

FLUENCE OF PRODUCT LEAFLETS ON PURCHASING BEHAVIOUR IN TIMES OF CRISIS

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Abstract

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This paper presents partial results of primary research on consumer purchasing behaviour with regards to the utilization of product leaflets. It deals with the consumer reaction on the use of these leaflets. The main goal is to assess the impulse to purchase goods on the basis of promotional leaflets in mailboxes, depending on the personal characteristics of the consumer. Partial goals are a brief theoretical basis of the examined issues and selected results of secondary research on consumer behaviour based on available statistical data and information. Consumer behaviour changes drastically in times of crisis. Czech consumer is addressed daily by a specific communication media of store chains – the leaflets. These appear daily in mailboxes and are generally positively accepted. There are also negative opinions, both from consumers as well as the EU. Respondents were asked about their financial situation, to what extent they change their buying behaviour with respect to the income level of households. It turned out that the impulse to purchase goods on the basis of promotional leaflets in mailboxes does not depend on the age and sex of respondents, but depends on the income level and education. The largest proportion of respondents considers leaflets because of promotional discounts.

Keywords: communication tools, consumer personality, financial situation, purchasing behaviour, retail communication, promotional leaflets

INTRODUCTION

After 1989, transformation of retail took place in the Czech Republic. Despite some problems of the transition period, the trade ranked among the fastest evolving industries in the national economy. The quality of the market has changed. The producer market changed into the consumer market. Retail is developing in liberal environment with strong influence of globalization (Starzyczná and Steiner, 2000; Starzyczná, 2010). International retail chains have entered the Czech market and they compete not only with domestic traders but also among each other. Strong trends of concentration and internationalization occurred, which enormously increased market competition and battle for the customer. Retail network structure is changing in accordance with the global economy and the market

is dominated by new types of retail stores, primarily supermarkets, hypermarkets and discount stores. Consumers can freely apply their preferences during purchase. These preferences are dependent on many factors and limitations. In addition to economic constraints, which are enhanced by a period of crisis, consumer behaviour is affected among other things by personal characteristics and the level of marketing communications and the use of various communication tools that retail companies apply. One of these specialized communication tools retail uses are the product leaflets.

The main aim of the article is to present partial results of primary research conducted through a questionnaire survey focused on the behaviour of consumers in times of crisis. The main objective is to assess the impulse to purchase goods on the basis

of promotional leaflets in mailboxes, depending on the personal characteristics of the consumer. Partial aims are a brief outline of the theoretical issues examined and comparisons with other studies to compare the results based on available statistical data and information. The sample consists of respondents mainly from the Moravian-Silesian region.

Theoretical Basis for the Researched Issue

A number of scientific disciplines deal with purchasing behaviour. In addition to the marketing, it is also psychology, sociology and other disciplines. One of the most famous definitions of behaviour (purchasing behaviour) says that 'consumer behaviour is a study of how individuals, groups or organizations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and desires' (Solomon, 2009). A number of other authors deal with consumer behaviour and they mainly specialize in purchasing behaviour (Kanuk and Schiffman, 2004; Assael, 2004; Peter and Olson, 2010). All of the mentioned authors also deal with the effects, including personal characteristics, which influence consumer choices.

Basic factors influencing consumer behaviour are associated with consumer personality and the level of communication tools used by companies. With regards to the personality of the consumer we talk about the internal factors (Zamazalová, 2009). The impact of marketing communication could be classified as external factor affecting consumers and purchasing decisions. Some authors stress out that the most important factors that influence the buying behaviour are cultural factors, but these authors also pay attention to the personal factors (Kotler, Wong, Saunders, Armstrong, 2007; Kotler, Keller, 2012). Individual personality characteristics are age, gender, occupation, the economic conditions or lifestyle.

On the other hand, consumers are influenced from the outside by a range of communication tools that are part of the marketing communication of companies. Generally, the marketing communications are all components of commercial and non-commercial communications, which aim to support marketing strategy of a company (Zamazalová, 2009). A number of authors deal with marketing communication in books about marketing and strategic marketing, but the importance of this issue grew in time leading to publications focused entirely on selected tools of marketing communication. Foreign authors (Blythe, 2003; Copley, 2004; Fill, 2011) were in a different position than Czech, who were able to deal with this issue only after the Velvet revolution in 1989 (Frey,

2011; Karlíček and Král, 2011; Jurášková, Horňák et al., 2012).

