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## **SUSCEPTIBILITY OF YOUNG BUYERS OF DURABLE GOODS ON MARKETING INCENTIVES**

### **Introduction**

Transformation processes in Poland and globalization affect the functioning of companies and influence the behavior of consumers, the buyers of durable goods including. As regards company marketing operations, the key objective is to understand the behavior of consumers (buyers) so that the companies match their product range to consumer needs more effectively than the competitors. It is of particular importance to use adequately the elements of marketing-mix, i.e. to assign to their products adequate attributes, prices, terms of payment, distribution channels and promotion. That can be achieved by a sound knowledge of consumer behavior. Consumer behavior and the factors that influence it have been investigated by economic sciences for years. However, the research was rarely conducted for particular sector markets, the market of durable goods including. Thus, the article concentrates on an important group of such kind of goods, i.e. on furniture, which in most developed countries is considered a necessity. Moreover, it seems interesting to analyze the behavior of young buyers (aged 19-34) of durable goods as that group constitutes statistically the most significant group of people in Poland<sup>1</sup>, and it is usually at that age that people make decisions on buying furniture (which is related to entering a new stage of family lifecycle, move to a new flat, etc.) .

The aim of the article is to analyze the vulnerability of young buyers (particularly the ones in the age group of 19-34) of durable goods (mainly furniture) to marketing stimuli.

### **1. Factors influencing consumer behavior**

Present-day companies that operate in a dynamically changing economic and highly competitive environment are forced to possess a sound knowledge on consumers (buyers), their needs and patterns in their behavior. It is particularly significant to be able to recognize the factors that have an impact on the behavior related to purchase decision making.

The Polish and foreign literature on the subject includes several attempts to classify the determinants of consumer behavior. However, it seems that there is no single, dominant and universal approach to that issue. It must also be emphasized that a clear division of factors

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<sup>1</sup> Despite the ageing of Polish society, the group aged 19-34 accounts for approx. 20% of Polish population. Cf. *Rocznik Statystyczny Rzeczypospolitej Polskiej 2014 (Statistical Yearbook)*, Główny Urząd Statystyczny, Zakład Wydawnictw Statystycznych, Warszawa 2014.

regarding consumer behavior is very difficult due to the links between the determinants and mutual dependencies. According to the literature on the subject<sup>2</sup> the most frequent factors that influence consumer behavior belong to economic issues (earnings, expenses and savings, credit capacity, the already acquired durable goods, etc.), demographic issues (the age and gender of the consumer and other household members, etc.), social and cultural issues (education, professional activity, the stage of family cycle, free time, life-style, social background, reference group, opinion leaders, cultural influences, etc.), psychological issues (the needs, perception, motivation, attitudes, preferences, personality, the risk involving the purchase, etc.) and marketing issues (product characteristics, prices of goods on sale, distribution or product availability, promotion, etc). It can be assumed that economic, demographic, socio-cultural and psychological factors describe consumer features and their household or that they are related to consumer environment, while marketing factors refer to the product offer of companies, their operations and marketing strategy. Marketing factors are the elements of marketing–mix that is applied by manufacturers and salespeople to make their products distinctive on the market and – as a result – to acquire as many buyers as possible. Consequently, it seems significant to gain the knowledge on the opinion of buyers as regards those factors in order to match their product range offer to the needs of customers.

## **2. Marketing determinants of consumer behavior**

Marketing factors are a specific group of determinants as they depend on company's marketing decisions. The factors include all the elements of marketing-mix, i.e. product features, their prices, distribution (product availability) and promotion.

Features that are assigned to a product and are unique are of substantial significance to consumers who are choosing the goods offered on the market. The features are decisive as regards meeting the needs of customers and their expectations from the product. It should be mentioned that almost every product has its basic and additional functions. The first ones are expressed by the real features of a product and its physical and technical properties while the additional features are concerned mainly with the user's comfort and the looks of a product<sup>3</sup>. In many cases the additional functions of products may be more important to consumers than

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<sup>2</sup> See – among others - L. Nowak, *Uwarunkowania zachowań konsumenckich młodzieży akademickiej. Eksploracja struktur ukrytych*, Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu, Poznań 2009, p. 29, C. Bywalec, *Konsumpcja a rozwój gospodarczy i społeczny*, Wydawnictwo C.H. Beck, Warszawa 2010, pp. 60-107, J. Woś, J. Rachocka, M. Kasperek-Hoppe, *Zachowania konsumentów – teoria i praktyka*, Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu, Poznań 2011, pp. 48-64.

