

DETERMINANTS OF CUSTOMER SATISFACTION ON THE MARKETS OF SELECTED DAIRY PRODUCTS

Lech Nieżurawski

*Chair of Organization and Management, Department of Economic Sciences,
University of Warmia and Mazury in Olsztyn, Olsztyn*

Key words: customer satisfaction, dairy products, customer market behaviour, value for the customer

The work contains a short characterisation of customers' behaviour on the market of selected dairy products. An attempt was made at an identification of the factors shaping the conduct of purchasers. It has been shown that customer satisfaction should become one of the main objectives of the enterprise. Customer satisfaction, including its measurement, constitutes part of an overall evaluation of the firm's effectiveness and productivity. The study of satisfaction shows whether the enterprise has planned and realised its calculably defined objectives pertaining to the customer. The correlation between the customer satisfaction and the volume of sales is an argument strongly supporting the policy of turning in the direction of using customer satisfaction, and to be more precise, the information obtained by analysing its measurement in planning, supervision and innovation of the firm's systems. An adequate determination of the value expected by the customer will be decisive in achieving success by the firm. The value should be understood in terms of consequences (customer's hierarchy of values) and not in terms of the product's attributes. Getting to know the customer will allow the enterprise to influence their conduct *via* suitable strategies, in particular product strategies, prices, distribution and promotion.

INTRODUCTION

Enterprises survive on the market by selling various kinds of products. Therefore, they should pay special attention to their clients. Recognising clients' needs makes it possible to provide them with such products that meet their expectations, bring them satisfaction and are to their liking.

The aim of the present study is to show how a typical client behaves on the market of selected dairy products and according to what criteria he chooses the product. Enterprises should get to know the process of making the decision to purchase as well as the factors which affect purchasers' behaviour. It is the client who decides which market offers are the most valuable. It is not important what enterprises think about their own market offer, but what its recipients think about it. Clients' decisions determine the future of an organisation [Kotler, 1994].

CUSTOMER SATISFACTION – THE ESSENCE

One of the key elements occurring in the process of satisfaction formation is among others the so-called "client-delivered value". It is not true that "the value is an adequate equivalent of (identical with) the price. Goods and services of high value may have a high or low price" [Heskett *et al.*, 1997]. The figure below indicates that everything

connected with the entire market offer, that is to say the basic product value as well as all the additional advantages following its purchase constitute the entire value for the client (Figure 1). However, in order to acquire a good client has to incur some costs, the components of which are the necessary funds and a certain psychophysical effort.

A belief that the seller is able to determine exactly the

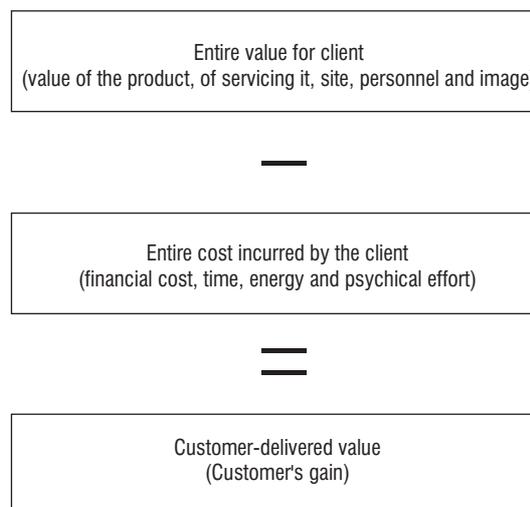


FIGURE 1. Client-delivered value (acc. to Kotler *et al.* [2002]).

value expected by the client is illusory. Many managers agree that the client does not behave rationally. The value as it is perceived by the consumer is of a highly subjective character. Sometimes an objective evaluation indicates that one offer is more advantageous than the other. The client, however, chooses that other one for the reasons known only to himself. It would be interesting to find out what underlies all this and whether it would be possible to construct a model of perception of value by the client. Woodruff & Gardial [1996] point to three levels of perception of value, presented in Figure 1.

