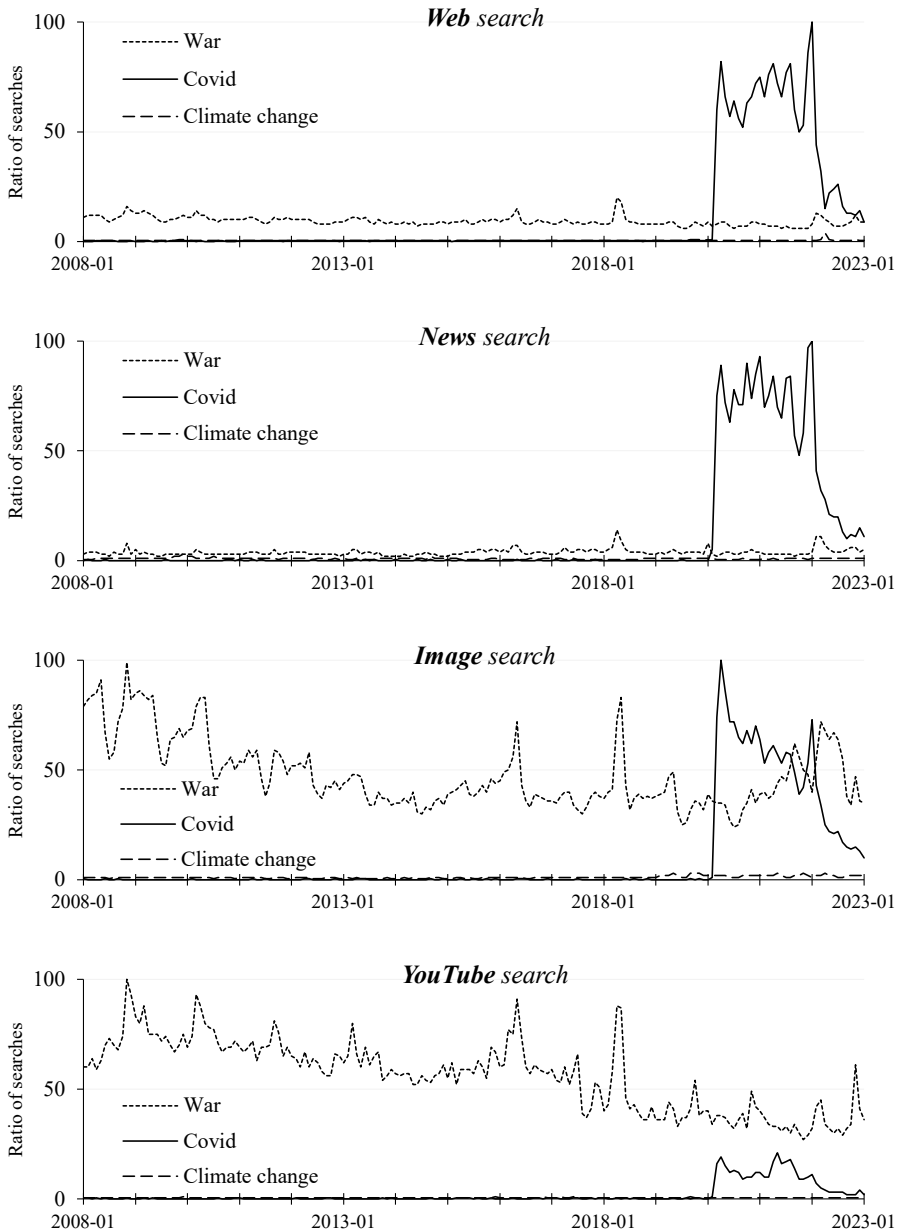


Fig. 1.3. Crisis consumption trends over 15 years ²¹ (created by the author).

Curiously, the climate crisis has not been officially recognized as a crisis since 2008. Furthermore, the consequences linked to this crisis, impacting the entire human population, have not historically garnered, and presently do not attract, comparable consumer attention when juxtaposed with other crises, such as the COVID-19 pandemic or the conflict in Ukraine.

²¹ Google Trends, search terms: war, pandemic, climate change; territory: worldwide; time: 2008–present, accessed 17.01.2022, available: [War, Covid, Climate change - Explore - Google Trends](#).

Consumption of Death

All the global crises of the last three years, combined with the massive consumption of information, have created a whole new consumption phenomenon: the consumption of death. During the COVID-19 pandemic, every morning began with a supply of information and also a demand (search) – how many sick, how many dead, and during the Ukrainian war – how many invader drones, tanks, and soldiers eliminated.

The demand for the consumption of human deaths in different formats (numbers, videos and images) is stimulated and strong by social networks and news portals, but it is essential that it takes place in a virtual environment, remotely, through a screen. As a result of two global crises – the COVID-19 pandemic and the war in Ukraine – death has become not only a commodity, but also an everyday commodity. Unlike in the Middle Ages (5th–15th centuries), when it was possible to go and watch executions in public places, today, people can do so anywhere, anytime and anyplace, as long as they have access to the internet.

By actively consuming death, the modern consumer fills the virtual environment (by showing horror, expressing support, sharing and commenting) with strong empathy and sympathy for the bereaved or the deceased.

1.1.2. Defining and Elucidating Crisis Phenomena

Senior Crisis Negotiator at the FBI, long-time official Frederick J. Lanceley, defines a crisis as a situation where a person's ability to cope with the crisis is exceeded.²² His description of a crisis is a situation in which people experience feelings of overwhelming stress, a narrowed range of thinking, reduced attention span and an inability to distinguish between major (insurmountable) and minor (easily surmountable) problems.²³

Also, from three different conversations (with Victoria²⁴ from Ukraine, with David²⁵ from Georgia, with Login²⁶ from Macedonia) during the Ukraine mission, when the question of what is a crisis was asked, a list of characteristics describing a crisis emerged, which naturally diverged into two groups of themes: time perspectives and choice perspectives.

In these conversations, when describing the crisis, respondents mainly referred to the COVID-19 pandemic, less to the war, even though the interviews took place in Ukraine during the war. The critical mass at which a person enters a crisis, i.e. when their capacity to cope is exceeded, varies. It can therefore be concluded that in a war situation people's capacity to cope with the crisis is not exceeded because they are able to see the future.

1.1.3. Distinguishing Crisis from Change

The preceding subsection distinctly delineated the attributes of a crisis, highlighting temporal and spatial limitations, constrained opportunities, resource availability, the obscured foresight of future perspectives, and the encounter with uncharted circumstances that did not

²² Lanceley, F. J. (1999). *On-Scene Guide for Crises Negotiators*. Washington: CRC Press LLC, p. 13.

²³ *Ibid*, p. 15.

²⁴ Viktoriia Olishevska – one of the organisers of the MUSIC AMBASSADORS TOUR, project coordinator of the Ukrainian Association of Music Events (Music Saves UA) from Ukraine.

²⁵ David Lezhava – nightlife activist, music and event producer from Tbilisi, Georgia.

²⁶ Login Kochishki – music and event producer, founder and director of the music festival TAKSIRAT from Macedonia.

exist previously. This subsection, in contrast, will expound upon the concept of change relative to the features outlined in crisis.

In contrast to crisis, change is commonly perceived as a positive force necessary for progress and development. It is viewed as a contributor to the improvement of both the individual and society at large, fostering enhanced well-being and a more technologically advanced, financially secure life. Change is inherently linked to advancement, particularly within a business context.

The primary distinction between change and crisis lies in the nature, magnitude, and impact of the event or transformation. Change typically embodies a planned, gradual, and adaptive process. Conversely, a crisis tends to manifest suddenly, with severe and disruptive effects, creating substantial challenges across various systems – be they economic, individual, political, organizational, or environmental.

1.2. The Consumer in an Economic Context

The previous chapter, analysing the consumer as a complex and multifaceted being, concluded that in the economic context he is also perceived, described and defined in two ways: as a driver of the economy and business, and as a member of consumer society. It should be recalled that significantly more business, economics and marketing professionals see consumers as the driving engine of the economy and entrepreneurship (84%).²⁷

1.2.1. Consumer Behaviour and Traditional Economic System

In the economic context, too, there are two ways of looking at the consumer: from a traditional economic perspective and from a behavioural economic perspective. In the classical economic frame “consumers are important since personal consumption accounts for between half and two-thirds of GDP”²⁸ and consumers are easy to understand because they want more services and better products at lower prices.²⁹ But behavioural economics is all about consumer choice and the various factors that influence that choice.³⁰

The traditional economic model seeks to answer the question of how goods and services, as well as factors of production, are valued in a growing economy in order to satisfy consumer preferences,³¹ and, as Smith points out: “In the mercantile system, the interest of the consumer is almost always constantly sacrificed to that of the producer.”³² Given that Thaler, one of the classics of behavioural economics, questions one of the basic principles of traditional economic theory that human choice is based on optimization, the conclusion is that the two economic systems – traditional and behavioural – are completely different, not complementary.

²⁷ Consumer survey ($n = 1007$), survey created by the author, data Norstat Latvia, data collected: 27.02–03.03.2023.

²⁸ The Economist. (2007). *Guide to Economic Indicators: Making Sense of Economics* (Sixth ed.). London: John Wiley & Sons, p. 85.

²⁹ Karolefski, J., Heller, A., & ACNielsen. (2006). *Consumer-Centric Category Management: How to Increase Profits by Managing Categories Based on Consumer Needs*. Hoboken: John Wiley & Sons, Inc., p. 2.

³⁰ Thaler, R. H. (2015). *Misbehaving: The Making of Behavioral Economics*. London: Penguin Books Limited.

³¹ Skousen, M. (2007). *The big three in economics: Adam Smith, Karl Marx, and John Maynard Keynes*. New York: M. E. Sharpe, p. 50.

