RELATIONSHIP BETWEEN MODERN CONSUMER AND DECISION ON PURCHASING A PRODUCT (BRAND)

Aleksandar Šapić

Faculty of Business and Industrial Management, Belgrade, Serbia
E-mail: sapicaleksandar@yahoo.com

Abstract: In the fifth chapter of "Connection between contemporary consumer and decision on purchase of the product (brand) („Veza između savremenog potrošača i odluke o kupovini proizvoda (brenda) in Serbian), factors that influence the behavior of people, as well as motives that lead to that behaviour are considered, and the position and role of product (brand) in the life of consumer depends on it. It is considered that consumer is today a person searching for identity, in which products (brands) help him a lot. The fact that consumers are key measures of value of products (brand) can be taken as a conclusion. It depends on them which products survive and which disappear from the market. A man is a complex being and thus his behaviour as a consumer is also complex. It is affected by a series of factors, so its consumer behaviour, which is not constant but it is variable, and it assumes feedback impact, depends on psychological composition of a person, cognition and affects that he expressed in particular situations. Based on this, attitudes towards the brand that are key factor for its evaluation are formed. When there is a positive impact towards the brand that is based on its favorization, then there is a clear relationship between consumer and brand that has its expression in loyalty, i.e. positive attitude followed by related purchases. The essence of this chapter is in conclusion that between product and consumer it comes to the creation of entire series of connections and feelings specific for relationships between people, which are the consequence of their personalization. If the companies invest big efforts in creation of loyalty, there appear two opposed situations: creation of strong relations and feeling towards brands up to the level of religion, but to reduction of loyalty towards traditional products (brands), even the appearance of animosity towards global brands and corporations.

Key words: Attitudes, awareness, brand image.

1. INTRODUCTION

Human beings, with their vices and virtues, with all their characteristics, congenital and acquired, then big number of external factors that influence their behaviour, still represent a big mystery to researchers and practitioners. Therefore, it is often not possible to generalize their behaviour, particularly in people's behaviour as consumers, i.e. in purchase and using people as consumers, i.e. when purchasing and using particular (brands) products. It can be defined as: behaviour that the consumers express in search, purchase, use, estimation and disposal with products and services, which they expect to meet their needs. More precisely, according to American Marketing Association (AMA), that is: dynamic interaction of affects and thinking, behaviour and environment through which human beings manage the aspects of exchange in their life [1-3].
Not all the people act the same when making decisions on purchasing a particular brand. It is observed that the same people act differently in different situations, where a great number of internal and external factors act. Decisions are made at several levels, from the level of product, through specific category, to the brand, place of purchase etc... In order to answer in which way and why does a man buy particular product and/or brand, it is necessary to begin with main goals, needs and desires, which he wants to meet by that purchase. At the same time, the attitude towards purchasing the known brand is different than relatively unknown alternatives, and the situations when a buyer purchases for the

first time express their specificities, in contrast to the situation when a repeated purchase is in question.

In essence, behaviour of consumers is a desire for meeting certain needs and motives. Needs represent all the things that cause physical and emotional dissatisfaction and create inner tension, which a person feels and wants to mitigate or eliminate. They are practically unlimited and satisfying the needs through different products and services is a main condition of human survival. When a consumer becomes aware of his needs, motivational process is activated. In order to meet them, the needs have to be translated into a desire. Desires are distinguished from the needs by their orientation towards a certain subject or object (i.e. certain product/brand). If they are based on real purchasing power, then they appear as demand for certain products. This causes an appropriate action, which leads to the achievement of goal, i.e. satisfaction of need, through particular behaviour, which affects the reduction of tension, providing thus the satisfaction of consumer. The outcome can be the purchase of a certain brand, which the consumer is certain that it will contribute to meeting his specific needs (desires).

Everything above-mentioned is only one part of the circle of consumers, where processes of production, attracting the customers, consumption, distribution/disposal of products continuously go in circle, then again the production of the same or similar products etc. This is a kind of managerial, as well as socio-economic process, which also points to the behaviour and role of consumers, as well as producers and intermediaries. Each of them has a certain place in this process that repeats over and over again.

2. PRODUCT (BRAND) AND CREATION OF RELATIONSHIPS WITH CONSUMERS

Brand creators continuously try to be unique and recognizable and to build a long-term relationship, i.e. establish loyalty with their consumers. Therefore, we look for ways to strengthen the relationships between brands (and companies) and consumers. People look for emotional fulfilment, but they also think rationally and evaluate between appropriate alternatives. Consumers usually do not invest much time, energy or money in something for which they believe it won't last.

Precisely the involvement of consumers determines the stability of the relationship that is achieved. In that sense, we distinguish consumers that continuously change brands from those who invest effort to collect the information, in order to define a certain number of alternatives. At the next level, buyers purchase certain brands by habit, and in the end they are consumers loyal to certain brands [4-7].

