

Dear head and members of the scientific council, dear **guests**.

Let me introduce my dissertation research on topic “MANAGEMENT OF CONSUMER BEHAVIOR **IN** TRADING ENTERPRISE”.

Today, companies in any industry face the problem of selling goods and services on a daily basis. However, this problem is particularly acute for trading enterprises, as the trade sector is among the most being faced with large-scale global competition.

Despite a great number of studies, a number of issues are still dissolved in the field of consumer behavior management. Thus, there is no single opinion on the essence of consumer behavior and consumer behavior management, on the impact of different factors on consumer behavior and on effectiveness of different instruments managing it. Experiments described in scientific works demonstrate different, sometimes even opposite results. One of the reason of such variation in conclusions is different conditions of experiment. Indeed, in social sciences even minor change in secondary factors can bias results of experiment. Another reason is that there are significant national differences in consumers behavior, so conclusions made by individual researches cannot be considered universal.

So there is a need to deeply analyze impact of different factors on consumer behavior in conditions inherent to Ukrainian trade enterprises.

Moreover, the management of consumer behavior by trading enterprises is often carried out manipulatively and leads to a violation of their rights. In the same time, incomes of almost a quarter of Ukrainians are below the actual cost of living. This means the problem of consumer behavior management obtains not only the marketing, but also the social content, and thus requires socially responsible behavior from the subjects of management.

The goal of the research is to develop a theoretical and methodic foundations and to work out the practical recommendations on management of consumer behavior in trading enterprises.

The object of reserch is the process of managing consumer behavior by trading enterprise.

The subject of research is models, methods and instruments of managing consumer behavior by socially responsible trading enterprise.

The logics of research is represented on the broadsheet 1.

First of all, we've concentrated on studying the essence of the key concept of the research – consumer behavior. After the morphological analysis of 35 definitions originated by different authors, we've synthesized our own definition provided on broadsheet 2. Thus, consumer behavior is a set of physical, psychological, emotional, cognitive and social processes including need recognition, information search, selection, purchase, use, service, evaluation, disposal of goods, services, ideas, time, events, experiences, or any other entities, and further information sharing, performed by individuals, groups, or organizations in order to meet their needs and wants in context of internal and external factors driving such processes and their impacts on consumer and environment.

Basing on the review of the special literature, we've defined 3 groups of factors impacting consumer behavior. The matrix reflecting the frequency of mentioning those factors by scholars is provided on the broadsheet 3. The widest groups of factors impacting consumer behavior distinguished by the most of scholars are internal (endogenous) and external (exogenous), each of them being subdivided by smaller groups of factors. The separate group of factors defining consumer behavior is situational factors, including both internal and external factors that concern the exact buying situation. If all the aforementioned factors are to some extent constant for exact consumer, situational factors create a unique set for every single buying situation.

Understanding the factors impacting consumer behavior opens the way to manage it. But first, it is necessary to define the concept of consumer behavior management. Unfortunately, this concept does not have a unified definition. Thus, in order to solve this problem, the morphological analysis of existing definitions of the term “Consumer behavior management” is performed in the thesis, and its results are provided on the broadsheet 4. Basing on the morphological analysis, we define consumer behavior management as a subsystem of marketing management that

embodies principles, methods, instruments and practices of interacting with customers in all the stages of their consumer behavior in order to both achieve a company's strategic and tactical marketing goals and satisfy customer needs in a socially responsible way

After analysis of existing models of consumer behavior management and their separate components we've developed the improved model of consumer behaviour management for trade enterprises that is represented on the broadsheet 5. This model aggregates stages of consumer behavior, its factors, methods, principles and instruments of consumer behavior management. Taking into account contemporary requirements to the business, we recommend to integrate the principles of social entrepreneurship to the business practice to some extent, that will help to align their marketing strategies with modern marketing concept of socially responsible marketing.

In order to empirically define the relation between external factors of consumer behavior and degree of their influence on consumer behavior itself, it was chosen the questioning method of analysis. But before conducting a questionnaire-based research, the settings for the experiment were defined. As we study consumer behavior in context of management, it is necessary to research its factors and manifestations in relation with the effect it makes on purchases of consumer goods (services). So the target audience's behavior must be researched toward the "right" goods / services in the "right" place. In order to do so, on the broadsheet 6 the structure of total expenditure of population in Ukraine is analyzed.

