Serbian consumers values and priorities based on Schwartz Value Survey

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Modern retailing changed a lot in the last decade because of consumer needs and habits. Modern consumers are usually aware product they are interested in and have different ways to get more and more information about it. Consumers are 24 hours online, they want to communicate, integrate and be part of company-business. Because of these modern companies cannot use old based studies for researching consumers' needs and targeting them. In this paper Schwartz Value Survey will be used for researching Serbian consumers' profiles, values and priorities. Modern, usually urban consumers filled in questionare about their priorities and factors which impact their decision about retail object of everyday shopping. Mentioned survey will be based on questionnaire data collected in July 2017 in the two biggest cities in Serbia (Belgrade and Novi Sad). Consumers will be asked about their socio-demographic characteristics, factors which are affecting their decision of chosing retail object of everyday shopping and in the end consumers will be answered on Schwartz Value Survey questionnaire. The mentioned survey is a continuation of already conducted one earlier this year.

Introductory

Consumers changed their everyday behaviour, their needs and desires are different in the past decades. Based on that and technological changes retailers became the leaders of the marketing channel. Modern retailers are communicating with consumers directly thru various ways and interactions are the most important thing for their success. Trade revolution as main part, engine had retail sector, direcly communicating with consumers, knowing their needs and habbits and impacting supply

creation. The main market change is retailers become leader on them and manage whole market supply (Lovreta, Koncar, & Petkovic, 2013). Consumers have the last word; supply is based on their needs. Process of consumers decision making changed a lot, the most important things nowadays are interaction, evaluation and in the end decision making. Because of those modern marketing studies are based on consumers, their values and lifestyle, with the main question how to satisfy consumers' needs and desires? The main problem which is going to be researched in this paper is how consumers with different profiles and lifestyle make decision about retail object of everyday shopping? The paper is based on survey of Serbian consumers in the modern, urban retail chains with main aim to answer to the following questions:
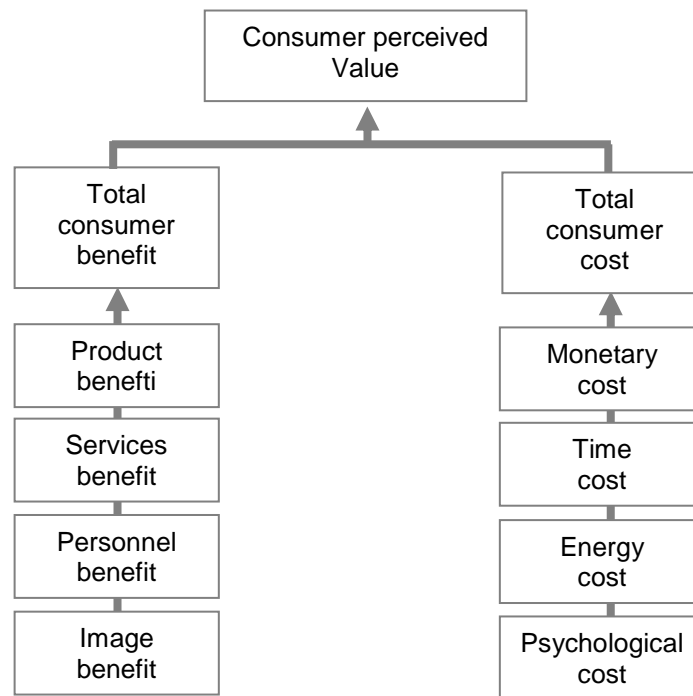
a) Which retail channel is the most popular in Serbian urban areas and why are consumers prioritising it?
b) How to profile consumers based on their values and priorities?
c) Which factors are important for each profile in decision making about shopping place?
d) And to answer which will be the future trends of the retailing in Serbia and which consumer profile will be in each retail segment?

Consumers are in direct interaction with retailers which know all their needs and habits. Modern retailers as a meditor in marketing, distribution channel have the task to directly deliver goods to end consumers (Koncar, 2015). That's the reason modern retailers are the most important subject of marketing channel. Comunication and goods delivery are their main resposability and thru analysis of that they have a lot data about every consumers and habits nowdays. Retailer should develop long term relationship with consumers, but there is not some universal and uniqe way to do that. Surveys based on consumer long term value, with all aspects included, implies forcasting of future events in relationship consumer – organisation, but also must include future costs and incomes (Lovreta, Berman, Petković, Veljković, Crnković, & Bogetić, 2010). This is the reason modern retailers invest a lot in new ways of communication, new analytical toos and other innovative ways of selling, consumers have the last word and retailer should know their needs.

