

*L.V. KOZAK, Ph.D. (Economics)
Associate Professor
Dean of the Faculty of Economics
National University "Ostroh Academy"*

Criteria of purchasing behavior of consumers in the food market in Ukraine

Scientific problem. In determining the strategic positioning of segments of any product, the most difficult task is to identify possible variables for segmentation and formulate a hypothesis about the motives of the purchasing behavior of consumers. In the market segmentation of consumer goods of daily use, such as food categories, multistep process of segmentation is commonly used. First of all, geographical, socio-economic and demographic characteristics of the segments are defined, followed with specification of behavioral differences of consumers within each segment. However, the determining factors in human behaviors, from our point of view, are set by belonging to a particular generation, or age cohort, using demographics terminology.

Every generation has its specific views and values, unique "idols" for worship, symbols, images and stereotypes of their perception. This fact is extremely important in shaping the imaginary and the actual attributes of any product that also resulted in the content and direction of our research.

Analysis of recent researches and publications. The scientific basis for the solution of the problem is a general theory of marketing. Among the numerous publications, the following works of the local and foreign scientists were identified: N. Goncharova [4], A. Yeranin [2], F. Kotler [3.10], K. Keller [3], E. Krykavski [4], Zh. Lamben [12], and A. Starostin [4]. Fundamental and applied theoretical problems of the behavior of customers were

studied by scholars, such as R. Blackwell [1], J. Angel [1], U. Koester [9], G. Mankiw [11], P. Miniard [1], William D. Nordhaus [14], E. Rice [11], P. Samuelson [14], J. Trout [11], E. Ulvyk [7], I. Shmyhin [8] and others. These scientists, among many others, established a solid theoretical and methodological foundations for the abovementioned issues. However, there is lack of applied research devoted to the purchasing behavior of different age cohorts, primarily, generation Z in Ukraine, which results in the relevance of the study.

The objective of the article. The aim of this research is to study the characteristics of the purchasing behavior of Generation Y in Ukraine, born in 1991-1994.

Statement of the main results of the study. Segmenting of consumers on the basis of generations (age cohorts), to some extent can be called complex because it combines not only the demographic but also psychographic and behavioral approaches. Worldview, values, and subcultural attitudes and settings not only distinguish one generation from another, but they also determine the future of their social behavior in many areas of life. These factors also are crucial to economic behavior of people, part of which is their purchasing power. Generations differences are well studied in humanities, and only since recently this knowledge began to be used by marketers. Among the most common classifications of generation is the American one, which had been emerging empirically, involving many authors from 60-ies. According to the said classification, within the period 1901-2002, Americans are divided into six

categories: "the soldier generation" (born in 1901-1924); silent generation" (born in 1925-1945); generation of "baby boomers" (born throughout 1946-1964); generation X (born in 1965-1977); generation Y (born throughout 1978-1994); children of the new millennium generation or Z (born in 1995-2002) [3, p. 183]. The outlined approach has been so successful that now it is used by demographers and marketers to characterize generations in many countries.

Considering the factor that tastes and preferences of consumers may vary with time, studies of possible variables of strategic positioning in the market of food are important for each generation. At least, the majority of the population falls under the postwar generation, and, therefore, taking into account their views and beliefs is an extremely important factor in the effective market positioning strategies of products and services. However, the least explored is the youngest segment of Generation Y, in particular, young people aged 19 to 22 years. They were born during the change of generations; thus their views were formed in the Information Age of the early 21st century and may be intertwined with stereotypes of the next generation, who are now students. This factor makes the study of particular relevance as it enables to implement certain predictions about consumer behavior of generation Z.

In a few publications on motives of young people born in the era of brand and dynamic Internet development, it is asserted that their main goals are excessive consumption and communication networks. As many of them had learned to use a computer before they learned to read (unlike other members of Generation Y who accessed the digital technology in their youth or maturity), they are not team players, but are rather focused on achieving their own individual goals. Born and grown up in the information age, like no others, they are able to work effectively with information and analyze it literally "on-the-fly". That access to almost unlimited information and educational materials contributes towards high early education level in representatives of this generation, as well as form their skills of rational decision-making in a fairly young age [6].

Because thinking of the youngest generation of Y segment is different from the rest of the generations, this factor necessitates a thorough study of their consumer behavior. On the other hand, in the formation of strategic approaches to the market positioning of products, a crucial role is played by such characteristic of segment as its ability to respond to business's marketing efforts. The above characteristics of the youngest generation of Y segment indicate that this segment is the most vulnerable to the communication program producers of goods and services and, over time, it is their attitudes and stereotypes that will dominate the market.

