

Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
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Andrey Veselov

Russian Consumer Behavior In South Karelia and Factors Influencing the Purchase Decision

Thesis 2014

Abstract

Andrey Veselov

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Supervisor: Ville Lehto, Senior Lecturer

The purpose of this study is to examine particular groups of consumers and their characteristics. The first objective is to gain an understanding on how the purchase decision process is being made from the viewpoint of a particular group of consumers. The second one is to research the variations of factors influencing the final purchase decision. The specific research group selected for the analysis are the existing customers of a tire distributor company Twinmax Oy.

The theory part of the thesis starts with the description of the decision-making process. The stages of the process are presented and used as a basis for the analysis. Further on general factors affecting consumer behavior are investigated. These factors are also used in the empirical research. Marketing and consumer behavior related literature is used to support the theory part of the thesis. Additionally information is received from online articles. For the empirical part, questionnaire is used as a tool for data collection. Further on, consumer groups, which were specified by the case company, are derived from the total population of respondents. Those groups are analyzed and compared to each other considering the unique characteristics identified via the questionnaire. The set of characteristics to be compared is chosen based on the importance of the factors for the case company. The questionnaire results are presented in the form of generalized percentages in pie charts and tables.

The information collected makes it possible to collect general information on the decision-making process and purchase influencing factors of target groups of customers. The type of analysis of the obtained results is descriptive. A general view on the results is presented, which does not give a strong statistical reliability.

Key words: decision making process, purchase decision contributing factors.

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1 Introduction

1.1 Background of the study

Understanding consumer behavior is a key factor in building strong relationship with customers in any field of business. Consumer behavior is a very important subject nowadays. It has a significant impact on the satisfaction of a wide range of needs. Moreover behavior of consumers may have an effect on economies. (Wilkie 1994.)

According to Fontanka.fi (2014) Russian tourists in the year 2013 made around 4.8 million trips to Finland and spent on average around 270 euros per person. This statistics reflects the significance of the particular consumer group to the economy of Finland. However these numbers show a decrease in the year 2014 due to the declining exchange rate of the ruble. (Finland news 2014.)

Taking into consideration the current economic situation, a deeper understanding of consumer behavior and influencing factors is a challenging task, which may lead to creation of a sustainable and effective marketing strategy as well as a reliable model of delivering products and services to target audience.

The author of the thesis is working in the position of the key account manager in the largest tire distributor company in Finland. The interest for the study was triggered by the author's personal intention to investigate the existing customer base of the case company in order to apply his knowledge of business life for the purposes of developing the marketing and sales activities in the company.

All of the facts mentioned above have aroused the author's interest in exploring the consumer behavior of Russian customers and finding a way to exploit some new techniques for the business purposes of the case company.

1.2 Case company

Twinmax Oy was founded in Finland in 1997. The company offers tires from world famous producers. With more than 17 years of successful experience, Twinmax Oy offers a wide range of tires and wheels at attractive prices, both

retail and wholesale. Today the company has more than 100,000 tires in stock and can therefore meet the demands of most customers. The company receives weekly deliveries from foreign and local partners. The shops and warehouses are perfectly located at the Finnish-Russian border near the border crossings Vaalimaa - Torfjanovka and Nujamaa – Brusnichnoe. Due to the wide range and attractive prices the company is the biggest private tire distributor in Finland that focuses solely on the Russian market.

The company always works in co-operation with customers and does their best to build strong customer relationships based on loyalty and trust. Recently, the company has set a long-term goal to expand the customer base. To support achieving the long-term goal, the company has set the short-term goals as follows: to understand the behavioral characteristics of the target consumer group and factors influencing the purchase decisions.

1.3 Objectives and delimitations

The first objective of the current study is to gain an understanding on how the purchase decision process is being made from the viewpoint of particular groups of consumers. The second one is to research the variations of factors influencing their final purchase decision. The specific research group selected for the analysis is Russian consumers who travel to South Karelia for the purpose of purchasing car tires.

Consumer behaviour is a very broad concept involving many issues that can be explored. However, as the project is done for the case company operating in a specific business field, it is easier to build the frames of the study.

Firstly, at the moment of conducting the present study, the case company is interested in understanding firstly the key characteristics of the decision-making process, secondly the key factors influencing the purchase decision and finally form overall picture of the particular groups of consumers.

