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MARKETING SYSTEMS OF «PUSHING» AND «PULLING» TYPES

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Окlander Т.О. Маркетингові системи штовхаючого і тянучого типів.

Введено в науковий обіг поняття «маркетингова система штовхаючого типу» і «маркетингова система тянучого типу». Розглянуто теоретико-прикладні положення їх функціонування. Розглянуто модель прийняття рішень споживачем щодо купівлі за типом «споживач-мандрівник». Виділено області поточних кардинальних змін у способі прийняття споживачами рішень щодо купівлі. Запропоновано принципи функціонування маркетингових систем тянучого типу.

Ключові слова: маркетингова система, поведінка споживача, модель прийняття рішення, продавець, покупець

Окlander Т.О. Маркетинговые системы толкающего и тянущего типов.

Введено в научный оборот понятия «маркетинговая система толкающего типа» и «маркетинговая система тянущего типа». Рассмотрены теоретико-прикладные положения их функционирования. Рассмотрена модель принятия решения потребителем о покупке по типу «потребитель-путешественник». Выделены области текущих кардинальных изменений в образе принятия потребителями решений о покупке. Предложены принципы функционирования маркетинговых систем тянущего типа.

Ключевые слова: маркетинговая система, поведение потребителя, модель принятия решения, продавец, покупатель

Oklander T. Marketing systems of pushing and pulling up types.

A concept «marketing system of pushing type» and «marketing system of heaving up type» are entered in the article in a scientific turn. The теоретико-прикладные positions of their functioning are considered. A decision-making model is considered by a consumer about a purchase on a type «consumer-traveller». The areas of changes are distinguished in the process of acceptance by the consumers of decisions about a purchase. Principles of functioning of the marketing systems of heaving up type are offered.

Keywords: marketing system, behavior of consumer, decision-making model, salesman, customer

From the behavior of consumers and consequently, the transformation of businesses' marketing activity content at all types of markets as B2B, and B2C, the most essential influence on consumer behavior is reached when the marketing complex has a maximum impact onto decision-making process on goods purchase and heads the consumer in the desired for marketers direction. In this context, it is important to develop a viable marketing complex taking into account the characteristics of transforming the influence of information- and- communication technologies onto consumers.

Analysis of recent researches and publications

The study of problems of choosing the «points of interaction» between the marketing complex and the consumer's process of making a decision on some good buying is exposed with a large number of publications by Ukrainian and foreign authors, including such high preponderance authors in the field as Pavlenko A.F., Voychak A.V., Pylypczuk V.P., Shafalyuk O.K., E. Farbey, D.E. Hank, D.U. Wichern, A.J. Rights [1-4]. However, marketing tools are changing rapidly, there arise new approaches to influencing the consumers, new market objects requiring a systematic study and thorough research of market systems transformation.

Unsolved aspects of the general problem.

Growing number of products and media channels, increasing degree of real and virtual marketing environment informational content do require to use new ways for products' incorporation into the information set used by consumers when beginning the process of making a purchase decision. Transition from unidirectional communications «from the market to the consumer» to its mirroring case, «from the consumer to the marketer» determines the necessity in scientific basis for the two conceptually opposed approaches to the mechanisms of enterprise marketing system operation.

The article *aim* relates to substantiating the introduction into scientific use of concepts «pushing-type marketing system» and «pulling-type marketing system».

Main part

The points of interaction between the marketing complex and the consumers' decision-making process always were been considered within the "funnel" model frames (Fig. 1). The "funnel" model does imply that the results of data collection serve in a

starting point to form "goods' catalogs" The purpose of marketing is to gather goods by such sets No 2, 3, 4. At the initial stage of making a decision to buy, the consumer is collecting information on the widest

range of different brands products of similar functionality. And at the last stage, the consumer he buys the product best responding to his needs across whole qualitative and quantitative diversity.