Analysis has shown that major part of consumption expenditure belongs to goods, followed by services and mixed items (goods and services). Thus, goods is largely dominating category of consumption expenditure of Ukrainians, and so consumer behavior is mostly manifested while consuming goods. The greatest share in total expenditure of Ukrainian households belong to food and non-alcoholic beverages. Moreover, this share is relatively stable, with variation ration as low as 4%.

The next question to answer is to choose the format of retail point of sales the most appropriate for the research. Table 5 on broadsheet 7 contains data on volumes and structure of the retail trade turnover. More than half of retail trade turnover is made by non-specialized stores, and 40% of retail trade turnover is made by specialized stores. But specialized stores mostly concentrate trade by non-foods and thus are strongly segmented (e. g. apparel stores, home electronics stores, bookstores etc.), disallowing to research consumer behavior towards wide variety of goods in limited number of points of sales. So we believe that the best choice of a format for points of sales in terms of our research is non-specialized stores. Characteristics of a settings for the questionnaire are integrated in table 5 on broadsheet 7: the target audience for survey are individual consumers buying consumer goods; the range of goods in the assortment of the base of survey, according to the analysis of the structure of consumer spendings of Ukrainians, must mandatory include food and beverages and optionally – other consumer goods; the place of interview must be a chain of retail shops with the range of goods specified above; respondents must be selected randomly.

We've grounded the requirements for selection of chain of retail shops as a base for research, which are represented on the Broadsheet 8. These requirements are: chain of retail shops must be relatively big, its product range must be wide enough, it must have a system that allows to register purchases of customers and identify them, it must have necessary conditions to perform interviewing and to conduct the following experiments, management of such chain of retail shops should agree to conduct the necessary experiments. The chain of retail shops completely meeting these requirements is Hazar LLC, thus this chain of shops was selected as a base for the research.

Due to the large number of consumer behavior factors identified on the basis of theoretical analysis, it was decided to reduce their number for empirical research. Thus, to study consumer behavior, key factors influencing it were selected, for which the method of expert opinion poll was used. The results of expert selection of external and internal factors of consumer behavior are shown on broadsheet 9, in tables 8 and

9, respectively. The expert opinion survey was performed in accordance with the Delphi method. The experts were asked to distribute 100 points among the listed factors of consumer behavior. Then the factors, which received the average score greater than the lower confidence limit, were considered important. For external factors of consumer behavior, the important factors are culture, social class, reference groups and family, for internal factors – age, gender, income, lifestyle, personality, motivation, perception and learning.

Broadsheet 10 illustrates the logics of the research on impact of factors on consumer behavior. Basing on questionnaire, the parameters of consumer behavior and its factors are registered, then correlation and factor analysis is made in order to define interdependencies among such factors. Basing on such interdependencies, conclusions and recommendations on consumer behavior management are developed. According to this logics, 200 respondents were questioned in different shops of the Hazar LLC in Kharkiv city.

Broadsheets 11, 12 and 13 represent questions on factors and aspects consumer behavior and aggregated responses of consumers.

The results of the questionnaire demonstrated that in terms of individualistic and collectivistic person, interviewed consumers are mostly in between; they are rather practical people avoiding the risk, with average monthly income less than 10000 UAH, with 2 – 3 family members or living alone; mostly responsible for spending but not for earning. In the age structure of interviewed consumers, the elder generation dominates; among the personal values the most important are economic benefits and search for truth; mostly half of consumers are having IQ level in the range of 81 – 100 points. Analysis of the aspects of consumer behavior in terms of purchasing process shown that most of interviewed consumers Do not follow the new product updates, but instead follow the new purchases among their social environment and trust their opinion regarding the products, conservative towards new products, don't trust advertising; while selecting the product they prefer to study main alternatives; consider the price the most determining factor in their purchase decision,

make purchase decision not easily; prefer to share the information on negative purchasing experience and do not share on positive.

