

## Specific features of consumer's behaviour in new market economies\*

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**ABSTRACT.** Despite intuitive or deliberate realization of the necessity of being oriented towards the customer's needs, the marketing philosophy was not used similarly in real life by the enterprises of the new market-oriented countries, among which we traditionally find the Baltic countries (Latvia, Lithuania, Estonia), Poland, Czech Republic, Hungary, Romania, Bulgaria, Ukraine, Russia, the former Ugoslavian republics (Slovenia, Croatia, Serbia, Chernogoria) and others.

The article generalizes the factors, influencing the behavioral peculiarities of the consumers in the above-mentioned countries and specific ways of introduction of marketing technologies and it is supported by the reprinted materials or by the results of the comparative research, carried out by research institutions and professional associations.

**KEY WORDS.** Marketing, the consumer's behaviour, new market economies.

### Introduction

A close study of specific ways of introduction of marketing technologies and ways of determining basic factors that influence their success in new market economies are caused by several conditions:

Firstly, this region is populated by 330,000, million people and all those countries demonstrate a positive growth despite their still existing economic and political problems. The marketers should analyse the influence of specific economic conditions, ways of life, their attitude to brands, their purchasing habits, and different cultures in the countries of Central and Eastern Europe in order to form marketing plans and their implementations.

This region is economically attractive, as there we can find a lot of simultaneously existing vacant niches with a relative and quickly growing purchasing power of the population. Despite the fact that the starting conditions for the introduction of marketing at enterprises in those countries were nearly the same, they differently approached the problem of creating their economic and political strategies of the introduction of market economy and got different results that led to further application of marketing technologies. Exploiting both intuitive and deliberate understanding of the necessity of being oriented towards

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the customer's needs, the marketing philosophy was not similarly realized by the enterprises of the above-mentioned countries.

It is the above-mentioned region that demonstrates the fact that the introduction of marketing technologies are affected not only by their mentality, cultures, languages, history, customs, etc. and it proves the fact that marketing as a science, lies on the crossroads of various research subjects, connected with the investigation of people and their peculiarities.

The purpose of the paper is to make a comparative analysis of the peculiarities of the application of marketing technologies in new market economies in order to obtain the data on marketing perspectives and search for the best possible decisions.

Methodological approaches to the investigation of the consumer's behaviour.

One of the most spread comparative research, carried out regularly in the EC countries with the participation of many countries with new market economies is Customer satisfaction 2006 Pan European Benchmark EPSI Rating<sup>1</sup>. The purpose of the research is to compare satisfaction, loyalty and accepted quality with the eye of the customers in three basic areas:

comparison ( similar and different ) of the attitude of the customers in different countries;

— branch differences;

— differences of the providers within the branch/sector;

With the help of the index EPSI the marketers investigate the customer's choice, the accepted quality and the customer's behaviour on the other hand. For our research, we have chosen just that very investigation as it gives us a possibility to model, to evaluate and to analyse the interactions of those three factors.

The scientific methodology of the given research was not meant to analyse the consumer's behaviour in the new market economies. The first scientific approach was formulated at the end of the 80-ties by the research project of the Stockholm School of Economics (SSE) by Professor Claes Fornell, who is now presented on the staff of University of Michigan<sup>2</sup>.

The first evaluation was made in Sweden in 1989, and since then they have been made annually and regularly in Sweden, and they analyse nearly 25 sectors/branches of the economy.

Twenty European countries participate in the present-day investigation, among them: the Czech Republic, Denmark, Estonia, Finland, Greece, Iceland, Latvia, Lithuania, Norway, Portugal and Sweden.

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<sup>1</sup> Pan American Customer Satisfaction. The report has been compiled by the EPSI Rating Editorial Board. EPSI Rating./Stockholm. — 2007. — Print: In Time AB. Goteborg. 91 p. ISSN 1653-7734

<sup>2</sup> Denys Poltavets, Senior expert on the development of public society of CSCN project. The results of the survey ' Behaviour and Attitudes of Consumers in Ukraine' [electronic version]: access mode \\www.undp.org.ua –Heading from the screen

Since 2007 Ukraine has been a participant of the program. The list of the participants is the reason why we have chosen this project for the comparison of the results. We are presenting the numerical results adapted to our analysis, and they reflect the average values for common sectors in the countries with new market economies, which are taken into account by the publications of the Pan European investigation.

