

Victoria Zhurylo, PhD in Economics

Taras Shevchenko National University of Kyiv, Ukraine

MODERN TRENDS OF CONSUMPTION CULTURE IN UKRAINE HIGH-TECH MARKET

The article looks at features of forming the consumption culture in Ukraine, identify the key determinants that influence on the behavior of the individual as a consumer in modern society with market economy and affect the forming its consumption culture. This article contains the definition of “technological culture of consumption”, determines the factors which provide basis for creating demand on the investigated market of high technology products. According to the results of marketing research, conducted to identify the features of the market behavior of Ukrainian consumers of high products, the key factors of actualizing and the impact on consumer behavior, and also the directions of consumer preferences transformation were determined.

Key words: consumption culture, market of high technology products, technological culture of consumption, market behavior, consumers' motivation.

Introduction. There are some social and cultural changes in modern Ukrainian society that affect different spheres of human activity, including consumption. Majority of cultural trends that lead to transformation in consumer behavior in the overwhelming number of commodity markets is a result of intensification of integration processes in the global economy and the economy of Ukraine in particular. In opinion of sociologists, nowadays Ukrainian society is inherent in consumer ideology, which is characterized by "the proliferation of hedonistic principles of life, the promotion of rapid and immediate enrichment at whatever the cost, consumption prestigious expensive things and live a good life in general"¹.

Forming of the consumption culture is a complex process, the development of which is difficult to predict in any society. In developed countries it is becoming the dominant social process and acquires brightly expressed social characteristics, due to the transition of societies to the postmodern era. In Ukrainian society changing of place and function of consumption began under the influence of market reforms and development of market relations. It began to form different patterns of consumption, a key feature of which was a dependence on the financial situation of consumers at the initial period.

In researches of the phenomenon of consumption, its nature and evolution a significant contribution has been made by a wide range of scientists in sociological, psychological, economic areas. Scientific works of representatives of classical sociology, such as T. Veblen, M. Weber, G. Simmel, K. Marx, formed the theoretical basis for further analysis and development of the nature of consumption in the process of social transformation, and also gave consumption the role of phenomenon that mediates various kinds of social interaction. Consequently, in the classical sociology there is an understanding that consumption is a social process that occurs in specific social conditions and managed by social mechanisms.

The nature of consumption in post modern societies studied in works of a significant number of scientists of the second half of the XX century. Among the most important should be noticed the works of such scientists as J. Baudrillard, V.Taker and Dg.Peynter, P. Bourdieu, F.Evans, M.Heyr, E.Dihter, P.Martino, R.Koulman, S.Levi, V.Uells and H.Hyubar, S.Barton, D. Andgel, D. Kollat, R. Blackwell. For many of them typical approach is to use consumption as a cultural and communicative practices and processes (J. Baudrillard), the definition of the symbolic value of consumption (K. Campbell), looking at

¹ Коос, С. (2009). Пояснюючи етично споживчу поведінку в Європі (емпіричні дані по 19 країнам). *Економічна соціологія*, 2, 76–97.

the consumption from the position of maintaining of personal and group identity of consumers, and also from the position of definition, development and maintenance of social differentiation (P. Bourdieu, J. Baudrillard, Z. Bauman).

According to modern views, the essence of consumption is seen as the socio-cultural process that includes cultural signs and symbols and is not simple utilitarian process. Consumption is caused not only and not often as basic needs, but usually as symbolic content which culture of society puts in things. Most authors who have studied the consumption in postmodern societies noticed that the symbolic function of consumption rises. Consumption becomes a kind of a link, part of a wider symbolic exchange in which involved all members of society.

Basic results of the research. To understand situation of forming the new consumption culture and evaluate possible directions of development, it is necessary to take into account the complex of existing factors. In general, the formation of the new consumption culture is influenced by a wide range of factors: cultural, economic, psychological, natural, demographic, situational, etc. It is possible only at the level of complex study involving experts specialized in social science such as: political scientists, economists, sociologists, psychologists, philosophers and others. Therefore focus on the most important features. At the core of formation of the new consumption culture in Ukraine based on the following key components:

- forming the new economic reality.

In recent years the economy of the country is in crisis. Low purchasing power has led to the fact that the basis of import constitute of low quality cheap products which are made mainly in developing countries. Today for the majority of the population availability of price is a decisive factor while buying the products. This factor significantly limits the purchasing power and opportunity of choice. Under these conditions, consumer begins to favor domestic producers if such possibility exists. Nowadays this trend is observed in most product markets of everyday demand - food, light industry products, furniture, sanitary products, building materials and more.

- forming the new social reality.

