

WoodEMA, i.a. - International Association for Economics and Management in Wood Processing and Furniture Manufacturing



University of Ljubljana
Biotechnical faculty
Department of wood science and technology

Development trends in economic and management in wood processing and furniture manufacturing

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Proceedings

International Scientific Conference Hotel & Casino Resort Admiral, Kozina, Slovenia June 8th -- 10th 2011 Publisher: International Association for Economics and Management in Wood Processing and Furniture Manufacturing - WoodEMA, i.a.

and

University of Ljubljana, Biotechnical faculty, Department of wood science and technology

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Print: Salve d.o.o., Ljubljana

Edition: 50 copies

CIP - Kataložni zapis o publikaciji Narodna in univerzitetna knjižnica, Ljubljana

674:005(082) 674:33(082)

DEVELOPMENT trends in economics and management in wood processing and furniture manufacturing: proceedings:
International Scientific Conference, Kozina, Slovenia, June 8th - 10th 2011 / [editor-in-chief Matej Jošt]. - Zagreb: International Associations for Economics and Managament in Wood Processing and Furniture Manufacturing - WoodEMA; Ljubljana: Biotechnical Faculty, Department of Wood Science and Technology, 2011

ISBN 978-961-6144-31-5 (Biotechnical Faculty, Department of Wood Science and Technology)

1. Jošt, Matej, lesar

256254208

PREFACE

The international scientific conference »Development trends in economic and management in wood processing and furniture manufacturing« was held in Kozina, Slovenia, 8-10 June 2011, and was organised under the auspices of the WoodEMA international association.

This conference brought together over 30 researchers from 10 countries and provided a relaxed forum to present and discuss new ideas, new research directions, and to review current trends in this area. It was based on short presentations that should encourage discussion by the attendees. These proceedings contain 34 contributions of more than 60 authors, which present a wide variety of research and application topics.

Wood industry has gone through radical structural changes and this has forced companies to learn to respond quickly and adapt to new conditions of severe competition. According to the interdisciplinary character of the field of wood processing and furniture manufacturing the presented papers covered numerous subjects. From this standpoint, the present publication is a diversified compilation of theoretical approaches and practical solutions to the problems of wood industry.

Organizing a conference is a lot of work, but it is also a lot of fun. I truly enjoyed and I would like to thank all the participants for their contribution and everyone who has helped make this conference a reality and a success.

For Organization Board:
Dr. Leon Oblak, Associate Professor
University of Ljubljana
Biotechnical Faculty
Department of Wood Science and Technology

Kozina, June 2011

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VALUATION OF MARKETING MIX TOOLS' INFLUENCE WHEN CHOOSING FURNITURE

Alena KUSÁ, Anna ZAUŠKOVÁ, Veronika PIZANO

ABSTRACT

New market surrounding, that is the result of the transforming society, the knowledge and information allowing understanding the purchasing decision-making and mental processes of this decision-making, are inevitable for producers and salesmen of the furniture commodities and their future development. Only the knowledge of their customers and their expectations will help the producers and sellers to react elastically on their needs and wants in constantly changing surroundings that brings plenty of opportunities. Only those entrepreneurs achieve prosperity who try to get the most complex information about the market, customers and through the own supply they help them to obtain the needful product, in right time, on right place ad for the right price. The success of the marketing program depends on the understanding and knowledge the consumer, his attitudes and values and finding the new ways of consumers' orientation.

Keywords: valuation, marketing mix, purchasing behaviour, customer, furniture

1. INTRODUCTION

In marketing one of the most discussed question is: "How consumers react on different marketing stimuli which can be used by a firm?" Consumer decision making is conducted with the assistance of various factors that influence final decision. The company that can understand how consumers will react to different variations of product, price and advertising appeals can obtain a great competitive advantage.