Table 1

**New market countries-participants in EPSI rating.**

New market countries-participants in EPSI rating	Branches under research
Russia	Banks, telecommunication, insurance, public and social sectors, mortgage and consumer credit, trade and distribution of energy, infrastructure, and private cars.
Latvia	
Lithuania	
Estonia	
Czech Republic	
Ukraine (since 2007)	Banking services, mobile communication, interurban transport, supermarkets, insurance.
Taken from: EPSI-Ukraine Country 2007-Pilot Study. \www.epsi-rating.com — Heading from the screen	

The customer satisfaction is measured and presented as European Performance Satisfaction Index (EPSI) by the scale from 0 to 100, where 0 means a possible lowest level of satisfaction, and 100-a possible highest level of satisfaction. As a rule, the difference between two investigations of two or more units is statistically valid for the company level.

For the comparison of the branches, the difference for one unit or more is quite enough for obtaining a satisfactory valid difference.

The group of main questioners is made for all-European level, it is adaptable to local requirements, but adaptation is tested for its ability of data correspondence within the framework of Pan European Investigation. Almost thirty five questions are listed in the basic questionnaire.

Another well-known investigation, directed at studying of the consumer behaviour in different countries is the one carried out by the transnational company ACNielsen<sup>3</sup>. The purpose of the investigation is to research the consumer's choice and the factors that define the behaviour of the people in

<sup>3</sup> The Nielsen Global Online Consumer Survey is conducted twice a year to gauge consumer attitudes and opinions to a variety of topics and current affairs. The April 2007 survey was conducted in 47 markets: Argentina, Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Japan, Korea, Latvia, Lithuania, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Russia, Thailand, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Turkey, UAE, United Kingdom, US and Vietnam. The margin of error of the survey is  $\pm 4\%$  for  $n = 500$  and  $\pm$  for  $n = 1000$

different countries. The investigation was carried out in 2007—2008. The countries were systemized by their geographical location, the investigation was carried out in European countries, in Asian and Pacific Ocean regions, in America, in the Middle Eastern countries and in Africa. The four problems, methodologically defined, were the subjects of investigation, namely: October 2007, Consumer Confidence in Advertising: a global consumer report Nielsen (16)<sup>4</sup>; February 2008. Consumer Confidence, Concerns and Spending Intentions, a global consumer report Nielsen (15)<sup>5</sup>; April 2008. Consumers and Designer Brands: a global consumer report Nielsen (17)<sup>6</sup>; Packaging and the Environment, May 2008 (14)<sup>7</sup>. In the framework of our research, we base our conclusions on the results of the investigation, obtained for new market countries.

In all four countries, the survey was held via the global web system. The Nielsen Global Online Survey is held twice a year and covers different questions that help to reveal the preferences of the consumers in different countries, their peculiarities, and choice. 26,486 Internet users participated in the survey. The respondents, aged 15 + participated in the survey. A possible error  $\pm 4\%$  for  $n = 500$  and  $\pm 3\%$  for  $n = 1000$ . Ukraine did not participate in the survey.

The Consumer's Behaviour Surveys are often held on a regular basis. Our article will also appeal to the results of the survey, held by the transnational monitoring corporation GFK Group and INCOMA<sup>8</sup> (4). The purpose of «Shopping Monitor Central Europe» research was to define the most important incentives for buying goods in Czech Republic, Hungary, Poland, and Slovakia. The results of the research were displayed on the GFK web site.

The research of the consumer's behaviour in the new market economies: comparative characteristics.

The research, carried out by the GFK Group and INCOMA<sup>9</sup> revealed the fact that despite a lot of common features, there is no «typical» Central European consumer.

There are a lot of differences in the attitude of the shop — assistants in every other country and they are caused by different levels of supply to the outlets, and it also influences the purchasing habits of the consumers.

<sup>4</sup> October 2007. Trust in Advertising: a global Nielsen consumer report // [electronic version]: access mode: [www.acnielsen.com](http://www.acnielsen.com). -Heading from the screen.

<sup>5</sup> February 2008 Consumer confidence. Concerns and SPENDING Intentions a global Nielsen consumer report // [electronic version]: access mode: [www.acnielsen.com](http://www.acnielsen.com) — Heading from the screen.

<sup>6</sup> April 2008 Consumers and Designer Brands a global Nielsen report // [electronic version]: access mode: [www.acnielsen.com](http://www.acnielsen.com). -Heading from the screen.

