ARE WE FACING A GLOBAL CONSUMER?

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Abstract

This paper presents the overall review of globalisation of consumption as well as the new trends of purchasing and discusses the findings of the exploratory inquiry conducted in FMCG market in Poland in two different periods (1994 and 2003). Particular attention is paid to the consumer choice-related consequences of globalisation. Judging purchasing behaviour of Polish people on the basis of the conducted research one can assume that they are influenced by globalization, but not in all aspects. Brand is particularly important (while buying new products on the market) to young people, people holding higher education qualifications, private entrepreneurs, managers and specialists, rather professionally active than passive. Over 25% of respondents pay attention to the Polish origin of a product.

Keywords: globalisation, consumer behaviour, empirical research, fast moving consumer goods.

JEL classification: N1, N14, N34.

Introduction

Globalisation processes together with other factors (a tumultuous character and the changeability of economic life, countries' political and economic integration, growing importance of ecological issues) influence the behaviour of market subjects (both producers as well as end consumers).

Globalisation is arguably the most important phenomenon of the last half of the 20th century. It is not only a mega-trend in social, economical and political context, but it also manifests itself in changes of the cultural and consumption patterns. The consumption-related nature and consequences of globalisation brings ongoing diffusion of new forms of retailing and customers' behaviour. This paper presents the overall review of globalisation of consumption and new trends of purchasing and discusses the findings of the exploratory inquiry conducted in FMCG market in Poland in two different periods (1994 and 2003). Particular attention is paid to the consumer choice-related consequences of globalisation.

1. Major trends of purchasing changes in the market

More specifically, globalisation causes changes in the consumption styles of purchasers and these changes can be observed, among others, in the following trends:

- homogenisation and heterogenisation of consumer behaviour,
- ecologisation,
- ethnocentrism and internationalism of consumers,
- pro-quality orientation.

To start with, the homogenisation is the unification of consumers' behaviour by providing them with the same product at similar prices (sometimes identical), by means of the same channels of distribution. The advertising campaign of a given product is identical in all countries. Hence, a consumer from each part of the world expects e.g. the same hamburger from McDonald's, consisting of the same ingredients. This kind of standardization mostly regards fast food meals (hamburgers, chips, pizzas) which are consumed by people irrespective of their country of origin, tradition or religion.

The way in which supermarkets and hypermarkets as well as discount stores (e.g. Netto, Lidl, Plus, Biedronka) function is considered to be the most crucial factor of the homogeneous consumption development. Such shops offer a limited number of standard

products at low prices and this offer is usually limited to food products. As a result, the consumers' behaviours become alike.

The heterogenisation of consumption stands in contrast to the process of homogenisation. The former focuses on the diversity of consumers' attitudes and is obviously influenced by globalisation. On the one hand, the consumer attitudes are characterized by unification, on the other, there are consumers who defend themselves against a uniform product and service.

Another trend - the ecologisation of consumption – is becoming more distinct. It is the consequence of consumers' ecological awareness being developed as well as their growing concern about the natural environment and food they eat. The ecologisation can be observed in the following phenomena:

- the growth of consumers' interest in ecological food consumption, environmentally friendly industry goods and tourist services etc.,
- the growth of both consumers' awareness and the sense of responsibility concerning their choices: following a vegetarian diet, a boycott of products harmful to the environment,
- consumers' move from cities to suburban areas and the countryside in order to live closer to nature,
- the growth of consumers' awareness regarding the value and use of their lives.

Since healthy food is more expensive than the ordinary one, this type of products is now addressed to more affluent consumers.

The ethnocentrism – preferring state and regional products to foreign ones - is another trend which can be the proof of the consumption homogenisation being developed. The concept of consumer ethnocentrism comes from the general concept of ethnocentrism that consists in focusing attention to one's own nation only. Many individuals and organizations concentrate upon their own nation and attend exclusively to the business of their ethnic group.

The ethnocentrism was moved to the field of consumers' behaviour by T. Shimp and S. Sharm. They defined it as a conviction that it is bad to purchase imported goods because such process depresses state economy and reduces the number of workplaces.