Marketing communication in commercial enterprises has its own specifics. Goals of marketing communication are long-term (strategic objectives) and short-term (tactical objectives). As an example of the strategic communication objective we can mention positioning or repositioning of the company. Tactical targets can be focused on the promotion of personal selling, consumer competitions and sale events. Besides the usual communication tools, enterprises use various specialized tools at the point of sale, which we refer to as internal tools. Amongst the most important are the shopping atmosphere, merchandising and POP advertising. POP advertising uses various means, such as the merchandising display racks or trailers (Zamazalová, 2009).

Apart from internal tools business firms use external tools, which primarily include advertising, public relations and direct marketing. Specific communication tool retailers use are product leaflets, which may be described as a form of print advertising that informs customers about the benefits of shopping at selected companies. Usually leaflets are published at regular intervals and get to the consumer in two ways. First, distributed through non-addressed mailings to mailboxes, second, leaflets are available to customers directly in stores. Distribution to mailboxes reflects the catchment area of the stores. What is the main task of product leaflets? According to Zamazalová (2009), it warns consumers about favourable prices and price drops. Companies are trying to reach potential customers, present them an attractive offer and encourage them to visit the store. Customers visit at the store to purchase discounted goods may contribute to the fact that a customer purchases other products. The corporate brand should also get into the awareness of customers, not only the discounted price (Zamazalová, 2009).

All the chain stores in the Czech Republic positively appreciate the potential of leaflets. According to Incoma Shopping Monitor 2013¹, the Czech consumers are spending less money each visit to the store and prefer buying goods in big hypermarkets. The answer to this trend are store promotions coupled with action prices, both communicated to customers through product leaflets. This tool is therefore one of the most important parts of success for retail.

A choice of products and services by customers is also influenced by the economic situation, which is part of the personal factors as mentioned previously. Consumers have sufficient income, savings or loan option. If the economy is in a recession, consumers

¹ INCOMA SHOPPING MONITOR. 2013. *Rychlé změny nákupního chování: přání zákazníků i tlak ekonomiky*. [Online]. Available at: http://simar.cz/assets/media/Clanky/TZ_Incoma_Shopping%20Monitor%202013.pdf. [Accessed: 2015, April 9].

change their consumption behaviour. Marketers are also making changes in supply in response to lower demand. Psychologists emphasize that man is not just an economic thing and that he does not always behave rationally (Vysekalová, 2011). Quite the contrary.

MATERIALS AND METHODS

Purchasing behaviour is in the centre of attention of many subjects, academic and business. Still, there are areas that are not fully explored, and which bring new and interesting results. Our research team working at the Department of Marketing of The School of Business Administration in Karviná is engaged with the purchasing behaviour for several years in different contexts. The results were published in scientific journals (Starzyczná, Stoklasa and Sýkorová, 2013) or presented at conferences (Matušínská, Starzyczná and Stoklasa, 2013; Stoklasa, Starzyczná, Matušínská, 2013). Primary research that considered the broader context of consumer purchasing behaviour during the crisis was conducted during the summer semester of 2013 through a questionnaire survey. Research activities were transferred to the consumer behaviour after the research of the behaviour of retail firms during the crisis. Now we gradually present partial results that are thematically related.

The sample consists of 355 respondents. Most of them come from the Moravian-Silesian Region, which is highly influenced by unemployment, meaning lower disposable income, leading to higher susceptibility to sales promotion through product leaflets. This fact, and the fact that all authors of this article live in MS region, led to the realization of the presented research in this region. Random choice was used. The sample consists of 65.61% women. The most important group are employees (71.27%), aged 41–50 years (31.83%), mainly secondary school graduates (56.06%). The income level of the household ranged mainly (60%) between 20 to 30 thousand CZK.

