

## Consumer behavior as a fundamental requirement for effective operations of companies

Anna Makarewicz

*Faculty of Economics and Management*

*Szczecin University, Poland*

*e-mail: makarewicz81@gmail.com*

**Abstract.** The aim of this article is to present the evolution of consumer behavior which has occurred for the last few decades. This process has proceeded by a series of changes in standards of living, which have changed as a result of general development and increasing social awareness stemming from increasing (available) knowledge of this problem. Since consumer behavior and its uniqueness reflect changes which have occurred over the years, it is of particular importance not only because it shows the process, but also for the sake of this article. It refers to the overall picture of changes that have taken place in societies, stemming from economic, moral, political and social events. These phenomena make it possible to observe how they have affected the evolution of consumer behavior as far as quality and the frequency of its occurrence are concerned. Technological expansion and other factors resulting from the general development determine changes in consumer behavior which has not occurred so far. The objective of this article is to present changes in consumer behavior and the nature of this phenomenon.

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### ACTIVE SELLING IS AN ESSENTIAL REQUIREMENT FOR THE EFFECTIVE MARKET ECONOMY

Active selling is realized through previously acquired information about consumers, their needs, mechanisms of market decisions and buying motives. Sale, which brings either success or failure, is mostly determined by consumers' buying decisions (Kieźel, 1999).

Evolving economic and social conditions, which followed the transformation of Polish economy and its adaptation to European standards, have led to significant changes to ways in which enterprises operate on the market (Woźny D., p. 521, 2008 ).

From the perspective of an enterprise, therefore, consumers are the main source of uncertainty, so their behavior needs to be researched systematically (Rudnicki, <http://zn.mwse.edu.pl/rudnicki-leszek-zachowania-nabywcow-jako-przeslanka-dla-tworzenia-strategii-komunikacji-przedsiębiorstwa-z-rynkiem/>)). The research forms a database which is used to build a marketing strategy. Designing marketing strategy

aimed at preferred consumer behavior needs to be preceded by the analysis of factors which determine this behavior, and the identification of changes in consumer behavior influenced by changes in these factors. ( <http://zn.mwse.edu.pl/rudnicki-leszek-zachowania-nabywcow-jako-przeslanka-dla-tworzenia-strategii-komunikacji-przedsiębiorstwa-z-rynkiem/> ).

Information concerning the consumer and his/her behavior is indispensable at each stage of the process of designing marketing strategy. This information is used to select a target market segment, product policy, prices, distribution policy and promotion policy. Knowledge of consumer behavior rules is also necessary to formulate company's communication with the market. In this type of communication the knowledge of internal as well as social and cultural determinants of consumer behavior is particularly important<sup>1</sup>.

Research on consumers' market behavior has great epistemological significance. The identification of determinants of consumers' market decisions and their analysis broaden contemporary marketing knowledge. The accurate identification of needs and mechanisms of consumers' market behavior enables enterprises to design marketing activities effectively, and to meet customers' requirements (Krakowska Konferencja Młodych Uczonych, p.525, 2008)

## CONSUMER AND HIS/HER 'PROVENANCE' AS ENTERPRISES' COMMUNICATIONS STRATEGY

In order to develop the policy of communication with the market, an enterprise needs to have knowledge of social and cultural determinants of consumer behavior. The fact that customers are members of a particular culture or sub-culture generates values and behavior which they accept. These factors play an important role in formulating the concept of communication. They also influence the choice of media and their role in the process of creating the communication. Media have a vital role in creating consumer behavior. In American and European cultures, contrary to Islamic countries, television is one of the most important media. The choice of medium to be used depends also on consumers' educational background. As far as print advertising is concerned, publications and brochures are aimed at well educated consumers, while outdoor advertising, such as posters, is targeted at less educated consumers (Rudnicki, pp. 203-214, 2011 ).

Consumer's behavior determined by their perception abilities and susceptibility to persuasion may also depend on seemingly unimportant details. Yet, whether a particular message elicits a response or not may depend on a colour or a graphic symbol used in the message. In most countries the colour white symbolizes peace, purity, innocence, but in Pakistan and Japan it is the colour of mourning. The colour green symbolizes hope, cure, freedom, but in Switzerland it is a symbol of something unwanted, immature, while in Malaysia it denotes danger and death one may face in the jungle. Therefore, associating a product with an inappropriate colour may result in refusal. Designing marketing activities includes influences of reference groups and trend-setters. The identification of the impact force of these factors on buying decisions is significant for establishing communication policy. Considerable influence of reference groups or trend-setters on consumer behavior should be used in advertising, which means that representatives of these groups should take part in advertising campaigns. It is particularly important if we want to promote products associated with conspicuous consumption, since buying decisions are determined by a strong influence of reference groups and trend-setters ( Rudnicki, pp. 203-214, 2011 ).

