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**CONSUMER BEHAVIOR AS A MODERN PHENOMENON  
IN CONSUMER SOCIETY**

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*The model of consumer behaviour, which takes into account the impact of innovative means on the buyer, has been developed. The psychology of the consumer is influenced by different factors. To find out behavior of the consumer both economic, and psychological knowledge and abilities are necessary. Correlation between the development of social production and the process of quantitative growth and enrichment needs of the society, which provides growth and improvement of social needs with the development of the productive forces and culture, has been determined. The prospect for the development of this direction in science is the creation of theoretical methods of controlling consumer behaviour on the basis of the collaboration of specialists in the sphere of economics, management, marketing, sociology and psychology, which will be used in managerial practice of marketing.*

*Key words: need, consumption, consumption theory, consumer behavior, management, controlling consumer behavior, management methods of consumer behavior.*

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*Розроблено модель споживчої поведінки, яка враховує вплив інноваційних засобів спонукання на покупця. Визначено зв'язок між розвитком суспільного виробництва і процесом кількісного*

*зростання і збагачення потреб суспільства, що передбачає зростання і вдосконалення потреб суспільства з розвитком продуктивних сил і культури. Сформовано методiku управління споживчою поведінкою на базі співпраці фахівців в сфері економіки, менеджменту, маркетингу, соціології та психології, яка буде застосовуватися в управлінській практиці маркетингу. Поглиблено теоретичні підходи щодо теорії поведінки споживачів, яка є самостійною галуззю знань і котра виникла на стику економіки, маркетингу та психології.*

*Ключові слова: потреба, споживання, теорія споживання, поведінка споживачів, управління поведінкою споживачів, методи управління поведінкою споживачів.*

**Introduction.** The study of consumer behavior is one of the fundamental problems of economic theory. The theory of consumer behavior pursues two goals: firstly, it seeks to give a deeper explanation of the law of demand; and secondly, it helps to understand how consumers distribute revenues for the purchase of various goods.

**Actual scientific researches and issues analysis.** The problem of consumer behavior is considered in the theory of “ostentatious” (demonstrative) consumption by Thorstein Bunde Veblen, in the Georg Simmel’s works, M. Weber, Gabriel Tarde, E. Goble, Herbert George Blumer and others in the analysis of social and cultural aspects of behavior. The behavior of consumers began to be analyzed in order to identify the motivation of choice based on the Sigmund Freud’s theory and Abraham Maslow’s concept.

The first attempts to develop a theory of consumption were begun in the XIX-XX centuries. Thus, K. Marx advanced the idea of commodity fetishism, the American economist and social theorist Thorstein Bunde

Veblen developed the theory of ostentatious consumption. The German sociologist Georg Simmel also studied the phenomenon of consumption, put forward the key ideas of the theory of fashion, and Werner Sombart proposed the concept of luxury, M. Weber formulated the concept of status groups.

American scientists, such as: G. Engel, R. Blackwell, and D. Kollat laid the basics of the theory of consumer behavior in the late XX century, who introduced the many years of observation in their work “Consumer Behavior” [1].

This issue was in the center of attention of another group of scientists, such as: John Howard and D. Schet, who presented their vision of this issue in the work “The theory of consumer behavior” [2].

A new field of research is formed in the 80's of the twentieth century, the sociology of consumption, which focuses on meaningful consumer activity, is emerging. Weber's social action is basis of the theory [3], H. Blummer's symbolic inter-actionism [4] and I. Hoffmann's dramatic approach of [5]. Sociology of consumption considers it not so much economic, but first of all, the social process, closely integrated into the general context of social interactions.

**The target of the research.** Today, consumption begins to play an increasingly important role in the formation of value orientations and behavioral models, which actualizes not only discussions about “consumption” in the media, but also determines the vector of scientific understanding of consumption as an economic and social and cultural phenomenon. Nowadays, consumption becomes a significant component of social and economic reality, which makes it possible to interpret contemporary society as a consumer society.

The purpose of the article is to generalize the theoretical provisions that characterize consumption in the context of consumer behavior and

consideration of the process of controlling the behavior of the consumer using various factors of influence.

**The statement of basic materials.** Consideration of the phenomenon of consumption (consumerism, from the English consumer) is important not only from the point of view of economic sciences, but also in terms of the philosophy of culture, since this phenomenon affects the formation of identity identities and values of the individual, the functioning and self-development of culture and society, the pace of social and economic transformations. The concept of consumption has long been firmly established in the Western literature as a system of values and ideas that reduce vital senses to the satisfaction of material interests. Thus, Jean Baudrillard noted that the modern “consumer has a duty to enjoy; it becomes an enterprise for pleasure and pleasure” [6, p. 51].