Consumer values and priorities based on Schwartz Value theory

Digitalisation and IT progress in the past decades have made communication between consumers and organisations easier. Consumer needs and satisfaction are main goals of modern retailers, only those one which accomplishe this and have communication with consumers will be effectual in the future. Consumers changed their habits, behaviour and lifestyle value and priorites.

Picture 1. Determinants of Customer – Perceived Value

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                    ┌─────────────────────┐
                    │ Consumer perceived  │
                    │       Value         │
                    └─────────────────────┘
                               ▲
            ┌──────────────────┴──────────────────┐
    ┌───────────────┐                    ┌───────────────┐
    │     Total     │                    │     Total     │
    │   consumer    │                    │   consumer    │
    │    benefit     │                    │     cost      │
    └───────────────┘                    └───────────────┘
            ▲                                    ▲
    ┌───────────────┐                    ┌───────────────┐
    │   Product     │                    │   Monetary    │
    │    benefti     │                    │     cost      │
    └───────────────┘                    └───────────────┘
    ┌───────────────┐                    ┌───────────────┐
    │   Services    │                    │     Time      │
    │    benefit     │                    │     cost      │
    └───────────────┘                    └───────────────┘
    ┌───────────────┐                    ┌───────────────┐
    │   Personnel   │                    │    Energy     │
    │    benefit     │                    │     cost      │
    └───────────────┘                    └───────────────┘
    ┌───────────────┐                    ┌───────────────┐
    │     Image     │                    │ Psychological │
    │    benefit     │                    │     cost      │
    └───────────────┘                    └───────────────┘
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Source: Kotler & Keller, 2012

Consumers evaluate total benefits and cost when making a decision about shopping, this is presented with picture above. Except mentioned factors in process of decision making very important part is consumer individual personality and different individual chareacheristics. Several environmental factors influence shopping attitudes and behaviour, including (Berman & Evans, 2010):

- State of economy.
- Rate of inflation (how quickly prices are raising).
- Infrastructure where people shop, such as traffic congestion, the crime rate, and the ease of parking.
- Price wars among retailers.
- Emergence of new retail formats.
- Trend toward more people working at home.
- Government and community regulations regarding shopping hours, new construction, consumer protestion, and so forth.
- Evolving societal values and norms.

From psihologicial view, it is very important to make a difference between perception and sentience. Sentience begins in the moment persons` sensory organ receives the stimulant, and perception is trying to explain the impct of that factor tru organisations and lesions (Rodić & Budimčević, 2011). This paper is based on consumers values and perception in Serbia, and the next pages will be dedicated to those phenomens. Consumers perception is a result of different inernal and external factors which are impacting individuals in decision making. Consumers personality are additional and very important factor.

Personality can be defined as characteristic, a relatively durable way consumers can be different between each others (Schiffman G. & Kanuk, 2004). Consumers personality, sentience and other characteristics are the product of socio-economic, cultural, psihological and other factors which impacted them in the earlier life. As mentioned, individuals have different characteristics, but they can be grouped by similar characteristics. One of the most popular teories for clasterizing people based on simualr characteristics is Schwartz Value theory, based on universal priorities structure and values of goals, different importance in humans' life (Slijepčević & Matović, 2015). A lot of authors from worldwide did reasearhes based on this theory with the main aim to group consumers in accordance with their personality. The value theory differentiates ten main values according to the motivation that is the basis of each of them (Schwartz, 2012). Each of these values corresponds to the particular characteristics and attitudes of the individuals represented in the table below.