<sup>3</sup> J. Woś, J. Rachocka, M. Kasperek-Hoppe, *Zachowania...*, op. cit., p. 54, L. Rudnicki, *Zachowania konsumentów na rynku*, PWE, Warszawa 2012, pp. 126-127.

some of the basic ones. Thus, one may think that for furniture buyers the additional functions of furniture have a significant impact on their purchase decisions. However, one should agree with L. Rudnicki that quality is a very important factor and it is identified with the total number of features that are decisive as regards meeting particular needs of customers<sup>4</sup>. Another feature of a product are maintenance and guarantee services, which have a crucial impact on consumer behavior especially in the case of durables. Moreover, every product has certain properties that make it distinct from other goods on the market, which is reflected by the brand. The objective of the brand impact is to distinguish products that come from a particular manufacturer or salesperson. Consumers demonstrate their social status, level of wealthiness or life-style by the possession of particular brand products. Price is a particularly important factor that determines consumer behavior. It can be said that it is one of the most important elements in the purchase decision making process, especially when highly priced products are concerned. However, it is not the only criterion of the final purchase decision<sup>5</sup> as the terms of payment for the goods purchased has also some significance. Particular attention should be turned to the elements included in the promotion such as the information that reaches consumers as a result of companies' promotional operations<sup>6</sup>. They are crucial as thanks to that determinant the consumers gain knowledge on the remaining marketing factors. The information that is particularly important in the case of durable goods, furniture including, includes details that are obtained from sales people in the course of buying and concern product quality, terms of sale, methods of application and maintenance, transportation, warranty period, etc. The distribution of goods from manufacturers to the final buyer plays also an important role in shaping consumer behavior; what is particularly significant here are the proper sales offer, efficient transportation in time and space and adequate features of the sales point as regards its location, working hours, parking facilities etc. The characteristics of sales points depend on the nature of goods for sale. Consumer choose a particular point of sales by comparing and assessing different systems of sale and in that process they use their own individual criteria. Moreover, the choice of the distribution system and a point of sale depends largely on criteria that are specific to particular buyers. The character of the product to be purchased is also a factor that influences the choice of the point of sale. In the case of durable goods (furniture which are purchased infrequently,

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<sup>4</sup> L. Rudnicki, *Zachowania...* op. cit., p. 127.

<sup>5</sup> *Ibidem*, p. 139.

<sup>6</sup> K. Żelazna, I. Kowalczyk, B. Mikuta, *Ekonomika konsumpcji, elementy teorii*, Szkoła Główna Gospodarstwa Wiejskiego, Warszawa 2002, p. 139, M. Janoś-Kresło M., B. Mróz. (ed.), *Konsument i konsumpcja we współczesnej gospodarce*, Szkoła Główna Handlowa w Warszawie, Warszawa 2006, pp. 170-177.

buyers tend to visit several points of sale and choose the one that offers products that meet their needs best. The sales staff, the proper service and professional advice are also important. The knowledge on how customers evaluate points of sale plays an important role in marketing operations as regards the choice of the sales methods, the location and size of shops, the kind and variety of product range, the sales service and product display, the range of services offered, etc.<sup>7</sup> What is more, the vulnerability of buyers to marketing incentives depends on the remaining elements that have an impact on consumer behavior, i.e. economical, demographic, socio-cultural and psychological factors.

### **3. Marketing determinants of the behavior of young buyers of durable goods**

With the aim to get acquainted with the marketing determinants of the behavior of young buyers of durable goods, a survey was conducted among 500 people aged 19-34 in the region of Małopolska. Due to the fact that the decision process on buying durable goods depends on the type of a product, its functions and lifetime, and in order to have the opportunity to compare the replies of the respondents and to reach proper conclusions, the survey concentrated on furniture as durable goods. Moreover, the respondents were people who confirmed that the purchase occurred in the last three years and declared that they were the decision makers in the purchasing process. For the purposes of the investigation, people in the age range of 19-34 are referred to as young buyers (consumers).