In view of the arguments, we had chosen this particular segment for the selective marketing research of end users. The peculiarity of this study is that we have attempted to estimate the overall impact on the purchasing behavior of consumers and associative attributes of foodstuffs in their interaction, in terms of perception of quality characteristics of agricultural products. The study involved 1,270 people aged 18 to 22 years, in ten regions of Ukraine, including 540 men and 730 women. In the sample size and representativeness planning, the methodological approach of Paniotto and Maksymenko was used [5, p. 117-122].

Traditionally, in the society, the vast majority of purchases is carried out by women. These studies have shown that, among the youngest generation of Y under study in Ukraine, 48,9% of young males make their purchases of food independently. Among women, the figure is slightly lower and is at 39,5%. In the case of delegation of procurement functions of the older generation – women make up 63,4% and men 13.0%. Hence we can conclude that, in the design of communication software for this segment, it is important to take into account the views and behavioral patterns of both men and women. In communication applications, designed for the older generation, is reasonable to focus more on women than men.

The first step and key success constituent for positioning strategies of any product is to ascertain its "generic" nature or, in other words, the definition needs that it satisfies. The modern business communication applications for the market positioning of foodstuffs feature a series of imaginary characters and attributes of products

that meet, foremost, secondary, and not the primary needs as per Maslow hierarchy. This factor is explained by irrational behavior of consumers in the market and a high emotional component in

terms of foodstuffs. This study attempted to identify the views of the youngest generation of Y segment in Ukraine on their perception of foodstuffs as their needs (Figure 1).

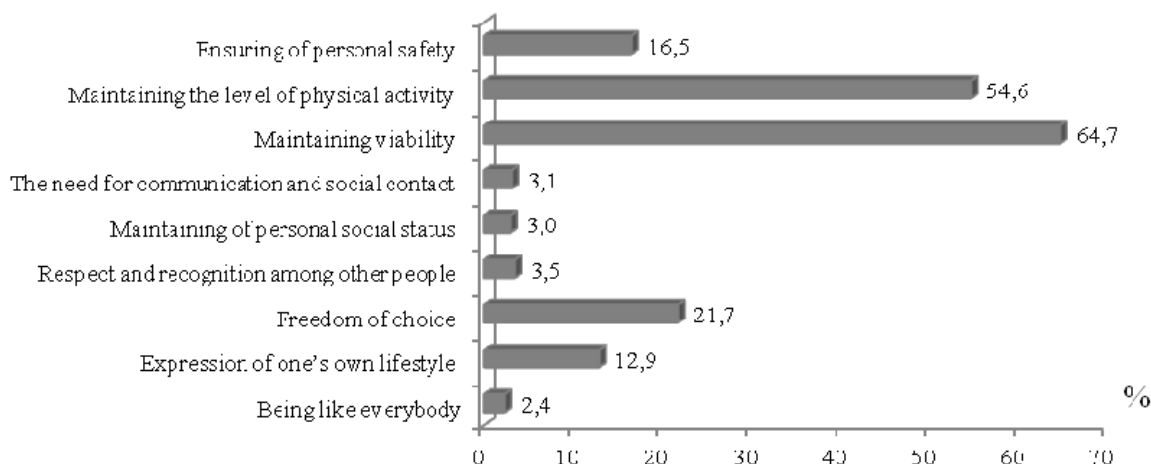


Figure 1. Segmentation of the respondent's group members of Generation Y in Ukraine according to their perception of foodstuffs as necessity*

*Own marketing research.

According to figure, the vast majority of the respondent's group members of Generation Y in Ukraine, does not associate the process of buying of foodstuffs with symbols and values of the highest order needs. Thus, most of the respondents (64,7%) buy food just to maintain life, 54,6% – for essential maintenance of physical activity, and to 16,5% – for their own safety. Therefore, youth satisfies the basic needs at the market of foodstuffs while critically assessing their impact on the physiological state of the organism. A mere 12,9% of consumers assess the procurement process as an expression of their own lifestyles and 21,7% as a manifestation of freedom of choice.