Before an advertisement for a particular product is designed, it is necessary to collect information about customers' motivation for buying the product. This knowledge, which is fundamental to consumer behavior,

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<sup>1</sup> <http://zn.mwse.edu.pl/rudnicki-leszek-zachowania-nabywcow-jako-przeslanka-dla-tworzenia-strategii-komunikacji-przedsiębiorstwa-z-rynkiem>

provides guidance as to what tools should be used to persuade customers to buy a particular product. The nature of motivation reveals their susceptibility to being created by modern enterprises. If a consumer is motivated internally by the pleasure he/she takes, it is difficult to change this kind of motivation. In such a case the company's objective is to design a suitable advertising campaign aimed at strengthening the customers' motivation. It refers to products relating to consumers' hobbies, and those whose purchase is strongly motivated. On the other hand, external motivation can be shaped by the market. Assuming that a consumer is focused on getting a reward, or attracting attention, competitors may win the customer with effective advertising (Rudnicki, pp. 203-14, 2011 ).

Another aspect of consumer behavior which should be taken into consideration while designing an advertising campaign is the division of motivation into rational and emotional motivation. If an advertisement is to concentrate on rational motives, it needs to show the qualities of the product or economical aspects of a purchase. If, however, an advertisement exploits the emotional aspect, it is to evoke a positive attitude towards the advertised product (Rudnicki, pp. 203-214, 2011 ).

The level of communication between an enterprise and its customers depends on the quality of perception of advertisements. Companies are aware of the fact that consumers perceive only selected information contained in an advertisement. Consumers select stimuli directed at them, therefore they perceive only some of them. Customers tend to respond only to these incentives which reflect their unfulfilled, especially current needs. Moreover, consumers are to the same extent attracted to the unspecified, surprising and non-standard message, i.e. message which contains different incentives, such as sales, intriguing advertisements. Expected incentives are easily accepted. It should be noted that incentives aimed at expected customers are often deformed, because people tend to interpret information according to their opinions and habits. Attracting customers is a difficult task, since their perception is subject to their preferences and personal opinions. Thus sales appeal lies in its originality which lets it stand out among competitive offers. Therefore, appropriately designed message, including elements accepted by the customer, must be the overriding feature of the advertisement (Rudnicki, pp. 203-214, 2011 ).

Although advertising content by definition plays an important role in an advertising message, other components of this message, especially those which determine the final advertising message, cannot be disregarded. These components include the size and shape of advertisements, the use of colours, contrast, movement. Skillful application of these components can dominate the project. If a particular message does not produce expected results, important incentives may be increased by more frequent broadcasts and simultaneous intensification of visual and sound effects, or by applying contrast in the initial project (Rudnicki, pp. 203-214, 2011). All determinants create the image of the consumer and consumer behavior on the market. Components mentioned above are guidelines for various determinants which are going to be described below.

## **VERSATILITY OF CONSUMER BEHAVIOR AND ITS SIGNIFICANCE**

Psychological determinants of consumer behavior include motives, the manner of attitude perception, learning, habits and manners, personality, tendency to risk, and lifestyle. Economic determinants of consumer behavior include price, products, income, place of sale and advertising. Social and cultural determinants of consumer behavior comprise a social group, a family, a reference group and trend-setters. These determinants are external factors which shape consumers' buying behavior. Internal factors comprise personal and demographic determinants, such as sex, education, the stage of family life, income, lifestyle (Karczewska, p.475, 2010 ).

In the age of globalization, the main problem seems to be the diversity of consumer behavior determinants, which are subject to nationality, cultural and religious affinity. New tendencies in consumer behavior and the emergence of new consumer groups have been observed for a few years. Market economy is customer-oriented, and it puts buyers and consumers in a privileged position. Consumers are privileged to choose among competitive offerings, thus influencing the range of products and services on offer, price, promotional activities, logistics in the distribution of products, and determining marketing mix (Karczevska, pp. 475-476, 2010 ).