Some relations are observable basing on the hierarchy of values (Table 1). It is the particular attributes, but also their combinations which create consequences (the client's expectations), which in their turn affect the realisation of the main objective. Entrepreneurs may think that it is the attributes that constitute the real value, but actually their positive reception by the client is solely the result of their ability to meet his expectations. It is claimed that the key to a firm's success is revealing all those combinations of attributes which most fully reflect the customers' expectations in connection with the offer. The aim is to reach the highest possible level of abstraction of value perception by the client.

It is worth mentioning here that "this value characterises the nature of relation between the product, its user and his aims in a concrete consumption situation, whereas satisfaction is a reflection of the client's reaction to the value obtained in a given offer" [Sudoł *et al.*, 2000]. It can be safely stated, therefore, that satisfaction is created at each level of the hierarchy of values. Thus, we can speak of satisfaction both at the level of attributes and consequences, and at that of aims.

To summarise the considerations of client's satisfaction, it can be said that it is a "positive impression of the consumer concerning the value he has obtained as a result of using a concrete product offer" [Woodruff & Shumann, 1993].

Clients' satisfaction has a significant influence on the functioning of the enterprise. The problem is, however, that not all managers take advantage of the information obtained from customer satisfaction measurement. It may be a result of a certain ignorance of this type of tool as well as a blind belief that classical measurements such as financial indices are better. Sometimes, however, it is solely the result of lack of a suitable skill in using this tool.

From the point of view of the firm customer satisfaction measurement is important in the first place as: (1) evaluation of effectiveness and productivity of quality management system, (2) a system of early signalling, (3) a source of

information concerning the value expected by the customer, and (4) establishing the relation: satisfaction – loyalty – profitability.

The enterprise recognises its customers' satisfaction as one of firm's main objectives. Consumer satisfaction, or rather its measurement, is part of an overall *evaluation of the firm's effectiveness and productivity*. Studying satisfaction shows whether the firm has realized its planned and calculably defined objectives in relation to its clients *e.g.* by an increase in the customer satisfaction index by 5%. After all, customer satisfaction index informs us about the relation between the investment and the expected results.

Financial indices of realisation of financial objectives refer to the past, whereas satisfaction index related to meeting the customer's expectations "gives an explicit signal of the present and future situation of the enterprise" [Vavra, 1997]. The information about clients' negative perception of our product (they are not happy with the value they are getting) may be for instance an element of the *system of warning* [Sudoł *et al.*, 2000] against an impending decrease of sales in the future.

The correlation between the client's satisfaction and the volume of sales is an extraordinarily strong argument for turning to using customer satisfaction, or to be more precise the information obtained from the analysis of its measurement in planning, control, and innovation of the enterprise systems. It is an adequate identification of the value expected by the customer that determines the firm's success. It must be related to values understood as consequences (the client's hierarchy of values) and not to the attributes of the product. When we ask the customer what is value for him, we basically get from him the information about the attributes he expects. This kind of information concerns for example colour, size, description of the constituent parts, time of realisation. The key factor in understanding customers' needs and in determining the expected value is, however, finding the answer to the question why the consumer has chosen these very attributes. A clue to understanding why the client prefers some attributes to some other is their ability to deliver the desired consequences or help avoid the undesirable ones by themselves or in combination (together). Only the product, which best responds to the "customer's voice" is able to assure the firm its loyalty. It is only a model perception of the consumer on the market, as in reality the client is still on the lookout for the best alternative, experiencing moments of dissatisfaction (wrong decisions) with his purchases in this process. For the firm which studies satisfaction of its clients it is possible to have an insight into the "holes" between the offer provided for the customer and the offer which would be ideal for him.

TABLE 1. Client's hierarchy of values.

Level	Description	Customer perception	Level of conceptual abstraction
Aim	It is the basic motif of the purchase.	subjectivism	high
Consequences	This level means both positive and negative consequences of the product use.	objectivism / subjectivism	medium
Attributes	It is the lowest level in the hierarchy. It is the attributes which define it, they constitute its components.	full objectivism	low

The next move then belongs to the enterprise, which will be trying to realise, using the information obtained, what the customer had in mind. In the post-purchase phase the client will evaluate the product in terms of its expected consequences, of his earlier-created image of it. Satisfaction measurement, therefore, reveals what was unknown, what the clients have not defined before. It should be precisely determined what kinds of information are available from the customer at the moment of satisfaction measurement. In particular these may be: (1) needs which have not been defined by the customer, (2) unfulfilled expectations, (3) unsolved problems, and (4) future needs and wishes [Vavra, 2002].