Only through knowledge of their customers and their expectations producers and traders are able to react flexibly to their needs, wishes in an environment of constantly changing market, which offers many opportunities. Prosperity of the market will be reached by those businesses that try to obtain the most complex information about the market, customers and by their supply they try to help customers to obtain the required product, at the right time, in the right place and right price.

According to mentioned ideas the main purpose of the article is to identify the most important tools of marketing mix, which significantly influence the purchasing behaviour of consumers in the market with furniture. In the new market environment, which is a consequence of transforming society, the information and outputs become determinants for understanding the decision-making and mental processes that accompany this decision, as well as for manufacturers of furniture, sellers of commodities and their further development.

2. RESEARCH OF PURCHASING BEHAVIOUR

The term "purchasing behaviour" can be defined as behaviour, that consumers present when seeking, purchasing, using, evaluating, disposing with products, services and ideas that are expected to satisfy their needs.

Consumer behaviour is necessary to examine in the individual stages of purchasing decision-making, as well as in relation to components of marketing mix. We can gain information about customers by several ways (from internal company sources, from market research, etc).

The results, which are presented in the paper, are the output from marketing research, realized in the period October 2007 - March 2009 through questioning. The questionnaire consisted of 9 questions, respondents were asked to answer in writing.

Mostly closed questions were used in the questionnaire. The sample consisted of 750 respondents. For the evaluation we received replies from 696 respondents, representing a 93% return of questionnaires. Elements of the population for research of purchasing behaviour were all inhabitants of the Slovak Republic in the age from 18 years above. Dependent variables in research were gender, age, completed education, economic activity, geographical location and whether they live in a flat or a family house.

Because of determined space we present only chosen results obtained by evaluating the data through cluster analysis, which represents a set of mathematical and statistical techniques used to identify groups of observations, so-called clusters. Cluster analysis deals with how the objects should be included in a group to keep the greatest similarity within the groups and the greatest disparity among groups. It is also used in the market segmentation while classification of consumers is based on a combination of several variables. Variables or segmentation criteria can be: sex, age, education, lifestyle, religion, experience with the product, the size of consumption, frequency of consumption and so on.

3. RESULTS OF MARKETING RESEARCH

Within the first question the respondents evaluate which factors (material, quality, design, price, availability of a shop and staff in the shop) are decisive when choosing the furniture. The data evaluated by methods of one-sized statistics show that the quality, design and price respondents rate as the most important factors, material as a very significant factor and the availability of store/shop and its staff as moderately important factor.

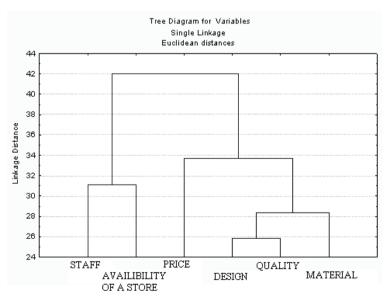


Figure 1. Evaluation of factors influencing the selection of furniture

The figure 1 shows that a separate and as well a very important attribute of the furniture is price. Furniture design, quality and material of which it is made, are a group of properties that affect the customer in accordance with the price. Availability of furniture stores and sales personnel are "outside" decisive factors influencing the customer's concrete decision, although they have their importance.

Therefore the customer decides in the first place by the character of the furniture, but in case he is determined to buy a product, he is willing to travel in order to purchase it or to overlook the inappropriate behaviour of staff shops, if such a situation occurred.

According to the figure 2 we can allege that it is important for an educated person to choose the place where he can buy the furniture as well as to get inspiration before buying it. Respondent's economic activity is reflected in choice of specific distribution channel (e.g. pensioners are more likely to buy furniture in hypermarket where they can provide the other purchases as well, businessmen ,except of traditionally furniture specialized shops or markets, like to use more time saving way of buying furniture as catalogue or internet ordering).