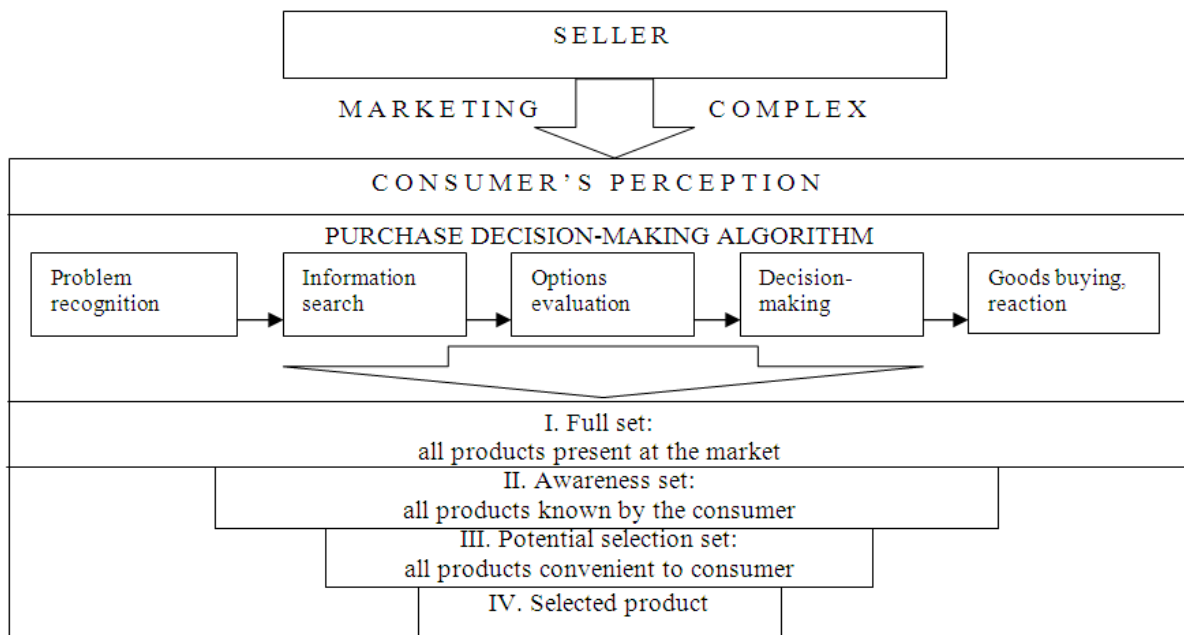


Fig. 1. Model of the «funnel» process of purchase decision-making

The «funnel» model is based onto a linear approach, when influenced with marketing complex, the funnel upper end is wide, embracing the maximum number of purchase options, and the bottom is narrowed up to one product. Now under conditions of expanded product choice options of different brands, the products being largely standardized on their properties and price, at the time when the information channels are on-line operated, the traditional «funnel» model explaining the acquisition solely with the result of marketers' efforts, do not reflect the real mechanism of elaborating the decision to buy. Therefore, to explain the current realities of the consumers behavior market, the «funnel» model should be replaced with another theoretical construct.

The International consulting company «McKinsey» proposed a new model of «consumer-traveler». According to this model, the consumers decide whether to purchase the goods, not as a kind of tourists, purposefully guided by a marketer, but as so-kind travelers who being given a new information can independently change their path of the journey: the consumer decides to buy a product, but under his friend's influence his desire changing he is going to buy another product, but being informed about a new store outlet he finally buys the third product. At that the influence of marketing onto the process of making a purchase decision becomes smaller [5]. The model of «consumer-traveler» implies that the consumer's

decision-making process on possible purchase is cyclic and involves four phases (Fig. 2):

1) Phase of reviewing the initial set of brands in terms of buying. The Initial set of brands represents an information about the existing products on the market, that is already known to the consumer, and assimilated by him prior to realizing the need in acquiring the goods.

2) Phase of active assessment and adjustment of the initial set of brands in the process of information retrieval.

3) Phase of buying.

4) Phase of the use of the goods.

