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**Consumer Behaviour in Marketing Research: Customer
Satisfaction and Consumer Decision Process**

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Summary

When evaluating consumer behaviour, marketers analyse certain aspects in certain ways and apply marketing strategies to maximise profit, develop successful products, maintain a competitive market position, construct desired brands, maximise customer satisfaction, and anticipate consumer behaviour and decision process. This study draws on the socially constructed roles of buyers and sellers from a marketing perspective by focusing on the aspects stated above. In the existent literature, consumer behaviour is mostly viewed through either an economic or a psychological perspective. Identifying how consumer behaviour is constructed and managed is an area that needs further development. Therefore, this research examines different stakeholders' perspectives on the buying experience, consumer decision process, customer satisfaction and brand construction, to create an overall profile of how these aspects of consumer behaviour research are understood by consumers and managers. This analysis demonstrates the clear gap that exists between the two sets of opinions and paves the way for further research to be conducted for this gap to be filled. A critical and systematic review and analysis of marketing theory are found to be a useful lens through which light is shed on the main research hypotheses. Quantitative analysis provides the opportunity to compare statistical results and measure variables and illustrate the ground on which our hypothesis has been set. Findings highlight the dynamic nature and the complexity of the socially constructed consumer behaviour, taking into account participants responses to questionnaire surveys and telephone structured interview surveys. This Master's dissertation extracts that in a multi-stakeholder competitive marketing environment, it all voices need to be heard. By collecting, comparing and circulating different perspectives, meaningful contributions -both theoretical and practical- can be achieved.

Περίληψη

Κατά την αξιολόγηση της συμπεριφοράς των καταναλωτών, οι έμποροι αναλύουν πτυχές με συγκεκριμένους τρόπους και εφαρμόζουν στρατηγικές μάρκετινγκ για να μεγιστοποιήσουν το κέρδος, να αναπτύξουν επιτυχημένα προϊόντα, να διατηρήσουν μια ανταγωνιστική θέση στην αγορά, να κατασκευάσουν επιθυμητές και ανταγωνιστικές επωνυμίες, να μεγιστοποιήσουν την ικανοποίηση των πελατών και να προβλέψουν τη συμπεριφορά των καταναλωτών και τη διαδικασία λήψης αποφάσεων. Αυτή η μελέτη βασίζεται στους κοινωνικά κατασκευασμένους ρόλους των καταναλωτών και των πωλητών από μια προοπτική μάρκετινγκ εστιάζοντας στις πτυχές που αναφέρονται παραπάνω. Στην υπάρχουσα βιβλιογραφία, η συμπεριφορά των καταναλωτών αντιμετωπίζεται ως επί το πλείστο είτε από οικονομική είτε από ψυχολογική άποψη. Ο προσδιορισμός των τρόπων με τους οποίους η συμπεριφορά των καταναλωτών κατασκευάζεται και διαχειρίζεται είναι ένας τομέας που χρειάζεται περαιτέρω ανάπτυξη. Επομένως, αυτή η έρευνα εξετάζει τις προοπτικές των διαφόρων ενδιαφερόμενων μερών σχετικά με την αγοραστική εμπειρία, τη διαδικασία λήψης αποφάσεων των καταναλωτών, την ικανοποίηση των πελατών και την δημιουργία επωνυμίας, για να δημιουργήσει ένα συνολικό προφίλ για το πώς αυτές οι πτυχές της έρευνας συμπεριφοράς των καταναλωτών κατανοούνται από τους καταναλωτές και τους διαχειριστές. Αυτή η ανάλυση καταδεικνύει το σαφές κενό που υπάρχει μεταξύ των δυο και ανοίγει το δρόμο για περαιτέρω έρευνα προκειμένου να καλυφθεί αυτό το κενό. Η κριτική και συστηματική ανασκόπηση και ανάλυση της θεωρίας μάρκετινγκ θεωρείται ότι είναι ένας χρήσιμος φακός μέσω του οποίου ρίχνει φως στις κύριες ερευνητικές υποθέσεις. Η ποσοτική ανάλυση παρέχει την ευκαιρία να συγκρίνουμε στατιστικά αποτελέσματα και να μετράμε μεταβλητές και να απεικονίζουμε το έδαφος στο οποίο έχει τεθεί η υπόθεσή μας. Τα ευρήματα υπογραμμίζουν τη δυναμική φύση και την πολυπλοκότητα της κοινωνικά κατασκευασμένης συμπεριφοράς των καταναλωτών, λαμβάνοντας υπόψη τις απαντήσεις των συμμετεχόντων σε έρευνες ερωτηματολογίων και τηλεφωνικές έρευνες δομημένης συνέντευξης. Η διατριβή εξάγει ότι σε ένα ανταγωνιστικό περιβάλλον μάρκετινγκ πολλών ενδιαφερομένων, είναι σημαντικό να ακουστούν όλες οι φωνές. Με τη συλλογή, τη σύγκριση και την κυκλοφορία διαφορετικών προοπτικών, μπορούν να επιτευχθούν σημαντικές συνεισφορές, τόσο θεωρητικές όσο και πρακτικές.

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Chapter 1

Introduction

1.1 Research Aim and Scope

In a highly competitive economic system, accurate knowledge and understanding of the key aspects of consumer behaviour is deemed necessary for managers to achieve survival and growth of their firms. The concepts of consumer behaviour and customer satisfaction have generated questions that seek to address how consumers consume, why they consume and what and where they consume. Making informed decisions on products and services, the consumers have attracted the attention of a variety of academic fields that seek to understand the concept of consumer behaviour and maximize customer satisfaction. The increasingly competitive marketing environment of the high-quality services industries (such as the luxury hotel industry) has made it imperative for firms to investigate and understand consumers' decision-making and satisfaction. Marketers and managers seek to satisfy consumers' needs to gain a competitive advantage in the marketplace.

With a clear scope to identify the motivation behind consumer decision-making, this dissertation puts the spotlight on academic literature and theoretical and practical concepts in the fields of business, management and marketing. The results would primarily concern the hospitality and tourism industries, with data generated from the luxury hotel sector. Our testable hypothesis suggests that price is more important than the brand or quality of services. The second hypothesis proposes that different stakeholders have different understandings and perception of the concept of consumer behaviour. Specifically, we hypothesise that customers' understanding of their consuming behaviour differs from managers' perception of how and why consumers consume. This dissertation conducts quantitative research in this sector, primarily

through the use of questionnaire surveys and structured phone interviews to collect data that can be analysed to generate meaningful, valid and reliable findings. The questionnaire survey has been suitably designed following exploratory research that had been carried out to demonstrate the information that needed to be generated. This research involved recruiting a number of participants that responded to the survey and two interviewees that allowed further exploratory research as well as data triangulation to be carried out. In testing the first hypothesis, the main aim of the questionnaires was to unearth the motivation behind consumers decision-making, whereas the two phone interviews with hotel managers in five-star luxury hotels in Cyprus were conducted to test the second research hypothesis.

1.2 Theoretical Context

In today's competitive marketing environment, many luxury hotels firms have succeeded in the hospitality sector due to their successful redesigning of their entire organisation to maximise the quality of customer services. Marketing leaders commit to the development of high-quality products and aim at offering excellent service quality at the price that gives consumers high value, gives them a competitive advantage and constructs the firm's brand identity. In a successful company, the marketing department as well as the designing, engineering, production, human resources, finance and other departments cooperate and focus on always enhancing the value of their products and services and maximising consumer satisfaction. Aiming at high profits and competitive advantage, managers seek the answers to some of the most common, yet debatable, marketing issues. Consumer behaviour is a complex subject matter because the manager and the customer have a different understanding of value, thus their priorities when it comes to value and quality are very different. By trying to access consumers' perception of these concepts, the companies would be able to offer the appropriate service and support to meet and exceed their customers' desired expectations.

According to the American Marketing Association, consumer behaviour is "the dynamic interaction of affect and cognition, behaviour and the environment by which human beings conduct the exchange aspects of their lives" (Alhelalat 2015, 128). In other words,

consumer behaviour involves the thoughts and feelings that people experience and their actions that take place in the consumption process. It also involves all the aspects that influence these thoughts, feelings and actions. These include comments from other consumers, advertisements, pricing, packaging, product appearance, etc. Consumer behaviour is a very dynamic issue that involves both interactions and exchanges. This dynamic nature of consumer behaviour makes the development of marketing strategies an exciting yet difficult challenging task. Strategies that work at one time or in one market may fail miserably at other times or in other markets. For example, in the hotel management sector, some companies aim at increasing their products' quality and reduce costs at the same time, while other firms first try to determine how much customers are willing to spend on a product and then design, produce and market it at the best quality they can for the price that customers are willing to pay. Taking into account that product life cycles are shorter than ever before, companies have to constantly aim at creating superior value for customers and stay profitable. This involves the creation of new products, the development of new versions of existing products, the adoption of new branding and advertising strategies, etc.