<sup>7</sup> March 2008 Packaging and the environment: a global Nielsen report // [electronic version]: e-mail access: [www.acnielsen.com](http://www.acnielsen.com). -Heading from the screen.

<sup>8</sup> Shopping Monitor Central Europe. GFK Group @ INCOMA [electronic version]: access mode: [www.gfk.com](http://www.gfk.com). — Heading from the screen.

<sup>9</sup> Shopping Monitor Central Europe. GFK Group @ INCOMA [electronic version]: access mode: [www.gfk.com](http://www.gfk.com). - Heading from the screen.

This conclusion is supported by the data, obtained by other surveys, referred to by our article. The first and the most important result of the survey is formed in such a way: basically, the higher level of supply to the outlets is (both quantitative and qualitative), the more consumers prefer super-sized shopping malls. In the past, small self-serviced outlets were shopping centers in Czech Republic, Slovakia, and Hungary, but at the same time, most Poles went shopping to small discount shops.

The researcher Rudolph Brotschneider<sup>10</sup> mentions changes in the structure of outlets in the region. We can find much more supermarkets, hypermarkets, and transnational networks of known brands with a discount system. But, in Slovakia 56 % of households are still using small shops for buying most of their food products, in Czech Republic almost 32 % of the households are doing the same. In Poland, small shops remain the most popular ones for 58 % of households. In Poland the shops of the cooperative system PSS Spolem are the most visited ones; In Hungary the network of discount shops Penny Market attract most households. The information, obtained by Touchpoll in 2002 states that over 50 % of Kyiv households went shopping to supermarkets. In 2007, this index rose to 75 % and turned stock shops and gastronomes into a prerogative of the past<sup>11</sup>. At the same time, according to the research of the index EPSI rating<sup>12</sup> Ukrainians are more satisfied with the services in big shopping centers than most consumers in other new market countries. In our opinion, this fact can be explained by the peculiarities of measuring this index: the correlation of expectation and satisfaction obtained. The Ukrainian customer is expecting less satisfaction from servicing. He is not yet a demanding Western customer, that's why while researching and applying new market technologies, we should take into account that customers nowadays are quite educated and they have already changed a lot of their priorities under the influence of the informational environment.

Analysing the data of the research Customer Satisfaction 2006, Pan American Benchmark, EPSI Rating<sup>13</sup> and the results of European Performance Satisfaction Index (EPSI), held in Ukraine in 2007<sup>14</sup>, we can state that the least satisfaction the Ukrainians get from municipal means of transport (67,5) and most of all they like mobile communication (80,9). In order to analyse and interpret the obtained information we held another examinational survey of the customers in Ukraine.

<sup>10</sup> Vangelder P., Brotschneider R. Looking at Central and Eastern Europe// Research World. — № 1, 2001. — p. 20—21

<sup>11</sup> Anniversary Forecast. Press-release of Touchpoll Company. August, 2007. [electronic version]: access mode: // www.touchpoll.com — Heading from the screen/

<sup>12</sup> Denys Poltavets, Senior Expert on the development of public society of the project CSCN. The results of the survey «Behaviour and Attitudes of Consumers in Ukraine» \www.undp.org.ua — Heading from the screen.

<sup>13</sup> Pan American Customer Satisfaction. The report has been compiled by the EPSI Rating Editorial Board. EPSI Rating./Stockholm.-2007.-Print: In Time AB. Goteborg. 91 p. ISSN 1653-7734

<sup>14</sup> Denys Poltavets, Senior Expert on the development of public society of the project CSCN. The results of the survey «Behaviour and Attitudes of Consumers in Ukraine» \www.undp.org.ua — Heading from the screen.

Partially the results of the above-mentioned surveys were made use of by TV program «Ukrainskyi vymir» (April, 5, 2008, 18.10)<sup>15</sup>.