That is, consumer consumption is a priority in consumption, and production and accumulation go away. Thus, the consumer society influences qualitative changes both in economic structures and in society as a whole [1]. As a result, the main wishes of individuals, their social positions and motivation began to focus not around the process of work and life, but around the admiration of the process of consumption, which, in turn, is determined by consumer behavior.

According to E. Fromm, consumption everything becomes a commodity in a society: “The pleasure is to satisfy the consumption and “absorption” of goods, visual impressions, food, drinks, cigarettes, people, lectures, books, films. All of this is consumed, absorbed” [7, p. 155].

The model proposed by F. Kotler in marketing is the generally accepted model of consumer behavior. In his opinion, “the starting point of understanding the behavior of buyers can serve as a model of marketing incentives and the corresponding reaction of buyers” [8, p. 45]. O.V. Voronkova believes that the inducing factors of marketing penetrate into

the “black box” of consumer consciousness and cause certain responses [9, p. 23].

Four main approaches to the study of consumer choice are described in the literature:

- 1) economic approach;
- 2) sociological approach;
- 3) psychological approach;
- 4) combined – the synthesis of three approaches from the standpoint of economic psychology.

The basic concepts of consumer behavior: M. Friedman (the concept of “constant income”); Franco Modigliani (the theory of “life cycle”); Thorstein Bunde Veblen (demonstrative consumption); J. Dunsenberry (the concept of “relative income”).

What are the characteristic features of consumption, which determine the progress of modern society? These include:

- 1) individual and rational (more precisely, purposeful, rational takes into account the ratio of “price / quality”) choice of the most desired goods;
- 2) readiness to purchase of new goods, to replace old things with more perfect ones;
- 3) the existence of a mode that changes several times during one generation’s life;
- 4) observance of fashion [10, p. 47].

These the features of consumption that most contribute to the formation of economic relations, based on mutual agreement between individuals on the transfer of ownership of goods or the possibility of receiving services and support the market exchange of goods. As it is rightly noted in the literature, “consumer diversity is not a whim but a central nerve of social development. The supply of new goods and

demand for them are two key processes of the present: the first improves the quality of labor, the second – the quality of leisure” [11, p. 28-29].

Behavior of a person is the main subject of “consumer behavior”, because the buyer himself makes a choice between the acquisitions of a particular product (service) to meet their needs. Consumption is a process that involves a whole range of private processes: the choice of a product or service, the purchase, use, maintenance of things in order, repair and disposal. Therefore, the consumer is not only a buyer. It is a much wider concept.

At the same time, consumer behavior is a space in which the life of society is reflected and a new vision of the world is projected, social relations are formed, stratification is changing, there is a change in the priorities of values, norms, social attitudes, social stereotypes, attributive processes. Consumer behavior is a peculiar, specific activity of a person, aimed directly at receiving, consuming products and services and disposing them, including decision-making processes that precede and follow the actions [12, p. 149].

We should remember that consumer behavior studies human behavior only in a market context. Consequently, the economic behavior of an individual is formed from a number of economic actions. The action of a person as a consumer must be rational and obey the law of demand. Its essence lies in the fact that when the cost of goods is reduced, there is an increase in the number of its purchases, and, accordingly, when the price increases, the number of purchases of goods is reduced. Such a mechanism works in trade during the period of sales. A person makes an economic decision based on the ratio of price and quality in choosing a product. However, demonstrational consumption is an antagonist to the classical economic model of consumption, as objects of demonstrative consumption are expensive goods (regardless of their quality).

Consumer behavior carries out its manifestation not only as an economic but also a social and psychological phenomenon, which demonstrates, on the one hand, the growing individualization of needs, the dynamism of their development, the progressive nature of demand in certain markets, and, on the other hand, negative changes in the standard of living and the purchasing power of the population and the reciprocal nature of demand in other markets.

Buying behavior only at first glance seems simple and obvious. In fact, this is a complicated, often obscure, decision-making process for the observer. And this process begins with a sense of being a potential buyer of need. The nature of the needs is so varied as multifaceted human activity: a feeling of hunger or thirst, a reaction to heat or cold, the desire for self-preservation and safety, rapid movement in space, the instinct of the continuation of the family, the desire for certain occupations, entertainment and communication, etc. As awareness of a person needs, there is an actual need, which, if it is not met in time, immerses a person in a state of physical and mental discomfort.