Since consumer behaviour involves feelings, interactions and actions, marketers need to understand what products or brands mean to consumers, why they want to purchase or use them, and how several product characteristics influence consumption. The more they understand about these aspects, the better results their marketing strategies will have. Previous research on consuming practices has shown that the number of middle-income consumers is shrinking, and low and high-income customer groups are increasing (Myers 2019). To understand society at large, it is important to examine how this change has affected consuming habits and what are the implications for new marketing strategies that businesses need to adopt. Moreover, much of consumer behaviour involves exchanges between buyers (consumers) and sellers (marketers). Marketing facilitates these exchanges by formulating and implementing marketing strategies (i.e. development, production, advertising, distribution, etc.)

1.3 Intended Contribution

This dissertation draws an innovative research methodology and investigates both the buyers (consumers) and the sellers (marketers) to compare research results and present meaningful, valid and reliable findings. The underlying principles of consumer behaviour and habitual consuming offer a sense of the richness of the field of business and marketing. The dissertation conducts an extended review of the literature on the selected topic and identifies a clear gap in the current knowledge regarding the debatable issues that surround consumer behaviour. It is expected to show that the managerial and consumer perspectives are different. It also sets out to contribute to fill this gap by generating new data that would provide insight into both stakeholders of the luxury hotel management sector.

1.4 Structure of the Dissertation

This dissertation is divided into five chapters and each chapter is subdivided in smaller sections. The purpose of these sections is to facilitate understanding of the actions that this dissertation involved, from the initial research design to a thorough literature review, identification of the clear gap, methodology design, data collection, data analysis, and publication of results.

The first chapter is the “Introduction” which provides the background of the research, the motivation behind the research topic, the research purpose and research hypotheses.

The second chapter is the “Literature Review” and provides a thorough analysis of secondary data. This chapter analyses various published papers and other sources to cite the key authors in the field and outline the current state of knowledge.

The third chapter is the “Methodology” and includes the methods applied to gather information and collect data. It justifies the decisions that have been taken in applying quantitative methodology and combining the methods of the survey questionnaire and structured interviewing.

The fourth chapter is the “Data Analysis and Discussion” and it is dissected in two main parts. The first part analyses the results of the questionnaires (in the form of surveys) which were answered by consumers. The second part discusses the results of the questionnaires (in the form of structured phone interviews) which were answered by marketers. Moreover, this chapter has a third sub-section which serves as a summary of this discussion to outline the key findings of the dissertation.

Finally, the last chapter is the “Conclusions” of the dissertation which summarises the aims, findings and contribution of the whole assignment, and evaluates the key implications and limitations that were encountered. It also identifies opportunities for further research on the field.

Chapter 2

Literature Review

2.1 Consumer Behaviour

What is consumer behaviour? After systematically reviewing the literature we have observed that there are various researchers and scholars that have tried to answer this very question. According to Frank Kardes, consumer behaviour is the study of people's responses to products and services and the marketing of products and services (Kardes 2002, 23). Perhaps one of the most popular definition of the term is that consumer behaviour is the study of individual, groups, or organisations and the processes they follow to select, secure, use and dispose products, services and experiences or ideas to satisfy the needs and the impacts that these processes have on the consumer and the society (Hawkins et.al. 1998). Blackwell et.al. have also attempted to provide an accurate description of consumer behaviour, stating that consumer behaviour is "the study of psychological, social and physical actions when people buy, use and dispose products, services, ideas and practices" (Blackwell et.al. 1999). For the purpose of this dissertation and after careful consideration of current academic literature, consumer behaviour will be referred to as the acquisition, consumption and disposition of goods and services that affect the decision-making process. In other words what customers think when consuming, what factors affect their final decision and how they evaluate products, services and organisations.

There is an increasing need that marketers understand buying and consumption decisions on a global basis (Blackwell et.al. 2001). Examining consumer behaviour in two levels, the level of consumer involvement and the level of decision making, analysts can identify the different characteristics of consumer behaviour. These characteristics are complex decision making, brand loyalty and inertia. Evaluating consumer behaviour, the

chief executive officer of the marketing-oriented Lever Brothers Company Mr Thomas Carroll claims that the importance of consumer behaviour is that it allows marketers to understand and properly interpret what consumers demand and desire. Acknowledging the importance of consumer behaviour, he explains that the marketing researchers of his company talk with more than four thousand customers every week to understand:

- (1) What they think of the company's products and those of their competitors
- (2) What they think of possible improvements in their products
- (3) How they use their products
- (4) What they think about the ways the products are advertised
- (5) How they feel about the product affecting their families or societies

Analysts have shown that nowadays the average consumer is identified as over-managed, prodded, seduced, and controlled (Ewen 1992, 23). Now, more than ever before, a customer's every purchase is closely observed, and his every credit card transaction is closely dissected. However, consumers do not always act as predictably analysts and managers expect. Ultimately, their decisions and actions cannot be detached from social, political and behavioural factors. This results in uncertainty in businesses and continuous need for research on consumer behaviour and consumer decision process (CDP). Understanding, and therefore learning to anticipate, consumer behaviour is deemed necessary for managing the highly competitive ever-changing business world. Comprehensive reliable knowledge about the consumer decision process and customer satisfaction requires accurate analysis on the social, political and economic structure and human relations and interactions between and amongst various groups and subgroups which constitute the society (Chisnall 1994).

2.1.1 Motivating Forces

Consumer behaviour is affected and, at times, directed by motivating forces that can be classified into six categories: physiological, social, symbolic, hedonic, cognitive and experiential. These motivating forces function simultaneously, defining customer satisfaction and consumer decision process. Customer satisfaction is inextricably linked with the concept of habitual buying, as described by Roger Blackwell. He states that when

the occasion arises for repeat purchases, many consumers quickly develop habitual decision process (Blackwell et.al. 2001). Customers often are brand loyal and stay with their initial decisions on the products, brands or firms they choose. Habitual buying is often built on loyalty or inertia and occurs during high perceived involvement and it can be negatively affected by low involvement and little commitment. If a consumer has no reason to switch or stop using a product or service from a specific company, it is expected that the purchase will be repeated. However, the consumer is often prone to switch, especially if incentives or external factors impact his decision-making criteria (i.e. new competitive products, changes in advertising or distribution, change of needs to use specific products, etc.)

The burning questions that need to be addressed are what are the factors that affect consumer behaviour in decision-making and how customer satisfaction can be maximised to result in loyal clients and habitual buying. Important marketing strategies are often employed in organisations to achieve knowledge of consumer behaviour and provide the groundwork for maximising performance, profit, branding and customer satisfaction. These strategies are product positioning, market segmentation, product development, market applications, global marketing, marketing decisions, organisation regulations, etc. (Hawkins et.al. 1998). Each of these major marketing strategies is more effective when it is based on consumer behaviour. Unfortunately, identifying these factors that encourage consumption and affect consuming decisions is a very difficult task, because any given piece of human behaviour may derive from one of several predictable or unpredictable influences. Roger Blackwell lists a number of techniques that allow exchanges with consumers and determine the success or failure of consumer-based marketing strategies (Blackwell et.al. 2001) These techniques include getting close to the consumer, targeted individualised marketing, priority commitment to customer satisfaction and retention, focus on global marketing strategies, etc.

Recognising the two basic influences which determine the consumer decision process, Assael attempts to answer these burning questions (Assael 1995, 14) The first is the individual consumer whose needs, perceptions of a brand, and attitude towards alternatives options influence the decision-making process. A consumer's demographics, lifestyle and personality characteristics influence brand choice. The second influence on

consumer decision making is the purchasing environment, which is characterised by cultural and social norms, regional or ethnic influences, social and economic class of the consumer, and influences from friends, family and other reference groups. Marketing organisations are also part of the purchasing environment.

2.1.2 Consumer decision process (CDP)

Consumer decision process (CDP) is of extreme importance as it provides a “roadmap” of how consumers find their way in a world of consumption decisions. According to Roger Blackwell, the decision process “begins when a need is activated and recognised because of a discrepancy between the consumer’s desired state and the actual situation” (Blackwell et.al. 2001). Depending on the level of purchase, consumer decision process involves problem recognition, information search, alternative evaluation, store choice, actual purchase and post-purchase processes (Hawkins et.al. 1998) Moving through the stages of consumer decision process, marketers have an opportunity to react to and influence behaviour with effective communication and marketing strategies that address each of these stages and the variables that affect each stage. Consumers become the foundation of marketing research and understanding their motivations becomes essential (Drucker 1961). However, since motivation is likely change over time, marketers should continually monitor the factors that define consumer decision process. Marketing as a separate, identifiable function of management has evolved from the business philosophy which recognises the importance of the customer to the success of the business. Consumer behaviour is more important now than ever before, making consumer analysts valuable to any type of organisation. Reviewing the luxury hotel industry as a case study of the business world, we can observe that what was once a competitive environment in which management was flourishing, has now evolved to a “hyper-competitive” environment. During the last thirty years, this transition has gathered much academic attention, resulting in a new multidisciplinary field of research to emerge: consumer motivation and behaviour. Peter Chisnall claims that business orientation has evolved throughout the years from a manufacturing orientation to consumer orientation (Chisnall 1994). Similarly, the study of consumer behaviour has also evolved, fuelling changes in organisations (Chisnall 1994).