The three areas of fundamental changes in the ways the consumers are making purchase decisions do imply the need for models of «consumer-traveler»:

- presence of the initial set of brands;
- existence of two types of customer loyalty;
- growing power of buyers.

1) The presence of the initial set of brands.

A consumer who has decided to purchase, do already have the information about brands from the original set, are considered as prospective for purchase. The media environment fragmentation with a lot of advertisements and rapidly growing number of products make consumers deliberately reducing the number of brands that they shall considering as potential to purchase. Facing a huge proposal and massive communication influence, the consumers tend to use a limited set of products. In other words, goods included to this limited set at the initial stage,

are three times more likely to be purchased when compared to goods not included in the initial set. However, unlike to "funnel", model, the number of brands at the second stage (active assessment, when consumers are looking for information and exploring

the products) may increase. Number of brands that can be added after the first stage varies for different industries. These changes in consumer behavior create opportunities for marketers to promote goods.

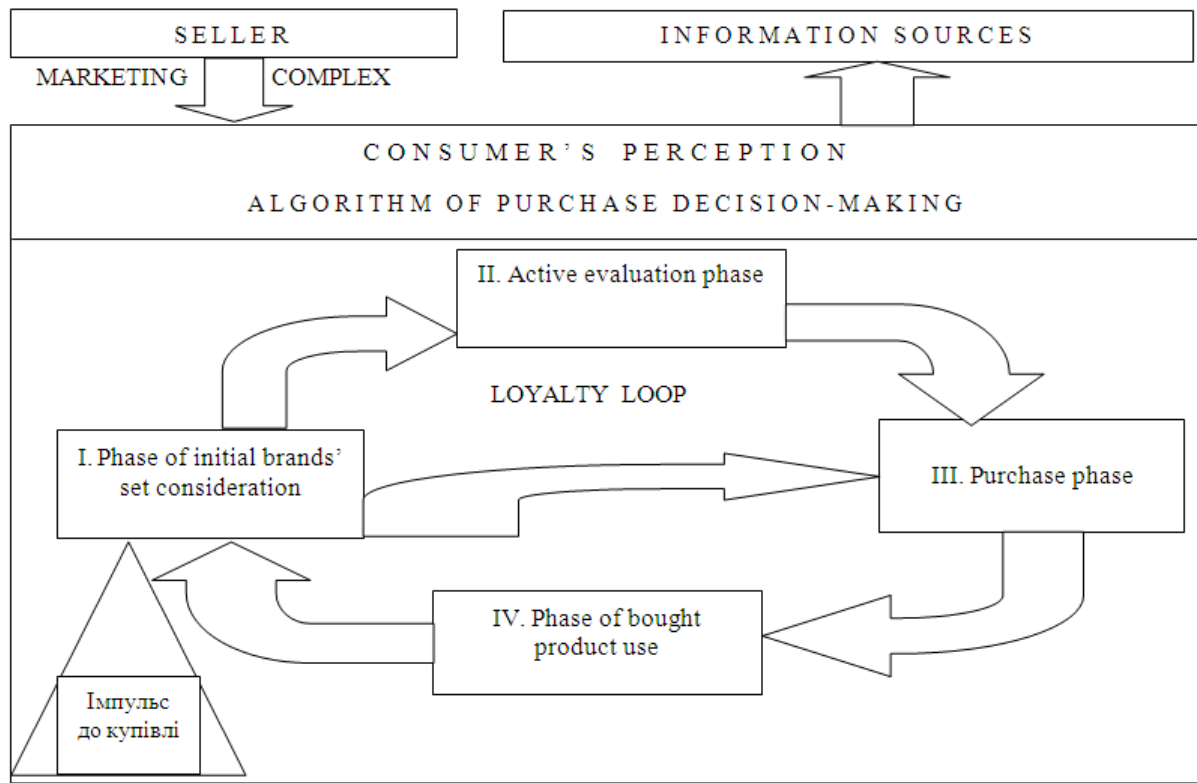


Fig. 2. Model of «consumer-traveler» decision-making process on prospective buying

The consumers facing the choice of commodity options, are seeking information to reduce uncertainty. The information search can be of two types:

- Internal: with reference to one’s own memory, experience, and skills;
- External: through various sources of information within social environment.

