IDENTIFYING THE RELATIVE INFLUENCE OF THE PRODUCT-RELATED ATTRIBUTES ON CONSUMER'S CHOICE

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ABSTRACT
Under a dynamic and volatile changes that affect the marketplace, consumers face trade-offs in their buying decision on a daily basis. In such turbulent economic environment, producers are also facing a challenge by constantly developing and innovating their products, in order to satisfy much more demanding consumers who are seeking for extra benefits. In line with consumer's choice being a complex process affected by consumer's socio-demographic, economic and behavioral determinants, there is a set of several intrinsic and extrinsic product-related attributes that influence forming expectations during the purchase decision process. Since consumers' perceptions of product quality changes over time as a result of new information, increased competition or changing expectations, marketers need to have insights on consumer behavior to properly anticipate and respond market challenges. Understanding the process of forming expectations can provide guidelines to marketers and brand experts to identify the key parameters for developing a more efficient and focused product strategy. This study aims to investigate the relative importance of the selected extrinsic product attributes, since a better and more comprehensive understanding of trends in consumers' buying behavior and product attributes that mostly affect their buying decisions can enhance the product placement process. The research findings will result in several contributions, with respect to future marketing communications, product positioning and further scientific research.

Keywords: branding, buying behavior, consumers' choice, product attributes, purchase decision

1 INTRODUCTION
The market serves as a dynamic and volatile environment for the consumer - they face trade-offs that affect their buying decision from day to day. Since retail stores are getting more abundant in different brands of goods, the trade-offs between different brands can get even more difficult, especially in a turbulent economic environment caused by economic crisis. On the other hand, producers are facing a challenge in constantly developing and innovating their products, in order to satisfy more demanding consumers who are seeking for extra benefits.
Consumer choice can be described as a complex process, affected by different product attributes and consumer perception developed under the interaction of product characteristics and personal socio-demographic, economic, psychographic, behavioral and cognitive determinants. Consumers are forming quality expectations based on quality cues during the purchase decision process (Tuorila et al., 1998), hence extrinsic attributes (for example price, brand name, country of origin, etc.) are responsible for purchase decision, while intrinsic attributes will affect liking a product or service and affect brand loyalty. A substantial body of consumer research confirms that extrinsic product cues such as packaging and branding influence the consumers’ product evaluation on specific product group like food, garments, etc. (Acebrón and Dopico 2000; Schifferstein 2001; Bernués, Olaizola and Corcoran 2002; Mueller and Szolnoki 2010; Almli et al. 2011; Rahman, 2011). However, the main purpose of this research will be to shed some light on the consumer decision process in a multi-category research that compares important extrinsic attributes among different product groups.

The main objective of this paper is to review the literature regarding this field of research and explore which of the product extrinsic attributes mostly influence purchase intent. The theoretical research findings presented in this paper will be used in future research of Croatian consumer perspective on the relevance of the extrinsic attributes while making buying decision. The relevance of this research topic has several implications, with respect to future marketing communications, product positioning and further scientific research. Extrinsic attributes that will be investigated in this paper are price, brand name and country of origin.

2 CONSUMER BEHAVIOUR
Buying decision process is a complex and dynamic mechanism, that is influenced not only by different product attributes, but also a wide range of different cultural, social, psychological and personal aspects of an individual or a household. The complexity of buying decisions can vary from very simple decisions such as buying an everyday product like bread, or buying a car or apartment that is a very complex decision that demands longer time and deeper problem solving engagement (Kesić, 2003). With that in mind, the problem of anticipating consumer behavior is a problem of anticipating the demand for different products in general, therefore, understanding consumer's expectation can give competitive advantage in today's volatile market conditions.