For older members of Generation Y, buying of goods and services is largely associated with satisfying versatile social needs, in contrast to the study group, for whom this factor is immaterial. When buying food, a mere 2,4% of consumers pursue being just like everyone else, 3,1% – satisfying the need for social contact and communication, whereas 3.5% seek respect and recognition environment and 3% support their own social status. Thus, the study confirms the above quoted hypothesis of the prevalence of individualistic beliefs in representatives of this age cohort. Significant differences in the perception of foodstuffs as a commodity among men and women are not evident. How-

ever, 60% of men are more critical when assessing the influence of food on the physiological condition of the body and maintenance of the sound level of their physical activity, which is 10% higher as compared to women.

According to the model of "stimulus-response" consumer behavior, increased demand is facilitated by the right positioning in the market, which takes into account cultural, social and personal characteristics of the consumers, as well as the characteristics of their psychological perception of the product. Therefore, these factors were also the subject of this study. Figure 2 presents the segmentation of the respondent's group members of Generation Y in Ukraine based on the moral and ethical values and criteria when purchasing foodstuffs.

Cultural values and heritage of contemporary social development, such as environmental safety and scientific standards of food behavior of people are important factors of consumer behavior in the food market, for 28,0 and 14,5 percent of respondents respectively. Subcultural factors have even less impact; in particular, 13,0 percent of respondents are guided by national traditions while only 6,9% – by religion. Among the social factors, the greatest influence is posed by family traditions that are important for 38,0% of interviewed consumers, which confirms the relevance of further studies in

terms of the composition and distribution of status roles in the purchase of foodstuffs for families. The influence of reference groups for members of the respondent's group members of Generation Y in Ukraine is low; in particular, the criteria values and behavior of social groups to which they belong are important for 10% of respondents. Purchasing criteria and behavior of "opinion leaders" or influential individuals (reference group of indirect effect) are valuable

only for 4,0% of consumers. The vast majority of respondents are governed by their own beliefs. The basic value underlying belief and behavior systems in the food market of the respondent's group members of Generation Y in Ukraine is a consideration of health safety of foodstuffs. Ultimately, 73,0% of respondents carry out purchases by this criterion, thus indicating their tendency to rational decisions.



Figure 2. Segmentation of the respondent's group members of Generation Y in Ukraine based on the moral and ethical values and criteria while purchasing foodstuffs*

*Own marketing research.

Meeting the needs for nutrition definitely falls into the category of nutrients, which are motivated by physiological characteristics of the human body. In meeting these needs, a key role has to be played by actual (functional) food attributes, such as taste and appearance. However, consumer choice of specific types of food can be significantly influenced by the psychological associations and emotions that they evoke. Traditionally, the Ukrainian culture perceives foodstuffs, including bread, as a symbol of national prosperity, wealth, health, love of work and honesty, thus those concepts that are associated with the level of development of a country, a single family or individual. Also, the abundance of food in the Ukrainian house is a symbol of hospitality, peace, family comfort, and other positive emotions. Ukrainian treated dishes as a relic; in this respect, there are many superstitions, which in ancient times had a rit-

ual and magical meaning. In particular, our ancestors observed that bread did not fall down; sweeping the crumbs of bread on the ground was believed to be a sin, even leaving leftovers uneaten etc.

However, grown up in a society of abundance significantly higher as compared with previous generations', the perception of basic needs of the respondent's group members of Generation Y in Ukraine certainly transformed. To understand these factors, respondents were asked a series of questions to determine even the importance of actual and imaginary attributes of food as a commodity, as well as identify positive and negative associations that they evoke (Figure 3 and 4). In order to determine the benefits of consumer confidence, first, respondents were given the opportunity to answer on positive emotions and associations related to food, and later regarding the negative ones.