³² Skousen, M. (2007). *The big three in economics: Adam Smith, Karl Marx, and John Maynard Keynes*. New York: M. E. Sharpe, p. 9.

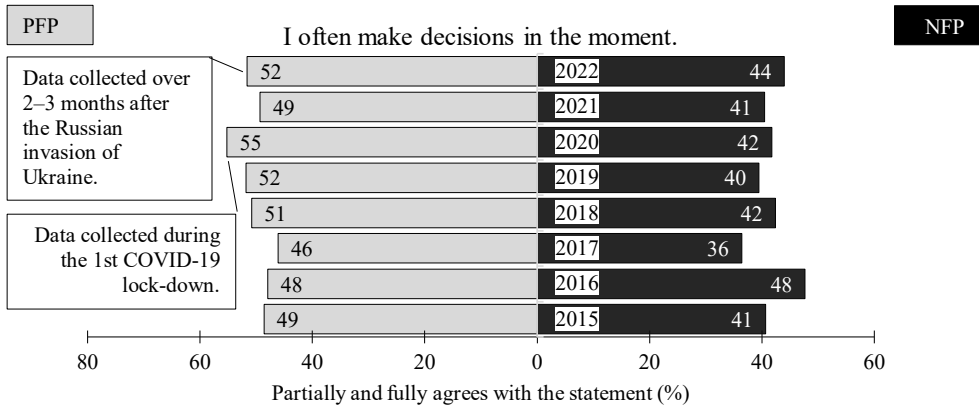


Fig. 1.4. Spontaneity of consumer decision-making by year ³³ (created by the author).

Consumers start to make decisions more quickly in the wake of crises (see Fig. 1.4): both those with a positive outlook (saying their material situation will improve in the next two years, PFP) and those with a negative outlook (saying their material situation will deteriorate in the next two years, NFP) become more spontaneous in their decision-making.

To illustrate and understand the importance of context in today's consumer-centred economic system, the following example is helpful (see Fig. 1.5).

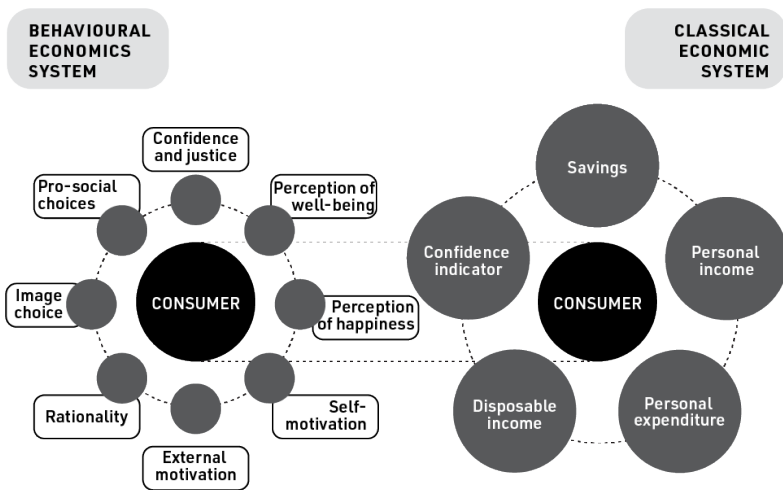


Fig. 1.5. The consumer in two economic systems – traditional and behavioural (created by the author (Ariely, 2009; Baddeley, 2017; The Economist, 2007)).

³³ Kantar Atlas, Spring 2015-Spring 2022, Latvia.

Grouping traditional economy indicators that provide information about consumers in a traditional economic system,³⁴ by opposing consumer descriptors from a behavioural economics framework³⁵ and interpreting from the predictable irrationality,³⁶ it can be demonstrated that the consumer is more important (visually more significant) when several contextual aspects are considered. On the other hand, if the context is dominant rather than the consumer taking the centre stage, as in a traditional economic system, then the consumer appears less important (visually less).

Whereas in a behavioural economic system the consumer is active – possessing preferences, perceptions, motivations, value systems – in a traditional system the consumer is passive – creating resources and supplying demand.

1.2.2. Consumer Labelling

In the continued quest to define the essence of a consumer, one approach involves attributing identities or labels to consumers. Within the traditional economic framework, consumer labelling is a prevalent practice, primarily indicated by income level, such as “at-risk-of-poverty”, “wealthy”, “poor”, “high-income”, “low-income”, “minimum-income”, and so forth. This gives rise to the concept of “income identity”,³⁷ which is understandable within a traditional economic system because it is based on resources (income) available to consumers.

The above examples, in which consumers were labelled according to the most common characteristic of the traditional economy, i.e. income, clearly show that, in the dynamics of economic development, people with low incomes are likely to play a more important and influential role, because they:

- 1) are more willing to compromise and change their lifestyles to improve their environment (the Russian invasion of Ukraine was a turning point);
- 2) have the same level of appreciation for socially responsible business practices and production principles as high-income earners (the tipping point – the start of the COVID-19 pandemic);
- 3) value fair trade goods more than high-income people in their consumption choices (the tipping point – the start of the COVID-19 pandemic).

These examples underscore the significant role of consumers in a modern economy. Categorizing consumers based on income or resources they possess does not facilitate essential societal and sustainable economic growth processes across sectors such as welfare, energy, and climate neutrality policies.

This section aims to define and thoroughly characterize the modern consumer by exploring the theoretical foundations of the consumer concept. It reviews various definitions of the consumer in economics and business, analysing their interpretations in professional consumer-related domains. The analysis focuses on the consumer's behaviour in the economic sphere,

³⁴ The Economist. (2007). *Guide to Economic Indicators: Making Sense of Economics* (Sixth izd.). London: John Wiley & Sons, p. 85–95.

³⁵ Baddeley, M. (2017). *Behavioural Economics: A Very Short Introduction*. Oxford: Oxford University Press.

³⁶ Ariely, D. (2009). *Predictably irrational*. New York: HarperCollins, p. 7.

³⁷ Olson, J. G., McFerran, B., Morales, A. C., & Darren, D. W. (2019). Identity-based perceptions of others' consumption choices. R. Americus, & M. Forehand, *Handbook of Research on Identity Theory in Marketing* (pp. 448-461). Cheltenham: Edward Elgar Publishing Limited.

especially during crises, to understand the significant impact of these crises on consumer behaviour, consumption patterns, and decision-making.

Upon concluding this segment of the investigation, the consumer is depicted as “a complex creature who is influenced by everything under the sun”.³⁸

2. Consumer Analysis in Business and Economic Contexts

Scholars across diverse fields – ranging from economics, demography, business, marketing, sociology, anthropology, to psychology – along with business practitioners, economists, and consumers themselves, interpret the concept of consumption in varied ways. The multifaceted meanings attributed to consumption are contingent upon the primary theoretical framework within which it is positioned.³⁹ The perception of consumption varies and is contingent upon the perspective of the theorist. Elizabeth C. Hirschman and Morris B. Holbrook highlight a perspective on human nature and the construction of reality as shown in Table 2.1.

Table 2.1

Continuum of Philosophical Positions on the Origin of Knowledge⁴⁰
(Hirschman & Holbrook, 1992).

| | Material determinism | | | Mental determinism | |
|------------------------------|--|--------------------------------------|--|--|--------------------------------------|
| View of reality | Physical construction of reality (PCR) | Social construction of reality (SCR) | Linguistic construction of reality (SCR) | Individual construction of reality (ICR) | Mental construction of reality (MCR) |
| View of human nature: | <i>Homo sensans</i> | <i>Homo socius</i> ⁴¹ | <i>Homo narrans</i> ⁴² | <i>Homo individuus</i> ⁴³ | <i>Homo cogitans</i> ⁴⁴ |

In the context of this work, the consumer is considered as *Homo individuus*⁴⁵ (individual person – Latin), who, in the metaverse, is given the opportunity to construct his individual reality and also to define his new self.

2.1. The Consumer as a Research Object

The consumer as an object of research and also of thought became the subject of headlines in scientific articles and studies at the beginning of the third wave of the Industrial Revolution in the 20th century. In the 1970s (see Fig. 2.1), interest in consumers, users and customers continued to grow.

³⁸ Friedman, M. (1957). *A Theory of the Consumption Function*. New York: OXFORD&IBH Publishing CO, p. 231.

³⁹ Bococek, R. (1993). *Consumption*. London; New York: Routledge, p. 5.

⁴⁰ Hirschman, E. C., & Holbrook, M. B. (1992). *Postmodern Consumer Research: The Study of Consumption as Text*. London: SAGE, p. 9.

⁴¹ Berger, P. L., & Luckmann, T. (1966). *The social construction of reality*. New York: Doubleday, p. 51.

⁴² Fisher, W. R. (1985, Autumn). The narrative paradigm: In the beginning. *Journal of Communication*, 35, pp. 74–89.

⁴³ In analogy with *Homo Socius*.

⁴⁴ Bruner, J. (1986). *Actual minds, possible worlds*. Cambridge, MA: Harvard University Press, p. 41.

⁴⁵ In analogy with *Homo Socius*.