In the subject literature there are various definitions of consumer behavior. Basically it is a set of activities aimed at obtaining, using and managing products and services, as well as decisions taken before purchase. They include purchasing, possessing and using products. Consumer behavior is manifested by buying products and services to satisfy needs. The act of purchase is a complex process preceded by the act of selection, which has its guidelines. Economic criteria, secured by psychological elements, are important because customer's finances are compared to the price of a product or service. The buyer's intention is to move to the expected aspiration level, which is manifested by the needs that have to be satisfied by purchased products. Consumer behavior can be explained by the description of consumer's internal responses to different incentives and their individual perception, since such situations trigger various behaviors during the buying process (Karczevska, p. 476, 2010 ). This behavior is therefore divided into rational and irrational. The former is understood as internally coherent behavior resulting in maximum satisfaction. The buyer behaves rationally if s/he uses the available income to purchase goods which will bring him/her maximum satisfaction. Irrational consumer behavior is characterized by incoherent behavior of the consumer, who consciously takes buying decisions that may not be in their best interest. Irrational buying decisions do not result from cold calculation, but rather from the need for imitation, incentives, snobbery, and subconscious motivation. The buyer is often unaware of these dependencies (Rudnicki, 2004).

It has to be remembered that this behavior is affected by conditions which determine the buying decision process. As has been mentioned, consumer behavior is determined by various factors (among others, economic, social and cultural), but it is also affected by accidental factors. The number of causative factors makes buying decisions difficult to predict. All determinants of behavior, however, accumulate in a great number of cases thus becoming regular determinants. Customers' needs, which are external determinants, affect consumer behaviour. Although some needs are prioritized and are a reference point for dividing them into levels of importance, this fact does not motivate the importance of needs and does not offer guidelines as to which need should be satisfied first. Taking the above information into account, an American psychologist Abraham Maslow developed the hierarchy of needs. According to this theory, satisfying the need which is at the lower level in the hierarchy, and at the same time more important, is necessary to have another need, which is less important, emerged at the higher level in the hierarchy (Karczevska, p. 476, 2010 )

## ALTERNATIVES OF CONSUMER BEHAVIOUR

Every decision, as well as every activity of a human being is motivated by stimuli, which determine the direction and the objective. Activities triggered by incentives are generated on the basis of the system of needs. Motivation is a group of factors which stimulate deliberate actions. As far as motivation of the buyer is concerned, the product offered by the market is the focal point. Most often this process includes a few motives. For example, a decision to buy two cars in one family may be influenced by different reasons. One car can be used to drive to work, and the other may be a symbol of a high social status of the family. People may behave differently because of the same reasons. A hungry person may either buy products to prepare a meal,

or go to a restaurant, thus the same motive, i.e. hunger, triggers two different kinds of behavior. Consumer behavior is therefore subject to the way in which an individual perceives the outside world. In the 21<sup>st</sup> century consumers are aware of and learn about products thanks to packaging, promotions, advertisements, and contacts with other customers. If the seller has knowledge of manners of perception, s/he can communicate with consumers. Producers and salespeople control mechanisms of decision making by referring to consumers' senses, i.e. eyesight, sense of touch, sense of smell, hearing, taste (Karczevska, pp. 477-478, 2010 ).

Attitude can be described as evaluation of expected results of using a particular product. In marketing, objects of reference comprise services, merchandise, commercial marks, shops, prices, etc. Attitude towards the very object may be manifested by feelings and emotions, which accompany the object of attitude, possessed evaluating perception, as well as tendencies for particular behavior. Information plays an important role in shaping consumers' attitudes, because it is very difficult to influence the attitudes of these consumers who have a lot of information about the object. When the consumer knows exactly the qualities and virtues, but also defectiveness of a given product/brand and has a negative opinion of it, it is extremely difficult to persuade him/her to buy the product/brand. A consumer who has limited negative information will behave differently. The attitude may be changed when the characteristics of a subject are modified. A group of people, after having received information contradictory to their attitudes, becomes more willing to connote this information and to change their initial attitude. This change has been affected by the nature of the attitude towards the object the information refers to, and by the nature of the situation when the information is passed on. Behavior is also shaped by personality. Personality traits attributed to every human being are manifested by four temperaments: choleric, sanguine, melancholic, and phlegmatic. Self-confidence and tendency for risk taking are equally important traits which influence personality. All this refers to a set of individual personality traits and ways of behavior which can be used to describe basic forms of human behavior (Karczevska, pp. 477-478, 2010).