This component of creating the consumption culture is directly linked to the economic situation prevailing in the country. Economic crisis leads to certain social consequences, such as: increasing unemployment, reducing wages, worsening living standards of social groups that are economically dependent on social benefits and more. The degree of readiness of consumers to changes and perception of realities of the market economy vary considerably in different age and social groups. Especially prominent is the generation that grew up in the new economic and social reality. Modern youth is not limited to peremptory norms and values of the socialist system; it denies the experience of the previous generation and creates their own behavior patterns. But the volatility of life positions, too active acceptance of a variety of values, which are often contradictory, are leading to the forming of unstable consumption patterns and permanent structural changes.

A bright social trend in sphere of consumption becomes a demonstrative consumption, which is represented by middle and lower strata of society, not just upper class. It has the result in the purchasing of expensive goods, the need for which is revalued. There has also been an active mobility and instability of professional structure, which is manifested in the mastery of new specialties and expanding the boundaries of the profession.

- the spread of Western culture.

There is a significant influence of global media system on the formation of the new socio-cultural needs, the emergence of new tastes and new items of lifestyle that promotes the expansion elements of Western culture. Occurs an active intercultural communication, which in opinion to some scientists, leads to cultural colonization of Ukrainian society. However, researchers in certain social sectors indicate that society selectively refers to the development of skills and dominant components of culture. Culture obeys only partially; it undergoes modification but it doesn't become a copy of the dominant culture. However, advertising, mass communication is an important element in the process of socialization, the acquisition of social experience. Advertising can modify the value system of society as a whole, influencing on beliefs, interests and need of particular individual. Modern advertising is inherent in impact on the consciousness and subconsciousness of potential customers, it creates and promotes behavior patterns for consumer, artificially stimulating or restricting its needs.

In our opinion, the particular note deserves the researches of features of forming the consumption culture in the markets of high-tech products and technological innovations. The rapid development of the markets mentioned above, active use of products of high technology by end users to satisfy a wide range of

needs, led to the formation of a certain type of social and economic behavior of individuals, called "technological culture of consumption".

Statistical information shows that the capacity of Ukrainian market of high-tech products increased almost 7 times for the last 15 years. The crisis in the economy of the country, the negative effects of the global financial and economic crisis are badly affected the pace of development of the majority of consumer markets of high-tech products. Nevertheless, the market volume of computers, peripheral equipment and software, audio and video equipment, telecommunications equipment increased 1.2 times on the results of 2013 year in comparison with 2010¹. However, experts point out that low purchasing power of population, which is losing half the total income to purchase food and consumer products, significantly limits the demand in the market, which has potential for development and growth. Analysis of the structure of consumption of high-tech products in Ukraine confirms the presence of persistent priority commodity positions, which include: pharmaceutical and computer products, electronics and telecommunications.

The modern approach to the recognition of high technology as the basis of socio-economic development of the country causes the necessity to research specific formation of technological culture of consumption, identifying key determinant of consumer behavior and understanding of consumer choice. Under the definition of "technological culture of consumption" we propose to review the pattern of consumer behavior to purchase and use products of technological innovation, which improves the intellectualization of society and the spread of high technology in various spheres of human activity.

In our opinion, factors that create basis for the forming of demand the products market of technological innovation and, therefore, influence the formation of consumption culture, derived mainly from the scientific, economic and socio-cultural environments. Also, there is substantial consumer choice dependent on psychological factors of personality and its individual features² (figure 1).