Satisfied consumer is a goal which every company and organization should aspire to. However, in practice, there are many cases that consumers are not entirely satisfied by products/services of enterprise. In addition, several companies from a certain branch compete for the same consumer, so the consumers in market conditions have a possibility of choice. Satisfaction or dissatisfaction of consumers with (brand) products and services of a specific company are expressed both in purchase and use of specific products and services, i.e. in the level of loyalty of consumers (Figure 1). Effect is expanded to other products and services as well, under the same group or corporative brand. The interdependence of satisfaction, loyalty and profitability is empirically proven.
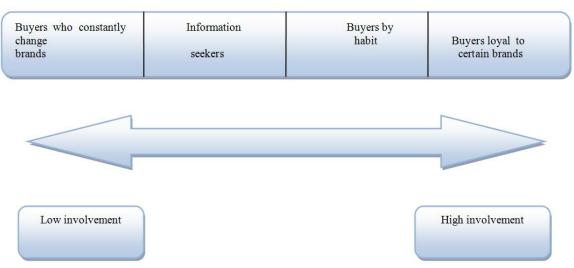
Buyers who constantly change brands	Information seekers	Buyers by habit	Buyers loyal to certain brands

Low involvement	High involvement

Figure 1. Categorization of consumers according to the involvement level [13, pp. 304]

Satisfaction is a main precondition of loyalty of consumers. However, it is necessary to be careful, since it is not the only one. This does not bring into question the significance of satisfying the consumers as a precondition of achieving the loyalty, but deeper approach is required, in which the attention is paid to the intensity of satisfaction, i.e. intensity of (positive or negative) reactions of consumers in banking sector, the information is mentioned that the chances are 42% higher that the consumer who is „absolutely satisfied" will be loyal than the one who has said that he is „satisfied".

Therefore, if the consumer is satisfied by the product/service, it would be a logical thing to expect him to buy again the same product/service (i.e. brand) from a particular company. However, this does not happen always. Consumer can be satisfied until the moment there appears a competing brand that meets his expectations and desires better. Therefore, categorization of satisfied consumer is still before the possibility to change the company. In addition, over the time, satisfaction of consumers can drop, whether due to higher expectations or poor performances of brand in longer period of use. For that reason, it is considered that „exceptionally satisfied", i.e. thrilled consumer, not only „satisfied" is a precondition of the formation of loyal customer. This is a person who not only purchases the products and services of a specific company, but it also spreads a positive oral propaganda and „supplies" the company with new customers.

Satisfaction of consumers is a precondition for formation of loyalty and it is usually the main component of loyalty in the first purchases. It is also supported by positive attitudes of the environment, but it can also be a result of current situation in the market. When loyalty is based on, for example, lower price of the product, it is usually of a limited duration. The same thing happens with different categories of products, there are different loyalty levels [8].

Studies have shown that big role in formation of loyalty play the confidence and commitment of consumers to a brand and company/organization. They develop over the time and contribute to relativization of the role of satisfaction in later phases of development, i.e. that it stops being a decisive factor of loyalty (although it is still a significant assumption). Based on everything above-mentioned, loyalty can be defined as a preferred attitude towards a certain brand (company) which results in continuous purchases over the time. Only if both parties have certain benefits and they are aware of them, we can speak about properly set concept of loyalty. If loyalty is based on deception of consumers, unclear rules, lack of competition etc., then it is not the basis of good and stable loyalty, especially in longer observation period.

What are main benefits which a loyal consumer brings to the company?

The highest attention is always aimed at profit, as basic goal of the company. As profit is a ratio between total revenue and total costs, effects refer precisely to the increase of sales, on one hand, and reduction of costs, on the other hand. In that sense, growth of profit is a result of:

- Repeated purchases;
- New purchases of loyal customer, who extends his interest to other brands as well (and/or products and services under the same brand);
- New purchases of other consumers, because loyal customers spread positive oral propaganda (free propaganda which is more trusted than traditional);
- Fact that mainly loyal customers are less sensitive to price;
- Analysis which shows that it is many times cheaper (and simpler) to retain the existing consumer than attract a new one.

However, benefits for the enterprise which has loyal consumers exceed considerations on profit. In order for the company to become aware of real benefit, we need to go to the value concept, which implies that profitability is a key benefit, but that there are others as well, which indirectly reflect themselves on business result of an enterprise, as well as loyalty of employees, competitive companies etc. those are, primarily, the thoughts that loyal customer:

- Does not abandon the company/brand even when it goes through difficult moments,
- Is always willing to cooperate,
- To a greater extent shares both good and bad news with the company than an ordinary customer, because it is willing to help,
- Helps the other consumers in the process of serving/using the brand,
- Represents a hardly conquerable „fortress" to competition.