2.1. Decision-making process
Developing a well marketing strategy regarding product positioning and differentiation thus requires understanding the target consumer's behavior and anticipating his needs. According to Rakić (2008), consumer decision-making process is a complex process that develops under several different influences that can be categorised in 6 different groups: (1) geographic, (2) demographic, (3) social, (4) economic, (5) psychological and (6) situation factors (Rakić, 2008). Nevertheless, there are five different stages that consumer goes through during the buying decision process (Kotler et al. 2006):
1. problem awareness and recognition
2. information search
3. evaluation of alternatives
4. purchase decision
5. post-purchase behaviour

Usually, some of the decision-making stages can be skipped, especially during purchases that can be categorised as a routine buying process. However, when consumer faces a new product
or a product that requires more time and effort, all of the aforementioned stages have to be engaged to properly complete the buying decision process. At the very beginning, the purchase decision process starts with the recognition of a need or problem that arises with the consumer's state of discomfort or a desire, both physiological or psychological. The awareness of the need can be triggered by internal (hunger, thirst...) or external stimuli (marketer's effort to create the need). After the need recognition, the consumer engages with information search. The consumer firstly seeks for information within his or her own memory - if the consumer's memory is lacking information, the information search continues among different external sources such as family and friends, or marketing ads and the Internet. The next stage in the consumer's buying decision process is the evaluation of alternatives. The evaluation of alternatives is carried out using evaluation criteria that are a part of the cognitive structure of an individual (Previšić and Đošen, 2007, pp 116), and will therefore vary among different customers and purchases. The consumers dedicated to evaluate alternatives will carefully evaluate product attributes among several brands. During this evaluation process, there are two kinds of decision making rules: compensatory and noncompensatory. The main difference between compensatory and noncompensatory decision rule is oriented towards a possibility to compensate for some product attribute. After the product attributes evaluation and choosing the best possible alternative, consumer is ready to proceed to the product purchase. Although most of the answers were already acquired during the first three stages, there is a possibility that the consumer gets affected by attitudes of others or brand images created by marketers also in this stage. The final stage of the consumer's buying decision process is the post-purchase behaviour, during which consumer evaluates the product and decides whether his or her expectation of the product have been met. Depending on the level of satisfaction (or dissatisfaction) with the product purchased, consumer will form an attitude towards buying the specific product or brand in the future.

2.2. The importance of alternative evaluation

In this paper, the main focus is directed towards the third stage of buying decision process that analyzes consumer's alternative evaluation. During this process, consumer is forming attitudes towards different product producers/brands based on product attributes evaluation (Rakić, 2008, pp 205). The results of the attributes assessment will affect the consumer's preferences and buying decision process, but also, the development of brand image. From the producers' perspective, the product attributes are buying incentives that can be constantly altered in order to stay relevant to our target group and influence the buying decision, while other characteristics that are given by consumer's internal and external environment can be understood and therefore, controlled of during developing marketing strategy. It is common knowledge that marketers can affect buying decisions by adjusting the elements of the marketing mix to satisfy the target market, hence the understanding of important attributes that can affect the buying decision process becomes even more relevant.

3 PRODUCT ATTRIBUTES

In line with the theory and a vast body of research, products generally contain several product-related attributes, which can be characterized as intrinsic and extrinsic. An intrinsic attribute is always a part of the product, while extrinsic is related to the product, but is not physically part of it (Olson, 1977). Extrinsic attributes are usually determined by marketing efforts such as price, brand name, place of origin, type of outlet, presentation, influence of store personnel, promotion, packaging, advertising etc. From consumer’s point of view, when
intrinsic information is unknown, extrinsic cues are more likely to be used to assess product quality, resulting in an evaluation that is more heuristic in nature (Monroe, 2003). Hence, this paper aims to elaborate the relative importance of the selected extrinsic product attributes (brand name, price, and country of origin) according to a specific product group.