When forming the marketing complex, the marketers should be aware that there are three dimensions at information searching:

- The scope, *ibid.* the volume of objects studied while searching: the number of stores, products, sources of information;
- The direction, *ibid.* a list of specific points of sales, products, sources of information, identified with the search goal;
- The sequence, *ibid.* the search algorithm.

The scope of search is related to the type of decision-making process (Table 1).

An advanced information search volume foresees a long decision-making process. Consumers may consider a lot of brands, outlets, they can ask advices from other consumers. The opposite case is an usual decision-making process. The consumer spends

minimum time for searching and is considering one brand. Other sources of information are ignored. An intermediate option represents a limited decision-making process: the search is narrower than when an advanced one, but more expanded than at usual search. Consumers do not have full details, but they do not want to look for it and make a decision after a small search.

Studying the consumer attitudes toward a brand is important in view of the following facts: improving consumer attitudes to the brand increased sales, and conversely, the level of consumer attitudes determine the market share of different brands, the growth of competing products causes an increase in production costs on the formation and maintaining a positive attitude towards the brand, the assessment of consumer attitudes toward the brand allows us to develop optimal marketing strategy and tactics of a company.

At the core of brand-related consumer attitudes assessment there is the multiparametric product model, according to which the consumers perceive the product as a set of attributes, the consumers can vary the attributes’ importance, consumers have certain views on the degree of attributes’ presence at every rated trademark.

Table 1. Variations of information retrieval scale based on the decision-making process about prospective buying

Search character	Decision-making process		
	Advanced search volume (a new solution, expressed desire to seek information)	Limited search volume (a new solution, none desire to seek information)	Usual
Number of brands	a lot of	restricted	one
Number of stores	a lot of	restricted	varies
Number of indicators	a lot of	restricted	one
Number of external information sources	a lot of	restricted	none
Time delay	a lot of	restricted	minimum

One of the most famous models of attitude assessment is the compensatory Fishbein model expressed as follows:

$$A_{ij} = \sum_{k=1}^n W_{jk} \times x_{ijk},$$

where A_{ij} – the j -th individual's attitude to the trademark i ; W_{jk} – relative importance of attribute k for j -th individual; x_{ijk} – perceived by j -th individual degree of attribute k presence at a given trademark i (points); n – number of attributes.

The model departs from average evaluation of each attribute's presence at the trademark. The model specificity is that points-based evaluation of each attribute's presence at each trade mark and the degree of the attribute importance are identified by consumers during a survey. The evaluation of the attribute presence should follow scale intervals. The relative importance of attributes, however, should be measured using the relations scale, obtained through respondents distributing the 100 points among the main attributes of importance.

In order to assess the attitude to a brand we must determine which product attributes the consumers use as a selection criteria and what degree of importance of each attribute are they estimate. When attributes selecting we must consider the three properties:

- attribute visibility, *ibid.* its presence in the mind of the consumer;
- attribute importance, *ibid.* its place in the consumer's system of values;
- attribute specificity, *ibid.* degree of the attribute's good distinguishing ability.

On the basis of combination of characteristics «attribute visibility / attribute significance» the brand is positioned at the four fields of the matrix (Fig. 3).

Using the matrix we evolve the four fields:

- 1st quadrant «strong image» is characterized with the attribute essential visibility and significance;

- 2nd quadrant «weak imager» is characterized with the attribute considerable importance and low visibility;

- 3rd quadrant «false image» is characterized with attribute great visibility and low importance.

- 4th quadrant «failing image» is characterized with the attribute minor importance and visibility.