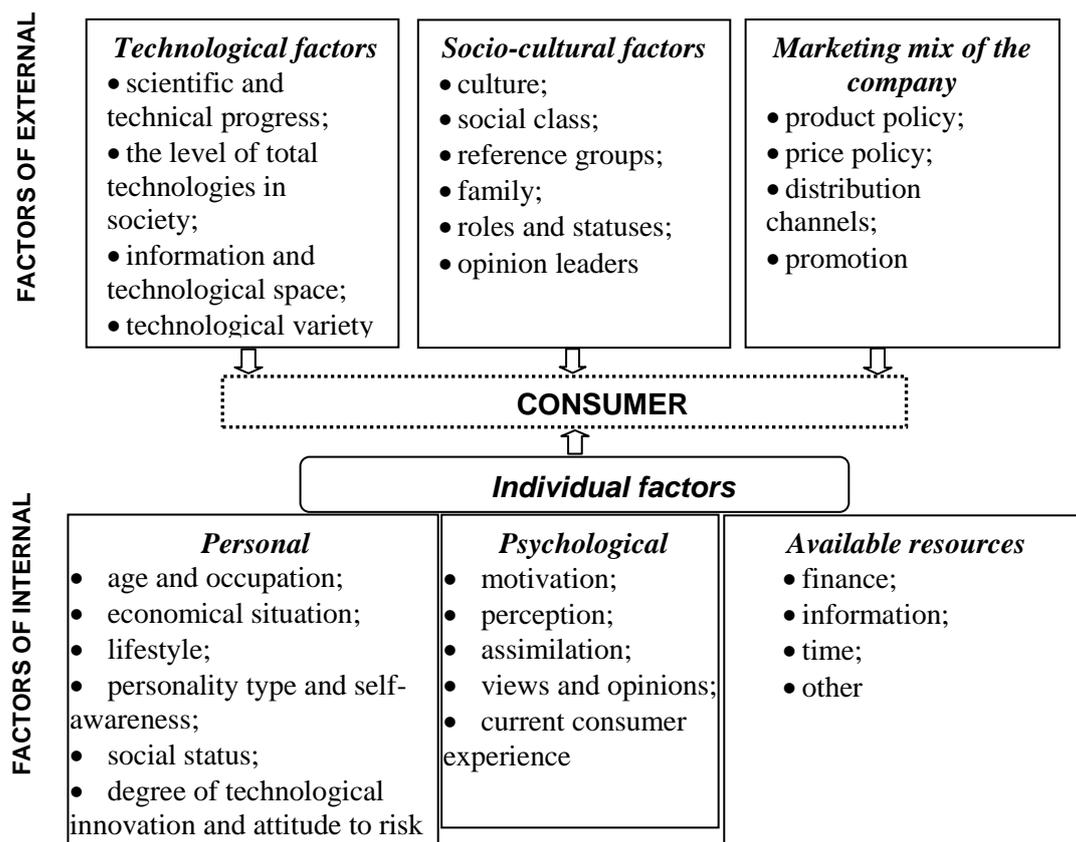


Figure 1. Factors influencing market behavior of Ukrainian consumers of high-tech products

¹ Determined by author according to: Економічна статистика. Зовнішньоекономічна діяльність. Товарна структура зовнішньої торгівлі 2010. Товарна структура зовнішньої торгівлі 2013. Офіційний сайт Державної служби статистики України. <<http://ukrstat.gov.ua>> (2015, December, 20).

² Defined by a series of of marketing research of consumer motivations in the Ukrainian market of high-tech products conducted by the author in 2003, 2008 and 2011 years.

Generally, all factors can be divided into two groups: external and individual. The key determinants of external influence are:

- large-scale industrial development of high technologies and their active commercialization by enterprises that provides the emergence of new technological products that can satisfy latent or conscious consumers' needs at a qualitatively new level;

- fashion spread of using of technological innovations, particularly in sphere of information and communication;

- modern strategies of marketing mix communications of the company that have a significant impact on the consumer and can effectively form a new desire, fashion, trends, range of interests of consumers, the rules of his behavior, social and spiritual values. Advertising, as the most effective element of this complex controls the behavior of consumers, stimulating their needs and guide the direction of their motivation;

- the existence of "social promotion" purchase of high-tech products, which creates competition among consumers;

- high level of social mobility of consumers (despite the lack of a clear social stratification of population in the country), thereby consumer either underlines its social status, or tries to match modern trends;

- forming of "professional requirements" of using the innovative products in the information and communication spheres of professional activity.

Considering the individual factors of impact, we should focus on psychological factors and personal features of end-consumer, which affect the nature of consumption:

- existence of the utilitarian desire of the consumer to facilitate everyday life, to simplify and save time for solving domestic problems;

- the existence of the individual need in active communication, receiving and dissemination of information;

- human desire to satisfy needs of personal growth (such as demand for knowledge and intellectual development, personal fulfilment and realization of creative potential);

- to aspire for individual lifestyle and to emphasize the identity (as opposed to the "being like everyone else");

- adaptability to new a lifestyle, which formed as the result of active using of new technologies;

- easy understanding of new social norms, rules of conduct and social control, associated with the consumption of products.

The results of the market research made by the author give a possibility to determine the specificity and dynamics of motivational sphere of consumers. Thus, the formation of motivation under the influence of internal psychological processes are actualized consumer needs, such as: knowledge, intellectual development, realization of creative potential, new experiences and pleasures, individuality, freedom and independence. As we can see, these needs belonging to the highest levels of the Maslow's hierarchy¹. The main external factors of mainstreaming of consumer motivations on the market of high-tech products is a marketing mix of the company and social environment of the consumer (Figure 2).