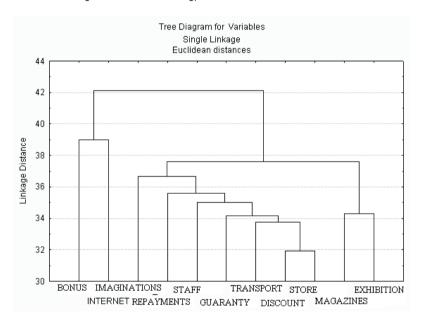


Figure 2. Cluster analysis of demographic variables in relation to the distribution and form of communication policy

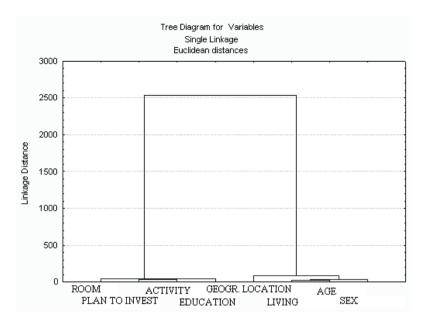


Figure 3. Cluster analysis of demographic data – intention to invest to new furniture

The influence of other independent variables (geographical location, sex, age of respondent and living standard) which create "cluster of demographic characteristics" has not markedly expressed during selection of the source of inspiration and specific distribution channel but we surely cannot consider it insignificant.

We have got two basic clusters from the comparison of chosen independent variables (age, sex, geographical location, education, living standard and economic activity of respondent) with the plan of investment to specific room furnishing during the next two years. First cluster can be considered as the cluster of respondent's demographic data (geographical location, living standard, sex and age of respondent). Second cluster is the cluster of respondent characteristics that array data including education, his/her economic activity, his/her plan to buy new furniture in the near future and to furnishing of what room is he/her able to invest the most.

According to the mentioned above we can say that the furniture producer should pay attention to who is his /her customer, his/her education, economic activity and based on these information optimize the market supply.

Based on these results as well as the investigation gained by the methods of one-size and multisize statistics we can deduce following statements:

- Quality, design and price of product are the rated as the most important by the consumer so
 that it is necessary to pay more attention to the production and distribution of the furniture in
 the market.
- It is more convenient to publish the furniture offer in the catalogues and furniture exhibitions
 that was, according to the respondent's opinions, the most appreciated way of advertising
 eventually the powerful source of inspiration.
- Producers as well as the furniture sales person should try to get the attention of the customer
 by providing the "extra" services as for example furniture home delivery and its assembly,
 longer than 2 years (law guaranteed period) guaranty period, discounts, willingness and staff
 proficiency as well as the ability to pay for the furniture with instalments or take a loan.

- It is necessary to realize that possible customer usually has specific idea and requirements for
 the furniture before he visits the furniture shop. At the moment of his entrance, staff and the
 atmosphere in the shop play an important role. The facts mentioned below results to the
 recommendation especially for the furniture seller to make sure that his /her staff deliver the
 goods in proper way, it is proficient, knows the furniture that sells to the customer and satisfies
 the requirements which are in well-developed countries the matter of course but not in Slovak
 conditions.
- Customer's economic activity reflects on the choice of specific distribution channel so that the
 producers should consider whose their customers are and according to that place the offer.
 Except of usual selling way should the producers consider the possibility of catalogue or
 internet furniture ordering for busy customers forasmuch as it saves the precious time. The
 other customer group appreciates the possibility of buying the furniture at the places of wider
 range of goods where they can at the same time make another purchase of different goods.

4. CONCLUSION

Orientation of marketing on the consumer plays a key role. The success of the marketing program depends on the knowledge and understanding of consumer, his attitudes and values and knowledge of new consumer orientation. The path to the consumer is increasingly difficult. The market segmentation deepens, consumer preferences are changing and they become a broadly diversified when satisfying them. The value orientation of consumers is changing, too. Their application on the market requires better information about consumers, their wishes, changing lifestyles. Creating a marketing program and a combination of marketing mix for each target group presents one of the most serious decisions, in which the marketing staff must rely on knowledge of research and consumer behavior.

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