To meet the emerging needs can be in such ways: full self-sufficiency and self-service, borrowing and begging, robbery and burglary, and finally, the most civilized way are sharing. It leads to the appearance of the market. But there is nothing to do in the market without money: you need either an excess of any product, or money, but better both.

In modern conditions, most business entities focus their activities on specific consumer groups with a view to more efficient, high-quality and full satisfaction of their needs. The development of the surrounding world, changing the way and style of life leads to the fact that the consumer becomes different, transforms his behavior, there are new demands, tastes and preferences, so that organizations are forced to adjust their activities, adjusting it during today's buyer. That is why marketing is an

extremely important direction of business entities in today's conditions. The purpose of marketing is to better meet the needs and desires of target consumers, solve their problems through the use of goods and services through the creation of optimal conditions for the selection and implementation of the purchase, in a better way than competitors.

In turn, consumer preferences are determined by consumer values, which can be influenced by an effective marketing strategy [13, p. 48]. Despite the fact that the consumer of goods and services is always independent in his choice, the enterprise constantly studies consumer preferences, can learn to manage its behavior, so that the product or services were in demand in the market through incentives.

The motivation of consumers is to change their behavior in order to increase consumption of goods and services. The main objectives of consumer motivation include: attracting consumers, lowering the price of goods and increasing sales and consumption, increasing the number of purchases, and, as a consequence, expanding the average consumer basket of the buyer [14, p. 72-79].

The study of consumer behavior is a constant process, without which the enterprise cannot function successfully. First of all, it is necessary to pay attention to two main aspects in the analysis of consumer behavior: satisfaction of needs and fulfillment of desires. For an initial study it's enough to know what, where and when the buyer bought, why he preferred a particular product. These data can be obtained by studying the deeper aspects of motivation.

A seller, whose key goal is to sell a product or service, seeks to understand the main and secondary reasons for the behavior of customers, to determine the levers of pressure on the consumer. Marketing communications affect the behavior of consumers, so you need

to have information about the nature of consumer behavior. In the managerial process, entrepreneurs need to know clearly:

- 1) what determines consumer behavior on the market;
- 2) who influences decision-making on the purchase of goods;
- 3) on the basis of what circumstances consumers take their decisions.

After satisfying the primary needs, the consumer needs to move to meet the needs of secondary importance.

The prices of goods, revenues of buyers and their preferences are the main factors of consumer behavior. But additional factors are also there [15, p. 37-41]:

1. Cultural (a set of values and stereotypes that influence the choice);
2. Social (the person lives in a society, and members of society influence the choice, it can be a family, colleagues, friends);
3. Personal (age, way of life, self-esteem);
4. Psychological (motivation, persuasion, perception, assimilation).

It is established that long-term success of the enterprise depends to a large extent on its ability to influence the behavior of consumers [16]. The need to control the behavior of consumers, as “the company’s ability to generate the desired impressions in a person will determine its success in the global market” is associated with this [17].

The basic principles of consumer behavior management used in marketing remain unchanged today:

- generalization of facts of real business practice and development of proposals for improvement of work with the consumer;
- estimation of practical results of certain methods of influence on the consumer;
- identification of the most perspective areas of work with the consumer;

- consumer socialization as a medium for future consumer formation;
- management of perception and memory of consumers in making a consumer decision;
- the process for consumer education;
- formation of methods for strengthening the memory of consumers;
- formation of knowledge of consumers about the product and its relation to the product;
- study of situational factors influencing the behavior of consumers;
- internal and external information search of consumers.

Consumer analysis is based on the concept of “7 Os”: Occupants – market participants; Objects – market items; Objectives – goals in the market; Organizations – organizations on the market; Operations – operational processes on the market; Occasions – purchasing opportunities; Outlets – sales channels and consists of the study of the following elements [18]:

- market participants (who makes purchases on the market?);
- market items (which products and items are bought and sold on the market, which dissatisfied needs exist?);
- objectives are set by the market participants (why are they buying?);
- enterprises that are present on the market (who interacts with consumers on the market?);
- operational processes of the market (how are purchases?);
- purchasing opportunities (when purchases are made?);
- sales channels (where are your purchases?).

Modern social consumption is changing dynamically, which is the result of a large amount of information and experience gained in purchasing the various goods that every person now has since childhood.

Consumer behavior management is a complex process, and its successful conduct largely depends on methodological support. The methodology of management is a certain algorithm of the company's actions, based on five management functions, namely: planning, organization, motivation, control and coordination. These "common" functions are integral parts of any management process, regardless of the features of the control object.