Taking a quick glimpse at what was happening in the past, Assael explains that many business firms used to neglect and ignore consumer motives and actions (Assael 1995, 14). They used to primarily focus on sales results and profit numbers with little concern on the importance of the consumer in the success of a product or service. Fast-forwarding to today's business world, Assael observes that business managers are now more concerned about the importance of understanding consumer behaviour. Businesses hire consumer economists and analysts to discover effective strategies to influence and shape consumer behaviour and customer satisfaction. Economic analysis generates data on the buyer's needs, and this behavioural data subsequently adds to the understanding of the inner workings of the consumption process. Chisnall claims that the successful entrepreneur is the one who seeks to acquire sensitive insights into the fundamental processes of perception, motivation, attitude formation, learning theory and sociological factors that characterise a company's consuming audience (Chisnall 1994). Gordon Foxall states that the guiding philosophy of marketing must be to identify how to best satisfy consumer needs and desires (Foxall 1998, 35). Consumer research is of primary importance in achieving maximum business success and profitability. According to Foxall, marketers are mostly concerned with brand loyalty, seeking to encourage habitual repeated buying and forestall brand switching (Foxall 1999, 580). His research on habitual repeated buying suggests that mature marketers are characterised by a high degree of stability and that repeated buying can be mathematically modelled (Foxall 1999, 582).

2.2 Marketing Strategies

Today, competitive markets have forced managers to take advantage of all the available information in monitoring market segmentation and product positioning using common marketing strategies. Often, consumer analysts and researchers apply marketing (and other social sciences') theories and techniques to manipulate consumer behaviour. Managers consider developing various new products, concepts, or ideas, and adopt various pricing strategies and new promotions, distribution and advertising strategies. Using tools and aids to improve their judgement of decision-making process, managers become more systematic, consistent and careful in marketing strategies they adopt. Thus,

successful firms commit to serving the needs of their customers and try to get as much information as possible to meet these needs at the highest quality levels. Failing to identify these needs, results in making costly mistakes. Therefore, in a competitive business world, consumer behaviour is important as it predisposes the success of an organisation.

A systematic literature review has shown that marketing and consumer behaviour co-exist. Marketing is a specialised function concerned with the exchange process that underlies the satisfaction of human and organisational needs. As these needs become more sophisticated, production and marketing resources evolve to provide specific types of goods and services. The consumption process involves two parties: the supplier and the buyer. This is why it is deemed necessary to examine and analyse both stakeholders as well as the established relationships that exist between them, in order to achieve a comprehensive understanding of the consumer behaviour (Chisnall 1994). In advanced industrial economies, where specialisation of production, labour and managerial talents are widely adopted, marketing has developed as a distinct and important area of management activity and responsibility (Chisnall 1994). Especially in industries such as luxury hotels and hospitality where there is a strong competitive activity, companies seek to understand the nature of demand and the alternative sources of supply related to particular kinds of products and services (Chisnall 1994).

Analysis of how to shape consumer behaviour and monitor decision-making process and satisfaction numbers has become a fundamental business activity. Unfortunately, solely focusing on trying to satisfy consumer needs is not enough in shaping consumer behaviour. It is also essential to focus on the activities of cultural specialists and intermediaries and the expanding audiences for a new range of cultural goods. In light of this argument, Blackwell states that shaping consumer behaviour sometimes requires forming favourable product consumer opinions, such as when introducing a new product or taking an established product into a new market and making contact with new consumers (Blackwell et.al. 2001). Often, it also requires changing previously formed opinions, such as when modifying a product or repositioning it to enhance its appeal (Blackwell et.al. 2001). To enhance satisfaction, managers often deal with dissatisfaction and complains. Customer satisfaction or dissatisfaction stems from the relative ability of

firms to meet or exceed performance expectations (Foxall et.al. 1998, 23). By continually monitoring consumer expectations, it is suggested that customer satisfaction can be ensured.

In competitive marketing environments, attention needs to be paid to the mediations between the economy and culture (Featherstone 1995, 56). These two factors -cultural and economic status- are the ones that affect consumer behaviour the most. The principle of choice is central to a free market economy. Suppliers and consumers must be able to choose freely to enter certain markets and select specific products. In a free market economy, consumer motivation is enhanced. Analytically speaking, Hawkins eloquently suggests that “consumers are said to dictate production; to fuel innovation; to be creating new service sectors in advanced economies; to be driving modern politics; to have it in their power to save the environment and protect the future of the planet” (Hawkins et.al. 1998).

2.2.1 Brands and Branding

This multidimensional approach guides the design and implementation of marketing strategies and puts the spotlight on the complex issue of branding. Managers seek to discover which specific strategies need to be designed to enable consumers to evaluate brands on a wider selection of criteria. The delivery power of the brand sheds new light on the consumption story. New research needs to be conducted in order to enhance the current literature on the key subjects outlined. The entire management structured is fuelled by the academic literature in the fields of business, management, marketing, sociology, human sciences, psychology, etc. Social scientists recognise the importance of orienting consumer behaviour research towards the consumer. They also recognise that focusing on managers and marketing strategies can leave plenty of questions on the table that can be picked up by researchers to investigate these continuing debates and subjects. However, it seems that there is room for more in-depth research to be conducted that concentrated on actors at both the production and the consumption ends of the market activity.

In social sciences, the supplier is often approached at the communicator of meaning, whereas the buyer is seen as the receiver of meaning. This dissertation boldly claims that these traditional roles are not as stable as literature might suggest. This research brings together data from secondary archival sources and generates primary data from human participants, to show that the consumer can also be located as the communicator of meaning. The primary aim of this research is not to celebrate the rise of the consumer as a decision-maker, trend-setter or brand-creator. It rather sets out to demonstrate that there is a gap in knowledge to be filled in order to contribute both theoretically but also practically in the field of marketing. Chisnall has identified the gap that exists between the producer and the consumer, which seems to get widened instead of narrowed as a result of this industrial and commercial metamorphosis (Chisnall 1994). Aiming to bridge this gap, Assael argued that producers' perspectives differ from consumers' perspectives in three points of reference. He claimed that producers' perspectives are product-specific, profit-oriented and anticompetitive, as opposed to consumers who seek competition as an opportunity and not as a threat (Assael 1995, 34). This study will employ views on consumer behaviour from both managers and consumers. Different stakeholders have different opinions, different definitions and different understandings of the subjects and factors that affect consumer behaviour, consumer decision process, customer satisfaction, brand, value, and marketing success. It is necessary to consult both ends of the market activity -the producer and the consumer- to understand the ways in which concepts are understood and identify the differences that exist in these understandings. It is believed that the lack of research that tackles individuals from both ends has prevented researchers from entirely crafting the space for these concepts to be applied in the business world. It is of primary importance to generate data on consumers on behalf of the consumers and producers on behalf of the producers, thus ensuring that all voices are heard.

2.3 Conclusion

Therefore, the research does not aim at acquiring comprehensive and reliable knowledge about every single aspect of consumer behaviour. It rather aims to publish results that would contribute to knowledge in that they show the gap that exists between

stakeholder's perception and the importance of both opinions on several concepts. It is believed that by demonstrating this gap, we have broken down the complexity of the consumption process and identified an empirical gap in the literature in this chapter. This chapter has provided the groundwork for this gap to be filled, stressing that human motivation is so complex and poorly understood and that consumers and marketers have different understandings of concepts as well as of their role and relationships that exist between them and amongst them. Neither the consumer nor the producer shall be addressed as merely objects of theoretical analysis, but they are both practically recruited in an attempt to meaningfully test the main hypotheses and answer burning questions of this research. The next chapter will set out the methodology that has been chosen for this study, arguing that a quantitative research process combining questionnaire surveys and telephone surveys is the most suitable for an examination of a multi-stakeholder approach towards consumer behaviour.

Chapter 3

Methodology

3.1 Methodological Approaches

As it was identified in the introduction to this dissertation, the field of research on consumer behaviour, especially regarding consumer decision process and customer satisfaction, grants further research that would lead to detailed knowledge about the differences in the opinions and perspectives between different stakeholders. This master's dissertation aims at grasping comprehensive understanding about the gap that exists between marketers and consumers on certain aspects of the buying behaviour. As it has been previously stated, managers understand consumer behaviour from a perspective that is primarily based on their perception of how consumers think, act, and interact with products, services and the overall buying experience. As a result, managers adopt marketing strategies that are not fully well-rounded or informed, which sometimes leads to customer dissatisfaction or complaints. In order to achieve maximum customer satisfaction and anticipate (or even monitor) consumer decision process, it is important for consumers' voices to be heard. Although this dissertation has acknowledged and reviewed previous studies orientated towards consumer participants and understanding of their point of view, it has been demonstrated that very little comparison has been done in the field. By putting together primary quantitative data, collected from both stakeholders, it is believed that this research will inspire researchers to conduct quantitative analysis to understand human behaviour in aligned academic subjects.

This chapter provides a delineation of the methods and methodological procedures that have previously been used by researchers to answer questions and test hypotheses in the field of marketing. Reviewing the literature has enabled the study to come across supportive information related to the research. There are several empirical studies that

have looked at research topics in this area through a positivist lens and have applied quantitative research methods to statistically test, support or disprove hypotheses. However, there are also studies that have taken interpretivist qualitative approaches when and examined research questions. This section covers a combination of methods and discusses the fundamental principles, statistical concepts and systematic procedures of previous studies and the ways in which validity, reliability and generalisability have been enacted in these studies. There are avenues for large quantitative sets of data that demonstrate a well-noted state-of-the-art and determine where this dissertation is situated due to the lack of empirical data.