In the area of marketing factors that influence the behavior of furniture buyers that were surveyed, the following four categories were distinguished by:

- the features of furniture – durability, comfort (functionality), matching the space and other pieces of furniture, looks and design (style, color), multifunctionality, fabric/material, quality of the product, terms of warranty, possibility of product return, conditions of assembly, familiar and trusted brand, the country of origin;
- financial terms of the purchase – the price, optional payment methods, the possibility to negotiate the price in the point of sale, installment purchase opportunities;
- distribution (availability) – a wide choice of furniture in the point of sale, the location of the point of sale, the accessibility and functionality of the parking space at the point of sale, opening hours of the point of sale;

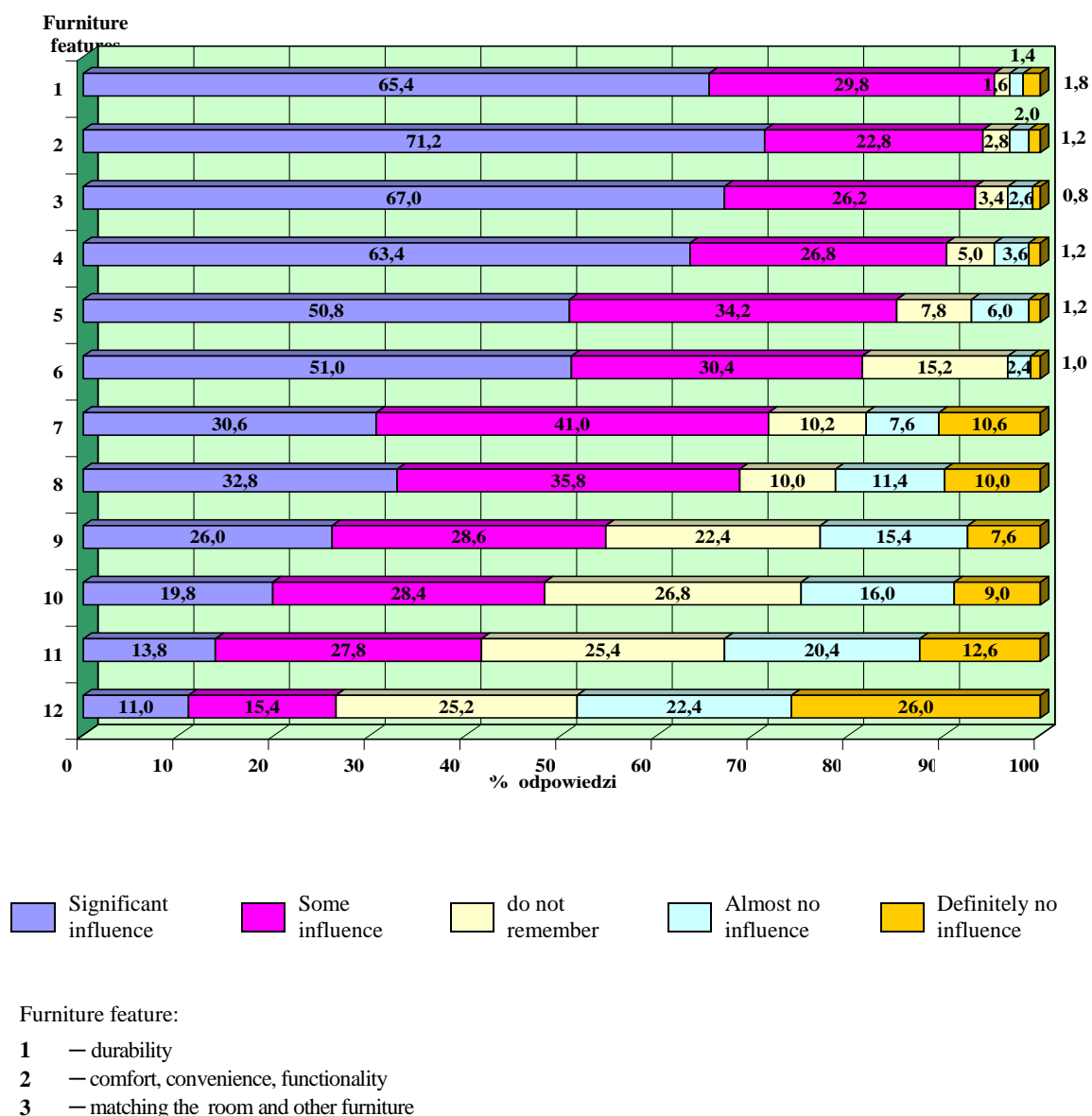
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<sup>7</sup> L. Rudnicki, *Zachowania...* op. cit., pp. 140-142.

- promotional operations – the Internet (the websites of furniture manufacturers and salespeople), the point of sale (the furniture offered and the opportunity to compare different pieces of furniture), professional service and assistance in the point of sale, price promotions (discounts and bonuses), the point of sale – the salesperson, leaflets/catalogues/brochures and other handouts of the manufacturers and salespeople, advertising (radio, TV), branch trade fairs.