Basically, consumers share this conviction due to e.g. economic, emotional or moral reasons. National products are usually cheaper than foreign ones, which seems to be the main motivation for their choice. Furthermore, patriotic reasons determine the positive attitude towards a national product. Thus, the ethnocentrism can be a form of defence against globalisation giving emotional preferences to native products.

The attitude of a consumer is determined by specific socio-demographic and economic features, e.g. their age, education or affluence. Those consumers who are younger, wealthier and well educated are characterised by an opposing attitude – internationalism (in contrast to ethnocentrism). Put simply, consumers consciously choose foreign products instead of national ones due to the conviction of their better quality. They assess more favourably imported products and adopt critical attitudes towards national goods.

Finally, the pro-quality orientation is another phenomenon influenced greatly by globalisation. It is the perception of goods which is being determined mainly by its quality and not, as in the past, price. Consumers expect high quality at a relatively low price.

2. Methodology of the empirical research

That exploratory enquiry was conducted twice: in February 1994 and July 2003 by TNS OBOP. The representative sample group consisted of 1004 respondents aged above 15 from all parts of the country. The maximal statistical error for such a group counts +/- 3% at 95% confidence level. The structure of the sample group is illustrated in Table 1.

The aim of this field research was to find out about the consumer behaviour in a fast moving consumer goods (FMCG) market in Poland.

Table 1. The structure of the sample

	Respondents profile	Number of respondents
Gender	Female	481
	Male	523
Age	15-19	106
	20-29	196
	30-39	158
	40-49	196
	50-59	142
	60 and more	206
Education	elementary	284
	technical	273
	secondary	332
	university	108
Residence	village	371
	town < 20 thousands	124
	town 20-100 thousands	200
	city 101-500 thousands	188
	city over 500 thousands	120

Work status	managerial staff	72
	self-employed	28
	employed in administration and services	81
	workmen	154
	farmers	57
	housewives	33
	pensioners	189
	disabled	104
	scholars and students	138
	unemployed	143
Material status	good	146
	middle	588
	poor	258

Source: Omnimas. (2003).

3. The findings of the research

In this part of the article the findings of the research titled “Zakupy po polsku” (“*Buying in Poland. What influences a client’s choice?*”) done by TNS OBOP in 2003 are presented. Respondents were asked about their preferences while purchasing everyday use articles, what encourages them to buy a new product on the market and whether the origins of a product matter. All answers were compared with the opinions expressed by Poles in 1994.

The table below shows factors that determine consumers’ decisions on the purchase of everyday articles.

Table 2. What do Poles basically focus on while purchasing everyday use articles?

Criterion	2003	1994
Price	90%	85%
Quality	74%	77%
Whether a product is made in Poland	28%	28%
Well-known producer (brand)	26%	24%
Relatives’ or friends’ opinion	14%	17%
Whether a product is environmentally friendly	9%	30%
Packaging	6%	7%
Other	9%	no date

The numbers do not sum up to 100%. The respondents were allowed to mark no more than three answers.

Source: Omnimas, op. cit.

The price was the most important to Poles both in 2003 and 1994 while purchasing everyday articles, followed by the quality of goods. Other aspects were not of great importance.

Clearly, in the 2003 research the price criterion was the prevailing one for all the respondents, regardless of their social or professional situation (90%). More specifically, the price was less important to people holding a secondary education qualification (85%) and a

higher education qualification (86%) than those holding primary or vocational education qualifications (each 93%). Similarly, the price was referred to less often by inhabitants of cities (altogether 87%) than country dwellers (94%). Characteristically, the better financial situation of the respondents, the less important the price of everyday articles.

The quality of products mattered for 80% of people whose material situation is good. The worse their financial situation was, the slighter importance was attached by respondents to the criterion (78% of people with average earnings and 62% with critical material situation). Moreover, the quality was a crucial factor to people holding better education qualifications (69% – primary education qualifications; 78% – secondary education qualifications and 87% – higher education qualifications): managers and specialists (87%), private entrepreneurs (86%), farmers (81%), pupils and students (79%), the twenty-year-olds (84%), people professionally active (79%), people professionally passive (71%).