There are several texts on research methods, such as the ones by Finn et.al. (2000), Veal (1997), and Saunders (2003), Kuman (1996) etc., that make a clear distinction between applied and pure research. On the one hand, applied research is conducted to analyse and find a solution to a problem that has direct relevance to the subject being investigated. On the other hand, pure research is “concerned with the development, examination, verification and refinement of research methods, procedures, techniques and tools, which form the body of the research methodology” (Kuman 1996, 8). Due to the nature of this master’s dissertation, the research that is conducted is pure, but the findings are of high importance in the sectors of consultancy and advisory in the marketing industry. The ontological and epistemological groundwork of this dissertation aligns with the form and nature of reality and knowledge, as described by Finn et.al. (2000).

The ongoing debate on methodological approaches to research juxtaposes the positivist approach to research with the phenomenological approach. From a positivist point of view, phenomena must be explained in terms of what causes the phenomenon we observe (in this case buying behaviour). On the other hand, phenomenology pinpoints the importance of interpreting the multiple, divergent and interrelated social reality from the perspective of the examined actor or stakeholder. In other words, positivism is interested in the phenomenon itself, its causes and effects, whereas phenomenology is interested in how the phenomenon is interpreted by the people who participate in it and how it is understood in a socially constructed world. Both approaches are supported by strong research traditions and are valid and reliable when a certain set of rules and standards is applied.

This dissertation does not aim at examining consumer behaviour as a positivist phenomenon and delineate every single aspect of it, how it is constructed and what objective impacts it has. It seeks to unpack the interpretations, understandings and perceptions, offering a multi-stakeholder approach. Therefore, it can be argued that the research approach is primarily phenomenological. The meaning attributed to phenomena or experiences is not the same to everyone. Identifying and evaluating different meanings to understand variations in stakeholders' interpretations is the foundation in which this research is built.

3.2 Quantitative Research

Quantitative methodology is primarily based on the scientific model of research and delineates the concepts of hypothesis, variables, measurements, validity and reliability (Bryman 2012, 159). The research hypothesis is a testable and falsifiable proposition that stipulates the data that needs to be collected and decides whether researchers look at differences or associations. Based on the epistemological position of positivism, quantitative research conceptualises reality in terms of measurable items called variables and performs statistical tests to operationalise these variables, identify patterns in the data, study the relationships that exist between them and amongst them, examine differences and/or associations, and measure the strength and direction of these relationships (Bryman 2012, 161). In social sciences, there are three main quantitative research methods that researchers draw upon (Finn et.al. 2000). These methods are the survey method, the experimental method and the ethnographic method. Each of these methods requires a different methodological procedure, different methods of collecting and analysing data. For the purpose of this dissertation, we are primarily using the survey method through questionnaire surveys and interview surveys, and secondarily using the ethnographic method, through observation of participants buying behaviour. Following the survey method, the ethnographic research method is also applied in order to triangulate primary data. By observing consumers during the buying experience, this dissertation seeks to study the complexity of social interactions that are expressed in everyday life.

In questionnaire surveys, drawing a sample that is representative of the population is essential. Having specified the population under examination, we carefully select our sample to be a representative subset of the population. Samples are usually chosen because accessing all members of the population would have been impossible or prohibitive in terms of time, money, and other resources. In quantitative research, the sample is the final analytic database and must be representative of the population to generate meaningful data that could be effectively generalised to describe the whole population (Short and Palmer 2008, 565). A representative sample allows researchers to systematically collect quantitative data that can be coded and analysed. The results of questionnaire surveys rely on the information derived from the respondents. When recruiting participants, our focus was to collect information on how each participant/respondent viewed and comprehended the consuming experience (Marshall and Rossmann 1992, 2). Information on the incidence of attitudes, meanings and perceptions among the population is gathered and recorded.

Quantitative methodologies set out to test whether or not patterns exist between and amongst independent and dependent variables and to numerically describe the strength and direction of these patterns. Independent variables are 'manipulative' variables that lead to other items to determine their effect. Dependent variables are affected by the independent variables and can be measured to assess the effect of the independent variables (Krippendorff 1980, 180). Independent variables must be categorical variables to ensure that the data will also be represented by categories. Quantitative variables are then operationalised to measure what they purport to measure, ensuring generalisability, validity, and reliability of the research findings. The questionnaire survey generates data that can be re-analysed several times if we take a different set of coding/variables, and each analysis tests a different hypothesis, thus contributing to knowledge. In our research, we seek to operationalise variables and analyse our findings numerically to test whether or not price in relation to the quality of services is a more important factor than brand identity construction and that different stakeholders have different understandings and perception of the concept of consumer behaviour. Quantitative research methods provide numerical results that simplify complex information. In quantitative research, especially in the survey method, participation can

be thoroughly viewed, including analysis of the frequency, duration, expenditure, location, level of enjoyment, etc.

3.3 Survey Design and Data Collection

For this dissertation, the methodological approaches that have been previously used by social scientists have been assessed. We have identified that none of the existing surveys applied to our hypothesis and that the most appropriate practice would be to design our own questionnaire survey to be used as a scale in this dissertation. Questionnaire surveys can be either interviewer-completed or respondent-completed. For this dissertation, all the surveys were filled out in an interviewer-completed method. Specifically, the interviewer/researcher read the questions out to the respondent/participant and recorded the respondent's answers on the questionnaire. All questions were structured, allowing the respondent to fill the survey by selecting the most appropriate answer from those provided. Although the respondent-completed method provides anonymity and has no elements of human contact that can result in bias or false information, the interviewer-completed method has a higher response rate and the sample is often more carefully selected resulting in more meaningful data. Taking into consideration the ongoing debate about interviewer-completed and respondent-completed surveys, we argue that the method selected was the most appropriate one for the purpose of this study.

3.4 Supplementary Data and Combining Methods

Acknowledging the strengths and weaknesses of the methods, we are able to systematically conduct this dissertation. Exploring a range of different ways of combining qualitative and quantitative methods, Bryman claimed that quantitative research helps facilitate qualitative research and qualitative research helps facilitate quantitative research (Bryman 1998, 140). For example, a piece of qualitative research could be used to establish the research questions to be addressed by quantitative research. On a similar note, we have taken a complex subject matter of consumer behaviour that is tackled in the field of marketing and management in both quantitative and qualitative ways and have chosen to focus on the interpretivist nature of research (qualitative) while applying

methods that can be analysed quantitatively. This combination of data has been made possible due to the nature of the subject under examination, which is fully interpretivist and focuses on human behaviour and people's understanding and perception from a phenomenological point of view. Quantitative methods have allowed as to measure complex ideas numerically and test what is the most important factor that affects consumer behaviour and measure the differences/associations between two different groups of participants. Combining methods can allow a broader range of issues to be addressed. Evidently, quantitative research can explore large-scale macro structures whereas qualitative research can focus on small-scale micro aspects of the dissertation (Bryman 1998, 143). Moreover, it allows researchers to assess and evaluate the appropriateness of different methods in the duration of the research, making informed decisions on whether to apply quantitative methods or qualitative methods at different times (Bryman 1998, 144). Scholars and scientists have also claimed that the combination of methods enhances the validity and reliability of the research. When used as supplementary methods to one another, combining quantitative and qualitative methods leads to triangulation of data, which is necessary for ensuring that primary derived data are true and accurate and extract valid, reliable and representative results.

3.5 Conclusion

The purpose of this chapter has been to present the methods of data collection used in this dissertation. It has argued that given the nature and overall concern of this research the most appropriate methodologies are collecting primary data using the survey method and triangulating data using the ethnographic research method. The interview-completed questionnaire surveys and telephone surveys are warranted in order to get meaningful data. It has then detailed the specific procedures of data collection. Finally, this chapter has also offered an argument for combining methods and generating supplementary data, suggesting that theoretically and empirically driven methods can be combined to lead to accurate research analysis. The following chapter will focus on analysing and discussing the empirical data gathered from the questionnaires by both the consumers and the marketers.

Chapter 4

Data Analysis and Discussion

4.1 Introduction to Data Analysis

This chapter provides an in-depth analysis of the statistical data that was derived from the data collection process. In order to test the dissertation hypotheses and tackle consumer behaviour from a multi-stakeholders perspective, our research sample was drawn from consumers of luxury products and services and hotel managers in five-star luxury hotels in Cyprus.

4.1.1 Report on the First Hypothesis

Fifty on-site interviewer-completed questionnaires were completed for the first part of this dissertation. The participants are consumers of luxury products and services and the surveys were completed during the consuming experience, at luxury hotels and branded stores. With a clear aim to test the first research hypothesis and identify the motivation behind consumer decision-making, the main study findings are discussed in this chapter. The first hypothesis that price is more important than brand or quality has been disproved. The results of the questionnaire demonstrate that quality is more important than price point or brand name, whereas a number of other factors (e.g. usefulness, fashion trends, social influence, etc.) also scored high results.