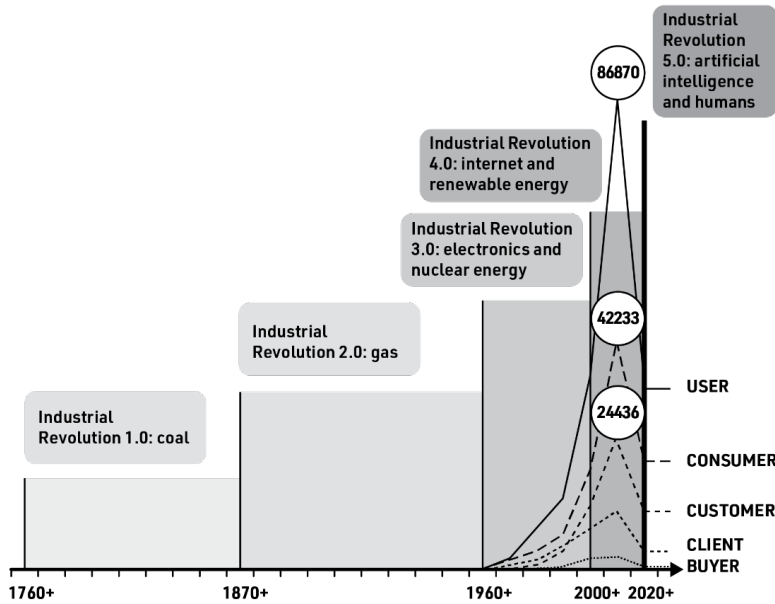


Fig. 2.1. Inclusion of the terms “consumer”, “user”, “buyer”, and “customer” in the titles of scientific articles and studies in a historical perspective (created by the author, *Scopus*⁴⁶).

As the first decade of the fifth industrial revolution (2020–2029) begins, the interest of scientists and researchers in the consumer has increased significantly, especially in the last two years.⁴⁷ 48% of all scientific articles and studies submitted in the previous decade (2020–2029) have already been published in *Scopus*.

2.2. Consumer Research Framework

Consumer society researchers and theorists Eric J. Arnould and Craig J. Thompson note that the terms “consumer society” and “consumer culture” are widely used together, often in contexts that are professionally entertaining but not practically applicable. These scholars offer a framework for research into the theoretical interests of consumer culture theory, but the present study does not examine the whole complex structure that constitutes the concept of “consumer”, but rather examines in more detail those parts of the system that are most affected by crises, namely consumer identity projects and consumer interpretative strategies.

2.3. Demographic Perspective

Thinking about consumers in terms of their demographic profiles is the most common perspective and one of the most influential frameworks in economics because it underpins all decisions related to consumers.

⁴⁶ Scopus database, search limitation: TITLE (...)

⁴⁷ Data accessed January 11, 2022.

Demographers Samuel H. Preston, Patrick Heuveline, and Michel Guillot point out that there are two ways to describe a population statistically:

- 1) a static population, determined by specific criteria such as location, sex, age, among others, observed over a defined period;
- 2) a collective population that conforms to specific criteria.⁴⁸

Thinking about the consumer in this way, however, does not take into consideration that he or she can not only choose multiple identities in real life, but also make decisions based on these identities in virtual reality.⁴⁹

The primary limitations inherent in this mode of thinking encompass three aspects:

- 1) linearity of thinking;
- 2) stereotypical perceptions;
- 3) repetitive structures.

Linear Thought Patterns in Consumer Analysis

Linearity of thought is the way a certain group is thought of while it conforms to certain predetermined demographic parameters (age, place of residence). The disadvantage of this way of thinking is that significant changes are missed or seen too late, affecting decision-making, new product development, campaign planning, etc.

Stereotyped Perceptions in Consumer Analysis

Considering a group as a collectivized entity delineated by specific criteria, often rooted in historical attributions (e.g., the assumption that women are primarily responsible for household shopping), technological advancements (e.g., the belief that older individuals are less inclined to engage online), or income classifications (e.g., the assumption that lower-income individuals prioritize price over ethical considerations), can potentially subject them to economic discrimination by excluding them from access to certain goods or services. Such economic discrimination frequently emerges when the foundational criteria for these distinctions are not routinely reassessed. The inertia of stereotyping a specific group tends to go unnoticed by organizations, corporations, or public entities. The perpetuation of such stereotypes subsequently influences decisions concerning consumers, the creation of new services or products tailored for them, or the development of targeted communication and advertising strategies. These decisions often falter in their ability to yield effective outcomes and engage the intended audience.

Repetitive Structures

Over the last 10 years, the demographic profile has changed significantly – both in the Latvian and European context. The most frequently mentioned change is the ageing of the population, which is caused by two components: increasing life expectancy and declining fertility.

If age is considered as one of the most important indicators, it should be noted that this indicator itself has changed in two respects:

Aspect 1: Perception of age, i.e. how people perceive their age.

⁴⁸ Preston, S. H., Heuveline, P., & Guillot, M. (2001). (Preston, Heuveline, & Guillot, 2001). Oxford: Blackwell Publishers Ltd., p. 1.

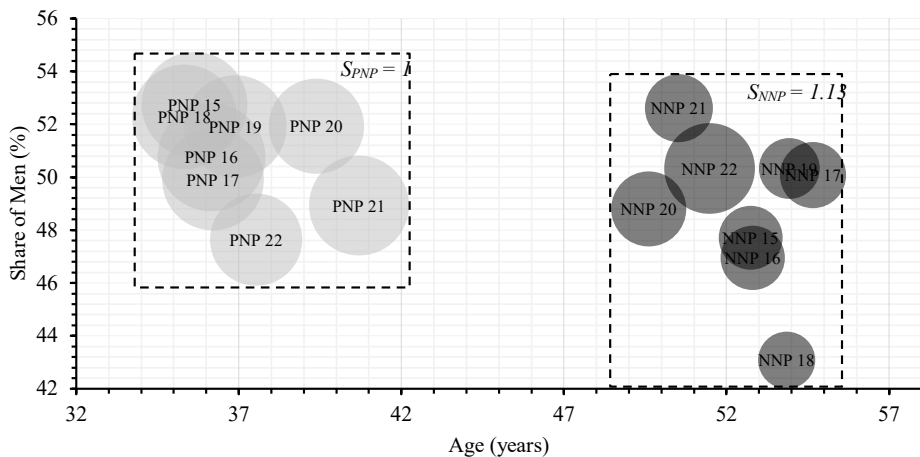
⁴⁹ Olson, J. G., McFerran, B., Morales, A. C., & Darren, D. W. (2019). Identity-based perceptions of others' consumption choices. R. Americus, & M. Forehand, *Handbook of Research on Identity Theory in Marketing* (pp. 448–461). Cheltenham: Edward Elgar Publishing Limited, p. 448.

Aspect 2: The existence of virtual environments allows people to define their own age based on how they want to be seen and perceived by others.

The sole immutable benchmarks within consumerism are birth rates, indicating universal birth, and death rates, signifying universal mortality. However, all other metrics delineating consumers have broadened, thereby presenting novel perspectives for conceptualizing consumers beyond conventional parameters of age and gender.

2.4. The Consumer in the Future Perspective

Understanding consumers involves grasping their self-perception amidst crises and gauging their future perspectives. In traditional economic thinking, the consumer confidence indicator is crucial for assessing material well-being and changes in sentiment. This becomes especially significant when considering the outlook of consumers who have faced two global crises within a three-year span. The study will categorize consumers into two groups based on their future material outlook (2-year perspective): those anticipating improvement (PNP – positive future perspective) and those expecting deterioration (NFP – negative future perspective). Examining the profiles of these groups reveals their non-permanence (see Fig. 2.3).



The area of the circle represents the size of the group; the larger the area, the larger the group. The number after the group designation PFP or NFN represents the year.

Fig. 2.3. Comparison of consumer segments⁵⁰ (created by the author).

The NFP consumer segment (see Fig. 2.3) is more variable: not only is it in a state of dynamic change (the difference in the area of change in the dynamics of 2015–2022 is 13%), but it also reacts more sharply to crises by becoming younger and larger.

To summarize, the self-assessment of consumers' capabilities and activities shows a number of negative and potentially future-impacting patterns:

⁵⁰ Kantar Atlas, Spring 2015-Spring 2022, Latvia.

1. The significance of choices linked to responsible consumption, ethical decision-making, and endorsing socially responsible business practices is waning, notably within the NFP group, and following the outbreak of the Ukrainian conflict, within the PFP group as well.
2. There has been a shift in attitudes concerning finances, as a larger segment of the population now prioritizes the value of time over monetary gains due to the impact of ongoing crises. Furthermore, consumers who previously held an optimistic perspective about their financial future have exhibited a decline in confidence regarding their ability to manage their finances, attributed to the events surrounding the war in Ukraine.
3. The crises have prompted a shift towards more prudent consumer behaviour, resulting in increased emphasis on special purchase offers and a tendency to gravitate toward familiar brands.

Following the analysis of this data, a fundamental query emerges: which among these alterations in consumption structure, whether prompted by changes in consumer behaviour or influenced by crises, will endure in the long term?

3. Characteristics of the Modern Consumer

Whereas the preceding chapters of the research examined the various contexts and perspectives in defining a consumer, this section focuses on defining and characterizing the modern consumer. It integrates the original surveys and analyses conducted throughout this research to elucidate the traits and features of the contemporary consumer.

3.1. Consumer Dynamics in the Wake of Crises

Since the object of this study is the consumer and the subject is the global crises that are hypothesized to change the consumer or at least influence consumption behaviour, two surveys (of professionals and consumers) were carried out to find out which crises were identified by professionals and which by consumers as most influential on consumers' financial situation and power to change their consumption behaviour (see Fig. 3.1).