The results of the Author's survey proved that the most important determinants for young consumers are the ones related to the features of furniture: durability (92.2%), comfort and functionality (94%) and whether it matches other furniture and the room it is intended for (93.1%) – Fig.1.

Figure 1. The impact of furniture feature- related determinants on the behavior of young buyers



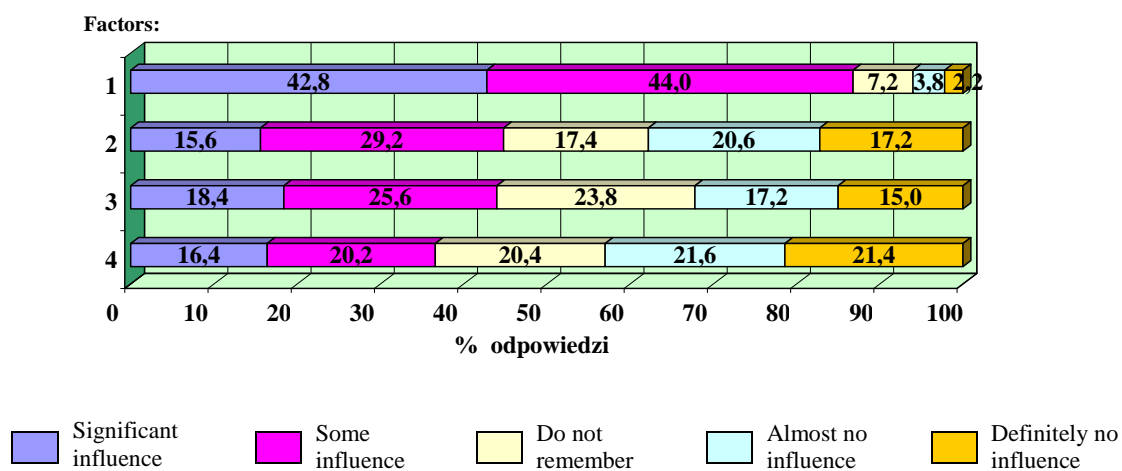
- 4 – esthetics, design (style, looks and color)
- 5 – multifunctionality
- 6 – fabrics/material (type and quality)
- 7 – warranty and product return options
- 8 – warranty period
- 9 – easy assembly
- 10 – familiar and trusted manufacturer's brand
- 11 – familiar and trusted sales brand
- 12 – furniture's country of origin

Source: Author's survey

The least important features to young consumers were: the sales brand and the furniture's country of origin (these factors were significant for 38.8% and 26.4% young consumers, respectively).

Another category of marketing incentives that influence the behavior of young furniture buyers are the factors that regard the financial terms of the purchase. As it could be expected, the price is in the group of factors that play a significant role in purchase decision making by young consumers – as many as 86.8% declared the impact of that factor (fig.2).

**Figure2. The impact of factors related to financial terms of furniture purchase on young buyers' decisions**



Factors:

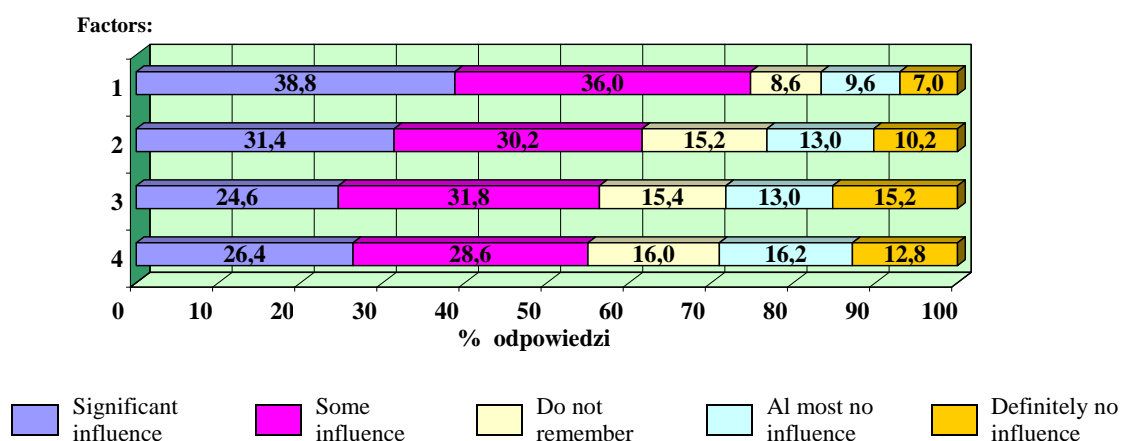
- 1 – price
- 2 – options in methods of payment
- 3 – opportunity to negotiate the price in POS
- 4 – installment purchase opportunity

Source: Author's survey.