The data of the questionnaire surveys to consumers have been analysed using analysis of variance. A number of independent and dependent variables were operationalised to test the scores of all the survey questions that could impact the statistical analysis. Independent variables such as quality, brand, price, fashion and social influence were operationalised and measured with dependent variables such as satisfaction, frequency

of buying, usefulness and performance etc. A number of tests were performed to effectively and accurately test the dissertation hypothesis. The results of this analysis have shown that in the luxury products and services industries, the consumer decision-making process (CDP) is affected by a set of factors. The most important one is quality which affects satisfaction, frequency of buying, usefulness and performance. The second most important is social influence which also affects the dependent variables. Brand name also scored high results, proving that brand is important in the decision-making process and in customer satisfaction. In the luxury industry, the price point of a product or service impacts on consumer behaviour.

4.1.2 Report on the Second Hypothesis

Two telephone interview surveys were conducted for the second part of this dissertation. The respondents are two hotel managers in five-star luxury hotels in Cyprus. The interviews were completed at office hours and lasted approximately half an hour each. In line with legal, ethical and moral obligations, the two participants were anonymised. The two organizations (luxury hotels in Cyprus) in which they operate were also anonymised. When recruiting human respondents, ethical considerations are stipulated in all stages of the research (i.e. planning of research, collection, storing, analysis of data, and publication of findings). We have anonymized the examined individuals and affiliated companies and avoided sharing information that could compromise the privacy and confidentiality of the research.

In order to test the second hypothesis, we analysed the data from both sets of quantitative data collection processes. The second hypothesis that different stakeholders have different understandings and perception of consumer behaviour has been proved. The results of these structured telephone interviews with marketers were analysed and then compared with the results that we generated from surveys with consumers. The analysis has demonstrated that consumers and marketers have scored different results on tests on variables. The structured interviews have allowed us to conduct a quantitative-based survey that was then analysed in both quantitative and qualitative ways (Bryman 1998, 140). The findings have shown that customers' understanding of their consuming behaviour differs from managers' perception of how and why consumers consume. We

strongly believe that this is the most important contribution of this study. Moreover, primarily concerning the hospitality and tourism industries, this part of the dissertation allowed us to triangulate the data of the first part of the dissertation and test whether the information gathered by the consumers are valid and reliable.

4.2 Discussion on Consumers

The analysis of consumer behaviour has generated data concerning not only what consumers buy, but also why they consume, where they consume, what they consume, how they consume, and what might impact the overall consumption experience or affect their decisions, actions and feelings. The dissertation suggests that the quality of service has a strong positive impact on customer loyalty and customer satisfaction. Subsequently, it also demonstrates that, following quality of service, the second most important factor that affects consumer behaviour is social influence. Social influence as a non-measurable variable has been measured in terms of fashion trends, desire to consume, “word of mouth”, external influences, etc. The study also demonstrates that there is a clear link between customer satisfaction and “word of mouth”. The findings of this study can be applied in the real world. Following this analysis, it is suggested that marketers should pay more attention to the quality of luxury products and services in order to maximise profit, develop desired products and maintain competitive advantage in the marketplace.

Based on the finding of this study, the consumer evaluates a product (usefulness, performance, quality, effectiveness, etc.) based on intangible information that he receives from a variety of sources. These sources include the information that the organisation communicates about the product using advertising or package information. It also includes a recommendation from friends and family who have had experience with the product, known as “word of mouth”, as well as “influencers” feedback on the product. The findings suggest that the majority of consumers think of themselves as informed consumers and evaluate products before the buying experience. This has resulted in maximum customer expectations which might have positive or negative impact on consumer satisfaction. Applying these findings in the real world, it is essential that

marketers communicate accurate information regarding a product's specifications to monitor consumer behaviour. Moreover, in order to anticipate decision process and maximise customer satisfaction, it is also vital that marketers conduct market analysis to see how their products perform and how consumers respond to these products.

This section provides numerical results that facilitate the understanding of the main findings explained above.

Evaluating consumer's motives on buying a product, we have discovered that the buying experience is guided by a set of motivating forces. Our hypothesis suggested that the most important motivating force was the price of a product or service, but the findings have disproved this hypothesis. Blackwell study from 2001 had shown that quality is the second most important factor after the need for satisfaction whereas Chisnall study from 1995 shed light on the importance of the price in the luxury industries. After reviewing the literature, we anticipated that in the consumption of luxury products and services the most important factor would be price. However, the findings suggest that in luxury industries the motivating forces have different rankings. It has been discovered that the most important factor is quality, with a score of 40%. Social influences have scored a total score of 24%, brand name has a score of 18% and price scored 12%. Other factors that affect consumer's motives on consuming have scored 6% (See Figure 1).

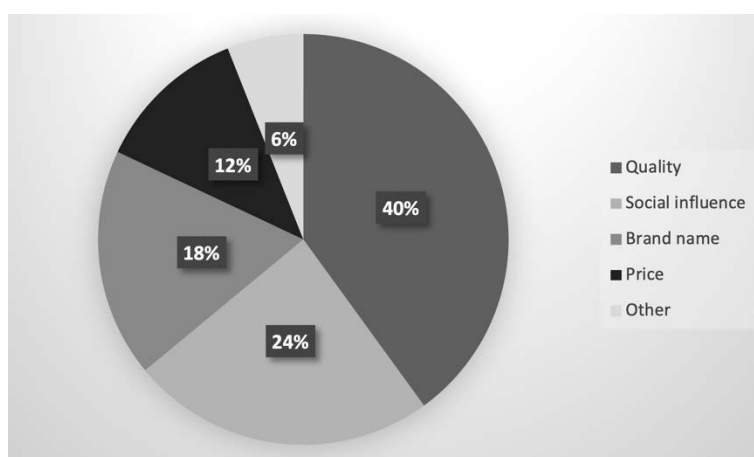


Figure 1. Motivating forces on the consumption of luxury products

When choosing what to buy, 70% of the consumers think of the product's brand (40% agree and 30% strongly agree). Brand is therefore a very important factor that affects the

consumer decision process (See Figure 2). Branding is associated with quality and pricing. It is also reflected through personal, social, financial, psychological and cultural factors. Therefore, it is important that marketers brand their products or services to construct strong brand identities and maximise sales and competitive advantage. High brand equity adds to the value of the company and positively influences client loyalty and customer satisfaction.

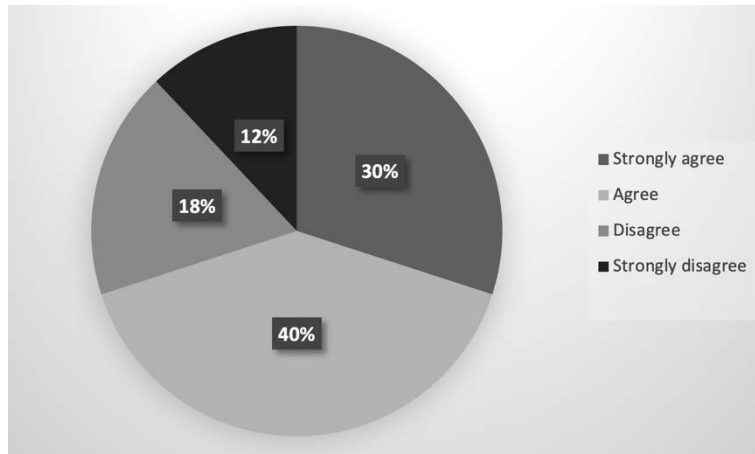


Figure 2. Importance of branding at the consumption of luxury products or services

Moreover, building from the Chisnall study, we have measured the effect of price on consumer behaviour. The majority of the respondents supported the argument that price is one of the motivating factors that affect the two main aspects of consumer behaviour that we investigate (See Figure 3). Both consumer decision process and customer satisfaction rates change depending on the price of a product or service. The research findings support that consumers of luxury goods consider price points when shaping buying behaviour. However, price is not as significant as other motivating factors, such as quality or brand.

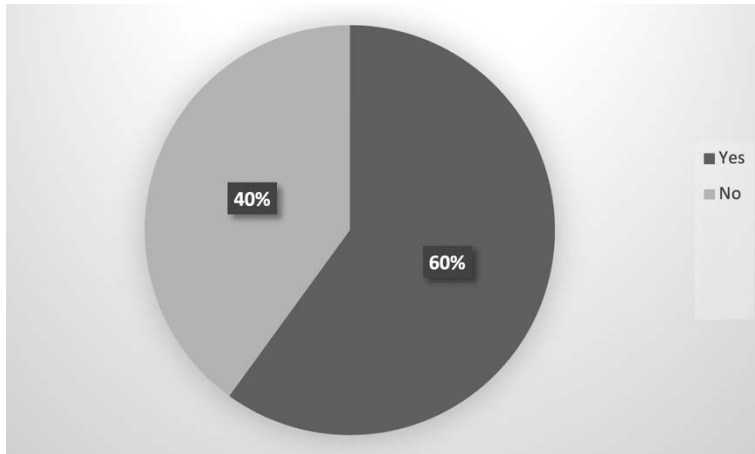


Figure 3. Importance of pricing at the consumption of luxury products or services

We have tested whether Blackwell findings can be generalised in the luxury industry. More than half of the participants admitted that they have consumed products or services for the sole purpose of need to consume. Moreover, 70% of the participants have admitted buying something that they did not use (40% sometimes and 30% very often) (See Figure 4). Also, 82% of the participants stated that they find the buying experience pleasant (See Figure 5). These findings came to no surprise. Hawkins paper from 1992 has described the rise of the consumer and the need for consumerism. The author claimed that the consumer is seen as the mature individual who seeks to enjoy life by making informed choices and buying products or services for their own reasons. We do not claim that the usefulness of a product is not important when making the decision to consume it. Rather, we have demonstrated that in the luxury sector there are other factors that are more important than usefulness in consumer behaviour.