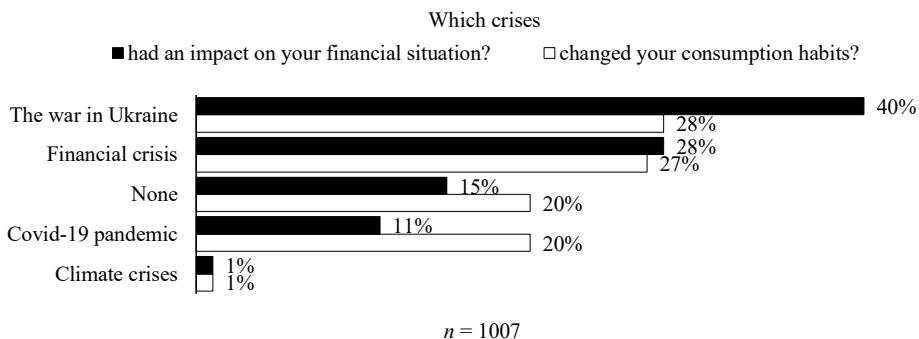
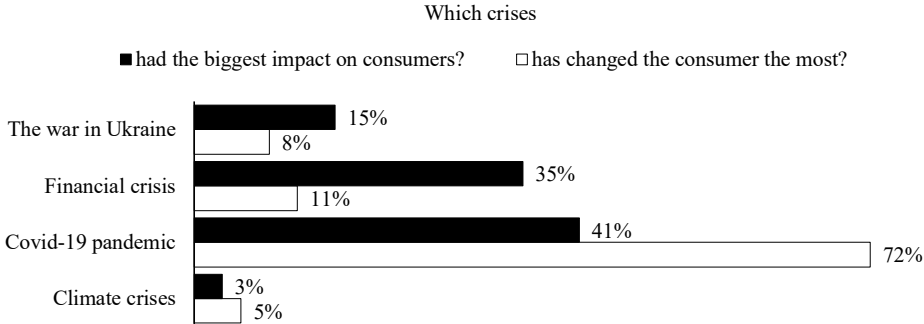


Fig. 3.1. The impact of crises from a consumer's perspective ⁵¹ (created by the author, 2023).

⁵¹ Consumer survey (*n* = 1007), survey created by the author, data Norstat Latvia, data collected: 27.02–03.03.2023.

When scrutinizing the survey findings (refer to Figs. 3.1 and 3.2), discernible discrepancies emerge regarding the perceived influence of crises. Notably, professionals attribute the most profound change in consumers to the COVID-19 pandemic, while consumers identify the war in Ukraine as the pivotal influencer. The impact of the Ukrainian conflict is not only notably dominant in altering financial circumstances (40%) but also in reshaping consumption patterns (28%). From both consumer and professional standpoints, the second most influential crisis is the financial crisis. However, a substantial disparity between these groups is apparent: consumers believe that the financial crisis affects their financial situation, whereas professionals contend that the financial crisis significantly impacts consumers (35%) but has a lesser effect on changing their habits (11%).



n = 122; those who have chosen one of the options.

Fig. 3.2. The impact of crises from a professional’s perspective ⁵² (created by the author, 2023).

One in five respondents of the consumer survey say that no crisis has changed their consumption habits, while a smaller number (15%) say that no crisis has affected their financial situation. This suggests that the nature of the consumer is passive: they are affected by something (the financial crisis) as an object, but their habits (consumption), which require action, do not change.

The climate crisis was the least frequently mentioned in both consumer and professional surveys, which could be explained by the fact that it is not recognised as a crisis but as a change that is still in the process of becoming one, and as one of the professionals who gave a different answer noted: “We will probably feel the climate crisis in the next 5–10 years, unfortunately”.

3.2. Factors Identifying Digital-Era Consumer

3.2.1. The Multidimensionality of Digital-era Consumer Amid Crises

Choosing a framework for interpreting phenomenological and hermeneutical research findings hinges on its relevance, given the notable shift in consumer experience from physical to virtual realms during the recent three-year global crises. The framework also recognizes

⁵² Survey of professionals (CAWI, *n* = 126), survey created by the author, platform: visidati.lv, data collected: 07–27.02.2023.

individuals' ability to retrospectively explain their actions, a crucial aspect for understanding consumer behaviour in specific circumstances.

Constructing a New Reality

The modern consumer (*Homo individuus*⁵³), is exposed to the COVID-19 pandemic in a virtual environment without choice. A new reality was needed because the old one no longer existed, as work, study, consumption, and entertainment moved to the virtual environment.

New realities are marked by:

- loneliness in virtual life;
- identity crisis and self-discovery in the changed order;
- the emergence of a blurred boundary between real and virtual, before and after the pandemic, and personal identity shifts.

Revisiting interviews in summer 2023 reveals:

- loneliness is now a sought-after state, and identity revolves around self-centricity;
- the distinction between life on-screen and reality fades, and the once-desired “other side” becomes a preferred reality;
- in the new reality, solitude is a pleasant state of individuality, where the individual is the centre of his or her own world, where the distinction between the virtual and the real world has disappeared – it has become one.

Changing Consumption Structures

Analysing the interviews conducted in the summer of 2020 and comparing them with the 2023 interviews, significant changes in the structure of consumption and attitudes towards being a consumer emerge. The most significant transformation has taken place in the attitudes or inner feelings about what it means to be a consumer: whereas in the pandemic of COVID-19 being a consumer was fun and enjoyable, in 2023 being a consumer is superfluous and unnecessary, an aspiration to asceticism.

In the interviews conducted in the summer of 2021, the desire and effort to restrain their consumption and buying greed and spontaneity already emerged, clearly aware that they were buying too much, that they were indulging too much in spontaneity. In the interviews conducted in the spring of 2023, all participants expressed their judgment of being a consumer as a superfluous activity in life or even as a vice and admitted to trying to become “independent of that stupid buying”.

Merging Real and Virtual Life

Summer 2021 interviews revealed social networks serving as self-reminder and virtual socialization platforms. Over two years, these networks underwent external judgment. While a clear boundary between real and virtual life was evident in 2021, by 2023, these distinctions have blurred. Initially, virtual existence was uncomfortable for both daily living and consumer activities in 2021, yet by 2023, real-life experiences have become more unsettling.

An in-depth analysis of interviews conducted with the same participants two years apart highlights that the concurrent global crises have not only brought about change but also a transformation in the consumer landscape. The primary identified transformations include:

- a shift from the pleasure-driven consumer to the ascetic consumer;

⁵³ By analogy with *Homo Socius*.

- transitioning from emotional authenticity to self-crafted representation;
- a shift from open communication to self-regulation in personal narratives;
- a change from the convenience of real life to the convenience of virtual life.

These identified shifts significantly alter the dynamics of consumer engagement and the products to be consumed. Virtual existence is now perceived as more authentic, where the consumer occupies the centre stage of a self-fashioned world. This, in turn, influences the contemporary landscape and the consumer's role and impact within it.

The most common points of agreement between professionals and consumers are the ways in which consumption has changed as a result of the crises (see Fig. 3.3).

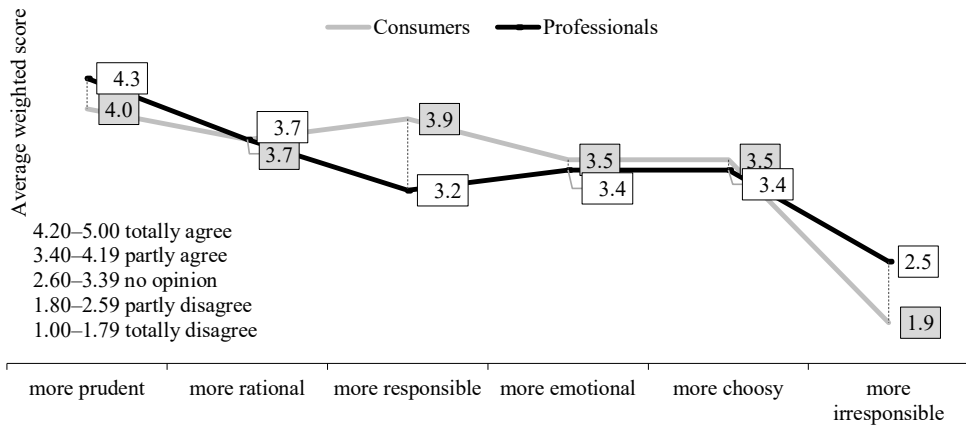


Fig. 3.3. Consumer changes amid crises ⁵⁴ (created by the author, 2023).

Both consumers and professionals agree (average weighted score 3.4–5.0) that consumers are becoming more vulnerable to crises:

- more cautious,
- more rational,
- more emotional,
- more choosy.

But no group agrees (mean score 1.0–2.6) that consumers become more irresponsible as a result of crises.

3.2.2. Defining Characteristics of Digital-era Consumer

Based on the various theories of consumer definition and consumer characteristics analysed in this Thesis, professionals and consumers were asked to identify the characteristics that most accurately describe a consumer.

As a result, there are significant differences in consumer characteristics by consumers and professionals and within the professional group (see Table 3.1).

⁵⁴ Consumer survey ($n = 1007$), survey created by the author, data Norstat Latvia, data collected: 27.02–03.03.2023.

Table 3.1

Characteristics of Consumers from Consumers' ⁵⁵ and Professionals' ⁵⁶ Perspective
(created by the author, 2023)

| Groups→ | Consumers (<i>n</i> = 1007) | Professionals (<i>n</i> = 126) | | | |
|---|---------------------------------|---------------------------------|--|---|-----------------------------------|
| Consumer characteristics ↓ | | All | Consulting agencies (<i>n</i> = 44) | Education and research institutions (<i>n</i> = 36) | Organizations (<i>n</i> = 36) |
| Getting pleasure from consumption | ? | = | = | = | = |
| Responsible for the global climate crisis | ? | = | = | = | = |
| Cannot stop consuming | ≠ | ? | ? | ? | ? |
| Always want something new | ? | ? | ? | ? | = |
| Do not know what they want | ≠ | ? | ? | ? | ? |
| Is insatiable | ≠ | ? | ? | ? | ? |
| Consume by default | ≠ | ≠ | ? | ≠ | ≠ |

This comparison of two surveys not only represents the characteristics of consumers in society (represented by the consumer survey) and among professionals (represented by the professional survey), but also points to consumer characteristics on which there is no or contradictory opinion, thus highlighting relevant further research questions, such as whether consumers are responsible for the consequences of the climate crisis if companies promote a constant appetite for the new?

