SCIENTIFIC REVIEW

# THE IMPORTANCE OF APPLYING QUALITATIVE METHODS IN SURVEYING CONSUMER BEHAVIOR AND SATISFACTION

# PESIC JENACKOVIC Dragana<sup>1</sup>, COGOLJEVIC Maja<sup>2</sup>

<sup>1</sup>Faculty of Business, Economics and Entrepreneurship, Belgrade (SERBIA)

E-mails: dragana.pesic@vspep.edu.rs; maja.cogoljevic@vspep.edu.rs

#### **ABSTRACT**

For a long period of time, quantitative research style has dominated market research. However, in recent years, thanks to the diversity of topics on the market, as well as the development of new technologies, the advent of the Internet, research has increasingly applied the use of qualitative methods with various data collection instruments.

The paper points out the importance of market research, especially research on consumer behavior and satisfaction in modern society - a society of constant, accelerated and major changes. This research has an indisputable value for the functioning, organization of the company, development of strategies for good positioning and maintaining the competitiveness of the company, in general for its survival and success in the market.

The main goal of this paper is to demonstrate the importance of qualitative methods and point out the need for methodological pluralism in market research. The paper emphasizes two qualitative methods - the method of observation and qualitative content analysis. The most important properties of these methods, the way of their application, justification and scope of their use in the research of consumer behavior and satisfaction are presented.

**Keywords**: market, research, consumer, behavior, satisfaction, qualitative methods, observation, qualitative content analysis.

JEL: COO

DOI: 10.5937/intrev2103116P

UDC: 005.311:366.1

COBISS.SR-ID 55109641

<sup>&</sup>lt;sup>2</sup>Faculty of Business, Economics and Entrepreneurship, Belgrade (SERBIA)

117

#### INTRODUCTION

The modern market determines the complexity, dynamism, turbulence, new challenges ("chances and dangers"), and accordingly the growing uncertainty and uncertainty. Therefore, markets of intent as an imperative are continuously explored. In short, market research presents a pre-designed (planned) process of collecting, analyzing and interpreting relevant data that are important for decision making and problem solving based on problems. In modern circumstances, market research is entrepreneurial planning, organization and control of the employment process. "Companies are forced to constantly collect information about their internal environment (their own strengths and weaknesses), but above all about the external environment - consumers, competitors, partners, the state and its political" [1]. Behavioral and satisfaction surveys are increasing in the line of market research directed towards the outside world. This research is of great interest for trade entities: "The most important entrepreneur to acquire and maintain a market position is the same knowledge of consumers" [2]. Therefore, marketing research and operational activities will have to be based on taxpayers, so the information collected about them is the main task of marketing in the company. Consumers are "the starting point for all marketing goals, strategies, plans and actions" [1]. The term consumer itself is usually used to describe two different types of consumers: individuals - end consumers and organizations as consumers. Pointing out the importance of the characteristics of serious consumers, the emphasis in this paper is on the research of final consumers. These are the ones who spend who buy products and services for personal use, household use or as a gift. Consumer research, in this sense, has several levels: "the most general is to get to know their way of life, ie lifestyles, the second is to study habits, interests and needs, the third is to study behavior and the fourth is to monitor their satisfaction with products and services"[1]. By emphasizing the research of behavior and consumer satisfaction, the basic working committee will enable the application of quality methods (methods of observation and quality analysis of content) in this part of the research.