It is necessary to take into account that human behavior is characterized by special complexity and uncertainty when choosing means of managerial influence. At any given time, a person can only carry out a limited number of certain actions, but the number of actions that could be carried out at the moment is almost unlimited. In all aspects of human behavior is constantly manifested, on the one hand, the basis inherited from previous generations, and on the other – all the set of continuous effects of the physical and social environment, that is, innate and acquired that is present in every action of man.

To explain the behavior of a person, it is necessary to understand why it does exactly this action, in this way in a certain way. Therefore, having learned to influence the subconscious, you can easily influence the behavior of consumers. Today, the basis of marketing is not the desire to meet the needs of consumers, and manipulating their hidden motives to maximize the profits of enterprises. Thus, the study of the psychological aspects of actions and the mode of action of buyers becomes the basis for managing their behavior. The application of this concept in practice already takes place in supermarkets, where everything is done so that the consumer "rested" and could not rationally calculate every step, every purchase. Means of managing consumer behavior in supermarkets are applied in a comprehensive manner.

The essential elements of the atmosphere of an economically efficient trading company are melodic music, variety of brands, a wide range of products, visual advertising, pleasant smell, vivid design outside and inside stores, lots of light, lack of barriers between consumer and goods.

Today the methodology, which consists in the use of advanced research of consumer behavior, is actual. In other words, it is the concept of “understand and react” in action, the departure from linear and discrete representations. Therefore, unlike other researchers, we propose to “manage” the behavior of consumers by reacting to the factors of their behavior.

We propose the following mechanism for selection purposes. Companies need to determine the impact on which aspect of consumer product behavior is the most effective in achieving the main goal – long-term sales growth. This is done in three stages.

1. The first is the determination of influence of factors of consumer behavior. Four sociological (culture, social status, group communication, households) and five psychological (perception, learning, motivation, personality, emotions, knowledge and attitude, values, life style, consumer resources) are traditionally referred to consumer behavior factors.

2. The next is determining the weight of the stage of the decision making process. There are several stages in the purchase decision process: review, active evaluation, purchase and after-sales processes. The stage is the more important than the more “points of contact” are there. “Points of contact” are the moments, when the company’s actions in the field of marketing are especially necessary for the consumer, and allow him to come in contact with him and support his decision. It is precisely at this point in the decision making process that individual marketing efforts are particularly effective, and the return on investment in marketing will be most tangible.

3. The third is the determination of the value of the point of application management influence. Defining management tasks and developing programs. At the second stage, it is necessary to choose measures of consumer behavior management and develop programs, that is, a set of measures aimed at realizing the task, balanced by terms, performers and resources. Each program should include various projects or work, in which the tasks are solved.

Taking into account the foregoing, we can conclude that consumer behavior is a multifaceted category, which involves the formation of market demand of buyers for a variety of goods and services that make choices based on existing prices. The considered basic approaches to the knowledge of consumer behavior confirm the importance and need for further study of this category.

**Conclusions.** Consequently, consumer behavior is a complex and multifaceted phenomenon that can be studied infinitely, due to the changing society, with it changing its needs, and as a consequence, and consumer behavior. The consumer satisfaction becomes a more important criterion for companies than profits in competitive and saturated markets. Consumer loyalty is a psychological parameter influenced by a number of factors. The purpose of the company is to identify these factors and to seek methods of influencing their target consumers for the formation of consumer loyalty and affection. Analysis of the psychological processes of consumer behavior allows us to conclude that the properties of the product, corresponding to the actual needs and motives of a person are the basis of consumption. Thus, firms-manufacturers and sellers, based on research on consumer preferences and consumer behavior modeling, are able to:

– know whose needs are served by its product and, if necessary, improve its characteristics;

– see, where and how the consumer asks for information about the product and to help him more quickly and more fully obtain certain information about him;

– help the consumer to make a purchase decision on the basis of knowledge of the motives and incentives that he is guiding;

– help the consumer to choose such a product that will satisfy his needs, taking into account his individual representations and requirements;

– strengthen the confidence of the consumer in the right choice;

– to know the evaluation of your product by the consumer to evaluate the results of their work.

The realization of these results will inevitably lead to higher competitiveness of firms and, consequently, to an increase in sales volumes. Knowledge of the personality type can be useful in the analysis of consumer behavior, when there is a certain connection between types of individuals and the choice of goods or brands. The result of studying the behavior of buyers is ultimately the optimization of the range and quality of goods, which are realized.

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