If the consumers' attitude to the product is negative, then the marketers need to focus on its replacing. Here one of the following strategies can be applied:

- Modification of the product with efforts to strengthen attribute that does not meet consumers expectations;
- Modification of attributes importance with efforts to improve the attitude to that attribute significance;
- Changing the goods image with efforts aimed at strengthening the communicative impact to improve the perception of the product;
- Changing the attitude to competing products with efforts to neutralize the competing products' overestimated attributes;
- Changing the underestimated attributes with efforts aimed at increasing communicative influence to explain the significance of underestimated attributes to the consumers.

There are three types of time losses when information search related to the purchase decision taking:

- Losses for viewing, *ibid.* the time spent in studying the various proposals and evaluating the alternatives (including substitute products)
- Losses for perception *ibid.* time spent for determining the products relevant characteristics and transactions options (purchase spot, price, service);
- Losses for estimation, *ibid.* time spent to assess the necessary qualitative attributes in the product.

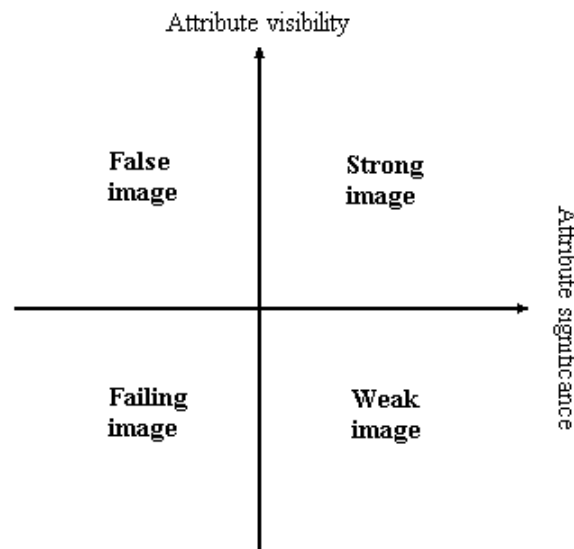


Fig. 3. Matrix «attribute visibility/attribute significance»

The intensity of search effort depends on the degree of risk when buying. There are six types of risks or adverse effects that may occur with a certain degree of probability as a result of the decision to purchase:

- functional risk when the purchased goods' functional properties do not meet the expectations;
- financial risk when the additional expenses can arise for replacement or repair of purchased goods;
- time risk when additional time can be spent on complaints, goods returning to the seller or repair of purchased goods;
- physical risk when an injury results from the use of goods purchased;
- psychological risk when a moral harm results from purchasing goods.

When searching for information the consumers rely upon three sources types:

- The sources, predominantly controlled by the manufacturer as a complex of vendors' marketing communications. This information on the one hand is free, easily accessible, on another it is biased emphasizing the positive and hiding the negative characteristics of the goods;
- The personal sources of information, where the consumer side dominates, *ibid.*, information from friends, neighbors, opinion leaders. The degree of such information accuracy depends on the moral and intellectual characteristics of information sources;
- Neutral sources or the information obtained from independent sources: Internet, mass-media and official reports, reports of specialized agencies, the results of laboratory tests, professional literature, statistical compilations. The advantage of such sources relates to their objectivity, these are well-grounded, reliable data from competent sources.

We can identify the following consumer approaches to information search:

- Behavior based on the refusal to search the information, that is used when the consumer has convenient experience, knowledge, and understands his preferences in respect of brands he is familiar with. The process of selection is «automatic» and repeated after a brief information retrieval or even immediately. The same behavior is characteristic to consumers when buying inexpensive goods of known and new brands. In this case, the best information source is the experience of purchase, as the experiment cost is low. If the purchase did not satisfy the consumer, he will no more by that brand product. So, the failure cost being low, the information retrieval will be impractical;
- Behavior, based onto limited information search is used when the consumer is dealing with a new brand in the known commodity group, the well-known brands not satisfying his need, and the selection criteria being already established that allows to limit the scope of search;
- Behavior on the basis of advanced information retrieval is used when the consumer has to deal with new names at an unknown commodity group and the risk of purchasing is high. The selection criteria are uncertain or absent, so needed is an active information search for criteria clarification.

