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Multi Criteria Models Used in Slovak Consumer Market for Business Decision Making

Katarina Valaskova^{a,*}, Katarina Kramarova^b, Viera Bartosova^c

^aUniversity of Zilina, Faculty of Operation and Economics of Transport and Communications, Department of Economics, Univerzitna 8215/1, 010 26 Zilina, Slovakia

^bUniversity of Zilina, Faculty of Operation and Economics of Transport and Communications, Department of Economics, Univerzitna 8215/1, 010 26 Zilina, Slovakia

^cUniversity of Zilina, Faculty of Operation and Economics of Transport and Communications, Department of Economics, Univerzitna 8215/1, 010 26 Zilina, Slovakia

Abstract

The aim of this article is to determine the store (point of sale) which best fits to Slovak consumers. The purpose of the article is to relieve the usefulness and importance of the multi criteria methods of decision making used by Slovak traders to recognize which strategy to adopt to be able to meet the needs of consumers, to achieve the relevant turnover and to succeed in the competitive environment. In the article were used the methods of logical and comparative analysis, synthesis, deduction, induction, description, excerption and multi criteria discrete methods. As two different methods were applied (TOPSIS and WSA) and the results were almost the same, the decision-maker can choose which one to use to organize its business activities.

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1. Introduction

Consumers (private end-users of products and services) are giving increasing consideration to the environmental and social sustainability of products and business processes (Toppinen et al. 2013). A consumer is generally thought of as a person who identifies a need or desire, makes a purchase and then disposes of the product during the three

* Katarina Valaskova. Tel.: +421-41-5133247.

E-mail address: katarina.valaskova@fpedas.uniza.sk

stages in the consumption process. In many cases, however, different people may be involved in the process. The purchaser and user of a product may not be the same person. In other cases, another person may act as an influencer, providing recommendations for (or against) certain products without actually buying or using them. Finally, consumers may be organizations or groups in which one person may make the decisions involved in purchasing products that will be used by many, as when a purchasing agent orders the company's office supplies. In other organizational situations, purchase decisions may be made by a large group of people (Solomon, 2006, p. 54). First of all, it is important for traders to have appropriate information about consumers and different stimuli that influence them. The company that recognizes the changes in consumer's behavior considering the package of products, its price or advertisement, has a big competitive advantage over its competitors. That is the impulse for companies to search in details the connection between the marketing stimuli and the consumer's response. But not only the mentioned factors are to be considered as few more can be named. For instance, the professional approach of traders and consumers and the dominance of rational factors in the purchase decision making process. The rational factors may be divided into two main groups. One of them determines the demand for consumer goods and influences the value and the future consumption. To compare, the second group of factors affects the choice and selection of suppliers, e.g. price, travel costs and other sale conditions, the ability to maintain the standard quality, reputation of the supplier, availability and level of services, informational cooperation between the trader and the consumer (Hawkins et al., 1992). The organizational markets could no longer simply produce, because the consumer needs and wants to be taken into account. That is why it is necessary for the traders and manufacturers to be in the know with their typology and trendology. Some indicators of the consumer behavior can be recognized easily, for instance the economic one, the others are more difficult to identify; sociological and psychological (Dzurova, 2007).

Another important factor to consider is the change of the economic cycle as it can have an important impact on consumption patterns, with expenditure usually rising during periods of economic upturn. When an economy is booming, there is often an upturn in the consumption of luxury goods and consumer durables. In contrast, during the periods of recession, disposable income is reduced and consumer confidence usually falls. The economic shocks of the past years, since 2008, have created greater requirements for retailers and their suppliers to understand and respond to the new marketplace realities, especially to the new trends in consumer behavior.

The article is divided into following parts. The first section presents the results of the previous researches. The second chapter briefly describes the development of the present trade with an emphasis given to the development of super and hyper markets in the Slovak consumer market and the next part is devoted to the usefulness and importance of multi criteria methods of decision making used by traders to recognize which strategy to adopt to be able to meet the needs of consumers, to achieve relevant turnover and to succeed in the competitive environment with regard to the character of Slovak consumers, type of their shopping behavior and disposable income.

1.1. Results of the Slovak consumer shopping behavior research

The main aim of the article is to present a consumer policy realized in the Slovak chain stores. The survey was conducted in 2013 and it was aimed to determine the usability of the different types of stores while buying various products of food and non-food character. Implementation of this survey was necessary for further research. Based on the results we could conclude that consumers mostly realize their purchases in supermarkets and hypermarkets.

Using the statistical hypothesis testing can be claimed that changes in consumer behavior are not dependent on the age of the population and the economic recession changed the shopping behavior in all age categories. More significant are the results of other variables – of disposable income and the length of the economic recession. The changes in consumer behavior are dependent on both the disposable income and the length of the recession. The longer the recession, the more alert the consumers. They focus on the purchase of products, either of food or non-food, with coupons and discounts and they compare prices permanently. This is the reason why a large number of consumers prefer buying private label products. Considering the disposable income of consumers, large purchases are made once per month, the number of items per purchase decreases in the long run (with respect to the consumer with a low level of income, below 50 Euros). Consumer purchases are thought in advance, planned, mostly with a shopping list to avoid impulsive buying behavior. Slovak consumers began to buy purposefully, economically and responsibly. Firstly, they carefully consider various possible aspects of the products, their design, packaging, safety,

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