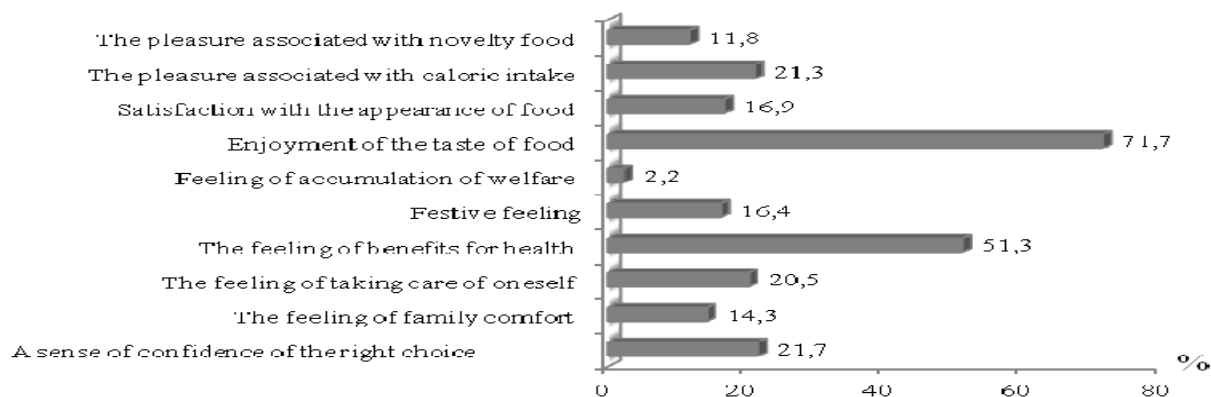


Figure 3. The distribution of the respondent's group members of Generation Y in Ukraine based on their positive emotions and associations of food*

*Own marketing research.

According to the classification of goods offered by E. Ulvykom, emotional (mental) attributes are more significant for consumers than functional when making a choice of food [7, p.106]. However, representatives of the respondent's group members of Generation Y in Ukraine demonstrate exactly the opposite evaluation criteria of consumer behavior in the appointed market, thus placing preference on the actual (functional) characteristics (attributes) of products. Taste food appeared the most important attribute for them, with 71,7% of the respondents reported obtaining the pleasure of the taste of food, whereas 42,5% reported dissatisfaction, based on what prevalence of positive consumer sentiments can be concluded.

The next most important attribute of food-stuffs is their safety, with the fear of health hazards experiencing 61,6% of responded consumers, whereas utility – 51,3%. Calories of food take third place in consumer preferences, and the satisfaction of its high levels is enjoyed by 21,3%, whereas dissatisfaction – 14,6%. We refute the idea that the majority of the cohort carefully control the amount of proteins and fats in the diet, prefer low-calorie foods and often are vegetarians. It is most likely that, for the majority of young people, this factor is neutral. The views of women and men regarding food safety are similar; however taste of food is more important for women, and calorie intake – for men.

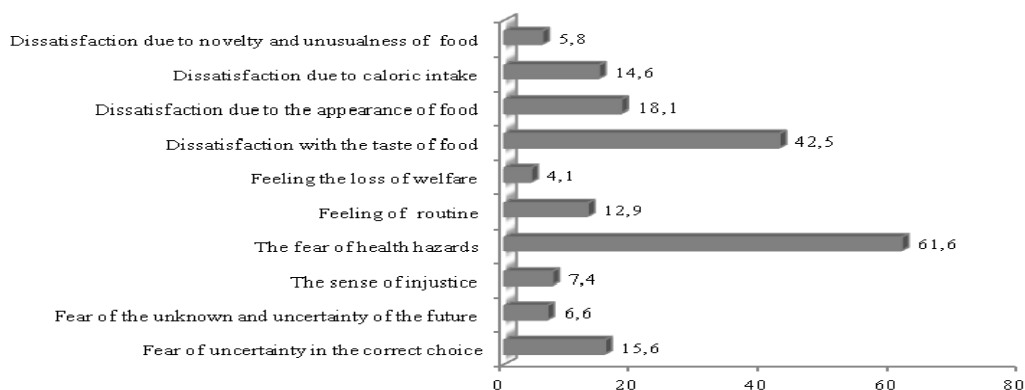


Figure 4. The distribution of the respondent's group members of Generation in Ukraine based on their negative emotions and associations of food*

*Own marketing research.

For a considerably lesser number of the respondent's group members of Generation Y in Ukraine, social, emotional and epistemic asso-

ciations connected with food are perceived as significant. As shown above, much of respondents in Ukraine adhere to national and family

traditions when choosing food, which is why this is associated with a sense of family comfort in 14,3% of respondents, and a sense of kin caring for them – in 20,5%. In other words, food gains social value in the perception of rather considerable number of representatives of this age group.

In addition, for some of the respondent's group members of Generation Y in Ukraine, foodstuffs stimulate affective reactions (emotional value of goods); thus they are associated with specific pleasant (unpleasant) feelings of the individual or facilitate their expression. In particular, in the course of consumption, a feeling of confidence in the correct selection of food is reported in 21,7% of respondents; festive feeling – in 16,4%, a sense of well-being and wealth accumulation – in 2,2%. However, the results indicate the predominance of negative emotions in the perception of foodstuffs. Thus, the fear of uncertainty in the correctness of choice is associated in 15,6% of respondents; uncertainty and fear of the unknown future – in 6,6%, a sense of everyday life – in 12,9%, a sense of loss of well-being – in 4,1%.