When analysing the gap between the actually realized offer and its expected shape we may be able to determine in what way the firm’s product should be supplemented. It provides a natural provocation to improve the offer. In the figure below (Figure 2) various types of divergences between what the customer was expecting to get and what he actually got have been presented.

In this whole “theory of gaps” the so-called “customer perception gap” deserves our attention. Consumers “may be wrong in their evaluation of the firm, but the firm cannot forget that they base their decision to ‘buy or not to buy’ on that perception” [Hill & Aleksander, 2003]. The enterprise has to be aware of this tendency and although the remaining types of divergences can be relatively easily coped with provided an adequate level of engagement on the part of the firm, customer perception management is nevertheless one of the most challenging tasks to perform.

METHODOLOGY

In the present study customers’ behaviour in the yoghurt market, one of the most dynamically developing segments of the market of dairy products, was examined. The study was carried out using the method of gathering information from questionnaires. The questionnaire used in the present study contained fifteen questions. Fourteen questions concerned the following issues: frequency of yoghurt purchase, the time of consumption, the preferred brand, the site of purchase, influence of external and internal factors on the decision to buy a particular type of yoghurt, evaluation of

natural and fruit yoghurts, favourite taste, attitudes towards new yoghurts, significance of the factors affecting the decision to make a purchase, degree of satisfaction with the existing substitutes, kinds of factors causing a decrease in satisfaction level, readiness of the respondent to share his positive and negative opinions about yoghurts with others. The last question pertained to the respondent himself, *i.e.* his sex, age, education, place of residence, type of occupational activity as well as his average net income per month per capita in the household.

Four types of scales were correlated with the questions: nominal, serial, hierarchical and positional [Kaczmarczyk, 2002]. The questions formed in the nominal scale are characterised by there being several variants of response specified, with the consumer having choice between giving only one or more than one answers. The serial scale also has several variants of response, but they are given in a strictly defined order, that is to say organised according to the degree of intensity of a given feature. In the scale of ranks (hierarchical) the variants of response are given analogously to the nominal scale. However, it is the respondent who arranges the answers in the preferred order according to the nominal scale. The scale of ranks consists in arranging the five responses given according to a well defined criterion. Very often the respondent has to number the attributes under study, *e.g.* in a scale from 1 to 10, with 10 meaning the most important feature, and 1 the least important. In the positional scale the respondent evaluates each position, which is expressed using the nominal scale. The evaluation of each line is performed according to the serial scale. In the questionnaire closed questions prevailed. The study was carried out on students of the Department of Economic Sciences and Marketing at the Nicolaus Copernicus University in Toruń as well as on those of the Department of Economic Sciences at the Warmińsko-Mazurski University in Olsztyn. The respondents were selected at random – those who agreed were accepted. 300 respondents were subjected to analysis, including 190 women and 110 men.

Most often the respondents came from one of three income groups: 601–800 PLN, 801–1000 PLN and 1001–1200 PLN. In the studied group there prevailed students aged 23–26, rural residents.