For the purpose of this article we have selected the following areas of the research, because the structure of the questionnaire was much broader in scope. Relevant answers of respondents on the following main areas were selected:

- Current financial situation of respondents.
- Change in purchasing behaviour during the crisis.
- Impulse to purchase influenced by leaflets.
- Criteria for the purchase of goods (order).

Descriptive statistics was used when evaluating research. Individual questions were evaluated using absolute and relative frequencies in the IBM SPSS and collated into tables. If possible, the respondents' answers are compared with official statistics or other studies. We have seen the main research premises and based on these five hypotheses that were statistically evaluated.

Research Premises

- Consumer behaviour changes with regard to the financial situation of the consumer.
- The promotional leaflets are great impulse for consumers.
- The impulse from promotional leaflets to purchase goods depends on the individual characteristics of the consumer.

Hypotheses

- H_{01} – The change of purchasing behaviour during the crisis does not depend on the current financial situation of the household.
- H_{02} – The impulse from promotional leaflets to purchase goods does not depend on gender.
- H_{03} – The impulse from promotional leaflets to purchase goods does not depend on age.
- H_{04} – The impulse from promotional leaflets to purchase goods does not depend on education.
- H_{05} – The impulse from promotional leaflets to purchase goods does not depend on household income.

Alternative Hypotheses

- H_{11} – The change of purchasing behaviour during the crisis depends on the current financial situation of the household.
- H_{12} – The impulse from promotional leaflets to purchase goods depend on gender.
- H_{13} – The impulse from promotional leaflets to purchase goods depends on age.
- H_{14} – The impulse from promotional leaflets to purchase goods depends on education.
- H_{15} – The impulse from promotional leaflets to purchase goods depends on household income.

To evaluate the dependency of one of the characteristics on the other we used Chi-Square test based on the difference between the empirical (observed) and theoretical (expected) rates (Wonnacot and Wonnacot, 1998). Dependency means contingency. Contingency tables clearly show how one characteristic depends on the other. For a range of random selection of 'n' divided for two statistical features (char1, char2), a table can be formed, where each of the two features is divided into 'r' (rows), respectively 's' (columns) groups.

Four steps of calculation:

1. Calculation of two-dimensional probability ($P_{ij} = P_i P_j$).
2. Calculation of theoretical rates ($E = nP_{ij}$).
3. Calculation of deflections ($O - E$).
4. Calculation of $(O - E)^2/E$.

$$\text{Chi-Square} = \sum ((O - E)^2/E)$$

RESULTS AND DISCUSSION

Q1: 'What is your current financial situation?' Respondents' answers are very interesting (see

I: Current financial situation of respondents

Financial situation	Absolute frequency	Relative frequency
Incomes cover all expenses	172	48.45
Incomes cover all expenses and we can save some money	149	41.97
Incomes are low, we need to indebt ourselves	34	9.58
Total	355	100

II: Purchasing behaviour during crisis

Purchasing behaviour	Absolute frequency	Relative frequency
I do not change my purchasing behaviour	112	31.55
I do change my purchasing behaviour	243	68.45
Total	355	100

III: Reaction to Leaflets in Mailboxes

Customer attitude	Absolute frequency	Relative frequency
I do not consider leaflets	58	16.34
I consider leaflets only partially	140	39.44
I purchase only based on leaflet events	8	2.25
I consider leaflets only for discount events	149	41.97
Total	355	100

Tab. I). Despite the crisis period, the majority of respondents indicated that their income will cover all expenses (48.45%) and 41.97% even argue that they can additionally save some money, which is certainly favourable situation. Only 9.58% of respondents admit that they are forced to go into debt.

The question is whether the respondents' answers are true, as almost 60% of households stated net monthly income of up to 30 000 CZK. Our experience with previous research confirms that this is a sensitive issue. It is not easy for respondents to admit income or debt. We believe that there is a certain lack of precision. Statistics show that although household debt grows their willingness to run into debt decreases.² The average population of the Czech Republic has available in 2013 by about 43% less funding than the average population of Europe. While in 2011 the level of purchasing power of the Czech population was increasing slightly every year in the subsequent years the opposite trend can be observed.³

Q2: 'How does your purchasing behaviour change?' Although the majority of respondents is satisfied with their income, as we see in the Tab. I (approximately 90%), 68.45% of respondents confirmed that in times of crisis they are changing

their purchasing behaviour with regard to the income level. In Tab. II we can observe absolute and relative frequencies of responses mentioned.