#### OBSERVATION METHOD IN RESEARCH OF CONSUMER BEHAVIOR

Numerous definitions of consumer behavior are given in the literature. According to Solomon, consumer behavior is a process that involves activities that people undertake when choosing, buying, using and disposing of products, services, ideas or experiences to meet needs and desires [3]. In a similar, albeit somewhat simpler, way, Blackwell defines consumer behavior as "the activities that people undertake in obtaining, using, and disposing of products and services." [4]. Today, researching consumer behavior is indispensable for any organization that operates in a modern dynamic business environment. "No organization, not even the smallest, can and must neglect the consumer and his behavior, because it is the behavior of consumers that largely determines the realization of profits and its business success [5]. The research covers a number of questions: who buys, what they buy, why they buy, how they make purchasing decisions, when they buy, where they buy, to what extent and how often they buy [1]. Brankovic points out that the quantitative methodology applies standardized patterns of consumer behavior research, developed in countries where the purchasing power and picky consumer dominate. The author expresses doubts about the applicability of such patterns and instruments in a society like ours. Serbia, as a society in transition, has been going through a deep social and economic crisis since the 1990s. Consumers in such a country have weaker purchasing power, and they formed their habits in the conditions of the black market, inflation and complete unpredictability of future movements in supply, prices, salaries. The consequences of that are probably still felt in the perceptions and behaviors of those people. So the big unknown is how do they make purchasing decisions today? For these reasons, Brankovic emphasizes the importance of qualitative research. According to him, "the goal of qualitative research of consumer behavior is to understand the logic of their decision to buy a product or service, to describe that logic and the process of maturation and decision-making in detail, but understand, understand, and possibly predict future consumer behavior [2]. In qualitative research, it is primarily to discover and understand the reasons why the consumer decides for a certain product or service.

Consumer behavior is a very complex process, so the research itself takes place on several levels: well before the purchase itself, during the purchase process itself, during the consumption of the product itself or the use of the service itself, but also after that. At the level of consumer entry into the store of some goods, his behavior immediately before and during the purchase, we can apply the method of

observation. Grandov, Jovanovic and Djokic point out that the method of observation is the most common method of collecting data in market research. "The justification of the application of this method is proven by the causal link between the nature of the phenomena examined in the observed research and the characteristics of this method whose application allows objective observation and prediction of the behavior of immediate market participants - consumers" [6].

Originally, observation was "a basic method for collecting data on social phenomena through their direct sensory perception" [7]. The basic goals of observation are a detailed description and understanding (of the meaning and significance) of human behavior. This method is irreplaceable and is most often applied to behavior in authentic, "natural" conditions. However, there is also an observation in the so-called controlled, "artificial" conditions.

In the research of consumer behavior, customers and users of a certain type of goods/services are observed, and not specifically some company. In this way, we get information not only about "ours", but also about competing products and services. With the help of the observation method, we find out how (in what way) the consumer makes purchasing decisions, and thus we discover under the influence of which factors those decisions were made. Through this qualitative method, consumer behavior is precisely monitored and described. Namely, by direct insight into consumer behavior, we can come to know about the way he perceives the exhibited goods, what attracts his attention and what does not; whether there is a certain direction, the usual path of movement; which part of the store he visits first and which brand of product; where it stays; what he first looks for and notices on the goods, what he looks at on the packaging, etc. These are all factors that influence the decision to buy a certain type of product. Thanks to these findings, the company can make decisions about what to change on the packaging, in advertising, product layouts in stores, in the display of important product information and the like. Such changes can make the products themselves more accessible, their important properties more visible to potential customers, which can contribute to easier and faster decision-making for that and not for another product.

In the past, the necessary information was obtained exclusively through the so-called natural observation, where the researcher himself, with the help of sight - the eye, directly observes a certain behavior, systematically collects and accurately records everything he observes. However, in accordance with the development of science, technique and technology, today not only is there a possibility, but also an advantage in the research of human behavior is given to the so-called. mechanical observation, ie observation with the help of technical instruments that monitor and record the reactions of the participants. "Instruments that are most often used today in data collection by observation include: video cameras, psychogalvanometers, special cameras (eg monitoring eye movements in subjects), stachistoscopes, pupillometers, audiometers, etc." [6].

With the help of cameras, ie recording of points of sale, without harassing and interviewing consumers, data on consumer behavior (movement, retention, attention) can be collected. In this way, non-verbal forms of communication can be registered, facial expressions, gestures, hand and body movements can be analyzed, which sometimes speaks more than words [2]. The use of a special camera (usually a device that has the shape of glasses with a built-in camera) makes it possible to monitor observations (eyes). With this technique, it is possible to reconstruct the perception of sales space that the buyer or user of some services has. Eye movements are monitored: space inspection, search, order of inspection, focusing on products, as well as the absence of any attention from certain products, etc. Pupil dilation is an indicator of significant interest. Based on these indicators and findings, "valuable conclusions can be reported about the organization of the point of sale, its arrangement and appearance at it" [2]. Decisions are made on the reorganization of the sales space (either physical or virtual) in order to adapt as much as possible to the consumer and his wishes and needs. In this way, the potential consumer will have the opportunity to "get what he is looking for most easily, but also to most easily notice the message that the manufacturer wants to send him" [2].