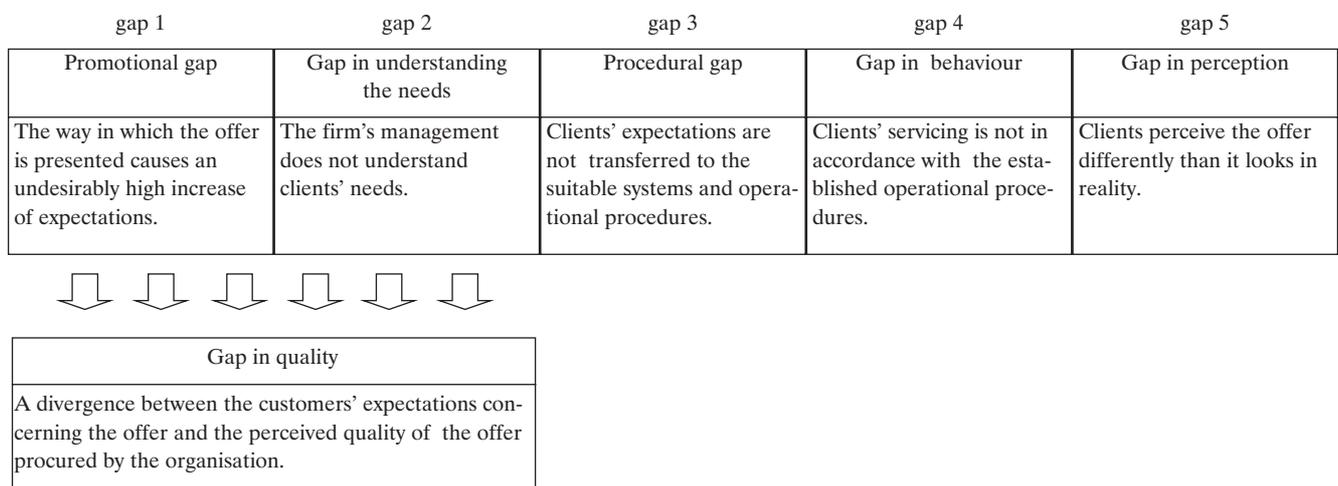


FIGURE 2. Types of gaps – divergences between the offers performed and expected (acc. to Hill & Aleksander [(2003)]).

RESULTS

Three brands of yoghurts were most frequently pointed to by respondents. The brand Danone was selected by 65% respondents, Bakoma by 62% and Zott by 24%. Similar choices were made by women (Danone – 69%, Bakoma – 60%, Zott – 25%). Men, however, definitely preferred Bakoma (68%) to Danone (51%), whereas Zott got only 8% of the male choices. There is a noticeable domination of those brands over the other ones, such as Campina, OSM, Fromako or the trade mark Leader Price. Intensive promotion and the high quality of Danone, Bakoma and Zott products (cf. Figure 3) may have caused this popularity. Fewest customers buy in retail outlets located at the wholesaler’s (often – 2%, sometimes – 4%). It seems, therefore, that the customers under study prefer shops characterised by large surface area.

Among the external and internal factors (cf. Figure 4) it is the attractive price (40% respondents) which has the greatest influence on the decision to buy. The remaining factors are: family pressure, mood, impulse, hunger, advertising, quality as well as taste, the shop-assistant and the

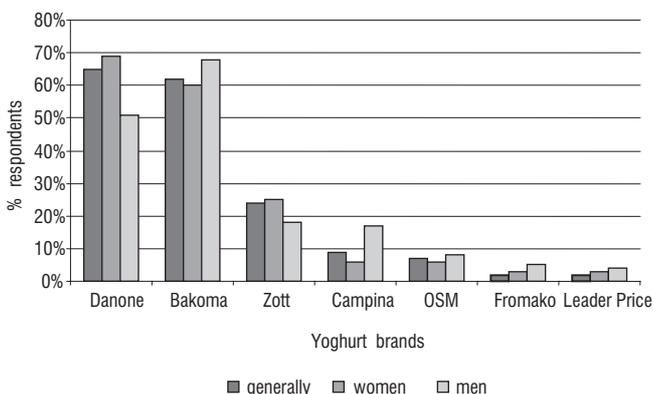


FIGURE 3. Preferred brands of yoghurts.