Q3: 'What impulse to purchase goods have promotional leaflets for you?' In the Czech Republic leaflets are used as a communication tool by all retailers. The highest awareness is recorded for Albert Hypernova, Tesco and Kaufland. Other retail chains also have interesting promotional leaflets. For example Lidl has its leaflets focused thematically. Practice shows that consumers consider leaflets to be a positive as well as negative. Our respondents behave similarly (see Tab. III). The largest proportion of respondents (41.97%) search leaflets for discount events, which is essentially the main objective of these promotional materials, although this is not always true, especially in specific thematic events, e.g. on the original foreign products. Another significant proportion of respondents (39.44%) consider leaflets only partially and 16.34% of respondents do not care at all. This could especially be the higher income customers. The proportion of respondents who purchase only the discounted goods from these promotional leaflets is very small in our sample, only 2.25%.

Action (discount) leaflets attract customers. According to the Direct Marketing Association in

² GEPARD FINANCE. 2012. *Zadluženost českých domácností roste*. [Online]. Available at: <http://www.gpf.cz/zadluzenost-ceskych-domacnosti-roste>. [Accessed: 2013, January 1]. The article suggests that approximately 65% of total household debts fall into the category of "good" debts – that is, mortgages. Around 20% of the debts are consumer loans. Compared with other euro countries it is still at a low level.

³ DVORSKÝ, Š. and DRTINA, T. 2014. *Kolik si toho může český zákazník dovolit?* [Online]. Available at: <http://www.retailinfo.cz/magazin/články/kolik-si-toho-může-český-zákazník-dovolit>. [Accessed: 2014, March 3].

the Czech Republic, more than 400 leaflets per citizen are issued every year.⁴ Compared to other European countries such as France or Great Britain, we produce up to three times the amount of paper leaflets of various formats. We believe that all traders are determined to be friendly to nature and the environment, but to not use leaflets in our specific conditions seems to be unimaginable. According to Gfk Incoma, the share of purchases of discounted goods grows. In 2007 it was about 24% of the total volume of goods, in 2013 it was a total of 44%.⁵

Q4: 'Which criterion is most important to you now when buying goods in the Czech retail?' Taking into account that the promotional leaflets mostly serve to promote discount events, it is quite logical that the

IV: Criteria for Purchasing Goods

Criterion	Rank
Quality of goods	1
Price	2
Experience of friends	3
Willingness of staff	4
Promotion of goods	5
Physical environment	6

price criterion placed at the second position in our ranking (see Tab. IV).

This order applies to both food and non-food goods.

CONCLUSION

The main goal of the article is to present partial results of primary research that was carried out by a questionnaire survey focused on the Czech consumer purchasing behaviour with regard to the utilization of product leaflets. Partial goals were focused on a brief theoretical debate on the issues examined and the related secondary research, which was based on available statistical data and information. If necessary, the results were compared with selected studies.

Purchasing behaviour is given considerable attention in the international academic literature, as well as in domestic. Purchasing behaviour is influenced by various factors. From personal factors, we can name factors such as customer age, gender, education and employment, the stage of his life cycle, the economic conditions of life, lifestyle and of course the very personality of the customer.

The primary research through questionnaire survey was conducted during the summer term 2013. The sample consisted of 355 respondents. Most of them came from the Moravian-Silesian Region. Selection of the respondents was done through a random choice. Majority of respondents were women. The largest group were employees aged 41 to 50 years, mostly secondary school graduates. Income level of households ranged mostly between 20 and 30 thousand CZK. Three research assumptions were established. These were focused on changes in purchasing behaviour in times of crisis, the promotional leaflets in mailboxes as impulses for purchase in retail, and the influence of personal characteristics on consumer purchase based on product leaflets. We have also formulated five research hypotheses that were tested using the Chi-Square. The hypotheses verified dependence between purchasing behaviour and financial situation of households, and the impulse to purchase goods on the basis of promotional leaflets in mailboxes and personal characteristics.