In the age subgroups that were surveyed, the price of furniture was of the greatest significance to the eldest consumers, aged 30-34 (89.6%). It can be assumed that that subgroup is the most advanced as regards family life cycle and, consequently it is price conscious cautious in its purchase decisions. The price is also important to the group aged 19-24 (86.1%) and 25-29 (84.9%). That testifies to the significance of price as the criterion of choice in all age subgroups of young furniture buyers. Young buyers of furniture attach slightly lesser importance to the possibilities to choose the methods of payment, to negotiate the price in the point of sale and to buy the furniture in installments (these factors were considered significant by 44.8%, 44% and 36.6% of responders, respectively)

The incentives related to the distribution operations of a sales centre, including the supply of products and the features of the points of sale, are an important category of marketing determinants. According to the survey, young consumers prefer points of sale with a wide range of products – three out of four respondents declared a purchase of a piece of furniture in such places. (fig.3.)

**Fig.3. The impact of distribution-related factors on the behavior of young buyers of furniture**



Factors:

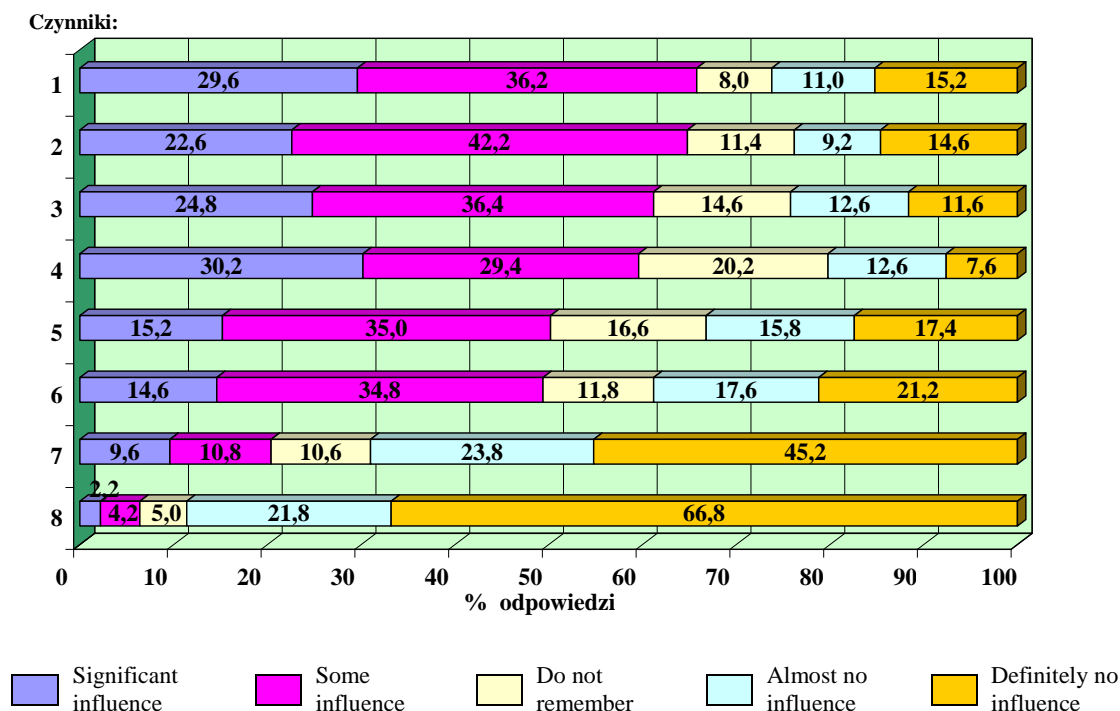
- 1 – substantial choice of furniture in POS
- 2 – POS location
- 3 – accessibility and functionality of parking space at POS
- 4 – working hours of POS

Source: Author's survey.

The location of POS, the accessibility and functionality of the parking space at the point of sale and its working hours had a significant impact on the furniture purchase decisions for over 50% of young consumers (61.6%, 56.4% and 55%, respectively).

Considerable influence on young furniture buyers is exerted by promotional operations of manufacturers and salesmen. Promotional activities advertised on the Internet have the biggest impact (that factor is important for 65.8% of respondents) – figure 4.