The Polish origin of everyday use articles was of value to 28% of respondents: more often to the middle-aged and elderly (30%-35% of the age of 40 and over) than the young (18%-26%); country dwellers (32%), inhabitants of big (over 500 000 people) urban areas (34%), private entrepreneurs (36%) and pensioners (35%). People not satisfied with the direction of transformation in Poland paid more attention to the Polish origin of goods (30%) than those contented with the current affairs (21%).

The brand was crucial to 26% of Poles: particularly for the twenty-year-olds (39%), more often men (29%) than women (24%), better educated (only 19% of people holding primary education qualifications and 33% of people holding higher education qualifications). In the same way, better-off people find the producer of an article important (31% of those with a good material status and only 18% of poor). The brand was the most important to private entrepreneurs (35%) as well as managers and specialists (34%), more professionally active (30%) than passive (24%).

It was the relatives' and friends' opinions that counted for 14% of respondents while buying everyday articles. It is the case that particularly inhabitants of big (over 500 000 people) urban areas used this criterion (26%) as well as the twenty-year-olds (22%), people holding higher education qualifications (18%), managers and specialists (24%), pupils and students (20%), rather wealthy (17%) than poor people (10%).

Whether a product was environment-friendly was of value to 9% of Poles, especially people holding higher education qualifications (14%), interested in public life's affairs (22%), managers and specialists (18%), private entrepreneurs (16%), more often women (11%) than men (7%).

The packaging of an everyday article also influenced the decision on purchase to some extent (6% of respondents). However, it was the people in a good financial situation that admitted to buying products due to attractive packaging (12%).

Concluding, the most important factors concerning the purchase preferences of Poles (regarding everyday articles) changed slightly. From the figures it is clear that there was an increase in the numbers (by 5%) of those focusing on a price while doing shopping: from 85% in 1994 to 90% in 2003. The importance of the quality fell by 3% (from 77% to 74%) in contrast to the brand which went up (from 24% to 26%).

Surprisingly, as is shown in the table, people's interest in environment protection declined from 30% in 1994 to only 9% in 2003.

The next part of the research dealt with factors which influence the purchase of novelty products. Six criteria were presented for consideration and respondents decided which of them mattered while purchasing a brand-new product. The answers are presented in the table below.

Table 3. Factors encouraging purchasing a brand new product (2003)

Criterion	Very important	Important	Rather important	Rather unimportant	Not important	Not important at all	Difficult to say
Price	74%	97%	23%	1%	2%	1%	1%
Brand, producer	29%	84%	55%	11%	14%	3%	2%
Appearance, packaging	7%	59%	52%	28%	39%	11%	2%
Friends' opinion	11%	56%	45%	31%	42%	11%	2%
Willingness to test if an advertisement says the truth	5%	27%	22%	36%	69%	33%	4%
Attractive advertisement	2%	24%	22%	43%	73%	30%	3%

Source: Omnimas, op. cit.

As many as 97% of respondents admitted that the amount of money spent determined their decision whether to buy a novelty product or not. The price of a new product proved to be the most important aspect, particularly to the elderly (80% of fifty-year-old and 78% of older), housewives (92%), pensioners (87%), more often for women (76%) than men (72%), inhabitants of countryside (79%) and cities (71%). The lower the education level (66% of those holding higher and 79% of those holding primary education qualifications) and the worse the financial situation of respondents, the greater importance of the price.

For the solid majority of respondents it was the brand or producer that mattered. They were absolutely vital factors to young people (nine out of ten people under forty found this

criterion important or rather important), people holding higher education qualifications (92%), private entrepreneurs (100%), managers and specialists (96%), rather professionally active (88%) than passive (81%). The brand proved not to be crucial to people holding primary education qualifications (22%), old age pensioners (21%) and people in a bad financial situation (23%).

Moreover, over the half of the respondents, while buying novelty products, were influenced by the packaging and their friends' opinion. The packaging was especially important to young people (69% of teenagers and 64% of the twenty-year-olds), pupils and students (72%), managers and specialists (68%), private entrepreneurs (63%), people holding secondary education qualifications (66%), inhabitants of the smallest towns (68%) and those very much interested in the public life's issues (70%). In contrast, how a product looked like did not matter to the fifty-year-olds (46%), people holding higher education qualifications (46%), and inhabitants of middle-sized towns (population from 20 to 100 thousand - 48%).