Contradictions arise both within the groups providing the characterisation (in the survey of professionals) and between the different roles played in relation to the consumer (consumer as consumer, consumer as self, professionals as consumer).

3.2.3. Classification of Characteristics of the Modern Consumer

Modern consumer attributes are categorized based on an analysis of diverse consumer definitions, leading to the identification of two distinct groups. One group sees themselves as constituents of a consumer society, while the other perceives themselves as active agents driving the economy and commerce. These delineated groups display unique traits primarily shaped by the consumer's role, whether active or passive.

This classification of modern consumer traits encompasses all identified, theoretically scrutinized, and empirically substantiated consumer attributes in this research. The bifurcated structure of this classifier delineates consumer attributes based on their perceived roles: whether

⁵⁵ Consumer survey (*n* = 1007), survey created by the author, data Norstat Latvia, data collected: 27.02–03.03.2023.

⁵⁶ Survey of professionals (CAWI, *n* = 126), survey created by the author, platform: visidati.lv, data collected: 07–27.02.2023.

as a member of the consumer society or an economic driver. This classification system organizes consumer characteristics into three distinct tiers or levels:

Level 1: Level of involvement, which describes the activity that the consumer will take in consumption and economic processes.

Level 2: Decision-making level, describing the consumer at the moment of decision.

Level 3: Habit level, describing the consumer and consumption patterns.

Using the developed classifier provides a comprehensive understanding of the contemporary consumer from both the professional and consumer perspectives. From the professional standpoint, consumers are seen as passive and rational market participants, adhering to traditional economic paradigms. However, a noticeable post-crisis shift towards greater emotional involvement in decision-making challenges this perception. Despite this, professionals still view consumers as lacking responsibility within the economic system, often perceiving them as irresponsible.

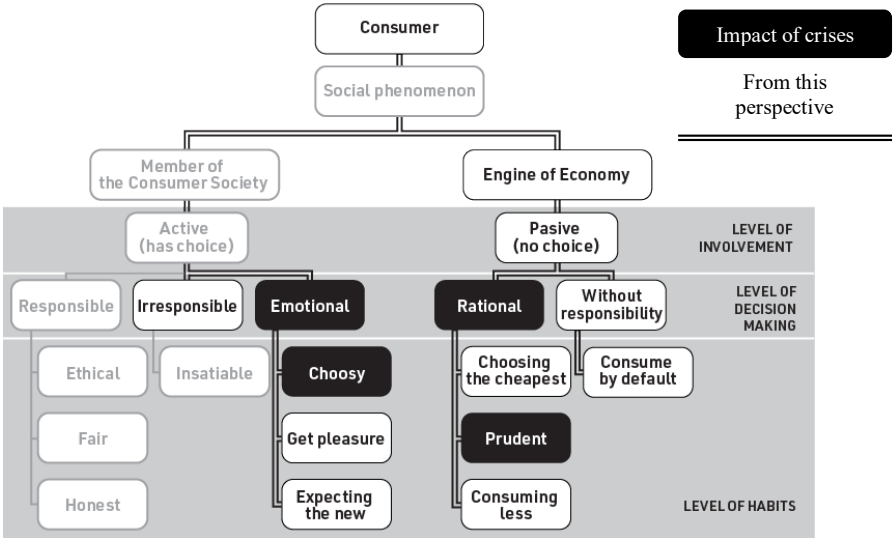


Fig. 3.4. Characteristics of the contemporary consumer from perspective of professionals (created by the author).

Conversely, consumers' self-descriptions present a wider range of common characteristics, aligning more with behavioural economics (see Fig. 3.5).

The significant difference lies in engagement levels, with consumers viewing themselves as active participants in the market, unlike professionals.

Similar to the professional consumer profile, crises have affected the consumer's self-profile in decision-making and consumption behaviour. However, this impact is notably more extensive, affecting various facets of responsibility.

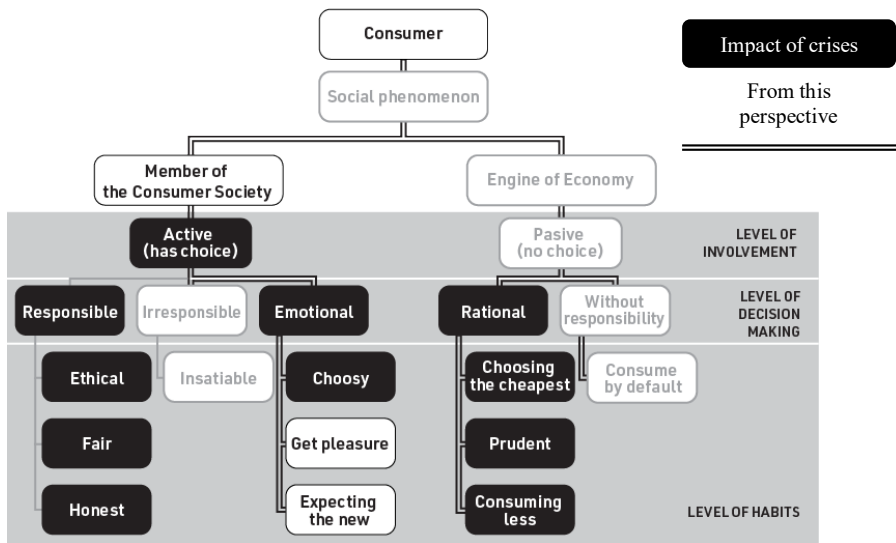


Fig. 3.5. Characteristics of the contemporary consumer from perspective of consumers (created by the author).

The most fundamental changes as a result of the crises are at the level of engagement, as consumer involvement has become more active; the expansion of choices has been accompanied by a hitherto non-existent one – the choice to be who you want to be, in a virtual environment.

3.3. Definition of Virtual Consumer

The section examines the convergence of consuming and non-consuming due to the COVID-19 pandemic, giving rise to a novel paradigm: the virtual consumer. Here, an exposition of the virtual consumer concept is presented and substantiated, underscoring the real-life presence of the individual. Nevertheless, as individuals partake in consuming within virtual environments and engage with the opportunities offered by such platforms, they transform into virtual consumers.

3.3.1. Characteristics of Metaverse or Virtual Reality

In establishing a definition for the virtual consumer, it is crucial to explore why the virtual environment differs in defining consumers compared to the real world. The earlier sections of this study have revealed several key distinctions:

- 1) the opportunity to self-define and be different or other or different from real life;
- 2) unlimited possibilities, as there are no restrictions on space (from anywhere to anywhere) or time (no opening hours);
- 3) isolation from real life,⁵⁷ creating a synthetic one, which can be similar to the real one, but also different.

⁵⁷ Branca, G., Resciniti, R., & Loureiro, S. M. (2023). Virtual is so real! Consumers' evaluation of product packaging in virtual reality. *Psychology & Marketing*, 40(3), 596–609. doi:10.1002/mar.21743, p. 597.

Virtual reality researcher Bailenson points out: “When virtual reality works well, it is seamless, and the virtual world changes just as the physical world does”.⁵⁸

Virtual worlds come in many forms – augmented reality, mixed reality, virtual reality, virtual worlds, digital worlds or, to sum it all up, the metaverse.

According to the proposed typology of the metaverse, the recurrence of the word “simulation” in the definitions and technologies used, and the simulation technologies used, virtual reality can be said to be a simulation of reality. This statement was put forward for discussion in the focus group discussion “Defining the virtual consumer”.

Seven out of eight focus group participants agreed with the equivalence between **virtual reality and reality simulation**, only discussing whether the simulation also includes a replica of reality. Psychoanalyst Jānis Gailis disagrees with this equivalence because it creates a virtual reality that is completely different from real life. He suggests that it could be an enhanced reality, but given that technological solutions are created, and created by someone, one is led to a fictional reality, which also includes an imitation reality, but on the condition that this imitation is created by a human being and not by an artificial intelligence that has no experience of the real world.

Five out of eight focus group participants agreed that **virtual reality can be equated with fictional reality** (fictitious or fabricated; specifically, conceived or formulated by an individual identified – I. J.). An important question that emerged was, if it is fictional, is it reality? The main question at this stage of the discussion was who invented it – artificial intelligence or man.

A panellist who disagreed that virtual reality is the same as reality simulation asked what the purpose of virtual reality is. Thus, assuming that virtual reality has a purpose, the focus group discussion participants were offered an equation between **virtual reality and the manipulative world**.

Although five out of eight participants agreed to this equality mark after extensive discussions, the first answer that came up was “Definitely not!” The reason why five of the participants agreed was that this environment (the manipulative world – I. J.) was created by someone with a specific purpose, to have an effect, whereas the natural environment (reality – I. J.) has no such purpose, it is itself, it does not exist to influence anyone. There was also an argument that virtual reality is manipulative because in a virtual environment, a person (a consumer – I. J.) can get what they give, so they can be manipulated – by giving something or not giving something. This statement was contrasted with the real world, where it is more likely to get something that one does not give (but wants – I. J.). The counter-argument that the virtual environment is not manipulative was that consumers can still filter (use information filters – I. J.) what to see, what to use, and when to use it and thus protect themselves from manipulation. A question that emerged and remained unanswered at this stage of the discussion was: is everything that is produced manipulative?