The rational behavior does not preclude the impulsive behavior deliberately followed for the joy of impulsive action or excitement of meeting unforeseen consequences. Thus, rationality in this context represents a systematical implementation of a certain method in goods selection. There exist shopping as spontaneous action when the consumer behavior is unpredictable, irrational, and its analysis is not possible. The marketing theory allows the

existence of irrational behavior, but in most situations it is rational one. Options evaluation is based on the following indicators: technical and operational characteristics of the goods, the level of emotional satisfaction from buying a product, the goods

popularity, the level of situational influence (lack of time, insufficient money, friends influence).

There are compensatory and non-compensatory models of consumer decision-making (Table 2).

Table 2. Essence of consumer's decision making modes

Model type	Model subcategory
Compensation model, suppose that a negative evaluation of product characteristics is compensated by a positive evaluation of other characteristics	Fishbein model: the consumer evaluates the product as the sum of its characteristics estimates of its: a high score by one parameter can compensate a low one by another;
	Behavioral intentions model: when purchasing a product the consumer is motivated not with the product characteristics but with a strong internal desire, orientation to become the owner of the goods (ex. of such consumers: collectors).
Non-compensatory model – implies the absence of such compensation. The preference is given to goods characterised with the best estimate by the most important for consumer goods' criteria	Disjunctive model assuming that when purchasing the consumer focuses on the dominant product characteristics and evaluates only those options that are best by this dominant attributes
	Conjunctive model supposing that when purchasing the consumer focuses on a set of the goods characteristics, which must meet the minimum level of "not worse than". Required is a certain level of satisfaction with each goods characteristic, if contrary, the goods shall not be bought
	Lexicographic model assuming that the consumer evaluates the product characteristics as ranked by priorities and chooses a product that fits the best characteristics of the highest priority. The consumer ranks attributes in order of importance then evaluating an alternative selection according to the most important attribute and choosing a product of highest rating
	Dominance model –supposing that the consumers evaluate a product in accordance with the series of its characteristics satisfactory in comparison with other products. Unlike the lexicographic model, there is no ranking parameters, all parameters are considered important and poor rating of at least one parameter can affect the buying decisions.

2) The existence of two types of customer loyalty.

Providing the goods after-sales support increases the customer loyalty and the probability of repeated purchases. There exist two types of loyalty. Among the loyal customers we can evolve the active ones, ie, those who recommended to others the bought product, and the passive loyal customers, who buying the product, do not exclude the possibility of reorientation to other manufacturers' products. In this situation, the marketers should consider opportunities to extend the active loyal customers base as a first priority task where the efforts should be concentrated on the new «points of interaction». This is not just an investment into Internet sites, but effective efforts to manage rumors, and commitment to customer satisfaction, which requires a conceptually new marketing approach.

The process of making a decision to purchase is determined by the following three factors:

- consumer's intention to purchase;
- source of purchase;
- characteristics of the consumer.

The loyalty is formed at the next stages of product use:

- consumption as a functional use of the goods as intended or for a new purpose. Therefore, searching for new areas of product use allows the manufacturer to find new target market segments;
- waste disposal as a procedure of used goods recycling to create a new consumer value and reduce the negative impact on the environment;
- reaction to purchase (goods post-purchase evaluation) as a feeling of satisfaction or dissatisfaction, formed at the issue of evaluating the consumer's expectations and perceptions of purchased goods.

3) The growth of «buyers' power».

The «funnel» model refers to goods promotion by «pushing» type. The model of «consumer-traveler» correlates to the «pulling» one when the consumers are taking control of the buying process and actively «pull-out» the useful information and buy the goods. The reciprocal communication «from consumers to the marketer» become more important than the unidirectional «from the marketer to the consumer»: the 2/3 of the total number of «interaction points» within the evaluation active phase are realized on the consumers' initiative (review of information at the Internet, friends and family members recommendations, communicating with sales staff).