It was found that response of consumer to external influence and acceptance/unacceptance of incentives depends on the following four groups of factors:

- personal characteristics of the consumer - interests, attitudes, beliefs, innovation, self-esteem, cognitive activity;

- market characteristics of the producer - work experience in the market, technological image, the intensity of technological innovation, the presence of failed products, brand image;

- situational factors - the degree of consumer awareness about how to solve the problem, the complexity of the decisions taken, consumer experience, the existence of consumer loyalty or favor to the brand and the producer;

As the result, selectivity of human consciousness is a higher level of perception of information from one source and ignoring other channels. The consumer can use the opinions of actual users of new technologies derived from the Internet, and articles in popular science magazines, advertisements and ignore or accept them only as a signal of the existence of the product. Analyzing the information below, it is appropriate to focus on the experience of obtaining information from various sources and using different communication tools. If the information provided by the source, is confirmed in the process of consumer

¹ Maslow, A (1954). *Motivation and personality*. New York, NY: Harper.

experience or communicative exchange with others, this source will have a higher level of confidence and will be used more widely in the future, and vice versa.

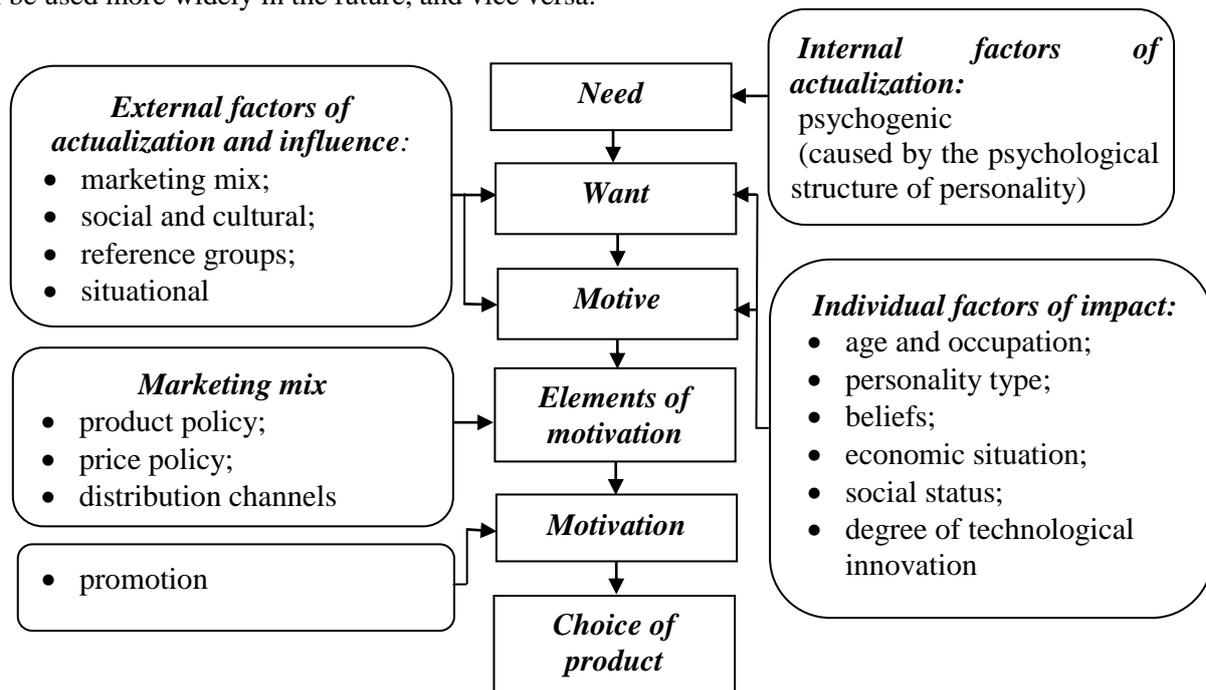


Figure 2. The main factors of actualization and influence on the motivation of Ukrainian consumers of high-tech products

The existing views and opinions have a significant impact on consumers, especially in terms of forming their relationship to the new products and its consumption. The results of our studies have shown that consumers consider the latest innovative products as a means of social identity and expression of themselves. Using a technique of aimed associations, we found a connection of several high-tech products with certain social facilities. Quite a significant number of respondents believe that some kind of technological products illustrate the scale of social gradation, such as prestige and social belonging to certain groups of people that form the social structure. In this case, the high-tech products have a significant social burden in the mind of consumers, that is associated with confirmation of self-esteem and place of mark owner in society.