The general conclusion speaks in favour of the fact that the least satisfactory are branches — monopolists in the market. It is possible to refer the municipal transportation system to such branches. If to compare the value of the index with the corresponding values in other countries, we can interpret the following data in such a way:

Table 2

**The results of the research as to the level of satisfaction of customers in Ukraine (2007)**

Branch	Image	Expectation	Quality of the product	Quality of the service	Value	EPSI	Loyalty
Inter town transport	59,9	68,8	62,4	58,1	59,2	62,3	67,5
Banking services for physical persons	79,8	80,4	80,8	79,3	78,1	78,8	74,8
Insurance company	80,9	76,7	78,0	78,8	76,1	69,8	69,8
Mobile communication company	81,1	80,7	81,5	82,1	80,4	80,0	80,9
Supermarket	78,5	78,4	79,2	80,0	77,0	76,2	78,6
Average values across Ukraine	76,0	77,0	76,4	75,7	74,1	72,4	74,3

Based on : Denis Poltavets, Senior Expert on the development of the public society of the project CSCN . The results of the survey «Behaviour and Expectations of the Customers in Ukraine». /www.consumerinfo.org.ua — Heading from the screen

Table 3

**The results of the survey of the customer's satisfaction-comparable values for new market countries (2007)**

	Country	Values CSI EPSI
1	Ukraine	74,3
2	Estonia	70,0
3	Czech republic	67,0
4	Latvia	70
5	Lithuania	74
6	Russia	66

Based on: Volodymyr Votapek, Expert for the Foundation on customer's satisfaction index research, the Czech Republic. The best European programs and their implementations in the countries of Eastern Europe: customer's satisfaction index research in Russia. / www.epsi-rating.com — Heading from the screen

<sup>15</sup> TV Program «Ukrainskyi Vymir» (broadcast time 18.10 April, 2008).

The results of the survey prove that Ukrainians differ greatly by their level of satisfaction, as it is obvious from the survey that the average level of satisfaction of Ukrainians exceeds the average value for European countries. If the average value for European countries 68,3 GDP (the index of overall measured level of satisfaction), then for Ukraine its value is 72. We think, that it could be explained by the fact, that common citizens do not expect high quality servicing. Within the framework of the survey it was revealed, that the customers in Denmark are least satisfied by the quality of services. The customers in Ukraine are satisfied with the quality of the services, offered by rather competitive branches: mobile communication companies and supermarkets. (See table 3) So, we can admit that a lot of factors influence the perception of the quality of life and customer satisfaction. This fact is also proved by the research, carried out in Ukraine.

According to the surveys<sup>16</sup>, the customers in Czech Republic adopted the behaviour of Western customers sooner than the customers in other countries of the region. Let us give an example of going shopping by car: 24 % of the households in Czech Republic use their cars for doing shopping very often, if to compare the figures with 15% of the households in Hungary, with 13 % of the households in Slovakia and 12 % in Poland. For similar European preferences, we can also relate the idea of environmental protection. So, according to the global survey AC Nielsen, April, 2008, Consumers and Brand Designing; global consumer survey Nielsen (17)<sup>17</sup>, the customers in Europe differ from others, as they have a positive attitude to recycled staff for packing, especially, if they know, that in such a way it is possible to help the environmental protection. 55 % of Europeans answered in the affirmative the question whether they would prefer recycled packing. Among them, the most conscientious consumers are the Czechs (72 % out of 55 %), Hungarians (63 %).

The research also demonstrated the fact, that most Poles (46 %) prefer long-term packing, if the question of the environmental protection arises. But, we think, that analyzing the data we should remember the habit of the customers in new market countries of using packs not once, and it came from the past, known for «deficit for packing staff».

Supported by the research<sup>18</sup>, we can state, that by propagating environmental protection campaigns, we are building the «consumer's behaviour». The research also proves, that in such countries as Poland 51 % of the consumers choose recycled packs (that is for the benefit of the environment) and do it that way not

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<sup>16</sup> Volodymyr Votapek, expert of the fund on research of satisfaction index of customers, Czech Republic. The best European practices and their implementation in the countries of Eastern Europe: research on satisfaction index of the customers in Russia. /www.epsi-rating.com – Heading from the screen;

<sup>17</sup> April 2008 Consumers and Designer Brands a global Nielsen report // [electronic version]: access mode: www.acnielsen.com — Heading from the screen.

<sup>18</sup> April 2008 Consumers and Designer Brands a global Nielsen report // [electronic version]: access mode: www.acnielsen.com — Heading from the screen.

even being told about it or reminded of the fact that such a choice would save the environment, and only 26 % of the Russians behave in such a way.