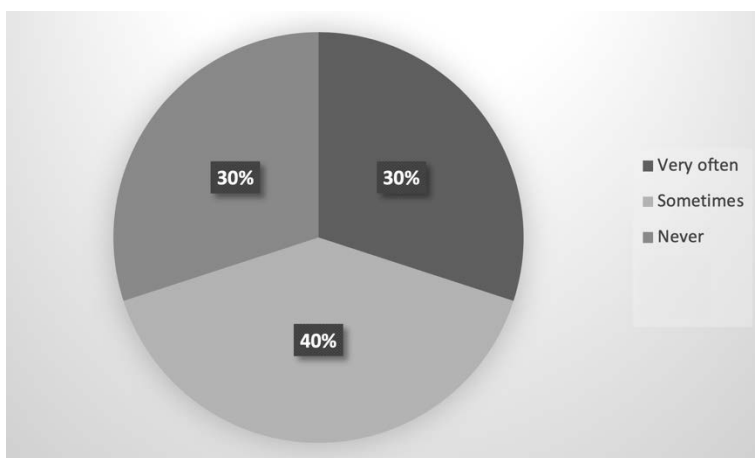


Figure 4. Consumption of products or services that have not been used

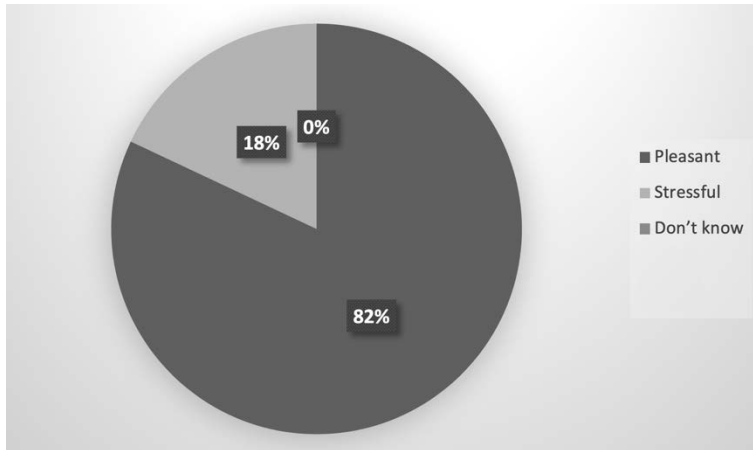


Figure 5. Consumers' feelings about the buying experience

The study also demonstrates that there is a clear link between consumer decision process and “word of mouth”. In the question “How often do others’ opinions influence you on what you decide to buy?”, 12% of the participants have answered “all the time”, 64% answered “often”, 24% answered “rarely”, and zero participants answered “never” (See Figure 6). In order to anticipate decision process and maximise customer satisfaction, it is essential that marketers analyse how consumers respond to their products, what they think and what they might share with their acquaintances. It is also important that managers monitor “influencers” feedback that might affect the consumer decision process. When asked if they have ever recommended any product to another person, 82% of the sample answered positively (See Figure 7). It is therefore obvious that the exchange of experiences and feelings on products is a common habit of consumer behaviour, which might have a strong impact on profitability and success of an organisation. “Word of mouth” can be simultaneously a very strong advertising strategy and one of the most challenging aspects of consumer behaviour.

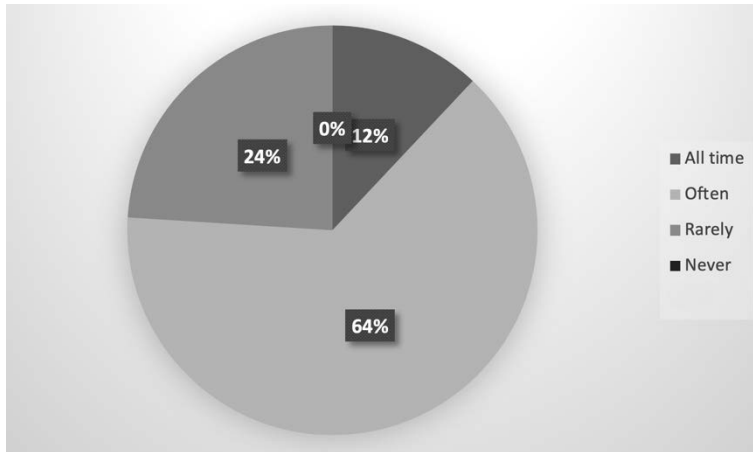


Figure 6. Importance of “word of mouth” at the consumption of luxury products or services

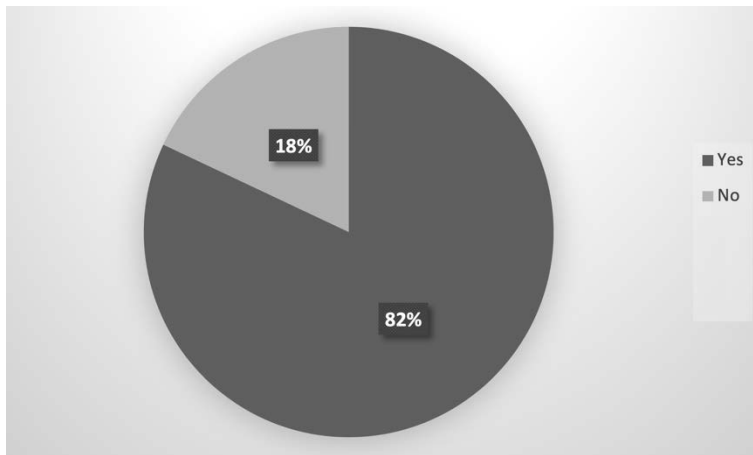


Figure 7. Exchange of opinions about luxury products or services amongst customers

To triangulate our findings on customer satisfaction, we also measured the effect of variables on customer dissatisfaction. We have discovered that the majority of luxury product customers have experienced dissatisfaction in the past, mainly due brands inability to meet their expectations (See Figure 8). According to Foxall, customer satisfaction and customer dissatisfaction “stem from the relative ability of brands to meet or exceed consumer expectations of how well a brand performs as a delivery system for the benefits consumers are seeking” (Foxall et.al. 1998, 23).

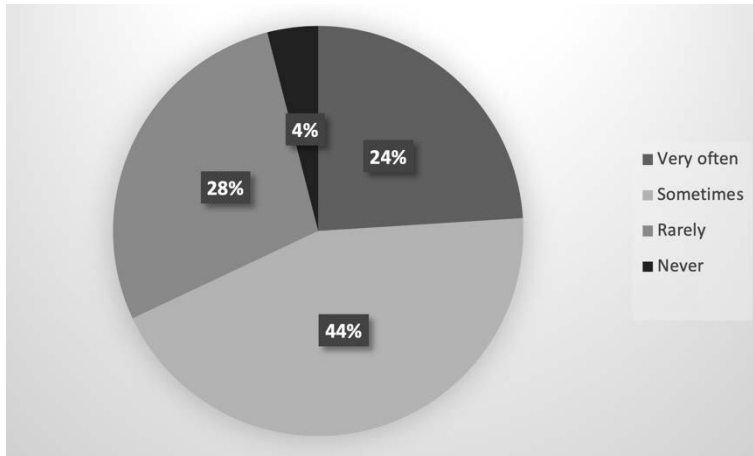


Figure 8. Customer dissatisfaction for luxury products or services

As we have already demonstrated, customer satisfaction can be positively or negatively impacted by customer expectations, which are reinforced by the information that buyers receive on specific products. Therefore, it is essential to ensure that the information provided is accurate and meets customer expectations. When asked how they get informed about products and brands, a set of different resources was designed. The majority of consumers (37%) think that the best and most accurate way to get informed about a brand is social media. 33% of consumers believe that television advertisements are a more accurate way to shape an informed opinion about products. Internet, radio and word of mouth scored 18%, 6% and 6% respectively (See Figure 9). These results could be very valuable for marketers in developing advertising strategies in the luxury sector, especially in five-star hotels or branded retail stores.