Among the components of the latter group of factors - consumer resources are available. Special attention deserves the information resources that can significantly affect its market activity. The lack of necessary information for making the buying decision leads to the forming of consumers' uncertainty and denying of purchase. According to the results of our research, from 18 to 28% of consumers put off buying because of lack of information about a new product, from 16 to 26% of consumers pay attention to negative information about a product or producer, and the appearance of such information encourages them to secondary search. The lack of information on the market will lead to:

- low consumer awareness about the possibilities of technology/product to solve the problem properly;
- consumer uncertainty about the technological capabilities of the product;
- consumer uncertainty about the quality of the product;
- uncertainty about receiving of services in an appropriate level;
- increasing the level of time risk associated with the appearance of new and better model.

Conclusions. The results of marketing research of socio-economic behavior of the population of Ukraine suggests that the process of consumption is spontaneous, often controversial due to lack of a clear system of ideological and moral imperatives in society. In conditions of the internationalization of markets and the impact of Western culture is transformed system of basic values, and in some areas of consumption - the formation of a new system of values. Despite the economy crisis in the country, unstable political system and the negative trends in social sphere, forming of technological culture of consumption in Ukraine is quite active. Increasing the level of technology education of Ukrainian customers, rapid change of their

preferences, reorientation of qualitative component of demand, which is observed in recent years are leading to significant market transformation of consumer behavior, changes in the system of their motivations. The market behavior of consumers of technologically innovative products is determined by internal instinctual forces, by incentives of external environment, personal and cognitive determinants. Personal characteristics of the consumer, its motivation and cognitive processes are critical in forming of certain types of consumer behavior and behavioral reactions. Ukrainian consumers are more inclined to individualization in making the buying decision, its consumer preferences transformed from rational aspect towards the emotional and social components.

The spread of technological culture of consumption illustrates the desire of consumers to satisfy hedonistic needs effective integration in modern society, self-fulfillment, achievement of personal development and spiritual growth.

References

1. Bevzenko, L.D. (2008). *Styly zhyznyi perekhodnoho obshchestva*. Kyev: Ynstytut sotsyolohyy NAN Ukrainy.
2. Boiko, V.A. (2009). Osoblyvosti formuvannia kultury spozhyvannia u suchasni Ukraini. *Visnyk Dnipropetrovskoho universytetu*, Vyp. 19, 9/2, 209-213.
3. Burgh-Woodman, H. (2012). The Movement of Meaning Across Cultures: A Conceptual Model for Understanding Cross-Cultural Consumption. *Advances in International Marketing*, Vol. 23, 281-304.
4. Clarkson, J., Janiszewski, C., Cinelli, M. (2013). The Desire for Consumption Knowledge. *Journal of Marketing Research*, Vol. 39, 1313-1329.
5. Ekonomichna statystyka. Zovnishnoekonomichna diialnist. Tovarna struktura zovnishnoi torhivli 2010. Tovarna struktura zovnishnoi torhivli 2013. *Ofitsiinyi sait Derzhavnoi sluzhby statystyky Ukrainy*. <<http://ukrstat.gov.ua>> (2015, December, 20).
6. Koos, S. (2009). Poiasniuiuchy etychno spozhyvchu povedinku v Yevropi (empyrychni dani po 19 krainam). *Ekonomichna sotsiolohiia*, 2, 76-97.
7. Maksymenko, A. O. (2010). *Ukrainskyi spozhyvach i aktualni problemy konsiumeryzmu: sotsiolohichni aspekt. Suchasni suspilni problemy u vymiri sotsiolohii upravlinnia*. Donetsk: DonDUU. T. XI., Vyp. 178, 248-254.
8. Maslow, A (1954). *Motivation and personality*. New York, NY: Harper
9. Mostynets, M. (2008). Formuvannia spozhyvchoho tovarystva v Ukraini yak faktor sotsialno-kulturnoi intehtratsii ukrainskoho suspilstva. *Visnyk Odeskoho natsionalnoho universytetu. Sotsiolohiia i i politychni nauky*, 13, 151-159.
10. Mur, Dzh. A. (2006). *Preodolenyie propasty. Marketynh y prodazha khaitek-tovarov massovomu potrebyteliu*. Moskva: Yzdatelskyi dom «Vyliams».
11. Mowen, J., Minor, M. (1998). *Consume Behavior*. 5th ed. New Jersey: Prentice Hall.
12. Salikhova, O.B. (2011). Adresna derzhavna pidtrymka yak chynnyk stymuliuivannia rozvytku vysokotekhnolohichnykh vyrobnytstv v Ukraini. *Ekonomika i prohnozuvannia*, 2, 9-24
13. Schiffman, L.G., Kanuk, L.L. (2004). *Consumer Behavior*. New Delhi: Pearson Prentice Hall.
14. Veblen, T. (1984). *Teoryia prazdnogo klassa*. Moskva: Prohress