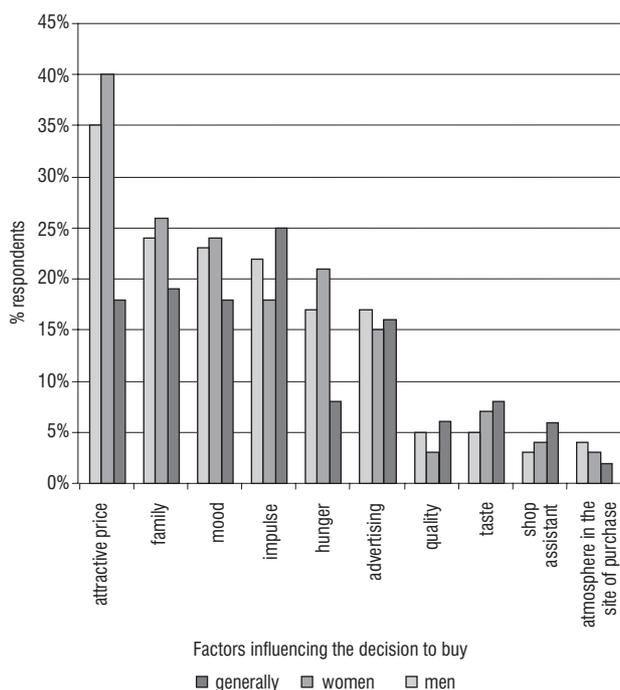


FIGURE 4. Influence of external and internal factors on the decision to buy.

atmosphere at the site of purchase. It means that product price constitutes a very strong encouragement to buy.

Consumers were also asked to evaluate natural and fruit yoghurts. The present study has shown that fruit yoghurts are preferred to natural yoghurts.

The most frequently indicated taste was strawberry (25% respondents) (cf. Figure 5). Sour cherry came second (22%). More than 18% respondents pointed to each taste, 11% to raspberry, 9% to forest fruit and 8% to vanilla. Customers first notice the taste and the price. The nutritive value and health safety were not the most significant factors when selecting and purchasing yoghurts (cf. Figure 6).

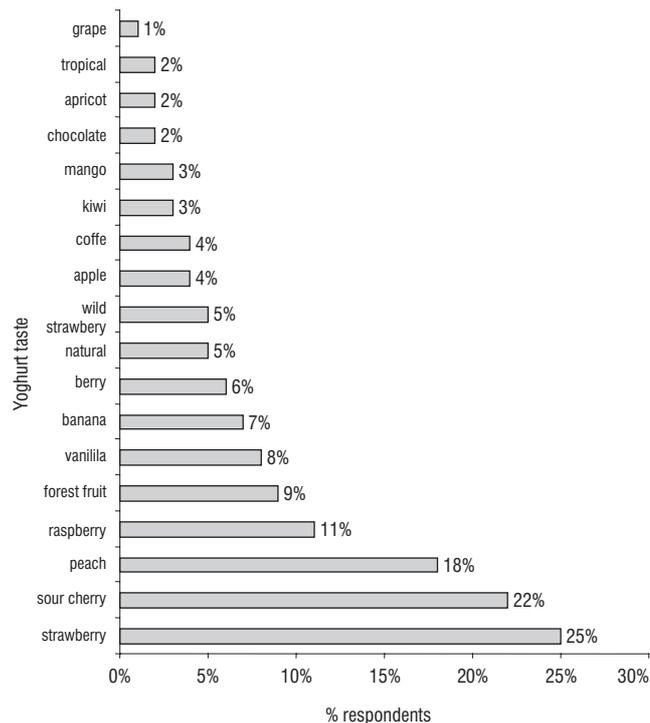


FIGURE 5. Favourite yoghurt taste.

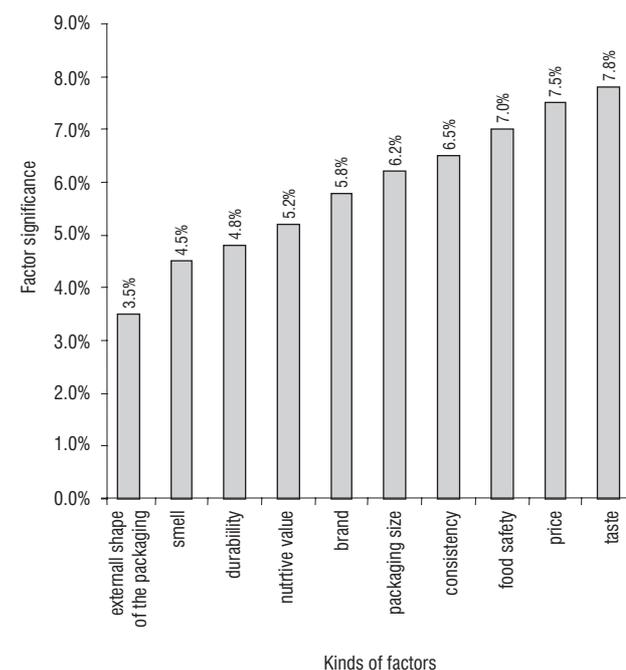


FIGURE 6. Degree of importance of the factors affecting the decision to buy.