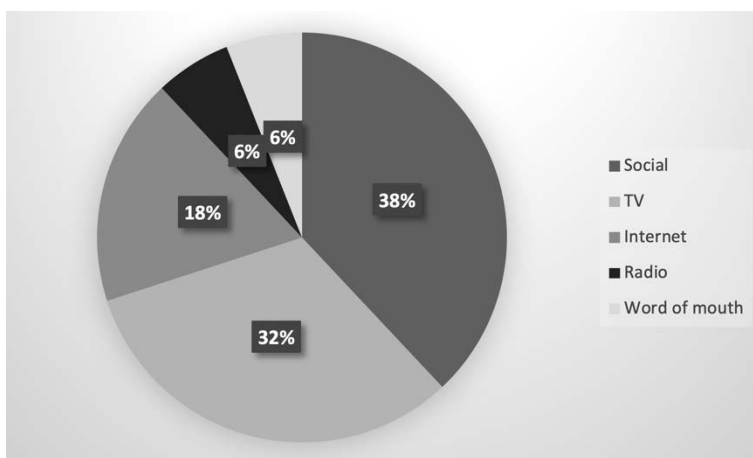


Figure 9. Trustworthy sources of information on luxury products or services

4.3 Discussion on Marketers

This section provides an in-depth analysis of the data that we generated when conducting structured telephone interview surveys with managers. The participants, whose occupation is hotel managers in five-star luxury hotels in Cyprus, have been anonymised. The organisations in which they operate have also been anonymised (See Figure 10) to ensure privacy and confidentiality of the research findings.

Position	Organisation (Pseudonym)	Participant (Pseudonym)	Gender
Hotel Manager	Hotel A	Maria	F
Hotel Manager	Hotel B	Eleni	F

Figure 10.

Primarily concerning the hospitality and tourism industries, this part of the dissertation allowed us to triangulate the data of the first part of the dissertation and test whether the information gathered by the consumers are valid and reliable. The analysis has shown that marketers possess a different understanding of consumer behaviour, consumer decision process and customer satisfaction. The participants' responses are analysed below and compared to the findings of the previous section.

Maria, Hotel Manager of Hotel A, and Eleni, Hotel Manager of Hotel B, were recruited for this research to provide a first-hand perspective of consumer behaviour as understood by managers and marketers in the luxury hotel industry. Both organisations are five-star hotels with strong brand names and competitive advantage in the market. They have been categorised as market leaders, which was an important criterion for the purpose of this research. The two participants have similar marketing profiles which was essential in order to ensure representative sampling and valid and reliable findings. As expected, the two participants have similar opinions for the majority of the issues under investigation. However, at a few specific questions Maria and Eleni gave different responses. We have delineated the following factors, which we believe have possibly affected the two separate cases of Maria and Eleni:

- (1) The geographical position of each hotel: The two hotels are located in different cities/districts.
- (2) Each hotel's operation period: The two hotels have developed their separate seasonal periods that are categorised in high-season period, low-season period and non-operation period depending on their location, weather and type of services they offer (i.e. winter spa or beach hotel)
- (3) Each hotel's target audience: The two hotels, although similar in branding strategies and services offered, attract different audiences such as local guests or tourists.
- (4) The managers' prior experience in the luxury hotel sector and knowledge of the inner workings of the competitive marketing environment.

Maria and Eleni argued that the consumer behaviour model could equip marketers with an understanding of consumers' actions, feelings and decision process. They also agree that a well-rounded marketing analysis of consumer behaviour could clearly showcase which factors stimulate the buyer to consume a product or service, to become a repeat loyal client and develop a habitual consuming identity. The rigorous analysis of consumer behaviour is of particular importance in competitive environments such as the luxury hotel industry. It could shed light on the procedures that follow after the consumer is introduced with a product, such as the inevitable assessment, comparison and evaluation that undergo. Moreover, the experience of buying and using the product could have tremendous impacts on the consumer's feedback, response and satisfaction (or dissatisfaction), which, in turn, affects the identity construction of the consumer, the performance of the product or the brand, and the overall success of the organisation in the market. Therefore, the two managers agree that studying and understanding consumer behaviour is essential for a company.

When defining consumer behaviour, Maria also mentioned the importance of the marketing mix and the 4 Ps. A foundation model for many businesses worldwide, the marketing mix has been deliberately applied by Maria to maximise the success and profitability of her organisation. Maria identified the importance of product, price, place, and promotion as the four main marketing tools that allow companies to pursue their objectives. However, she claimed that in order for these marketing tools to effectively

benefit an organisation, they have to be orientated towards the consumer. For example, when thinking of the “product” (or service) that you put in the market, you have to consider how the consumer may respond to it according to the consumer’s needs. Similarly, when pricing a product, positioning it to the market and promoting it, it has to be orientated towards the target audience’s expectations, feelings, needs and cultural socioeconomic profiles.

In regard to promoting strategies, Eleni referred to the importance of advertising campaigns in the success of a product. She referred to advertising (or promotion) as the means of approaching the consumer and the first interaction that the consumer will have with a new product or service. Thus, it is important that when promoting a product, one has to take into account the aspects that define consumer behaviour mentioned earlier (i.e. customer expectations, needs, cultural, social, economic profile, and lifestyle).

According to Eleni, consumer behaviour is about how consumers buy products and services to satisfy their needs. Although more generic than Maria’s opinion, Eleni’s perception is more consumer-centric and takes an inclusive perspective that responds to the needs of different consumer groups, such as children and families, youth tourism, business or leisure tourism etc. Some of the services that Eleni has referred to when discussing inclusive marketing strategies that Hotel B applies are:

- (1) Family activities
- (2) Kids entertaining events and play areas
- (3) Historical tours
- (4) Swimming pool and spa facilities

Furthermore, Maria and Eleni agreed that the ways in which an organisation operates in the market, in accordance with their understanding of consumer behaviour, can define competitive advantage. In a highly competitive marketing environment, organisations should hire marketing managers and analysts that possess appropriate relevant insight on consumer behaviour in order to survive and thrive in the marketplace.

Maria and Eleni agreed on the importance of proper assessment of consumer behaviour in order to prevent customer dissatisfaction. It is impossible for an organisation to eliminate customer dissatisfaction completely. The personal and psychological factor could perhaps affect the consumption experience and satisfaction/ dissatisfaction levels. However, there are ways to minimize it by examining how satisfaction and dissatisfaction are built in the first place. The two participants have admitted that often dealing with individual customer complaints in the luxury services industry may lead to unpleasant situations, which is why it is important to deal with customer expectations, needs and feelings beforehand.

When asked which factors determine the success or failure of a luxury brand, both participants claimed that a set of factors are responsible. However, they agreed that the most important is the consumer, which therefore should be the focal point of the adopted marketing strategies. In a consumer-centred environment, the consumer should feel empowered to offer unbiased feedback for a brand, product or service, and his opinion should carry the same weight of the opinions of marketing experts, analysts and researchers. Consumers' feedback is invaluable. Their suggestions and recommendations for developing new services or transforming existing services are also of extreme importance. By listening to customers feedback and comments, marketers can meet their needs and expectations and maximise profitability, desirability and success of their company. In conclusion, Maria and Eleni agreed that consumer behaviour should be treated as the cornerstone of all marketing strategies. Even though they agreed that marketing can guide or even manipulate the consumer decision process and customer satisfaction, they pointed out the importance of focusing on the consumer when applying marketing mix. Without that perspective it is impossible to monitor any aspects of consumer behaviour. The two participants have identified a need for consumer voices to be heard because they are the ones who make the ultimate decisions and whose opinions matter the most.

Building from this realisation and from the ways in which the participants have perceived specific concepts and ideas, we can safely state that marketers alone cannot achieve maximum success in the marketplace. Marketers and consumers are the stakeholders of all marketing environments. This study has shown that a multi-stakeholder approach is

essential. Consumer behaviour study can be both the tool to successful business, and the goal that a business wishes to achieve. Evaluating the result of the previous section with the results of this section, it has been proved that the key concepts that have been enacted in the field of marketing, have been understood and perceived differently by marketers and consumers. Having identified this gap, we have paved the way for future research to simplify the complexity of the issues discussed.

In conclusion, this section has analysed the data that was collected for this dissertation and identified the following gaps that grant further examination:

- (1) The gap between marketers and consumers in understanding what constitutes consumer behaviour and how the consumer is to marketing strategies;
- (2) The gap and disagreement that exists between marketers themselves on issues of consumer behaviour, consumer decision process and customer satisfaction;
- (3) The importance of continuous study and in-depth analysis of consumer behaviour to contribute to the current state of knowledge in the field.

Chapter 5

Conclusion

5.1 Summary of Research Findings

The issues around consumer behaviour function as a complex chain, in which consumer decision process, customer satisfaction, customer expectations, habitual buying, client loyalty, brand performance, profitability, success, and competitive advantage are interlinked and influence one another. In the highly competitive marketing environment, organisations should concentrate on consumers' needs and desires to meet their expectations and feelings. Customer satisfaction has become a strategic issue and one of the most important aspects of consumer behaviour that define a company's success. This master's dissertation has measured the motivating factors that impact consumer behaviour and demonstrated that, in the luxury industries, consumers are most concerned about the quality of a product or service. The relationship between price and quality is important for developing consumer expectations, which greatly affects customer satisfaction. There are several factors that establish the success (or failure) of an organisation, and customer satisfaction is amongst the most important factors that need to be taken into account. Moreover, the master's dissertation has uncovered an empirical gap that has prevented knowledge on consumer behaviour models and applications to progress. The gap that exists between marketers and consumers in the ways in which they understand the importance and aspects of consumer behaviour has been demonstrated. From a pragmatic point of view, it is essential for companies to orientate their marketing strategies towards the consumer in order to achieve their goals and objectives.