In order to decrease the number of studies variables impacting consumer behavior and to define the interdependencies among them, factor analysis was conducted, and its results are provided on broadsheet 14. It allowed defining integral factors of consumer behavior: external (factors of personal order, socio-economic position of the consumer in society, s influence of the role inside the consumer's family), internal (physical factor (age and gender), lifestyle of the consumer and cognitive resources of the consumer) and consumer behavior during purchasing process (need recognition factor, information search and evaluation of alternatives factor, purchase stage factor and post-purchase factor).

The correlation analysis (table 19 of the broadsheet 14) has proved strong relationship between groups of factors, thus the internal and external factors of consumer behavior are strongly influencing factors of consumer behavior during purchasing stage.

For testing influence each concrete factor on the behavior of consumer, the ANOVA test was performed. It was found out the numerous relationships among factors of consumer behavior and among factors and aspects of consumer behavior.

The scientific and practical approach to choosing of instruments of consumer behavior management, developed in the thesis and presented on broadsheet 15, includes such stages as determination of the long list of instruments of consumer behavior management in trading enterprise; hypothesis formation; the experiment design; conducting the experiment; calculation of the sales changes. calculation of the effectivity of instruments, transposition of the instruments to whole product category; sales monitoring.

While implementing this approach, the expert opinion poll on selecting the most important instruments of consumer behavior management was performed (broadsheet 16), and experts selected such important instruments: assortment, its updating, services, price, promotion, promotional deals, product sampling, music, colors, merchandising, stockouts, availability of goods, the customer–salesperson

relationship. Basing on this list of instruments, the set of hypotheses on the effect of those instruments on consumer behavior in trading enterprises was formulated (table 21 on broadsheet 16).

The series of experiments to empirically test these hypotheses was conducted. Broadsheet 17 demonstrates some results of the experiment on testing hypotheses. As we can see, the influence of the tested parameter for the hypothesis H5, which is fair verbal advice of the seller, have increased the sales of tested products on 45,59%. In order to statistically test fifth hypothesis ANOVA test have been conducted, the results of which demonstrated that with the probability higher than 99% Hypothesis H5 is proved.

The hypothesis H7 is supported with the dynamics of sales: all 3 products participating the charity experiment in A shops demonstrated strong positive dynamics of sales comparing to B shops. In contrast, all the alternative products demonstrated strong decrease in sales comparing to B shops.

Broadsheet 18 demonstrates the results of experiments and recommendations to Ukrainian trade enterprises to manage customer behavior based on series of experiments. As it can be seen, all the developed hypothesis except the impact on consumer behavior of preliminary advertisement of the known product were proved statistically. All the recommendations form the methodical support of customer behavior management for Ukrainian trade enterprises.

Generalizing the results of researches being conducted, the methodical approach to consumer behavior management in trading enterprise was developed and represented on broadsheet 19. According to this approach, the starting point for consumer behavior management in trading enterprise is marketing strategy, and the social entrepreneurship elements must be integrated to it. On the following stages of consumer behavior management, factors impacting consumer behavior and aspects of consumer behavior during the purchasing process are to be analyzed. Then the instruments of consumer behavior management are analyzed according to the scientific and practical approach to choosing of instruments of consumer behavior

management in trading enterprise. After that, evaluation of the economic effect of instruments implementation is necessary to be done before their final implementation.

As a result of implementation of such approach, recommendations to Ukrainian trade enterprises to manage customer behavior were developed basing on analysis of interrelations between factors of consumer behavior and its aspects. As an example, recommendations to manage customer behavior based on analysis relationship between behavior demonstrated on the need recognition stage and other factors are provided on broadsheet 20.

However, even if the impact of an instrument on consumer behavior is proven, it does not have to be implemented, as the cost of implementing and using a particular instrument may exceed the respective sales growth. Thus, the methodological approach to management of consumer behavior in trading enterprise includes evaluation of the economic effect of implementation the instruments for managing consumer behavior. A fragment of the respective methodical provisions is shown on broadsheet 21.

The list of publications on the topic of dissertation research is given on broadsheet 22.

Report is finished, thank you for your attention!