Table 1. Conceptual Definitions of 10 Basic Values According to Their Motivational Goals and Components of the Definitions That Suggest Subtypes of Values

Value	Conceptual definition	Definition components
Self direction	Independent thought and action - choosing, creating, exploring	Autonomy of thought Autonomy of action
Stimulation	Excitement, novelty, and challenge in life	Excitement; Novelty; Challenge
Hedonism	Pleasure and sensuous gratification for oneself	Single component: Pleasure
Achievement	Personal success through demonstrating competence according to social standards	Personal success Demonstrating competence
Power	Social status and prestige control or dominance over people and resources	Dominance over people Control of material resources Face: Status and prestige
Security	Safety, harmony, and stability of society, of relationships, and of self	Societal security Personal security
Conformity	Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms	Interpersonal: Avoiding upsetting others Compliance with social norms
Tradition	Respect, commitment, and acceptance of the customs and ideas that traditional culture or religion provides	Single component: Maintaining cultural and religious traditions
Benevolence	Preservation and enhancement of the welfare of people with whom one is in frequent personal contact	Single component: Caring for ingroup members
Univerzalisam	Understanding, appreciation, tolerance and protection for the welfare of all people and for nature	Tolerance Societal concern Protecting nature

Source: Schwartz et al., 2012

Presented motivation values are further grouped into smaller groups, in order to profil the people according to the respective clusters and groups. The best way to explain and present Shwartz values are the picture below.

Picture 1. An overview of the Schwartz Theory of Basic Values
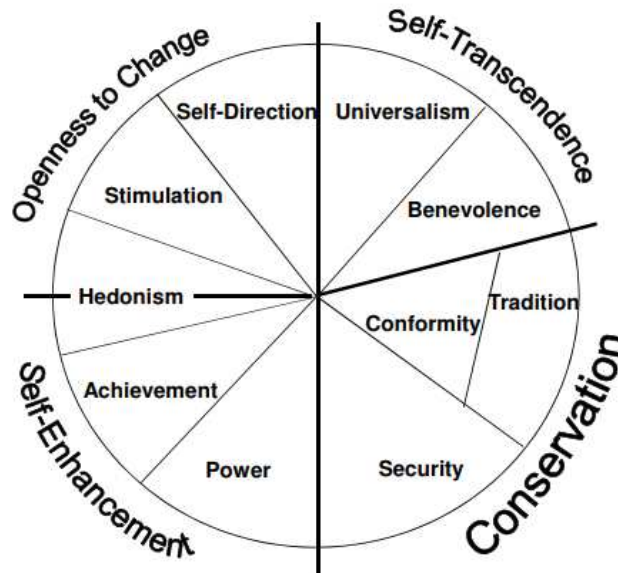
Source: Schwartz, 1992

Schwartz values can be split in four basic groups: conservation, self-transcendence, self-enhancement and opennes to change. Each group conatin presented values which are charachteristic for different personality. This picture does not contatin explanation between two basic values, individual (conservation and self-transcendence) and social values (self-enhancement and opennes to change) (Veljković, Hristov & Čolić, 2015).

Authors used this theory for different studies and in literature there is a lot of explanations and presentations of value theory. One group of authors identified five formal features that recur in conceptual definitions of values (Verkasalo, Lonnqvist, Lipsanen, & Helkama, 2009):

(a) are concepts or beliefs,
(b) guide selection or evaluation of behavior, policies, people, and events,
(c) transcend specific actions and situations,
(d) are less numerous and more central to personality than are attitudes, and
(e) are ordered by importance relative to one another.

In addition to the aforementioned, there are other numerous divisions of life values and motivators that continue on Schwarz's theory. The Schwartz Value Theory (SVS) and its interpretation and application in this paper is based on research of consumers of retailers in Serbia, which will be the topic of the next chapter.

Serbian consumers segmentation based on Schwartz Value Survey

Theortiacal overview of retailing, its impact and position in modern marketing channel, basics of Schwartz value theory and its main groups of consumer have just been indroduction to the main part of the paper, survey based on Serbian consumers values and priorites within modern, urban areas. Companies tend to determine the value of the consumer or certain segments and, using other techniques of analysis, determine the direction to which the company will be directed (Lovreta, Berman, Petković, Veljković, Crnković, & Bogetić, 2010). The basic problem is how to determine the value of a buyer for the company itself, in our case for the retailer? When this value is determined, there is a space for the question of who are these customers and how to target them, how to approach them and keep them? Numerous research has confirmed that the cultural environment can significantly influence the construction of the structure and strategy of international marketing channels (Lovreta, Končar & Petković, 2011). Because of the potential differences in the sample, the research in this paper was set up only in urban areas and the territories of the two largest cities in our country, Belgrade and Novi Sad. A total of 206 respondents were surveyed with different socio-demographic and economic characteristics. The mentioned survey is a continuation of already conducted where the same group of respondents evaluated channel retailer who prefers the factors that influence the decision. This paper aims to investigate and classify consumers according to their characteristics. In accordance with Schwarz's test, the questions were asked orally in the form of a survey to which the respondents gave their answers.