Therefore, this dissertation set out to ascertain the factors that influence consumer decision process (CDP) and customer satisfaction and presents its research findings as detailed below:

- (1) There is a clear link between customer satisfaction and an organisation's success and profitability.
- (2) There is a strong correlation between customer decision-making process and the quality of a product or service.
- (3) There is an empirical gap in the ways in which markets and consumers understand key marketing ideas.

This dissertation confidently asserts that consumer behaviour is a complex, dynamic, multidimensional field of study that has gathered the attention of business, marketing, management, finance, sociology, human sciences and psychology. With a clear scope to monitor consumer decision-making and maximise customer satisfaction, all marketing decisions should be based on the customer, his needs, expectations, feelings, lifestyle and cultural and socioeconomic profile.

5.2 Implications and Contributions

This master's dissertation provides a number of empirical, theoretical and practical implications and contributions as detailed below:

5.2.1 Implication

This subsection provides the possible implications that this research may infer. The implications of this dissertation have derived from the guiding forces that have motivated us to conduct this study as well as from the impacts that this study will have in the field. The implications are based on how this research has advanced the state-of-the-art in the field of marketing and consumer behaviour. By examining marketing through a customer lens, we have demonstrated the importance of a consumer-centric approach in marketing from a practical, theoretical, and political lens. Substantiated by the research parameters,

the findings and results of this dissertation should only be applied in luxury industries and should not be over-generalised. There is a need for a social perspective of how multi-stakeholders co-construct consumer behaviour in the marketplace, that takes into account production, consumption, branding, performance, etc.

5.2.2 Theoretical Contributions

The dissertation has contributed theoretically in the field of consumer behaviour. It has provided evidence of an empirical gap in the literature that might have resulted in a false understanding of key terms or ideas from a multi-stakeholder approach. Plenty of issues have been presented, which formulate burning research questions and testable research hypotheses to be picked up by researchers. From an academic point of view, this dissertation has contributed to a well-rounded understanding of consumer behaviour, customer satisfaction and consumer decision process in academic marketing research. The findings have shown that customers' understanding of their consuming behaviour differs from managers' perception of how and why consumers consume. We strongly believe that this is the most important contribution of this study.

5.2.3 Practical Contributions

The research findings can have a significant contribution to the industrial world. We encourage marketers to pay attention to the empirical gaps presented throughout this dissertation and develop new marketing strategies that orientate around the consumer. The dissertation contributes to a better understanding of the different ways in which certain concepts have been understood by key stakeholders and enacted in luxury industries. Marketing analysts, experts and managers would find the research findings useful in establishing a successful and profitable relationship with their customers. The more they understand consumer's opinions, perspective and feedback, the better the results their marketing strategies and tools will score.

5.3 Limitations and Future Research

A number of limitations of the study must be acknowledged. From a pragmatic perspective, the timeframe, resources, single researcher and limited funds have caused limitations to this study. Acknowledging these limitations early in advance, a focused approach was suggested. The time limitation resulted in limited participation in the questionnaire to a small number of fifty respondents. Marketing managers of luxury hotels are a group that it is difficult to access and therefore only two participants were recruited for the purpose of this research. Although all ethical considerations and moral obligations were met regarding privacy, anonymity and confidentiality of the collected data, it was not made possible to recruit more participants. The research was conducted on-site during the consumption experience. It might have been beneficial to conduct the research at different times, such as the procedures that undergo before the purchase of a product, as well as the after-sale impacts of the consumption experience. Last but not least, this dissertation occurred during the lockdown period, mandated due to the current coronavirus pandemic, resulting in limited access to participants.

In conclusion, while some longitudinal data was used, this research did not acquire comprehensive knowledge about every single aspect of consumer behaviour. It is suggested that future research sets out to understand different aspects of consumer behaviour and identify whether or not they are applicable to the sectors of luxury industries. The dissertation can become the base for further research to understated customer needs and expectations. The gap between markets and consumers that has been identified also grants further research. It is also claimed that, due to the current pandemic, a transitional period is expected to affect marketing environments. Therefore, it will be interesting to further study how the concepts discussed in this dissertation will evolve and differentiate in light of the current financial situation. Perhaps, quality might no longer be the primary motivating force for consumers and a new marketing mix might have to be established. Perhaps, a set of different marketing strategies will be adopted to attract customers and meet their new needs and expectations. Further in-depth analysis might clarify the newly formulated picture of the global economy.

Appendix A

Questionnaires to Consumers

1. Gender:

- Male
- Female
- Other (please state)
- Prefer not to say

2. Age group:

- 20-29 years old
- 30-39 years old
- 40-49 years old
- 50 years or older

3. Education level:

- No schooling completed
- High school
- Undergraduate degree
- Postgraduate degree
- Doctorate degree
- Other (please specify)
- Prefer not to say

4. Employment status:

- Employed
- Self-employed
- Unemployed
- Student
- Military
- Retired
- Other (please specify)
- Prefer not to say

5. Marital status:

- Single, never married
- Married or domestic partnership
- Widowed
- Divorced

6. Who accompanies you when you shop?

- I shop alone
- Family
- Friends

7. What motivates you to buy a product?

- Its usefulness
- Its price point
- Its quality
- Its advertising
- It is trendy/fashionable
- Its brand
- Other (please specify)

8. I think of a product's brand when I shop.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

9. How would you describe your role in the shopping experience? (tick all that apply)

- Initiator: the person who is first to purchase a specific product or service
- Influencer: the person who recommends a specific product to others
- Decision-maker: the person who makes the final decision on what to buy
- Buyer: the person who makes the actual purchase
- User: the person who uses the product or service

10. What aspect do you think affects your shopping habits? (tick all that apply)

- Cultural background
- Price / Sales / Offers
- Advertisement
- Influencers or recommendations
- Personal needs

11. Do you get informed about a product before deciding to purchase it?

- Always
- Often
- Rarely
- Never

- 12. Do you ever buy a product you did not need and did not use?**
- Very often
 - Sometimes
 - Never
- 13. How often do others' opinions influence you on what you decide to buy?**
- All the time
 - Often
 - Rarely
 - Never
- 14. Have you ever bought something for the sole purpose of need to consume?**
- Yes
 - No
 - Don't know
- 15. Do you believe that you are an informed buyer, in terms of knowing competitive products and alternative opportunities?**
- Yes
 - No
- 16. Have you ever bought a product because of its price?**
- Yes
 - No
- 17. Have you ever received misleading or wrong information about a product?**
- Yes
 - No
 - Don't know

- 18. How often have you felt disappointed with a product you decided to buy?**
- Very often
 - Sometimes
 - Rarely
 - Never
- 19. I have found and bought a product that I am completely satisfied with and I will definitely buy again in the future.**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- 20. Which do you think is the best resource to get informed about products and brands?**
- TV
 - Radio
 - Internet
 - Social Media
 - Word of mouth
 - Others (please specify)
- 21. Would you say that the shopping experience is stressful or pleasant?**
- Pleasant
 - Stressful
 - Don't know

22. I only buy branded products.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

23. Have you ever recommended any product to another person?

- Yes
- No

24. Would you describe yourself as a loyal customer?

- Yes, I stick to the same product or brand
- No, I try new products or brands
- Don't know

25. How important is the price of a product?

- Extremely important
- Very important
- Somewhat important
- Not very important
- Not important at all

26. Would you buy again the same product if its price was increased?

- Yes, price is indifferent if I am satisfied with the product
- Maybe, depending on the increase in the price
- Maybe, depending on the necessity of the product
- No, I will look for an alternative product

27. Which of the following factors do you think is the most important for products and brands?

- Quality
- Performance
- Price point
- Advertising
- Don't know
- Other (please specify)

Appendix B

Telephone Surveys to Marketers

1. **How do you define consumer behaviour?**
2. **In your opinion, what motivates a customer to consume a product or a service?**
 - A good promotional campaign
 - The high-quality level of services provided
 - Excellent after-sale customer services
 - Other (please specify)
3. **Which of the following is of primary importance to consumer behaviour?**
 - Consumers' cultural background
 - Consumers' social background
 - Consumers' personal background
 - Consumers' psychological background
4. **Do you believe that developing an understanding of consumer behaviour is important for the success and profitability of a company?**
 - Yes
 - No
5. **Do you believe that consumer behaviour can be influenced by marketing strategies?**
 - Yes
 - No

6. **As a managing director of a company, are you confident that you grasp a thorough understanding of consumer behaviour and decision process?**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
7. **When encountering to customer complaints, how easy it is to win customer satisfaction back?**
- Very easy
 - Somewhat easy
 - Not very easy
 - Not easy at all
8. **What is the main reason that could cause customer dissatisfaction?**
- The product did not meet customer expectations
 - Overpriced product
 - Poor quality of customer services
 - A bad reputation on a product/company
 - Other (please specify)
9. **How important is customer feedback on developing new products?**
- Extremely important
 - Very important
 - Somewhat important
 - Not very important
 - Not important at all

10. Consumer behaviour affects product positioning in the market

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

11. Which factor determines the success or failure of a luxury brand when consumer-centred marketing strategies are adopted?

- The brand itself
- The consumer
- The place where the brand is sold or manufactured
- The price point
- The brand's promotional strategies

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