Marketing communications has a major influence on the buying behaviour of consumers as well as their personal characteristics. We have researched consumers in times of crisis. The results of primary research show that nearly half of the respondents (48.45%) can cover their expenses with their income. Around 10% of respondents are forced into debt. About 40% are even capable to save money in times of crisis. People are changing their purchasing behaviour. In our sample it is nearly 70% of respondents.

The first two research premises formulated at the beginning of the article were confirmed. From the personal characteristics affect the purchase based on promotional leaflets in the mailboxes education and income level.

Verification of Hypotheses

Hypothesis testing was carried out at a significance level of 5%. The results of calculating dependency are shown in the Tab. V, which presents the critical test criterion, the value and conclusion that can be drawn from these values.

Tab. VI shows the absolute frequencies of responses related to the dependence of impulse from promotional leaflets to purchase goods on household income. Most respondents taking into account the product leaflets were in the income group between 20 to 30 thousand CZK. Similarly results can be observed for those who care about leaflets only partially.

4, 5 RETAIL INFO PLUS. 2013. Stanou se tištěné letáky minulostí? [Online]. Available at: <http://www.retailinfo.cz/magazin/články/stanou-se-tištěné-letáky-minulostí>. [Accessed: 2014, April 5].

V: *Hypotheses Testing (Chi-Square)*

Hypothesis	Test criterion	Critical Value	Conclusion
H_{01} – The change of purchasing behaviour during the crisis does not depend on the current financial situation of the household.	26.21	6	H_{01} rejected, H_{11} accepted
H_{02} – The impulse from promotional leaflets to purchase goods does not depend on gender.	6.14	7.8	H_{02} accepted
H_{03} – The impulse from promotional leaflets to purchase goods does not depend on age.	13.59	16.9	H_{03} accepted
H_{04} – The impulse from promotional leaflets to purchase goods does not depend on education.	23.90	16.9	H_{04} rejected, H_{14} accepted
H_{05} – The impulse from promotional leaflets to purchase goods does not depend on household income.	21.64	21	H_{05} rejected, H_{15} accepted

VI: *Impulse from Leaflets to Buy Goods (Analysed by household income, in thousands CZK)*

Reaction	< 20	20–30	31–40	41–50	50+	Σ
I do not consider leaflets	11	19	12	11	5	58
I consider leaflets only partially	28	53	41	11	7	140
I purchase only based on leaflet events	2	3	2	1	0	8
I consider leaflets only for discount events	47	52	40	6	4	149
Σ	88	127	95	29	16	355

VII: *Impulse from Leaflets to Buy Goods (education)*

Reaction	PE	SE	SE diploma	TE	Σ
I do not consider leaflets	0	8	38	12	58
I consider leaflets only partially	2	25	85	28	140
I purchase only based on leaflet events	0	0	7	1	8
I consider leaflets only for discount events	2	55	69	23	149
Σ	4	88	199	64	355

Tab. VII presents the distribution of the absolute frequencies of responses related to the dependence of impulse from promotional leaflets to purchase goods on education. Most respondents purchasing based on the discount events are from the group of secondary education with diploma. The situation is similar for those respondents who consider leaflets partially, most of them are from the group of SE with diploma.

At the retail level, very specific communication tool (promotional leaflet) has gained the attention of consumers in the Czech Republic. Only 16.34% of the consumers from our sample do not consider them when purchasing goods. In the Czech Republic only about 3% of mailboxes have the warning ‘do not insert leaflets’. Often, however, leaflets are referred to as an expensive waste. Sometimes we also see the inefficiency of the distribution of leaflets, as they are just lying at the doors of apartment buildings. No wonder that the European Union prepares a regulation for the disposal of leaflets that will be paid directly by the retail chain issuing them. Easy solution comes to mind: traders should focus more on the electronic database of products and special offers.

The results confirm that the majority of respondents can live with their income, but in times of crisis change their buying behaviour. The largest proportion of respondents is interested in the product leaflets because of the discount events.

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