Table 2. Sample structure July 2017

Respondents characteristics		Data
Gender	Male	33%
	Female	67%
Age	>24	51%
	25 – 34	27%
	35 – 50	12%
	51 – 65	6%
	Over 66	4%
The average monthly spending for products for daily consumption	> 10.000 RSD	16%
	11.000 – 20.000 RSD	28%
	21.000 – 30.000 RSD	26%
	31.000 – 40.000 RSD	12%
	< 41.000 RSD	18%

Source: Author

After the response of their basic characteristics, respondents are asked why they prefer a certain type of retail format with the offered factors in mind: proximity, time saving; favorable price; frequent promotions and discounts; large assortment of products; habits, friendliness of staff and others. The next part of the questionnaire referred to the shortened Schwarz testing of values (SSVS) in the form of 10 characteristics that the respondents evaluated according to the Likert scale. The question was asked: "When you think about your life priorities and values of the extent to which we have important each of the answers?". Answers were Schwartz values where each of them was ranked as following: I do not even care, I matter, I important to me and it is very important to me.

Using a shortened version of Schwartz test provides all the answers needed to set 10 values (Lindeman & Verkasalo, 2005). Authors think that it is sufficient to set ten values and give the interviewer an opportunity to evaluate their significance, however, they do not agree about the scale used in assessing each of the values. The shortened scale had good reliability and validity, the structure and layout in the circle are identical to the classic (longer) version of the Schwarz scale of values. (Veljković, Hristov, & Čolić, 2015). After defining the questions, the way in which the formulations will be formulated and the responses of the respondents, the formation of Schwarz groups according to the mentioned values of respondents should be the biggest issue.

Picture 2. Respondents grouped according to Schwarz clusters
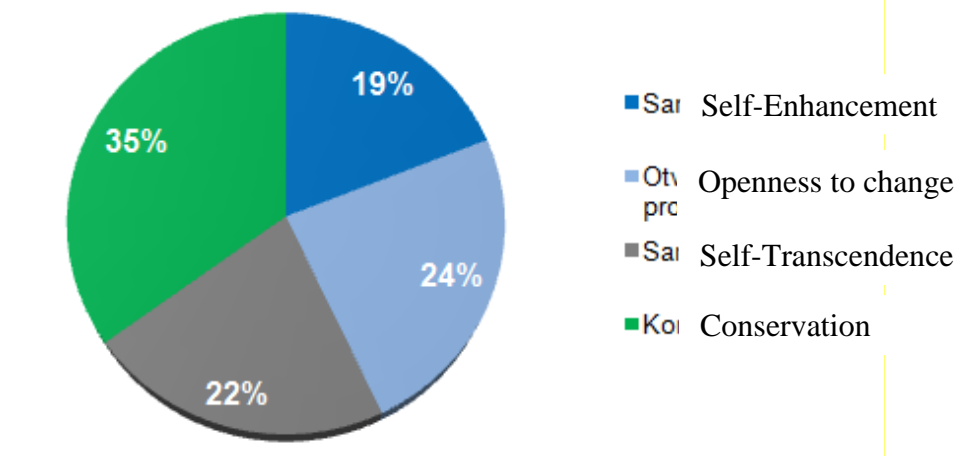
Source: Author

There is a fairly balanced distribution between groups of respondents seeking self-promotion (social adventurers), self-rejection (hedonist) and openness to change, a slightly higher number of those we can put in a group of conzervative (traditionalists) respondents. This distribution is somewhat in line with the moral values and attitudes of people in our country, but it is interesting that this is the result of the research in the two largest Serbian cities. If we add rural areas, the percentage of conservative animals would be considerably higher. After splitting the respondents into groups, to see how retailers will communicate with each

group to gain their attention, and trust after a long-term. ANOVA was applied in order to observe the statistical differences and significance of each of the factors that respondents of different socio-demographic, economic characteristics have. Within the groups where there are respondents who strive for self-promotion and adventurers there is no statistically significant factor that influences decision-making on the choice of retail object of everyday consumption. However, hedonists and traditionalists have statistically significant factors that trigger them to buy in a particular retail format. Interestingly, younger respondents, as well as those with slightly lower incomes (mostly students), fall into these groups that do not have statistically significant factors, while middle-aged respondents with higher incomes are made up of groups of hedonists and traditionalists who have statistically significant factors of the respondents selecting a retail format for everyday purchases.