3.1. Brand name
Regarding the literature concerning food consumption, branding used to be an informational cue strong enough to attract consumers and influence their buying behavior (Jacoby et al, 1971; Kendall and Fenwick, 1979). Brand name was usually related to higher levels of perceived quality, therefore brand image used to be a risk reducer making consumers confident on how a specific brand will perform (Sheth and Venkatesan, 1968, Chernatony, 1991). The importance of branding is even more visible while reviewing the fashion industry, since they are highly correlated to “psychological” consequences such as social status and self-identity (Reynolds et al., 1995). It is not difficult to imagine branding as a powerful tool. In time, some markets became more competitive, while branding was an effective way to achieve product differentiation. Goods were not selling just because of their utilitarian values, but also the hedonic value (Babin et al. 1994) like brand affection, brand identification and brand image. Furthermore, consumers could use brand image during product evaluation in two different, although supplemental ways. From the rational point of view, brand image helps consumers in simplifying their product knowledge about a particular brand (Meenaghan, 1995), while consumers search for a link between their self-concept and brand image in an emotional way. For example, when buying Nike sweatshirt, one is not only buying a quality product made from best fabric and innovative design. An opportunity to express belonging to a specific group represent the value added, due to previously developed brand image that suits personal beliefs and attitudes. According to the research and common knowledge, marketers have long exploited the power of brand image to sell their products. Some previous findings show that the price-brand relationship is product group specific, as the main implication for managers in food industry (Dodds et al., 1991). While branding is a common way to differentiate your product among fashion items and technology, there is a possibility that brand is relatively less important when compared to other extrinsic attributes, especially when it comes to fast moving consumer goods (FMCG) products (with particular emphasis on the food market). In a constantly developing retailing environment and under circumstances brought by global economic crisis, manufacturers of branded goods compete against retailers’ private labels that rapidly increase their product quality, develop package design and set competitive prices. The aesthetic characteristic of a product plays a significant role in purchase intent and buying behavior in general, especially among fashion industry. Although design of a product is subject to personal taste and preferences, packaging attributes can persuade consumers to purchase the product, while combination with sensory attributes will result in liking the product. Packaging and design have to be eye-catching since they have limited time to convince the shopper that it is the right choice among all other products (Rowan, 2000). Thus, it is obvious that branded goods will have a hard time at a FMCG market battlefield.

3.2. Price
Research evidence display price as a relevant cue when consumers are operating without adequate information about intrinsic quality cues, or when it is the only available cue (Zeithaml, 1988). Furthermore, although it depends on products and individuals, some studies have found that price and quality are positively related (Dodds, Monroe and Grewal, 1991).
Zeithaml (1988) pointed out that attention to prices is likely to be greater for higher priced than lower priced goods, therefore prices are used as a quality indicator when the perceived risk of making unsatisfactory choice is high (Zeithaml, 1988).

3.3. Country of origin
Country of origin plays a significant role in consumers' evaluation of a product, since it is a matter of perception. A country’s good image is positively correlated with consumer’s favorable evaluation of a particular product (Parvin and Chowdhury, 2006). Probably it is also a subject of prejudice, since consumers develop a perceived image that some country is specialized in producing particular goods. Just to name some examples: Switzerland and cheese, watches and chocolate; Germany and cars; France and perfumes; Italy and fashion items; etc. If this matter is considered with respect to the globalization and convergence context, there is not much reason for a strong relevancy of aforementioned extrinsic attribute. Hence, the literature suggests the existence of country-of-origin effects on product evaluation (Wall et al. 1991, Chao 1993). When consumers cannot detect brand quality and value, they consider the country of origin for evaluating a brand. Similar like the price, country of origin may also serve as a proxy variable when other information is lacking. (Parvin and Chowdhury, 2006).

4 CONCLUSION
From the theoretical perspective, identifying the relative influence of the product-related attributes on consumer's choice will contribute in a better and more comprehensive understanding of trends in consumers buying behavior and product attributes that mostly affect their buying decisions. In the practical aspect, identifying the relative influence of the product-related attributes on consumer's choice could have several implications that can provide guidelines to marketers and brand experts to identify the key parameters for developing a more efficient and focused product strategy. Since previous research revealed that extrinsic attributes affects customers mostly when making a purchasing decision, while intrinsic attributes will affect in liking a product, the relative influence of several extrinsic attributes on purchase intent is to be empirically studied. The theoretical research findings presented in this paper will be used in future research of Croatian consumer perspective on the relevance of the extrinsic attributes while making buying decision. After all, consumers' perceptions of quality changes over time as a result of new information, increased competition or changing expectations, so marketers need to have insights on consumer behavior to properly anticipate and respond market challenges. Since buying decision process is a complex and dynamic mechanism that is influenced not only by different product attributes, but also a wide range of different cultural, social, psychological and personal aspects of an individual or a household, the complexity of buying decisions can vary. Accordingly, the problem of anticipating consumer behavior becomes a problem of anticipating the demand for different products in general, therefore, understanding consumer's expectation can give competitive advantage in today's volatile market conditions. The research findings will result in several contributions, with respect to future marketing communications, product positioning and further scientific research.
5 BIBLIOGRAPHY