The friends' opinion was important to the twenty-year-olds (61%), people holding higher education qualifications (66%), inhabitants of big (over 500 000 people) urban areas (63%) and managers as well as specialists (78%). The better material situation of respondents, the more often they relied on other people's suggestions (45% of those in a bad material situation and 63% of those in a good one). On the other hand, teenagers (53%), inhabitants of big (100 - 500 thousand people) cities (52%), housewives (61%), private entrepreneurs (60%) and administration/services workers (51%) did not follow their friends' advice while buying novelty products.

According to the research the respondents' willingness to test if advertisements prove true and if the product was as attractive as the commercial claimed was irrelevant to the respondents.

The attractive advertisement of a novelty product was not particularly important to the middle-aged and elderly people (over 75% of those in their thirties and older), private entrepreneurs (88%), housewives (86%) and pensioners (79%). The worse financial situation of the respondents, the less essential contribution of the advertisement to the purchase of a novelty was (67% of those in a good financial situation and 79% of those in a bad one).

The attractive advertisement encouraged the following groups to buy a novelty product: young people (35% of teenagers and 39% of the twenty-year-olds), managers and specialists (35%), pupils and students (38%) and people satisfied with the direction of Poland's transformation (39%). The better financial situation of the respondents, the more successful attractive advertising was.

The willingness to verify if advertisements said the truth inclined young people (40% of teenagers and 36% of the twenty-year-olds), pupils and students (38%) farmers (44%), unemployed (37%) and people holding secondary vocational education qualifications (33%) to buy new products on the market. The better financial situation of respondents, the stronger willingness to check whether promises made by an advert could be fulfilled and, consequently, the more probable a purchase was. That factor was not a deciding one to the elderly people (unimportant to 78% of people over the age of 60), pensioners (79%), workers (75%), managers, specialists and administration/services workers (74%).

In general, it was the price criterion that determined the purchase of both everyday articles and new products on the market. Those buying the former also found the price, brand and local origin of products important (the packaging and friends' opinions were of smaller significance) whereas people purchasing the latter valued the brand, packaging and their friends' opinions.

Also in 2000 OBOP conducted a research on factors determining the purchase of new products and since then the way in which other people's opinions are treated has changed the most. In 2000 respondents paying no attention to friends' suggestions while buying new products were in majority. In 2003 the situation changed substantially as people influenced by friends' opinions were prevailing.

Similarly, the number of people admitting that the packaging of a new product mattered increased (by 6%). There was a fall by 10% of those claiming that the appearance of a product was not important. On the other hand, the brand proved to be crucial to more people. Finally, the number of respondents appreciating the producer increased by 5% and, at the same time, the number of respondents finding the brand unimportant while buying a new product decreased also by 5%.

Conclusions

Judging purchasing behaviour of the Polish people on the basis of the conducted research one can assume that they are influenced by globalisation, but not in all aspects.

The brand is particularly important (while buying new products on the market) to young people, people holding higher education qualifications, private entrepreneurs, managers and specialists, rather professionally active than passive. In contrast, this criterion has proved to be of minor importance to people holding primary education qualifications, pensioners, and people in a bad financial situation. Sociologically, the brand is one of

indicators of consumer behaviours' homogenisation. Branded products are widely available, well known, have similar prices and channels of distribution.

The ethnocentrism is another trend that is noticeable on the Polish market.

It is the forty-year-olds and people over 60 as well as inhabitants of the biggest (over 500 thousand people) cities, country dwellers, farmers and pensioners that find the place of production essential. On the other hand, the native origin of a product does not matter to young people, inhabitants of middle and big cities, housewives, private entrepreneurs, managers and specialists, pupils, students and unemployed.

Within the space of almost ten years (1994-2003) one could observe a serious decrease in the number of people being concerned about natural environment (consumption ecologization). Environmentally friendly products are important to only 10% of Poles, particularly to people holding higher education qualifications, those interested in public life affairs, managers and specialists, private entrepreneurs, more often women than men.

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