Consumer behavior is also changed by the learning process, i.e. as a result of buyer's previous experiences. It should be remembered, however, that not every change stems from learning. It can result from natural processes in a human body, e.g. puberty, ageing, as well as temporary changes. Learning results in a relatively permanent change. While learning people develop abilities to respond appropriately to new situations. The so-called models of behavior/ ways of solving problems are formed then. When a buyer purchases a new product s/he learns how to make a good choice, which is confirmed by the reward, i.e. satisfaction he/she takes from the purchase, or s/he learns by 'trial and error.' When a customer has made a wrong decision and is dissatisfied with the purchase, s/he will buy another product which will trigger different feelings. It is therefore impossible to buy the same wrong product again. If, on the other hand, a customer is satisfied with the product, s/he will probably buy it again. The situation may be different when a customer buys a product of a different brand but with similar properties out of curiosity. Yet such a situation leads to generalization. In marketing generalization is used on a large scale, especially when establishing domestic brands. It is commonly believed that a consumer who is satisfied with the product after its purchase and while using it, is willing to buy products of the same brand., e.g. if one is satisfied with Sharp television set, s/he will probably buy other products of the same company (Karczevska, p. 478, 2010 ).

Habits which form consumer behavior are activities frequently repeated according to a fixed pattern. Habits sometimes determine consumer behaviour. Together with automatic/habitual activities, i.e. activities which always happen and are repeated, there are also activities which predict readiness to undertake a particular activity, with an option of adapting it to changeable conditions and situations in which they can be done. The latter form of activity is called a skill. It is more complex than a habit, which has already been described, because it is subject to superior guidelines. As a rule habits lead to the emergence of customs, i.e. common patterns of behavior in a particular situation. Drinking tea at a fixed time is an individual habit.

Shopping once a week on a particular day is an example of a habit characteristic to a given social group. It is worth noticing that customs have to be accepted by the society, while habits do not have to, moreover, they can be unaccepted by the society at all. Customs are relatively permanent. Their position depends on whether they are handed down to subsequent generations (Karczevska, pp.478-479, 2010 ).

Taking buying decisions is risky, especially if the decision is taken for the first time. First purchase entails the risk of a wrong decision, which may result in losses. Risk is a kind of uncertainty that consumers face when they are not able to predict important and potential consequences of a purchase. Thence the anxiety relating to the purchase is strictly subjective and closely connected with psychology. Thus, it is an internal determinant of consumer behaviour ( Karczevska, p. 479, 2010 ).

Determinants of consumer behavior described in the article show that nowadays the process of taking buying decisions is, apart from economic factors, determined by psychological, cultural, and demographic aspects. For many years attention was focused on materials, machines, money and personnel. In the last few years this hierarchy has considerably changed. Consumers and their needs are a priority. Changes which have taken place in world markets as a result of globalization, technological progress and the spread of companies outside the domestic market generate changes in the structure and ways of consumption of individual buyers. (Karczevska, p. 483, 2010 ). The spread of new media forces companies to undertake activities aimed at satisfying customers' expectations. Today it is easier to create a new need than to satisfy the existing one. We are witnessing a revolution in the process of communication (Brand Medicine, p.3, 2001 ).

## CONCLUSIONS

Consumer behaviour has evolved over the years. It is becoming a special phenomenon of unique quality thanks to access to knowledge, which is a measurable source of progress. Consumer behavior is a novelty as far as buyers' behavior is concerned, and it is attracting growing interest from researchers. It is characterized by great flexibility and susceptibility to changes. Sometimes consumer behavior meets these changes halfway, thus forcing companies to act accordingly. Buyers' behavior results from their attitudes triggered by developmental tendencies of today's world. Increasingly demanding customers are characterized by special buying behavior which effective enterprises must tackle. Versatility of this phenomenon which is affected by various factors described in this article is a separate issue in companies' strategies. Today consumer behavior is a starting point for their activities. Company's success often depends on consumer behavior. The ability to predict consumer behavior is very important, since it allows a company to control the consumer and his/her activities. Since the development of consumer behavior is an ongoing process, it is difficult to form unequivocal opinions about its future.

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