The purchasing behaviour in the countries with new market economies is affected by a higher number of mobile phones and the Internet users. However, the reasons for higher growth of these branches differ in different countries. So, in many countries, for example, in Romania, higher demand for mobile phones was caused by poor work of home phones<sup>19</sup>. But countries like Hungary invested a lot into telecommunication systems and at present, they have a reliable infrastructure with 75% of the population serviced by them. According to the data, obtained by the company In Mind<sup>20</sup>, the Ukrainian market for mobile communication is also going up rather quickly. Most of the market for mobile phones can be found in cities with the population of over one million people. The fact is explained by a higher mobility of the inhabitants of such cities and by more or less good quality of home phones operation<sup>21</sup>. The factor that more and more Ukrainians become mobile phone users has helped to apply a widely used market technology of promotional efforts. A positive attitude of the Ukrainians consumers to mobile communication companies affects it greatly and the research data testify to it. (See table 2). Supported by the above-mentioned data, we can forecast, that the services of the mobile communication companies in the Ukrainian market for goods promotion will grow more quickly than in other countries with new market economies. A positive sign of advertising in new digital technologies is the fact, that they are fast growing, bring good results, they are low-cost, if to compare them with traditional media providers. The advertising technologies in Western European countries move to the Internet and to other spheres of digital technologies<sup>22</sup>.

At the same, the countries of Eastern Europe are the countries with more traditional media, remaining the basic advertising media provider<sup>23</sup>. According to the research, advertising in newspapers holds 63 % in the whole world, while magazines and radio together cover only 50%. But in Eastern Europe advertising in traditional mass media is thought of as not very trustworthy (47% of the consumers do not trust in advertising in traditional mass media)<sup>24</sup>.

The quality of the product is becoming a more important factor, affecting the purchasing decisions in the new market countries. The proof to this

<sup>19</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // *Research World*. — № 1, 2001. — p. 20—21

<sup>20</sup> InMind. Presentation papers on Internet panel / K.: InMind. — 2008. — p. 20.

<sup>21</sup> October 2007 Trust in Advertising a global Nielsen consumer report [www.acnielsen.com](http://www.acnielsen.com) — Heading from the screen.

<sup>22</sup> October 2007 Trust in Advertising a global Nielsen consumer report // [electronic version]: access mode: [www.acnielsen.com](http://www.acnielsen.com) —Heading from the screen.

<sup>23</sup> October 2007 Trust in Advertising a global Nielsen consumer report // [electronic version]: access mode: [www.acnielsen.com](http://www.acnielsen.com) —Heading from the screen.

<sup>24</sup> October 2007 Trust in Advertising a global Nielsen consumer report // [electronic version]: access mode: [www.acnielsen.com](http://www.acnielsen.com) —Heading from the screen.



hypothesis could be the research, carried out by Rudolph Bretschneider<sup>25</sup> on brand creating technologies in new market economies. It states, «There were no brands worth speaking about till 1989, there were only food products». The consumers here got used to trust brands much earlier than in the West. During the first years after 1989 Western brands were very successful. There was a slogan «Everything, produced in Western countries are the best». The situation changed in the middle of the 90-ties; the products, produced in new market countries, especially food products became of a much better quality and many western brands were given new names to sound more like native. The people are still proud of the past of their country and, quite naturally, their home brands are much cheaper. During economic recessions, people are eager to buy cheaper products and services. The price plays a very important role in such markets. The researchers should be very observant as to the strategies that do not demand a lot of investment and to contracts and to the influence of brands<sup>26</sup>.

At the same time, under the conditions of a very slow process of adaptation of the country's standards to recognized international ones, more and more enterprises in Ukraine are certified directly by international public professional institutions, despite very expensive technical expertise services. By the middle of 2006, in sectors «B-to-C» 20-25% of enterprises got certificates, issued by international organizations, for their products, and 15-20% of enterprises got ISO standards. By our expertise evaluation, in such sectors of the economy as meat products and meat-processing, vegetable and fruit processing<sup>27</sup>, almost 60% of the overall production volume is held by such certified enterprises. Such steps are directed at forming a higher trust in products and brands. Richard Rose<sup>28</sup> stresses the differences in respect and loyalty to brands at the presentation ceremony of a very interesting paper on purchasing strategies in his «New democracies portfolio» in London. We are dealing with different mentalities (the given example covers 29 European countries — the author's remark)<sup>29</sup>.

### **Mentality factor at the stage of introducing marketing technologies**

<sup>25</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // Research World. — № 1, 2001. — p. 20—21

<sup>26</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // Research World. — № 1, 2001. — p. 20—21

<sup>27</sup> Expert evaluation took place during the research: The sector of meat processing diagnostics and meat production. K.: USAID \ BIZPRO, Ukrainian Association of Marketing. — 2006. — p. 117. Fruit and vegetable processing diagnostics K.: USAID \ BIZPRO, Ukrainian Association of Marketing. — 2006. — p. 100.