The focus group discussion participants were asked to equate virtual reality with augmented reality (augmented reality is thought of as an extension of reality, or as someone offering a virtual environment to a specific person – I. J.). Four of the eight participants agreed with this equivalence, the main argument of those who disagreed being that such a comparison narrows virtual reality. The discussion clarified that virtual reality can be fictional, can be

⁵⁸ Bailenson, J. (2018). *Experience on Demand: What Virtual Reality Is, How It Works, and What It Can Do*. New York: W. W. Norton & Company Ltd, p. 18.

manipulative, is a simulation of reality and that mathematically virtual reality is much, much more than just adaptive.

Virtual Consumption

There is no consensus among researchers on how consumers perceive this technology, nor on its impact on consumer behaviour.⁵⁹ Branca, Resciniti and Loureiro, summarizing existing research comparing the shopping experience, purchase intention and other factors influencing purchase decisions in virtual and real life, conclude that there is little or no difference and that virtual environments can offer a more engaging, positive and interactive shopping and purchasing experience, as it is possible to eliminate distractions in real life, resulting in more purchases, more positivity and a more responsible attitude towards the brand.⁶⁰

Gailis points out that Lacan has a concept, the “signifier”, which also appears in the image, and that “the function of the signifier is not to inform but to recall”; from this it can be deduced that memories of the product are bought in the virtual world. If the product or service is completely new and the consumer has no experience and therefore no memory, consumption in the virtual world becomes difficult. Virtual reality removes all the distractions that exist in real life, so it can be concluded that an equivalence can be drawn between **virtual reality and carefree reality**.

During the focus group discussion, unanimous disagreement arose regarding the comparison. The prevailing argument suggested that virtual reality might offer carefree experiences in solitude, but the presence of others, especially in social networks (referred to as I. J.), introduces a dynamic where “all their worries are alive too”, presenting a more authentic dimension of concern. Consequently, the carefree quality of reality varies across distinct metaverses, such as social networks and virtual games.

Virtual Solitude

The aspect of loneliness inherent in virtual life also emerged in the in-depth interviews, i.e. the theme of the “lonely self” emerged, where the person, although seemingly present, feels lonely because he has to take full responsibility for his own actions. Neither Jānis Gailis nor the focus group participants agree with the equivalence between virtual reality and the lonely self, because virtual reality is crammed with many stimuli and irritations (buy, consume, engage, join, comment, dare to try, etc.) that make one feel that one is not lonely there. Gailis sums up: “Virtual reality is the reality that also tries to undo the feeling of loneliness”. He does not agree that it is a lonely reality, because “for those who are inside it, it does not seem so”.⁶¹

Virtual Responsibility and Sustainability

The European Green Deal aims for net-zero greenhouse gas emissions by 2050, promoting resource-independent economic growth through green practices and inclusivity. Analysing this strategy suggests that responsible consumption may find its only viable form in the virtual environment. This approach allows economic growth without resource constraints, meeting consumer desires for novelty and satisfaction.

⁵⁹ Branca, G., Resciniti, R., & Loureiro, S. M. (2023). Virtual is so real! Consumers' evaluation of product packaging in virtual reality. *Psychology & Marketing*, 40(3), 596–609. doi:10.1002/mar.21743, p. 596.

⁶⁰ Branca, G., Resciniti, R., & Loureiro, S. M. (2023). Virtual is so real! Consumers' evaluation of product packaging in virtual reality. *Psychology & Marketing*, 40(3), 596–609. doi:10.1002/mar.21743, p. 597.

⁶¹ Ibid.

Despite virtual environments seeming like the sole option for responsible consumption, the connection between virtual reality and responsible or sustainable reality was unanimously rejected by focus group participants. Responsible reality cannot be accepted because the environment (virtual reality – I. J.) is “safe from me” and “I cannot break anything there”, the person is rendered harmless; therefore, if something happens in this reality, no one (the participant used “I” – I. J.) is responsible: “I cannot influence this environment in any way that the programmers cannot fix back”.⁶²

The focus group tested a **comparison of virtual reality to primitive reality**. While two participants agreed, others cited the complexity of crafting a virtual environment and disagreed.

To summarize the result of the focus group discussion (see Fig. 3.6), the virtual reality is⁶³ a simulation of reality, which is a fictional, manipulative world tailored to its users (or participants, or citizens).

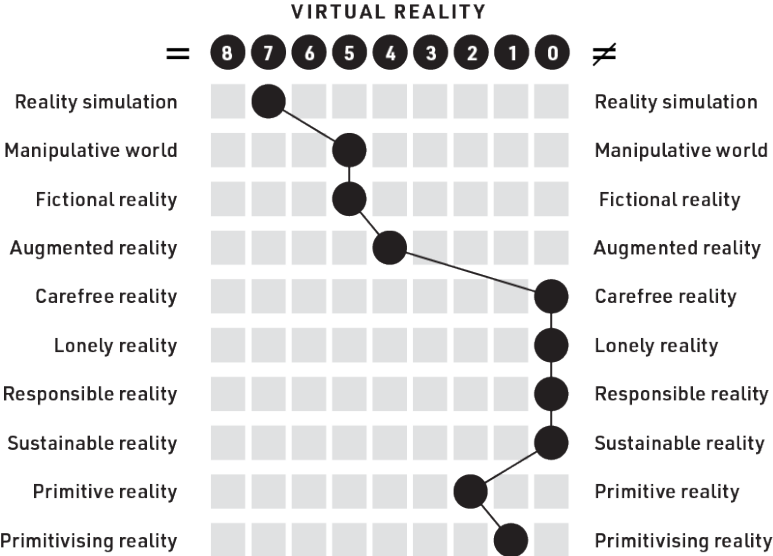


Fig. 3.6. Characteristics of the virtual world after the focus group discussion (created by the author).

Applied to consumers, a generation is emerging where artificial goods and fictional services are created and offered for purchase in a virtual, reality-simulating, and manipulative environment with widespread accessibility.

3.3.1. Consumer Identity Concepts

Consuming entails interactions with others, including the company, consumption methods, and chosen brands. The scope for self-definition as a consumer continually broadens, ranging from extending one's image to crafting an entirely different one (refer to Table 3.2).

⁶² Focus Group Discussion “Defining the Virtual Consumer” (April 25, 2023), The Poet’s note.

⁶³ All characteristics agreed upon by at least one participant are included.

Table 3.2

Stages in the Development of Consumer Self-definition (created by the author)

| Period | Stage | Concept | Description |
|-----------|-----------|--|--|
| 1959–1980 | Stage I | Self-concept | Levy was one of the first to start the scientific debate on the relevance of consumer self-image to product image. ⁶⁴ The self-concept has several sub-concepts that have evolved over the years, such as, actual self, ⁶⁵ social self, ideal self, ⁶⁶ ideal social self, gender role self-image, ⁶⁷ best friend's image, ⁶⁸ etc. ⁶⁹ |
| | | The core of the concept: You consume the way you perceive yourself. | |
| 1988 | Stage II | The expanded self Extended self-affirmation | A person self-defines with external objects or things that include him. Russell W. Belk argues that we cannot hope to understand consumer behaviour if we do not first understand the importance consumers attach to possessions. ⁷⁰ |
| | | The core of the concept: You are what you consume. | |
| 2003 | Stage III | Avatar Virtual identity E-personality Synthetic identity | Avatar creation became popular with the emergence of an online platform positioned as a virtual world <i>Second Life</i> . ⁷¹ Within the game, people create themselves, their world, buy and sell, and consume. |
| | | The core of the concept: You consume what you create. | |

The theoretical constructs pertaining to self-definition, as discerned in the theoretical analysis, underwent empirical scrutiny through examination with professionals regularly interfacing with the “consumer” concept in their daily duties (see Fig. 3.7).

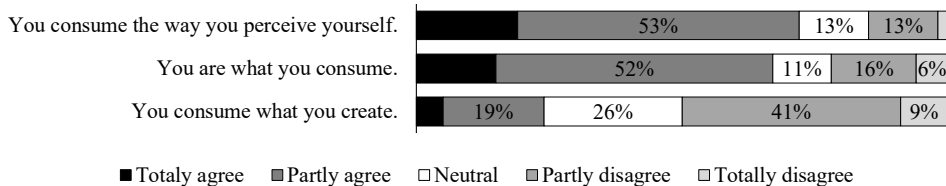


Fig. 3.7. Results of the consumer self-definition concept test ($n = 126$) (created by the author, 2023).

⁶⁴ Sirgy, J. M. (December, 1988). Self-Concept in Consumer Behavior: A Critical Review. *Journal of Consumer Research*, 9(3), 287–300, 291 p.

⁶⁵ The concept was introduced and developed by Paul E. Green, Arun Maheshwari and Vithal R. Rao (1969), David H. Huges and Jose L. Guerrero (1971), Joseph M. Sirgy (1979; 1980).

⁶⁶ The concept was introduced and developed by Arun Maheshwari (1974), Joseph M. Sirgy (1979; 1980), Coskun A. Samli and Joseph M. Sirgy (1981).

⁶⁷ The concept was introduced and developed by Paul V. Vitz and Donald Johnson (1965), James W. Gentry and Doering Mildred (1978).

⁶⁸ The concept was introduced and developed by R. J. Dornoff and R. L. Tatham (1972), Joseph M. Sirgy (1979, 1980).

⁶⁹ Sirgy, J. M. (December, 1988). Self-Concept in Consumer Behavior: A Critical Review. *Journal of Consumer Research*, 9(3), 287–300, 292 p.

⁷⁰ Belk, R. W. (September, 1988). Possessions and the Extended Self. *Journal of Consumer Research*, 15(2), 139–168, 139 p.

⁷¹ Available: [Official Site | Second Life - Virtual Worlds, Virtual Reality, VR, Avatars, and Free 3D Chat](#), accessed: 18.01.2023.