The method of observation, specifically the technique of monitoring perceptions (eyes), is becoming more and more relevant in the research of electronic shopping. True, part of the research on consumer habits and behavior in this area is conducted through interviews. However, the problem is that the interviews are conducted later, based on the respondents' memories, which are not always reliable enough. Also, traces of people's behavior on the global network are visible through the records that internet search engines keep about the pages that people visit. However, directly observing what people do online and visiting some sites is the most important source for researching and understanding their behavior. It is the most useful source of data on the needs, habits of consumers, as well as on the

problems they encounter in using the services. With the help of data obtained in this way, it is possible to develop strategies to improve the provision of certain services, increase the communicativeness of sites, or navigating visitors to them, which would contribute to their greater and more frequent use.

Qualitative data on consumers can also be obtained by observing their behavior in "artificially" created conditions. Research can be focused on the use of a product, and for that purpose, the so-called indoor testing (In Hall Test). Sometimes some kind of experiment is used, for example, combining different components of product taste and monitoring the verbal and gestural reactions of the participants, which are literally recorded and recorded. The essential advantage of indoor testing is that it directly knows how the consumer evaluates a type of product and how he decides what to buy. Also, the advantage is that the findings are almost immediately available and that the flow of research is under the full control of researchers [2].

# QUALITATIVE CONTENT ANALYSIS IN CONSUMER SATISFACTION RESEARCH

Consumer satisfaction is a feeling that occurs after buying and using a product or service. In order for a feeling of satisfaction to appear, it is necessary for the expectations of consumers to be met, and if possible for them to be exceeded. On the contrary, consumer dissatisfaction is based on the statement that he received less than expected by purchasing a certain product or service [8]. Consumer satisfaction is highly related to the quality of products and services. According to Kotler, "quality is the ability of a product or service to meet or exceed consumer expectations" [9].

High competition in the market requires continuous monitoring of consumer satisfaction. Consumer satisfaction research has multiple positive effects on business operations. Research findings are crucial in devising strategies to retain existing and attract new consumers. Knowledge of the reasons for low satisfaction or dissatisfaction is valuable in order to react in a timely manner and to eliminate these reasons. "The ISO 9001: 2008 standard has placed the consumer in the seat of quality management whose goal is to constantly improve consumer satisfaction. Consumer satisfaction research enables us to find out what is most important for them, how they see the organization and, ultimately, what is most important, to determine priorities in order to increase consumer satisfaction, and thus increase the organization's profit "[10].

Consumer satisfaction research is a very complex job that requires a multidisciplinary approach. Depending on the goals and types of research, application of certain methods and techniques, the research examines the degree of satisfaction or simple opinion, attitude or impression of consumers about product or service quality. The product is examined through its characteristics: appearance, product design, packaging, composition, practicality, functionality, availability, price, image of the company or brand of the product, etc. In the case of the service, the quality of the service, the kindness and accessibility of the employees, the price, the time spent in searching for information and evaluating alternatives, as well as the physical and mental effort that the user invested on that occasion, are assessed. Of the quantitative methods, standardized interviews (either face-to-face or by telephone) and various surveys are most often used, ie. questionnaires with scales completed by consumers themselves directly or via the Internet. In this way, the degree of general satisfaction or the degree of satisfaction with certain aspects of products or services is measured. Quantitative measurement of customer satisfaction provides very accurate data on the level of customer satisfaction, but for detailed consideration and deeper understanding it is necessary to apply qualitative methods. With the help of qualitative methods researchers meets their requirements, understands customer requirements, and assesses their relative importance, identifies and seeks to penetrate the source of dissatisfaction, and identifies "priorities for improvement - areas where performance improvement will produce the greatest increase in customer satisfaction, service improvement and monitoring progress, in relation to the satisfaction index "[11]. Part of the findings for this practical application can be obtained by qualitative content analysis. In general, content analysis (which can be both quantitative and qualitative) is a method of researching "media material, various documents, letters, sound, images or audio-visual recordings and other forms of oral or written communication between people" [2]. The essence of quantitative content analysis is counting the frequency of occurrence of previously defined categories of analysis, ie expressing the frequency in numerical form [12]. On the other hand, in the qualitative analysis of content, we do not ask ourselves how much something is, what is less and what is bigger, but we are interested in the meaning, significance and context of the content: what and how, why something is said/written. "There is a need to look at the statement being analyzed in its entirety, from the context of the communicator-audience relationship, through the circumstances in which it is

spoken or written, to the linguistic and logical structure of the statement" [12]. This method is sometimes called "indirect observation" of those events or behaviors that cannot be directly observed [7]. "A purely qualitative content analysis is one that applies the logic and methodology of observation to media content and document content" [2].