<sup>28</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // Research World. — № 1, 2001. — p. 20—21

<sup>29</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // Research World. — № 1, 2001. — p. 20—21

Supported by the data of the research (November, 1998, special research on Central and Eastern Europe<sup>30</sup>, 2000 — special research by GFK company<sup>31</sup>, by Pan European EPSI rating<sup>32</sup>, we can state, that the researchers are unanimous in their opinion, that the countries of the region cannot be simply split into two blocks: Eastern and Central European countries.

In fact, there exist several groups, and they should be researched independently from the point of view of marketing technologies and ways of their introduction. So, according to the research, carried out by Fessel-GFK in Austria<sup>33</sup>, the introduction of marketing technologies is influenced not only by the changes in the economies of the countries, but by mentality, culture, language, history, political atmosphere, and world outlook. Almost all researchers prove the hypothesis that mentality does not change even in improved standards of life. This conclusion is shared by Melvin L. Con<sup>34</sup>, who, judging by the analysis of the longitude data, collected in Ukraine, makes a conclusion, that in the country we can observe the stability of the relations between social structure and individuals, despite changes in social and economic structures, despite spread instability in fundamental measurements of individuals.

The conclusions of the research on stable social relationships are of special importance for building advertising strategies for companies in new market economies. This fact becomes especially valuable in its correlation with the results of global research by the company ACNielsen «October 2007. Trust in Advertising: a global Nielsen consumer report»<sup>35</sup> that states that people in all countries trust other consumers more than in advertising in mass media. 78 % of respondents say, that they wholly trust other consumers and their remarks, or do it in most cases than in advertising in mass media<sup>36</sup>. So, the marketers had to choose for commercials the people who look familiar, like acquaintances or friends. «And even more, when consumers make a purchasing decision on a product or a service, the recommendation (on the product — the author's remark) should come from a person who looks like one we trust most. And even

<sup>30</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // *Research World*. — № 1, 2001. — p. 20—21

<sup>31</sup> Shopping Monitor Central Europe. GFK Group@ INCOMA [electronic version]: access mode: // [www.gfk.com](http://www.gfk.com). — Heading from the screen.

<sup>32</sup> Denys Poltavets, Senior Expert on the development of public society of the project CSCN. The results of the survey» *Behaviour and Attitudes of Consumers in Ukraine*» \www.undp.org.ua – Heading from the screen. Volodymyr Votapek, expert of the fund on research of satisfaction index of customers, Czech republic. The best European practices and their implementation in the countries of Eastern Europe: research on satisfaction index of the customers in Russia. /www.epsi-rating.com — Heading from the screen;

<sup>33</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // *Research World*. — № 1, 2001. — p. 20—21

<sup>34</sup> Social structures and Personality; The research by Melvin L. Con and Associates / translated from English under the supervision of V. E. Khmelko; Kyiv, International Institute of Sociology. — K.; Vydavnychiy Dim «Kyivo-Mogyła Academy», 2007. — 559. — bibliography.: p. 525—549. (p. 15)

<sup>35</sup> October 2007 Trust in Advertising a global Nielsen consumer report // [electronic version]: access mode: [www.acnielsen.com](http://www.acnielsen.com) –Heading from the screen.

<sup>36</sup> October 2007 Trust in Advertising a global Nielsen consumer report // [electronic version] : access mode: [www.acnielsen.com](http://www.acnielsen.com) –Heading from the screen.

despite the up-to-date media technologies in our global society, many decisions on product promotion are still based on national and cultural attributes<sup>37</sup>.

Rudolph Bretschneider<sup>38</sup> remarked, that there still exist different levels at different stages of market research. «At one level we can find Poland, Hungary, Czech Republic, and Slovenia, their demand for market research is very similar to western one, and the place of trade is not very important. The situation in Slovenia has improved after the government resigned and the West supported the country greatly. Another group is presented by Croatia, Bulgaria, Romania, Russia, and Ukraine. But even within the group, the countries are not identical. They can be split by blocks. Each country has its own culture, language, history, political situation, and world outlook. More and more countries, except Russia, determine themselves as European.

Croatia suffered a lot of difficulties, but nowadays new perspectives are open and the people hope for the better. The economic situation in Russia has improved greatly since the middle of 1999. In Ukraine we observe a rather complex situation. In all countries, the economy is greatly influenced by their political situation. On joining the NATO, Poland, Czech Republic and Hungary feel safer<sup>39</sup>.