Of the three concepts proposed and identified, professionals agreed with two – “You consume how you perceive yourself” (72%) and “You are what you consume” (67%), but disagreed with “You consume what you create”.

A New Concept of Consumer Self-determination: “You Consume Yourself”

In early 2020, the COVID-19 pandemic suddenly moved almost all of life online and into the virtual world. Given the existence of the screen between the consumer and everything else, a new phase of self-determination possibilities was marked and new concepts of self-determination were identified: the new “me” and the new “you” (see Table 3.3).

In this concept, you turn yourself into a product or service for consumption, evaluating your worth through the screen and gauging the responses to your posted image.

Table 3.3 (addendum to Table 3.2)

Introducing a Novel Stage of Consumer Self-determination
(created by the author as novelty of this research)

| Period | Stage | Concept | Description |
|---|----------|------------------------------|---|
| 2020 – ... | Stage IV | New “me” and New “you” | Anthony Elliott proposes the concept of the new “you”, which in modern society, in the digital age, with the enormous consumption and speed of information, threatens and replaces the self-concept. ⁷² The new “you” was established during the Covid-19 pandemic, when the screen came to dominate human beings and communication and people began to consume their images, work, learning, etc. as if looking in a mirror. According to Jacques Lacan’s theory of the mirror image, it is not the self or ego that is seen in the mirror image, but others – something that is outside. ⁷³ |
| The core of the concept: You consume yourself. | | | |

Drawing from Lacanian mirror-image theory (see Fig. 3.8), psychoanalyst Janis Gailis elucidates: “Per Lacan, we initially perceive our image as an external other, identifying with it, integrating it into ourselves, and shaping our self-image.”⁷⁴

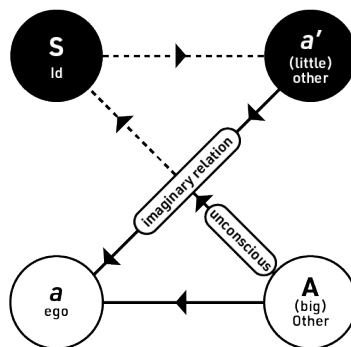


Fig. 3.8. Jacques Lacan's “Scheme L” (Lacan, 1966).⁷⁵

⁷² Elliott, A. (2020). *Concepts of the self*. Cambridge: Polity Press, 19 p.

⁷³ From an interview with Dr. Jānis Gailis on March 11, 2023.

⁷⁴ From an interview with Dr. Jānis Gailis on March 11, 2023.

⁷⁵ Lacan, J. (1966). *Le séminaire sur “La Lettre volée”*, in *Écrits*. Paris: Seuil, p. 53.

Analysing the concept “You consume yourself”, J. Gailis says: “The new element is what you (the author – I. J.) say, that we consume ourselves. This is really something new. I consume myself by looking at myself on the screen.”⁷⁶

Based on this new concept of consumption, it can be argued that we are a product or service to ourselves and to others (see Fig. 3.9).

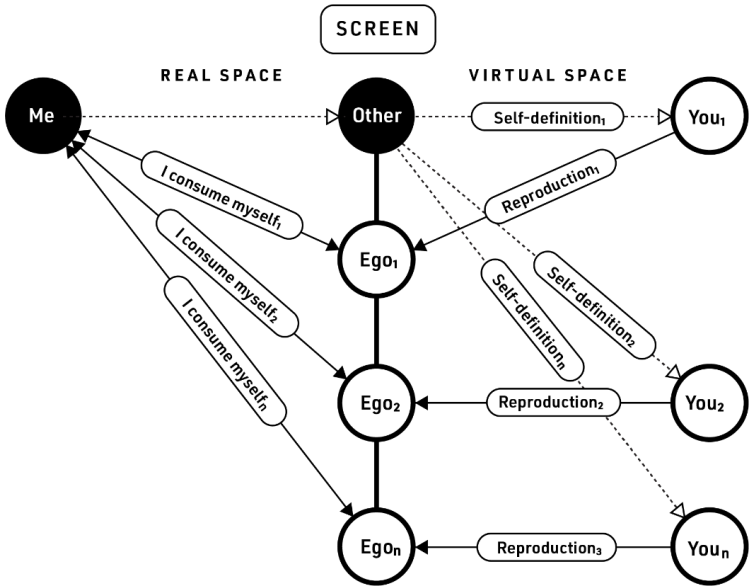


Fig. 3.9. The concept “I consume myself” (by the author – novelty of the research).

Analysing the concept of “I consume myself” proposed by the author, it can be said that when consuming oneself, there is a constant need to change oneself in order to consume anew, thus satisfying one's consumer trait – the craving for the new. And in order to satisfy this craving, a new ideal self is created (according to the self-constructions of the mind).⁷⁷ The changes offered by the virtual world, on the other hand, are only expressions of the visual image. Virtual environments demand and offer constant change – just as apps change, computer software updates, new virtual experiences. **Continuing this thought, it can be observed that there has been a paradigm shift. If once attempts were made to create artificial intelligence in the image of humans, now there is an effort to shape humans based on the form of artificial intelligence.**

To summarize the concept of “You consume yourself” (“I consume myself” – I. J.) (see Fig. 3.9): by using the self-definition possibilities of the virtual environment (Fig. 3.9 – Self-definition), the consumer in the virtual environment (Fig. 3.9 – Screen), by turning himself into a subject (Fig. 3.9 – You_n), creates several identities (Fig. 3.9 – Ego_n), whose demand is shaped by others (Fig. 3.9 – Other) in the metaverse (Fig. 3.9 – Virtual space). Looking at the new identity (Ego_n in the figure) you are consuming yourself, which is also self-reproduced.

⁷⁶ From an interview with Dr. Jānis Gailis on March 11, 2023.

⁷⁷ Freiberga, E. (2016). *Starp reālo un imagināro*. Rīga: Latvijas Universitātes Filozofijas un socioloģijas institūts, 57. lpp.

3.3.3. The New “Me” and the New “You”

Both psychoanalyst Jānis Gailis,⁷⁸ psychologist and identity formation researcher Helga Dittmar⁷⁹ point out that there is no single or unified identity and no single “me”, but several “me-s” that are constantly adapting to what the other(s) want from us.

Within the concept of “You consume yourself” (“I consume myself” – I. J.), there are two identity concepts: the new “me” and the new “you”. The call for the consumer to be a new “you” has always been a stronger irritant than being a new “me”. The search for a new “you” is encouraged by companies selling goods, services, and brands that can supposedly help to achieve this new you. The new “you” is most often searched for (on *Google*) in the form of image searches, with increased intensity at the beginning of the year (see Fig. 3.10).

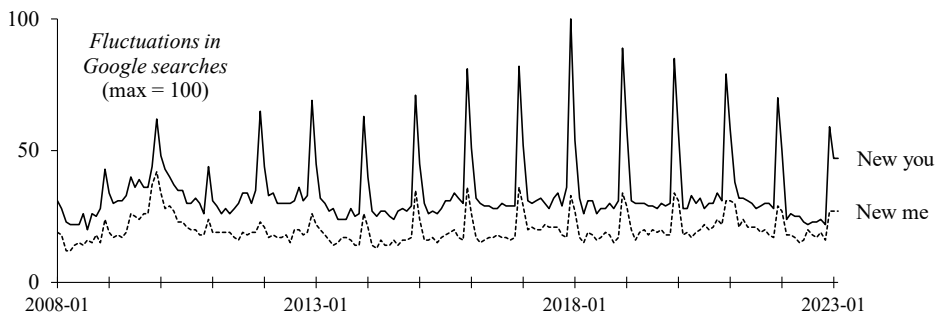


Fig. 3.10. Average monthly fluctuations in Google searches for new “me” and new “you” (created by the author, *Google Trend*).

The search for the new “you” is almost twice as intense as the search for the new “me”.

3.3.4. Use of Self-definition

Consumer survey data confirms that the vast majority of life is spent in the virtual world – 70% of all social network users spend one hour or more a day there, while 56% of the 16–29 age group spend three hours or more a day on social networks.

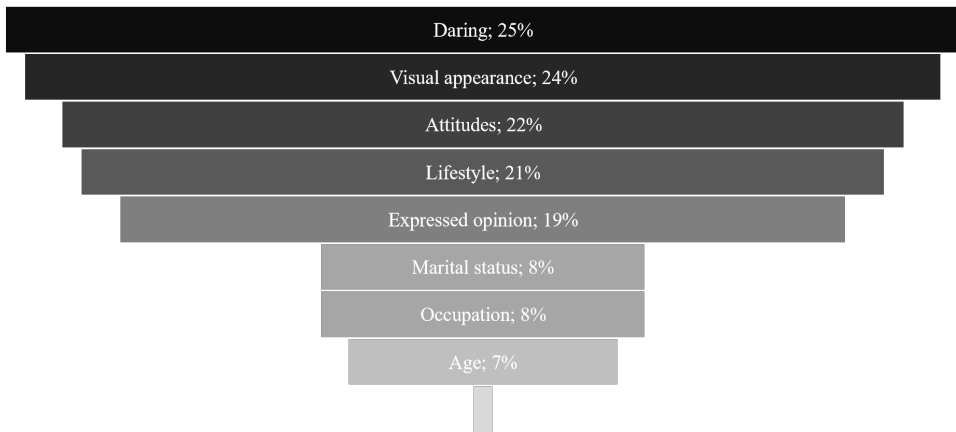
22% of respondents who use social networks confirm that their social network profile is partly or completely different from their daily life. Women and young people (16–29 years old) are the most different from real life on social networks.

Social network users who said that social networking made them different from real life cited boldness (25%), visual appearance (24%), attitude to events (22%), and lifestyle (21%) as the main differences (see Fig. 3.11).