Table 3. Hedonists by factors that influence decision about the selection of a retailer – ANOVA

HEDONIST		Diff AS (I-J)	St. Error	P	95%	
					Bottom limt	Upper limit
Affordable prices	Proximity, time saving	-.18501	.38658	.633	-.9522	.5822
	Large assortment of products	-1.05280*	.51497	.044	-2.0747	-.0309
	Habit, loyal consumer for a long time	-.77899	.54099	.153	-1.8526	.2946
Frequent discounts and promotions	Proximity, time saving	1.22492*	.61547	.049	.0035	2.4463
	Large assortment of products	.35714	.70324	.613	-1.0384	1.7527
	Habit, loyal consumer for a long time	.63095	.72251	.385	-.8028	2.0648

Source: Author

People who are hedonists choose more frequent shops which have frequent actions and discounts, as well as a wide range of products, in relation to those one with favorable prices. These people choose more often and those retail outlets that have frequent shares and discounts, in relation to those shops that are in close proximity. In this group there are employed respondents with higher incomes, middle age and mostly male sex.

Table 4. Tradicionalist by factors that influence decision about the selection of a retailer – ANOVA

TRADICIONALIST		Diff AS (I-J)	St. Error	P	95%	
					Bottom limt	Upper limit
Proximity, time saving	Affordable prices	-.21554	.49782	.666	-1.203	.7724
	Frequent discounts and promotions	-1.7994*	.79256	.025	-3.3722	-.2266
	Large assortment of products	-.29939	.59564	.616	-1.4814	.8826
	Habit, loyal consumer for a long time	-.58511	.63273	.357	-1.8407	.6705

Source: Author

Conservative traditionalists were employed middle-aged women with higher incomes. Conservative people often choose those retail outlets from close proximity to those that have frequent shares and discounts. The limitations of this research, the urban area, a large number of young people, students and few respondents over 50 years, that is the reason why in both groups with a significant factor we got as a result are middle-aged respondents. Nevertheless, the Schwarz in this area did not give satisfactory results, first of all, because of two groups of values we could select statistically significant factors for deciding on the choice of a retail facility. On the one hand, a limited sample of this test, both on the side of the number of respondents, and on the other hand, their structure and even distribution of all categories.

Conclusion

Customer relationship marketing has become extremely important function of any modern system that wants to grow and prosper in the future. Over the years, many analyzes and techniques for measuring customer value and satisfaction have been applied and studied. Within this work, we selected only one of the techniques for profiling and dividing the consumers value, Schwarz's theory of values.

Schwarz defines the ten motivational values of each individual and later classify them in one of the four groups of related characteristics. This theory gives an answer to questions about what the respondent is running and how he should approach if the company want to attract or retain him, what is important to him in selecting a retail facility, which factor is crucial. The research was conducted in the form of a shorten Schwartz questionnaire with additional questions (socio-demographic, economic

characteristics and factors of crucial importance for each respondent). The obtained results were processed by statistical methods and we got four different clusters according to Schwartz, but only two were statistically significant. Based on these results conclusion is that hedonists choose retail objects which have frequent actions and discounts, as well as a wide range of products, and this type of consumer should be sent frequent notifications about them. Traditionalists are specific in the fact that the immediate proximity of the facility is their most important factor, other factors do not play a big role; they will probably buy in small neighborhoods of large chains. Groups that strive for adventures and power, self-assertion are not statistically significant. The limitations of Schwartz were presented on the example of this paper, the sample should be expanded geographically, as well as by the age and other characteristics of the respondents. In the future, retailers, like other companies, have to work on developing their CRM solutions and their development and continuous improvement. Only those who develop long-term relationships with consumers on a sound basis will survive on the market and be able to further expand and develop.

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