The introduction of marketing technologies and creation of marketing industry in new market countries, including Ukraine are under the influence of the fact, that the experts who were trying to introduce marketing technologies at enterprises at that time did not have any experience of doing business in competitive environment. For fifteen years of creating market relations, business experts got sufficient skills and knowledge of how to deal with the situation. The researchers stress, that it is more difficult to reach brand loyalty in Central and Eastern European countries.

Brand loyalty is influenced even by such things that people live in not very spacious apartments, which they have to buy, because of that, fewer things, as they do not have enough space to build up stocks of different products. It makes them do the shopping oftener, and so they choose products frequently and treat the concept of 'brand' more flexibly while testing new brands<sup>40</sup>.

By analyzing the factors, which determine the peculiarities of marketing technologies in those countries, it is necessary to take into account their historical and geographical differences. Some researchers consider differences in larger or smaller territories as such a factor, that makes it impossible to compare the experience of the countries, having smaller

<sup>37</sup> October 2007 Trust in Advertising a global Nielsen consumer report // [electronic version]: access mode: [www.acnielsen.com](http://www.acnielsen.com) –Heading from the screen.

<sup>38</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // Research World. — № 1, 2001. — p. 20—21.

<sup>39</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // Research World. — № 1, 2001. — p. 20—21.

<sup>40</sup> Heeg R. The search for talent. Polish Association of Public Opinion and Marketing Research // Research world. — № 5 May, 2005. — p. 26—27 (p. 26).

territories and less population, the countries of Central and Eastern Europe with rather big countries (Russia, China, Kazakhstan, Ukraine)<sup>41</sup> We share the idea only partially and stress, that specific consumer behaviour depend on the economic development in the past and consequences of the restructuring of the economies in the new market countries.

The introduction of marketing tools at enterprises was carried out under the influence of both: market saturation and higher competitiveness of domestic producers and at the time of the development of imports and a simultaneous process of fewer export positions in nearly all new market economies. The fact that with drastically low figures of exports by 2000 in mostly all new market countries, affected greatly marketing peculiarities, and raw materials in those countries became the most popular item of exports.

The economic competitiveness is one of the most important factors of introducing marketing into the economy.

So, the economy of Hungary was developing steadily (GNP growth was 4 % due to exports). The average annual turnover grew by 20—30 %. But, with the population of slightly over 10 million people Hungary remains a so-called ethnic and linguistic island in Europe, even despite the fact, that the country joined the EEC in May 2004. At the same time the researches<sup>42</sup>, carried out, mentioned differences in the mentality of Hungarians, for example, describing them as pessimists on the questions of national identity and consensus with other peoples. At the same time, the same researchers present different opinions as to the peculiarities of the Czechs<sup>43</sup>. The research carried out by GFK company state, that they are both: realists and pessimists, and the results<sup>44</sup> of the research EPSI rating<sup>45</sup> states, that the Czechs are pessimists.

Most researchers<sup>46</sup> think of the Ukrainian consumer as of a more demanding one, if to compare the data on the Russian consumer. It can be

<sup>41</sup> Chuzhykov Interregional Diversification of Foreign Trade in Ukraine. International Economic Policy. Published by the Kyiv National Economic University (Centre for International Trade Development) Produced by the centre for Trade and Law, Caleton University and University of Ottawa, Financial support provided by the Canadian International Development Agency. // [electronic version] ISSN 1812-6936 (page 54).

<sup>42</sup> Volodymyr Votapek, expert of the fund on research of satisfaction index of customers, Czech republic. The best European practices and their implementation in the countries of Eastern Europe: research on satisfaction index of the customers in Russia / [www.epsi-rating.com](http://www.epsi-rating.com) — Heading from the screen; Vangelder P., Bretschneider R. Looking at central and Eastern Europe // Research World. — № 1, January, 2001. — P. 20—21

<sup>43</sup> Volodymyr Votapek, expert of the fund on research of satisfaction index of customers, Czech Republic. The best European practices and their implementation in the countries of Eastern Europe: research on satisfaction index of the customers in Russia / [www.epsi-rating.com](http://www.epsi-rating.com) — Heading from the screen; Pan American Customer Satisfaction. The report has been compiled by the EPSI Rating Editorial Board. EPSI Rating / Stockholm. — 2007. — Print: In Time AB. Goteborg. 91 p. ISSN 1653-7734

<sup>44</sup> Shopping Monitor Central Europe. GFK Group@ INCOMA [ electronic version ]: access mode: // [www.gfk.com](http://www.gfk.com). — Heading from the screen.