By applying qualitative content analysis in consumer satisfaction research, multiple reading of texts identifies and analyzes characteristic patterns of opinion and reasoning about their own brand and competition [2]. Namely, since it is in the interest of every company to have an idea of the satisfaction of consumers of competing products, ie. on the strengths and weaknesses of competition, a consumer satisfaction survey covers consumers of one type of product or service, not just consumers of one firm.

With the emergence and development of the Internet, the emergence of social networks, new technologies, content to which content analysis can be applied has become increasingly diverse and accessible [13]. This, of course, greatly facilitates and shortens the time required to collect data. The essence of the first phase of researching consumer satisfaction through qualitative content analysis is the selection of the necessary content for analysis. These can be various posts and communications on the Internet: comments on forums, thematic blogs, comments on social networks, ie. open profiles, on the company's website, brand website or interactive newspaper portals, in news comments, etc. In the second phase, the material is intensively analyzed, studied and observations are made on the ways of treating certain products or services, with an effort to classify these ways already in this phase. In the next phase, the notes are studied with constant "observation" of the source material and finally the characteristic ways of writing about a given product or service are singled out. Each of these attitudes is described in detail, with all modalities - subtypes and with extensive citation of characteristic excerpts from the basic media material being analyzed. In further analysis, the findings are related to the data source, the context in which they are created, the media in which they appear, their editorial conception, social role, from the point of view of a typical audience representative, etc. One can also follow the echo that each of the recorded approaches has on the interactive media websites. Today, the media are a bridge for connecting with modern consumers[16]. "This extraordinary convenience of hearing the reactions of the audience became widely available only with the advent of the Internet and is very important for analysis. It is a kind of mirror of the brand that in the time before the advent of the Internet could not even be imagined." [2].

By applying a qualitative content analysis in the research of consumer satisfaction, it is possible to find out what are the needs and desires of the target market, what is most important for consumers for a product, what they like or dislike the most. The sources of their satisfaction and dissatisfaction can be discovered, but also the future intentions of consumers can be predicted. In other words, it is possible to diagnose the existing situation, discover certain advantages, but also disadvantages that characterize the company's business. In this way, the risk of making wrong business decisions is mitigated or completely eliminated, priority directions of action and appropriate marketing strategies are determined in order to improve the company's own image.

## **CONCLUSION**

The distinct dynamics of changes in modern society, as well as the increasingly complex and complex circumstances in which they take place, are reproduced in almost all spheres of social life. Like society as a whole, the market is constantly changing and evolving. Under the influence of various circumstances (globalization of the market, development of social relations, economic and social intertwining, etc.), consumers change the conditions of their lives, and thus their habits, attitudes, opinions and behaviors. Therefore, for defining good marketing plans, making a profit and business success of the company, it is necessary to continuously monitor the behavior and satisfaction of consumers. Research can be done by quantitative or qualitative methods and techniques, or (at best) a combination of them.

Qualitative research aims to describe and deeply understand consumer behavior, identify and understand the factors that influence their decisions to purchase and use certain products or services. "Knowing the factors that influence consumer behavior allows the company to realistically predict their future reactions and to set appropriate marketing strategies and goals in accordance with them" [14]. Qualitative research on consumer behavior focuses on internal indicators of behavior, reasons, motivation and the way in which the purchase decision was made. Qualitative research can help us find out how the decision-making process for the purchase of a certain product/service went, what was

crucial in it, why (why) the buyer decides to buy a certain product/service, what the buyer knows about the product/service at the time of purchase, what are its assumptions about the product, how much they understand the advantages of a particular product, what is the opinion of customers and users about certain properties of the purchased goods or services and how it is related to the purchase decision. As a rule, numerical measurements are not used here, but the emphasis is on understanding the reasons, motives, meaning, significance. On the other hand, quantitative research is based on the use of numbers, relying on numerical/statistical measurements. We use quantitative methods to investigate external and more or less objective indicators of consumer behavior. We find out which products/services customers prefer, buy/use, where they buy them (at what type of point of sale) and when (at what time they buy them), how much (number of purchased products), and at what price they buy them. The aim of quantitative research is to test the set hypotheses, specifically, to study the relationship between variables, to discover causal relationships and differences, as well as to explain them.