Only 1/3 of the «interaction points» is falling on targeted marketers' impact through communication. The classic marketing theory recommendations is the foundation of marketers' activity, but the change in models of making a decision to buy does mean that the marketers need to make appropriate adjustments of contact with consumers.

We consider appropriate to enter into scientific use the term «marketing system of pushing type» and «marketing system of pulling type». In the first case, reflected is a situation where the purchase occurs as a result of more active seller activity. The second one represents a situation where the purchase is a result of more active consumers' activity. The sales activity in the marketing system of pushing type is based on active sales, and in this one of pulling type it is based on passive sales.

There are following principles of marketing activity under widespread expansion of «pulling type» marketing systems:

- use of all decision-making process phases to effect the marketing preferential exposure. When focusing on the «funnel» model the marketing efforts are targeting the marketing funnel: end points: increased awareness (influence at the funnel entrance), or increased customer loyalty (influence at the funnel exit). When focusing on the «consumer-traveler» the marketing efforts should be intensified at all phases: initial consideration of brands set, active evaluation, purchase, and use,
- concentration of communicative influence at one of the decision-making process phases. For some businesses there will be reasonable a new approach to the formulation and dissemination of marketing messages at each phase of the purchase decision making cycle. The general message spread over all cycle phases may be replaced with one «spot» message aimed onto a specific point of contact, such as initial consideration or active evaluation;
- increased expenses on «pulling type» marketing systems. Changes in decision-making on purchase do mean that marketers need to consider these changes not as the crisis of losing power over consumers and control over their actions, but as an opportunity to increase the effectiveness through forming points of interaction «just in time»: *ibid.* choosing the right place and time providing right information that will strengthen the consumer confidence as to their selection correctness. The priority here will be to invest in mechanisms allowing marketers to interact with consumers in the process of enterprise products' exploring. The «pulling type» marketing system epicenter is the Internet as the main tool of the evaluation active phase. The consumers are continuously looking for necessary information in the virtual space, they are searching reviews, recommendations, comparative evaluation of the goods'

characteristics. The increase in effectiveness at this interaction point requires the development of appropriate infrastructure and tools to attract customers: websites, programs spreading rumors, personalized advertising system, based on an analysis of the context and the consumer, broadband Internet access, which provides powerful marketing tools to inform consumers about products. The marketers can influence online rumors, follow the online communication on a given enterprise's products, post their own comments. The content management systems of information resources and targeting tools enable marketers to create online multi-variance advertising with account to the previous consumers' behavior and current stocks of goods;

- growing situational factors' influence on the purchase decision-making process. There exists a pattern: the higher is the goods proposal, the more consumers will refrain from making a final decision on the purchase prior to visiting the store. That does mean in most cases the decision to purchase is taken at the point of sale. Despite that the marketers erroneously continue to overestimate the importance of cultural, social, personal, psychological factors underestimating the situational factors' influence on the decision-making process. Situational factors include such components as: physical and social environment, time of purchase, the purpose of the consumer, the previous state.

The transition to a new model of purchase decision-making becomes a bifurcation point also for the operation of market segmentation. In the marketing classical theory there exist the massive goods-differentiated and targeted marketing types. Most engineering product manufacturing enterprises are traditionally using the target marketing, when the market is divided by specific features into segments. Then some criteria are applied to select target segments and namely these consumers make target group to which respective marketing complexes are offered. This strategy of selecting target market segments distinguish undifferentiated, differentiated and concentrated marketing.

Conclusion

With respect to afore exposed we consider appropriate entering into scientific practice the terms of «pushing-type marketing system» and «pulling-type marketing system». In the first case, there exists the situation when the purchase act occurs as a result of more intensive seller's activity. The second case reflects a situation when the purchase act occurs as a result of more intensive buyer's activity. Therefore, the sales activities in the pushing type marketing system is based on active sales and when speaking about the pulling type marketing system the basis consists in passive sales.

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