⁷⁸ From an interview with Dr. Jānis Gailis on March 11, 2023.

⁷⁹ Dittmar, H. (2008). *Consumer Culture, Identity and Well-Being: The Search for the “Good Life” and the “Body Perfect”*. New York: Psychology Press is an imprint of the Taylor & Francis Group.

What makes you most different on social networks from you in everyday life?



$n = 204$, those who claim to be different on social networks.

Fig. 3.11. Profile differences between a daily profile and a social network profile. ⁸⁰

Self-definition varies by age groups; boldness distinguishes the real and virtual self among the youth, but this distinction diminishes with age. Lifestyle is more critical for the young and diminishes with age, while changes in visual appearance gain importance over time. Point of view is key for both the youth and the elderly, less so for the middle age group. These findings challenge demographic-based consumer recognition, as individuals utilize the virtual environment to define themselves through diverse lifestyles, appearances, and opinions. In summary, the modern consumer is a virtual consumer, empowered to choose when, how, and what to consume, shaping their identity dynamically.

3.3.5. Virtual Consumer Definition Test

Focus group participants were given two definitions of virtual consumer for discussion (see Table 3.4). Two definitions, because two consumers co-exist in the research:

Consumer 1: A person who is passive, defined by the offer, who consumes or uses products and services.

Consumer 2: A concept that is also a social phenomenon, a member of consumer society who is also an active supply creator.

Taking into consideration the objections, additions and terminology discussed in the focus group, as well as the theoretical and empirical research base of this study, the author proposes a definition of the virtual consumer (see Table 3.4).

The author introduced a novel definition, presenting the consumer as a social phenomenon rather than an individual – a concept favourably embraced by participants in the focus group titled “Definition of the virtual consumer”.

⁸⁰ Consumer survey ($n = 1007$), survey created by the author, data Norstat Latvia, data collected: 27.02–03.03.2023.

Definitions Proposed for the Focus Group Discussion
 “Definition of the Virtual Consumer”⁸¹ (created by the author)

| Definition of virtual consumer | |
|--|--|
| The virtual consumer is a social phenomenon with the ability to choose what and how to consume and the potential to self-define. | |
| Verification 1 | Any social phenomenon that has the ability to choose what and how to consume and has unlimited possibilities for self-definition is a virtual consumer. |
| Verification 2 | Only a social phenomenon that has the ability to choose what and how to consume, and has unlimited possibilities for self-definition, is a virtual consumer. |

Underscoring the paramount importance of the virtualization of time and space in contemporary society, the author underscores its profound impact on consumer behaviour. This phenomenon endows consumers with the liberty to shape their identity, positioning themselves as a significant societal component.

3.4. The Dynamics of Strength and Weakness in the Digital-era Consumer

In the virtual era, the consumer is both empowered and vulnerable. Amid crises and virtual living, they navigate a realm of endless possibilities and choices, shaping themselves in a cost-free virtual environment according to momentary well-being and imaginative lifestyle. As psychiatrist and researcher on personal behaviour in virtual reality, Elias Aboujaoude points out: “Our e-personality is happier, almost by definition, because it can set for itself unrealistic goals considered elusive in normal life and then amuse itself confidently trying to achieve them.”⁸²

Happiness in the virtual world, driven by approval icons, does not translate to real-life satisfaction for modern consumers. Virtual well-being and experiences do not carry over, leading to a sense of deficit. The blurred line between reality and virtuality prompts constant identity changes for attention, recognition, or belonging.

This section of the study addresses the principal inquiry outlined in the Thesis: the defining attributes of the contemporary consumer. By scrutinizing theories pertaining to consumer identities and interpreting the preceding data, the study identified, selected, and categorized the traits that most aptly delineate the modern consumer within the contexts of crises and virtual environments. Moreover, a novel concept termed “You consume yourself” (“I consume myself”) emerged as a distinct consumer identity, alongside the establishment of a new paradigm denoted as the virtual consumer, characterizing a contemporary consumer phenomenon.

⁸¹ Vedins, I. (1998). *Loģika*. Rīga: Avots, 95. lpp.

⁸² Aboujaoude, E. (2011). *Virtually You: The Dangerous Powers of the E-Personality*. New York: W. W. Norton & Company Ltd, p. 57.

Conclusions and Recommendations

Hypotheses

H1: Within the expansive realm of virtual consumption spaces, the contemporary consumer faces constraints and constraints, being presented with options shaped by computer algorithms.

H2: While in realms such as business, innovation, technology, science, and education, consumers are commonly identified based on demographic or real “me” attributes, the increasing amount of time spent in virtual spaces elevates the significance of virtual “me” characteristics that consumers can construct.

H3: Being a consumer in a crisis is a matter of life and death because there is no choice to consume or not to consume.

Conclusions

1. Digital-era consumers are increasingly immersed in virtual environments, with younger individuals spending extended periods therein; one in five consumers acknowledges exhibiting a distinct persona in their virtual lives. This substantiates the hypothesis (H2) proposed in this study, indicating the obsolescence of identifying consumers solely by demographic attributes, emphasizing the growing significance of the virtual self.
2. The potential realm of modern consumer consumption has expanded boundlessly in spatial and temporal dimensions within the virtual environment. However, it is not evident in this study that consumption choices diminish because of consumers receiving algorithm-shaped offers (H2). An exploration of consumer behaviour in virtual environments led to the identification of a new concept in consumer identification: “You consume yourself”.
3. The COVID-19 pandemic propelled a significant portion of consumer activities to the virtual sphere, necessitating self-reflection and self-representation via online platforms (Zoom, MS Teams, etc.). Observing themselves on screens prompted consumers to internalise their virtual presence, thereby creating a demand for self-reproduction, influencing labour market demands.
4. Consumers leverage diverse avenues in the metaverse, including social networks, to redefine themselves in various ways – by embracing audacity, adopting alternate lifestyles, expressing differing viewpoints, or adjusting their perceived age.
5. The crises have substantially influenced consumers and their consumption behaviours. The importance of social responsibility and ethical choices diminished, while rational purchasing choices gained significance. These shifts, stemming from the Russian invasion of Ukraine, are notable among consumers with both negative and positive expectations regarding their material security in the next two years.
6. Both crises, the COVID-19 pandemic and Russia’s war in Ukraine, significantly impacted consumer choice categories associated with ethical and socially responsible consumption, as well as shopping preferences. Ethical and socially responsible choices saw decreased significance, whereas factors concerning price and convenience surged in importance.
7. Income levels do not appear to affect consumers' ethical decisions. After Russia’s invasion in Ukraine, individuals across low, middle, and high-income brackets exhibited equal willingness to adapt their lifestyles for environmental improvement, contrasting

with the time when high-income earners were significantly more amenable to such change than their lower-income counterparts.

8. The crises prompted a new demand, described as a “consumption of death” – encompassing information on COVID-19 fatalities, casualties of war, and civilian deaths. This validates hypothesis (H3), highlighting the inevitability of consumer participation during crises, compelling online engagement for survival information and choices.
9. Definitions of consumers within the economic and business domains have become outdated, failing to correspond with the structures of contemporary consumer behaviour post-global crises, in line with the transition towards sustainable economic and business principles.
10. Consumers pose a paradox in economic and business contexts and ethical decision-making. They are viewed favourably in one setting, where increased consumption benefits the economy, yet concurrently viewed unfavourably in another realm where excessive consumption has contributed to the climate crisis. Encouragement and restraint of consumption exist as dichotomous perspectives.
11. The modern consumer is not merely a passive entity in the traditional economic system but an active participant within consumer society. They share both responsibility and irresponsibility for the outcomes of their choices.
12. Present-day economic paradigms necessitate consumer involvement and shared accountability for economic sustainability and growth. Despite this, professionals continue to perceive consumers predominantly as passive demand providers, failing to acknowledge their active role.

Recommendations

This study offers utility to diverse stakeholders within the realm of the consumer phenomenon:

1. Economists benefit from reevaluating the transformed consumer in the wake of severe global crises. This examination aids in establishing novel key economic indicators for the contemporary economy, which contrast with traditional metrics (income, expenditure, consumption). These fresh indicators pivot on the consumer's active participation in shaping economic growth and sustainability, fostering a culture of responsible consumption.
2. Marketing, communication, and brand strategists gain insights into tailoring messages to consumers grounded in the virtual consumer profile. Given the ongoing and forthcoming exploitation of consumer self-definition, this knowledge holds valuable implications.
3. Businesses are encouraged to create product/service demands founded on consumers' socially and ethically responsible choices, steering away from mere novelty and consumer indulgence.
4. Policy makers and officials implementing the net-zero approach derive value from educating consumers regarding their roles and responsibilities within the modern economy.
5. Researchers, educators, and scientists are prompted to discover and delve into fresh avenues for comprehending the contemporary consumer phenomenon, exploring their virtual, self-defining, and self-consuming attributes.

6. Consumers themselves are encouraged to comprehend and be mindful of their roles and responsibilities within the modern economy. This involves understanding the magnitude of consumption and the origin of the consumed products or services.

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Ilze Jankovska was born in 1978. She holds a Bachelor's degree in Engineering Economics (1999) and a Master's degree in Economics (2001) from Riga Technical University (2001).

Over the last 20 years, she has held senior positions in marketing, advertising and communications in various organisations and companies. Since 2013, she has been a communication strategist and research producer at the multidisciplinary project and research agency MOZOKOT. She is actively involved in various non-governmental organisations that promote the development of a cohesive, inclusive and tolerant society. Since 2021, she has been Chair of the Board of the Democracy Fund.

Her research interests include transformations of modern consumers, and the impact of the virtual environment on economic processes and business development.