The distinction between quantitative and qualitative methods marked the second half of the 20th century. For a long time, there was a discussion in scientific circles about the advantages of the first, ie the disadvantages of other types of methods, and vice versa. Such divisions and debates are increasingly losing their primacy in science, as it becomes clear that "both quantitative and qualitative research can be systematic and scientific, that is, that no research style is superior to others" [15]. These two styles of research are intertwined and complementary, so their combination is considered the most suitable. "Complementary use of quantitative and qualitative approach is done in order to avoid the limitations of both approaches, ie to take advantage of their advantages and obtain the most complete data on the subject of study" [13]. In that sense, with all the advantages of qualitative methods that are analyzed in the paper (observation method and qualitative content analysis), we can conclude that their independent application is not enough to investigate complex social phenomena, such as market events. Only in cooperation with some of the quantitative methods, qualitative methods will enable the creation of a systematic scientific experiential basis for discovering general laws of the market, for explaining and understanding consumer behavior and satisfaction.

#### **REFERENCES**

- [1] Nićin, S. (2014). Istraživanje tržišta, Brčko: Evropski Univerzitet.
- [2] Branković, S. (2014). Metodologija društvenog istraživanja, Beograd: Zavod za udžbenike.
- [3] Solomon, M. R. (2011). Consumer Behavior-Buying, Having and Being, Boston: Pearson/Prentice Hall.
- [4] Blackwell, D. R., Miniard, P. W., Engel, J. F. (2006). Consumer Behavior, Ohio, Mason: Thomson South Western.
- [5] Milić, M. (2018). Ponašanje potrošača, Banja Luka: Univerzitet za poslovni inženjering i menadžment.
- [6] Grandov, Z., Jovanović, V., Đokić, M. (2016). Primena metode posmatranja u istraživanju tržišta. Poslovna ekonomija, Godina X, Broj. 1, str. 139-156.
- [7] Mitrović, M. (2018). Sociologija. Novi Sad: Pravni fakultet za privredu i pravosuđe.
- [8] Živković, R., Gajić, J. (2019). Ponašanje potrošača, Beograd: Univerzitet Singidunum.
- [9] Kotler, P. (2001). Upravljanje marketingom. Zagreb: Mate.
- [10] Punoševac, Z., Rajkovic, D. (2010). Merenje zadovoljstva i zaštita potrošača, 37 Nacionalna konferencija o kvalitetu, Kragujevac. dostupno na: http://www.cqm.rs/2010/pdf/37/63.pdf
- [11] Ristić, J. (2005). Merenje zadovoljstva kupaca, 32 Nacionalna konferencija o kvalitetu, Kragujevac. dostupno na: http://www.cqm.rs/2005/fq2005/SEKCIJA%20H%20%20%20Rani%20radovi/24%20-%20J.%20Ristic.pdf
- [12] Đorđević, M. (2011). Metodologija naučnog istraživanja. Istraživanje kriminalističkobezbednosnih pojava. Niš: Visoka škola strukovnih studija za kriminalistiku i bezbednost.
- [13] Manić, Ž. (2017). Analiza sadržaja u sociologiji. Beograd: Čigoja štampa.
- [14] Krkušić, A. (2011). Savremeni koncept istraživanja stavova potrošača. Civitas, br.1, Godina MMXI. Dostupno na: https://www.civitas.rs/01/article/pdf/Civitas01\_article15.pdf

- [15] King, G., Keohane, R.O., Vebra, S. (1994). Designing Social Inquiry: Scientific Inference in Qualitative Research.New Jersey: Princeton University Press.
- [16] Rabrenovic M., Mitrovic R. Kovacevic B. (2020) The relationship between strategic management and public relations and their implications for financial operations, International Review No.1-2, Faculty of Business economics and Entrepreneurship, Belgrade

## **Article history:**

Received 7 August 2021 Accepted 20 December 2021