Traditionally, the vast majority of young people born in the 90s suffer from Attention Deficit Disorder since they grew up in families of working parents and shared the fate of survival in those difficult times. Especially for them marketers invented the supermarket with an extensive entertainment system. Hence one can assume that epistemic value of goods bears significant value for them, i.e., their ability to

arouse curiosity or novelty to satisfy the desire for knowledge. This study confirms the above assumption: pleasure from the appearance and form of food presentation is obtained by 16,9% of the respondents, whereas the novelty and unusualness of food – 11,8%. However, negative emotions in perception of epistemic value of foodstuffs by far prevail, which manifests the shortcomings in applied by producers positioning strategies (Figure 3 and 4).

In addition to the attributes of the product, not less important factor in effective market positioning of products and services is played by definition of the criteria for the purchasing behavior of consumers. The price and quality of products (as per Kotler's "goods in actual performance") combined with imaginary attributes (associations) also play a key role in determining the type of effective competition on the market. It is assumed that, for those products that satisfy the highest needs of the consumers, the important constituent is their quality and the ability to differentiate according to this criterion. For standardized products and those that meet the basic needs of consumers, the most important attribute is the price; thus, it is justified to use an advanced system of discounts. Therefore, postulate on the predominance of rational criteria dominates when purchasing foodstuffs on the market. However, Figure 5 shows that only 3,0% of representative of the respondent's group members of Generation Y in Ukraine perceive price as the determining criterion for the procurement of foodstuffs.

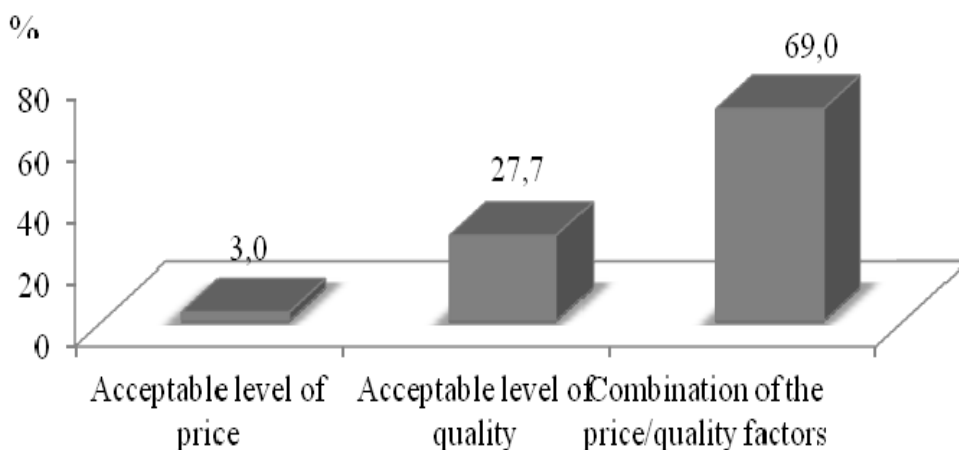


Figure 5. The distribution of the respondent's group members of Generation Y in Ukraine according to the criteria of consumer behavior in the food market*

*Own marketing research.

Solely due to qualitative characteristics, food is purchased by 27,7% of respondents, and the vast majority of them (69,0%) demonstrate a flexible approach of their own consumer behavior in the appointed market, giving preference to a combination of factors such as the price and quality of food. Thus from the picture we can see that the quality of the food (in combination with or without price) is an important attribute for 97 per cent of respondents. That is the reason why, for the development of effective strategies for positioning of food, this research deems necessary to carry out further study of the views of consumers about the level of quality and respective criteria that form it.

Conclusions. Thus, selective marketing research of consumer behavior of the respondent's group members of Generation Y in Ukraine, who were born in 1991-1994, on the food market has shown that respondents, when

buying food, do not invest in this process symbols and values of the highest order of needs. Traditionally, it is reckoned that emotional (mental) attributes are more significant for a consumer as compared to functional ones, when choosing food. However, the study has found that of the respondent's group members of Generation Y in Ukraine demonstrate exactly the opposite criteria of their own consumer behavior in the appointed market; thus placing preference on the actual (functional) characteristics (attributes) of goods while critically assessing their impact on the physiological state of the organism. The basic value underlying the system of belief and behavior of the respondent's group members of Generation Y in Ukraine on the market of food is health safety considerations. Food quality (in combination with or without price) is an important attribute for 97 per cent of respondents.

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