Figure 7 confirms the stipulation that health properties of yoghurts are not the most significant for the consumer. A high proportion of fat would cause dissatisfaction of 15% respondents, and 11% would react negatively to a low nutritive value.

Taking into consideration the respondents' sex, quality is important for 75% women and for 85% men. High price caused dissatisfaction in 60% women and 53% men. A short term of usability in turn causes dissatisfaction in 45% women and 40% men. The lack of product in a shop is the reason of dissatisfaction in 43% women and 34% men. Sex-related differences between the factors lowering satisfaction are clearly observable.

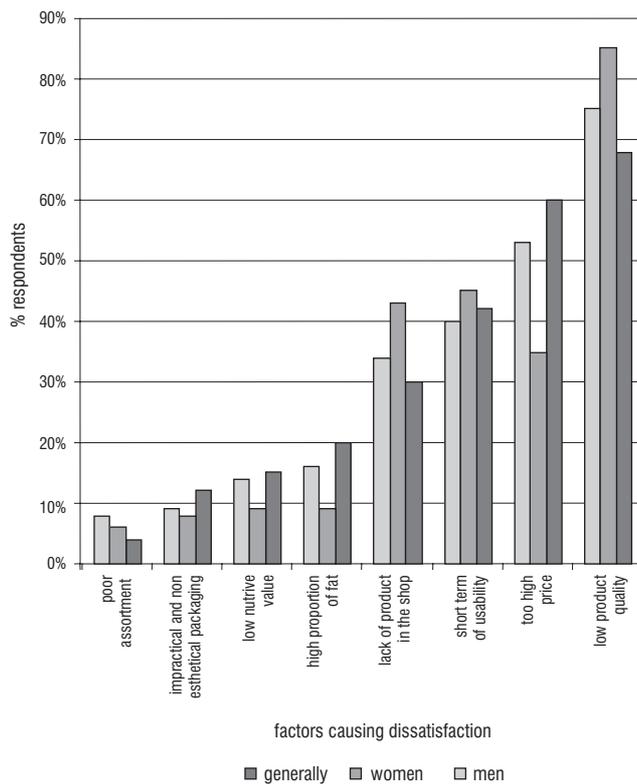


FIGURE 7. Factors resulting in a decrease of satisfaction with the purchase of yoghurt.

CONCLUSIONS

Purchasers' behaviour on the market is highly differentiated. When choosing a yoghurt the consumer mostly takes into consideration its taste, and next come the brand and the price. The decision to buy is a complex result of multiple factors. However, the price is the decisive factor. The present study has shown that the family has an influence on the ultimate decision to buy. Therefore, the consumer when selecting and buying a yoghurt is driven by suggestions of the persons closest to him. Also the mood on the day of the purchase is important. It happens that the consumer buys the product on impulse and then he does not take time to consider his choice. It is different in the case of a new type of yoghurt which has just appeared on the market. In such a situation the purchaser needs more time to consider his choice, and his decision is carefully thought over and consciously made. The size and the look of the packing has the

least significance for the buyer. Therefore, it is the product consumed which is of greatest significance.

Enterprises should pay a special attention to their buyers. Only the recognition of customers' needs will make it possible to provide them with a product which will fully meet their expectations. The client focuses mostly on the product's attributes. A satisfied purchaser becomes a loyal client who will tell his friends about his positive experience with and his positive opinion of the product. Each consumer is a complex individual. His behaviour depends on a number of factors. His environment and how he is feeling influence his choice and may result in his decision to purchase. The criteria of product selection are related to the needs which he wants to satisfy at a given moment. It is important for the enterprise to observe customer behaviour very closely and react to the changes in their needs. Getting to know the client will make it possible for the enterprise to influence his conduct *via* suitable strategies, and in particular product strategies, prices, distribution and promotion. It should be noted here that enterprises which want to survive on the market and expand their activity simply have to know their clients. Clients should get the products in such a shape that will satisfy their needs and bring them satisfaction. The product offer should be continually adapted to the needs, which change with time. Also the customer, his needs and surroundings in which he lives do change. It is vital to examine customer behaviour not just once but repeatedly at some intervals.

