DL\_4

**Lesson 4 – Analysis of consumer behaviour**

***Aim: To understand what and how consumers buy.***

**Task 1**

Answer each question by filling in the column WHAT I KNOW.

|  |  |  |
| --- | --- | --- |
| Question | WHAT I KNOW | WHAT I HAVE LEARNT |
| 1. What principle are you guided by when buying food in a store? Which has a greater role: price, packaging, producer, discount etc.? |  |  |
| 1. Do your and your parents’ shopping habits differ? |  |  |
| 1. What do you think about shopping habits in Latvia? |  |  |
| 1. What do you understand by „quality”? |  |  |
| 1. What parameters would you use to describe the quality of a product? |  |  |

**Task 2**

Read the text and fill in the column WHAT I HAVE LEARNT of Task 1.

**Analysis of consumer behaviour\***

**Factors that determine consumer choice**

When purchasing food products, various factors determine buyer’s choice. For each buyer these factors and factor combinations can differ. To find out the most important factors determining buyers’ choice in Latvia a survey has been carried out. Even though the importance of factors vary across countries, it is possible to single out the most important ones.

According to the data obtained during a survey in 2010 by the research centre SKDS, 79% of food buyers mention price as one of the three most important factors (Picture 8.1)

Picture 8.1. Factors that determined food choice in Latvia in 2010

The second most important factor inhabitants of Latvia mention quality – 68% of respondents. The third most important factor is discount – 41%. 28% of respondents consider value for money to be the most important factor. The choice of 25% of buyers is determined by the certain producer, for 23% it is the country of origin that matters. Only 6% of respondents are guided by emotions when purchasing food and 2% shelf location was important.

The data in the survey allow us to single out three groups of factors – price, quality and the country of origin. The combination of all these factors is as important.

**Perception of quality**

One of the most important factors that determine buyers’ choice is quality. Perception of quality depends on buyer’s individual preferences and what they understand by quality. During the survey it was revealed that taste is the main characteristic of a quality product for people in Latvia -82%. The second most important feature of a quality product is its organic origin and absence of „E” food additives – 52% and 41% respectively.

The appearance and the smell of the product are also important when evaluating the quality of a product, whether it is healthy (low fat, enriched with vitamins and minerals, biologically active substances etc).

Picture 8.4. Features that describe a quality product. Survey of inhabitants of Latvia in 2013

The fifth of respondents mention packaging along with ease to use of the product as a feature of a quality product. 20% of respondents believe that higher price of the product indicates its higher quality. 15% of respondents see the manufacturing process important if they have to evaluate the quality (compliance with sanitation norms, use of traditional methods in, for example, beer brewing).

\*University of Agriculture of Latvia. Research „A Comparative Analysis of Competitiveness Indicators in the food industry in Latvia” October 2013.