However, it is certain that brand and consumer are not observed in the same plane. Obviously, the creation of links between brand and consumer is essentially copied relationship between two people in real environment. Particular experiments have proven it also. Attributing human characteristics to brands, solving some life problems, help in achieving planned projects, help in shedding a light on certain topics...are only some of the human characteristics that are mapped to the brands. Friendship, companionship, love and obsession are some of human feelings that can obviously be expressed towards other people, as well as towards brands, which is a consequence of personalizing the brands and their role in contemporary life. Grasping the significance of emotional component, some authors have gradationally set the ratio between consumer and brand. In case of the classification of the level of connectedness, it was taken account of involvement of consumers and value that a (particular) brand has for it in life. The highest level of observation is the observation of brand as a relic, i.e. as religion. It means that consumer adores certain brand to the level of obsession. To a particular extent, this is a concept similar to the perception of a brand as an icon. Brand is in both cases (both in case of observing the brand as religion and brand as an icon) the idea of lifestyle and behaviour, so the consumer is identified with the identity of the brand and performs certain rituals related to specific brand. Big number of people in the world, moments of problems, troubles, uncertainties and other life challenges, seeks the salvation in religion. Religion provides certain security, and this is done through inherent „guidelines" for the way of life („God's commandment") and assistance in finding a way in case of „fallen" believers and an inherent security is provided after death as well. In that way, religion automatically establishes an original and deep relationship with believers, which is an expression of loyalty, because believers usually very rarely change their religion. It is obvious that traditional concept of loyalty is not always able to describe the relationships between

consumers and brand, because brand is literally seen as religion. Value through knowledge is a consequence of the fact that communication between company and consumer becomes two-way, particularly with the increase of complexity of products, guarantees, additional services for customers etc. therefore, we need to go to the balance between propaganda and traditional ways of sending the information, with bigger focus on personalized communication, which comes from personal contacts of the company and consumers, through solving the problems, listening to consumers' wishes and ideas... Security of information and respecting the privacy are a very big challenge in such situations, even when company has sufficient information and data on consumers [9-12].

It is obvious that a sincere approach of a company to consumer is necessary, where the focus needs to be on consumer and his success and values, i.e. change of the point of view from the value of the brand to the value for the consumer. It is not a goal to convince the customer to buy a certain brand by manipulative and deceiving propaganda or domination in stores and monopolistic position. High level of confidence and sincere help to the customer when purchasing (choosing), are the main characteristics of a desirable approach. In addition, it is necessary for the company to redefine its marketing activities (promotion activities, primarily), in a way to create personalized messages and include the consumers in its efforts of branding and generally in its marketing efforts. The best advertisement for a company is a satisfied consumer who shares his positive experience regarding the brand with friends, colleagues, family... First-class service, rapid response to dissatisfaction and resolution of complaints, familiarity with consumers and sharing information with them, are also significant elements of the strategy of attracting and keeping the consumers. In that sense, employees in the first line, who are in everyday contact with consumers and clients, need to be given appropriate authorizations. In the end, consumer in a sincere relationship also wants an honest access of company when it comes to consumer's choice. It is referred to a high level of transparency and providing the consumer to reach all relevant information, even „at the expense" of the company itself (for e.g. when competition has a lower price or longer warranty period for similar quality). Partnership can be achieved only in relationship without any secrets and where no one does anything „behind the back" of the partner.

One of the implications of the analyses mentioned for modern access of brand to management is that company, which is truly oriented to the consumer, cannot do everything by itself, so it needs to build a network with its partners and stakeholders, because they are all partners in creating the value for consumers. Cooperation in development of a brand in focus of creating additional values for consumer is a basis of success. Creation of community around brand is also very important. Brand is able to receive the impacts from the part of its consumers and to change in accordance with their desires, values and beliefs, but it simultaneously propagates certain values and attitudes and creates a kind of culture. If the values of the brand and values which the company strives for match the values from target segment, there are preconditions for real, true and long partnership. It is logical that partnership deepens and expands only if both sides approach honestly and openly to this „relationship". In that way, brand and consumer become a part of a community, which propagates values and beliefs that are the idea and pattern of people's behaviour, not only as consumers, but also in everyday life and work.

3. CONCLUSION

It is considered that consumer today is a person searching for identity in which it is largely assisted precisely by products (brands).

-    Attitudes towards the product (brand) are essential for its evaluation. Attitudes do not imply behaviour, but predispositions for the person to behave in a particular way. They represent a combination of cognitive and affective component. If they are positive, they lead to purchase, and when they are negative they lead to avoiding certain product (brand).

-    Making decision on purchase by the consumer is most frequently observed as a process and it is animated through certain phases although there are the cases (purchasing out of habit, by random choice, by inertia, inner preferences), where traditional process of decision-making is not applied. Stronger well-known brands have the advantage especially in evolution of alternatives, as well as in other phases of decision-making (when defining alternatives, post-purchasing behaviour, specific methods of decision-making).

-    Between product (brand) and a consumer it comes to the creation of an entire series of relationships and feelings specific for relationships between people, which are a consequence of its personalization. Although companies invest big efforts in the creation of loyalty, there appear two opposed situations: creation of strong relationships and feelings towards the products (brands), even the appearance of idolatry towards global products (brands) and corporations.

-    Greater number of sociological factors influence the individuals in purchase and consumption. Culture has the broadest impact of behaviour of people as consumers, and a new phenomenon such as globalization, ethnocentrism and growing materialism also change the attitude of a consumer towards the products (brands).

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