REFERENCES

- Heskett J.L., Sasser W.E., Schlesinger L.A., *The Service Profit Chain: How Leading Companies Link Profit and Growth to Loyalty, Satisfaction, and Value*. 1997, Free Press.
- Hill N., Aleksander J., *Pomiar satysfakcji i lojalności klientów*. 2003, Oficyna Ekonomiczną Kraków (in Polish).
- Kaczmarczyk S., *Badania marketingowe. Metody i techniki*. 2002, Polskie Wydawnictwo Ekonomiczne, Warszawa (in Polish).
- Kotler Ph., Armstrong G., Saunders J., Wong W., *Marketing europejski*. 2002, PWE, Warszawa (in Polish).
- Kotler Ph., *Marketing. Analiza, planowanie, wdrażanie i kontrola*. 1994, Wydawnictwo Gebethner & S-ka, Warszawa (in Polish).
- Sudoł S., Szymczak J., Haffer M. (ed.), *Marketingowe testowanie produktów*. 2000, PWE, Warszawa (in Polish).
- Vavra T.G., *Improving your measurement of customer satisfaction. A guide to creating, conducting, analysing and reporting customer satisfaction program*. Am. Soc. Quality, 1997, July.
- Vavra T.G., *ISO 9001:2000 and customer satisfaction*. Quality Progress, 2002, May.
- Woodruff R.B., Gardial S.F., *Know Your Customer. New Approaches to Understanding Customer Value and Satisfaction*. 1996, Blackwell Publishers Inc., Cambridge, Mass.
- Woodruff R.B., Shumann D.W., Fisher Gardial S., *Understanding value and satisfaction from customer's point of view*. Survey of Business, 1993, Summer/Fall, 28.

DETERMINANTY SATYSFAKCJI KLIENTA NA RYNKACH WYBRANYCH PRODUKTÓW MLECZARSKICH

Lech Nieżurawski

Katedra Organizacji i Zarządzania, Uniwersytet Warmińsko-Mazurski w Olsztynie, Olsztyn

Opracowanie zawiera krótką charakterystykę zachowań klienta na rynku wybranych produktów mleczarskich. Dokonano próby identyfikacji czynników wpływających na postępowanie nabywcy. Wykazano, że satysfakcja klientów winna być jednym z głównych celów przedsiębiorstwa. Zadowolenie klientów i jego pomiar wchodzi w skład ogólnej oceny przedsiębiorstwa. Badanie satysfakcji daje też dowody, czy przedsiębiorstwo zrealizowało i zaplanowało wymiennie ujęte cele odnośnie klientów. Korelacja zadowolenia klienta i wielkości sprzedaży jest niezwykle silnym argumentem przemawiającym za zwróceniem się w kierunku wykorzystania satysfakcji klienta, a dokładniej mówiąc informacji pochodzącej z analizy jej pomiaru do planowania, kontroli i udoskonalania systemów przedsiębiorstwa. O sukcesie firmy decyduje umiejętne określenie wartości oczekiwanej przez klienta. Odnieść to należy do wartości w rozumieniu konsekwencji (hierarchia wartości klienta), a nie atrybutów produktów. Poznanie klientów pozwoli przedsiębiorstwu wpływać na ich postępowanie poprzez odpowiednie strategie, a w szczególności strategie produktowe, ceny, dystrybucję i promocje.

Zachowanie nabywców na rynku jest bardzo zróżnicowane. Jednak większość konsumentów wybierając jogurt zwraca uwagę na przede wszystkim na walory smakowe, a następnie na markę i cenę. Przeprowadzone badania wykazały, że na ostateczną decyzję zakupu ma wpływ rodzina. Zatem konsument przy wyborze i zakupie jogurtu kieruje się sugestiami osób najbliższych. Znaczenie ma również samopoczucie w dniu zakupu. Zdarza się również, że konsument kupuje produkt pod wpływem określonego impulsu i wówczas nie zastanawia się długo nad wyborem. Najmniejsze znaczenie ma dla nabywcy wielkość i wygląd opakowania.