**Figure 4. The impact of promotion-related factors on the behavior of young furniture buyers**



Factors:

- 1 – The Internet: the websites of furniture manufacturers and salesmen
- 2 – POS – the offer on display and opportunity to compare
- 3 – Professional service and assistance in POS
- 4 – Price promotion (discounts and bonuses)
- 5 – POS – the salesperson
- 6 – Paper catalogues, brochures, leaflets and other information materials of manufacturers
- 7 – Advertising (radio, TV)
- 8 – Branch fair trades

Source: Author's survey.

It is worth noting the fact that the older subgroups of young buyers, i.e. consumers aged 25-29 and 30-34 years use the Internet as the source of formal information more often (68.1%, and 67.5%, respectively) than the youngest ones (19-24 years) – 62.2%.

Promotional activities that are implemented by points of sale include the information that the buyers may obtain in POS thanks to the possibility of either comparing the products or directly from the salespeople – such factors are important to young consumers (64.8% and 50.2%, respectively). Young buyers also appreciate professional service and assistance in the



store (62.2%). Price promotions (discounts and rebates) are also of great significance to them (59.6%). Over fifty per cent of respondents declared that the opinion of salesmen on the available furniture had an impact on their purchase decisions. Almost every second young furniture buyer admitted that his/her purchase decision was influenced by the information included in catalogues, brochures and leaflets of the furniture manufacturers and salesmen. It is interesting that few respondents listened to or watched furniture advertisements on the radio or TV – 20.4% of young consumers considered them an important information source influencing their purchase decisions. It can be also concluded that in the process of purchase decision making very few buyers were interested in the opportunity to visit a furniture fair trade and to gain there the necessary information – that was confirmed by 88.6% of respondents.

The above considerations indicate that marketing incentives have a crucial impact on the behavior of young consumers on the furniture market. In order to obtain a more complete view of the behavior of the buyers of durable goods (furniture including) it would be advisable to analyze the remaining determinants of consumer behavior in that sector market, i.e. the economic, demographic, socio-cultural and psychological factors, and to present their mutual relations, dependencies and the degree of the impact.

## **Conclusion**

The transformation processes in Poland and globalization, which change the conditions on the market, affect consumer behavior (furniture buyers including) and, consequently, have an impact on the marketing strategies of companies. The knowledge about consumer needs, tastes and preferences as well as the determinants of their behavior is crucial if a strategy is to be successful.

The results of the survey conducted by the author indicate that marketing incentives influence significantly the purchase decisions of young consumers on the furniture market. The most important marketing determinants of the behavior of young buyers that are related to the properties of furniture include: durability, comfort, the convenience of the usage and functionality, matching the space and other furniture in the room, esthetics and design (the style, looks and color), multifunctionality, the fabric and material (the type and quality), the opportunity to make complaints and return the product, warranty period and the easiness of assembly. As regards the determinants concerning the financial terms of the purchase, the price is the most important factor for young buyers. In the case of distribution-related factors,

the range of products offered in a store is the most significant element. Moreover, the features of a furniture store that are significant are: its location, easy access to the car park and its functionality and working hours. Among the determinants that belong to the promotion-related category a crucial impact on the purchase decision of young buyers is exerted by the information presented on manufacturers and stores websites, the opportunity to compare the furniture in a store, the information on the furniture obtained directly from a salesman, the professional service and assistance in a store as well as price promotions (discounts and rebates)

The presented above research is only an attempt to systematize the marketing determinants of the behavior of young buyers of durable goods ( furniture including) which are one of the categories of behavior determinants in that consumer group. It would be reasonable to conduct further investigations on the determinants of the behavior of young furniture buyers, which would enable the identification and description of the purchase decision-making mechanism on the furniture market among that particular consumer group.

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## **Abstract**

Consumer behavior, which is reflected by the decisions made, is influenced by various factors that are economic, demographic, socio-cultural, psychological and marketing in nature. Marketing determinants of consumer behavior are a unique group of factors as they

depend on business activities. The article presents the analysis of the vulnerability of young buyers of durable goods (including furniture) to marketing incentives. The investigation was focused on a group of buyers aged 19-34 years. The text characterizes the factors that influence consumer behavior, with a particular consideration of the marketing determinants. On the basis of the Author's surveys, the main marketing determinants of the buyers of durable goods (especially of furniture) are discussed. The article includes a description of the impact of factors related to furniture: its properties, the financial terms of purchase, the distribution (availability of furniture) and promotions.