<sup>45</sup> Volodymyr Votapek, expert of the fund on research of satisfaction index of customers, Czech republic. The best European practices and their implementation in the countries of Eastern Europe: research on satisfaction index of the customers in Russia. /[www.epsi-rating.com](http://www.epsi-rating.com) — Heading from the screen.

<sup>46</sup> Denys Poltavets, Senior Expert on the development of public society of the project CSCN. The results of the survey» Behaviour and Attitudes of Consumers in Ukraine» // [www.undp.org.ua](http://www.undp.org.ua) — Heading from the screen. **Anniversary Forecast**. Press-release of Touchpall Company .August, 2007.

explained by the fact, that geographically Ukraine is smaller, and, besides, Ukrainians feel more like Europeans.

### Conclusions

In the conclusion we can state, that new market countries are still at different stages of their development as to the introduction of marketing technologies and practical application of the results of marketing research. The researches, carried out by chain agencies, came to the conclusion, that the countries of above-mentioned regions cannot be simply divided into two blocks; Eastern and Central European. In fact, we observe several groups, and they should be investigated separately. The researchers, as a rule, see four levels, as to the intensity of introduction of marketing technologies into practical business activity. We can find Poland, Hungary, the Czech Republic, and Slovenia at one level, at which the demand for marketing technologies and research is very similar to the Western one, and the influence of trade is the highest. Slovenia stands alone with the resignation of the former government and more support from Western Europe. The other group includes Croatia, Bulgaria, Romania, Russia, and Ukraine. But even within one and the same group, the countries are not identical.

Based on the data of the research (November, 1998, special research on Central and Eastern Europe<sup>47</sup>, 2000 — special research of GfK company<sup>48</sup>, the results of Pan European research EPSI rating<sup>49</sup>, The Nielsen Global Online Consumer Survey<sup>50</sup>, we can speak of peculiarities of introduction of marketing technologies, greatly influenced by mentality and traditions of the peoples. These factors are even more decisive than the economic development of the country. It is the mentality of the people, habits, and historical traditions that determine the peculiarities of the formation of marketing strategies, introduction of brands, etc.

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[electronic version]: access mode: // www.touchpall.com — Heading from the screen / InMind. Presentation papers on Internet panel / K.; InMind. — 2008. — p. 20.

<sup>47</sup> Vangelder P., Bretschneider R. Looking at central and Eastern Europe // Research World. — № 1, January, 2001. — p. 20—21.

<sup>48</sup> Shopping Monitor Central Europe. GfK Group@ INCOMA [electronic version]: access mode: // www.gfk.com. — Heading from the screen.

<sup>49</sup> Denys Poltavets, Senior Expert on the development of public society of the project CSCN. The results of the survey» Behaviour and Attitudes of Consumers in Ukraine» \www.undp.org.ua — Heading from the screen. Volodymyr Votapek, expert of the fund on research of satisfaction index of customers, Czech republic. The best European practices and their implementation in the countries of Eastern Europe: research on satisfaction index of the customers in Russia. / www.epsi-rating.com — Heading from the screen; Pan American Customer Satisfaction. The report has been compiled by the EPSI Rating Editorial Board. EPSI Rating./Stockholm. — 2007. — Print: In Time AB. Goteborg. 91 p. ISSN 1653-7734

<sup>50</sup> March 2008. Packaging and the Environment: a global Nielsen report // [electronic version]: access mode: www.acnielsen.com — Heading from the screen February 2008 Consumer confidence. Concerns and SPENDING Intentions a global Nielsen consumer report // [electronic version]: access mode: www.acnielsen.com — Heading from the screen. October 2007 Trust in Advertising a global Nielsen consumer report // [electronic version]: access mode: www.acnielsen.com — Heading from the screen. April 2008 Consumers and Designer Brands a global Nielsen report // [electronic version]: access mode: www.acnielsen.com — Heading from the screen

The researches also demonstrate, that planning the process of distribution in the countries of Eastern Europe, we should exceed the traditional ways of interpretation of logistical chain and to implement holistic thinking, and it will take into account not only economic, but psychological peculiarities of the people of the country in question.

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