1.4 Structure of the study

The current study consists of two main parts: theoretical and empirical. The theory part of the thesis starts with a description of the decision-making process. The stages of the process are presented and used as a basis in the analysis of the existing customer base. Further on the general factors affecting consumer behavior are investigated. These factors are also used in the empirical research. Marketing and consumer behavior related literature is used to support the theoretical considerations. Information relevant for the study is additionally received from online articles.

The empirical part is based on a quantitative research. Questionnaire is used for the purpose of data collection, relevant for obtaining knowledge concerning the factors that influence the purchase decision of particular groups of consumers. The results are presented and analyzed.

2 Decision making process

The purpose of the study is to analyze the decision-making process of consumers in terms of consumption of a particular product. The product that is chosen for the research is a car tire. The product characteristics influencing the decision-making process might be different for each consumer. Consumers are likely to select alternatives that are seen as more useful for their needs. To understand consumer decision-making, two issues must be addressed (Reynolds & Oslon 2001):

1. What are the evaluation criteria of alternatives and how do consumers make a choice among them?
2. What affects the relevance of evaluation criteria for consumers?

In order to find out what the choice alternatives are and the relevant criteria for Russian consumers, it is necessary to identify at which stages of the decision-making process these factors are identified by the consumer. The most common model, which was first introduced by John Dewey (1910), describes decision-making steps as follows:

1. need recognition
2. information search
3. evaluation of alternatives
4. purchase decision
5. post-purchase behavior

This framework is used in order to examine the decision-making process; however it is not necessary that every consumer goes through each stage in the exact order. Depending on the circumstances the framework of the process may vary.

2.1 Need recognition

Need recognition is the initial and most important step within the process. The purchase of a product or service can be made only based on recognizing a problem or a need for a particular satisfaction. People tend to have internal and external needs. Internal needs can be described as feeling hungry or thirsty. External needs may involve an impact from a wide range of external sources such as promotion of a product or advice from friends. (Perreau 2013.) Abraham Harold Maslow has described a hierarchy of needs as a pyramid. The general idea of the pyramid is that only achievement of a certain stage of needs allows moving to the next one. The stages of the pyramid are described as follows:

1. physiological needs
2. safety needs
3. needs to love and belonging
4. need for esteem
5. Need for self-actualization

Needs of a potential consumer may also be classified by the type (Perreau 2013):

1. Functional need. This need refers to specific features of a product.
2. Social need. This need arises from a desire for a social recognition or integration.

3. Need for change. The desire to make any changes can be described as a need for change.

Further in the empirical part of the research, the target customer group is analyzed by means of this theoretical framework. The sequence of the problem recognition steps and characteristics of that are identified.

2.2 Information search

The problem evaluation step is followed by the need to search for relevant information related to the product or service. This stage is necessary to strengthen the opinion about the correctness of understanding the particular need and find possible solutions to the problem. Depending on the scale of importance of the issue, sources of information may vary. These sources can be divided into several groups:

1. personal sources: family, friends, neighbors etc.
2. commercial sources: advertisements, salespersons, dealers, packages etc.
3. public sources: mass media, consumer rating organizations etc.
4. experiential sources: handling, examining, test of the product etc.

The information search process may also be classified into two other types:

5. Internal information. This information comes from previous experience and personal perception of a product.
6. External information. This information may be received from a range of external sources: friends, family, etc.

The complexity of a search process depends on the number of factors which are taken into consideration during the process. According to Perner (2010) this process may depend on a range of factors:

- market evaluation, depending on the number and nature of alternatives available
- importance and complexity of product features

- quality evaluation process
- personal characteristics of consumer
- situational characteristics.

The process of learning may change the characteristics of consumer behavior (Perner 2010).

The complexity of an information search process also strongly depends on the scale of the financial risk. Expensive and long-term oriented purchases are usually made using only relevant and reliable sources of information. However, even low-risk purchases may require the use of several sources of information for the purpose of comparison among alternatives.

The Figure 1 presented below displays statistical observations by Tatkimus- ja Analysointikeskus TAK Oy (2012) concerning the sources of information used by Russians when travelling abroad. This statistics can be applied for the purpose of analyzing the target group of consumers in this study because the respondents of the questionnaire were Russian tourists in Finland. The graph shows that 49% of the respondents search for information about the destination before the trip. The internet is defined as the most popular source of information used before travelling, followed by acquaintances and travel agencies.

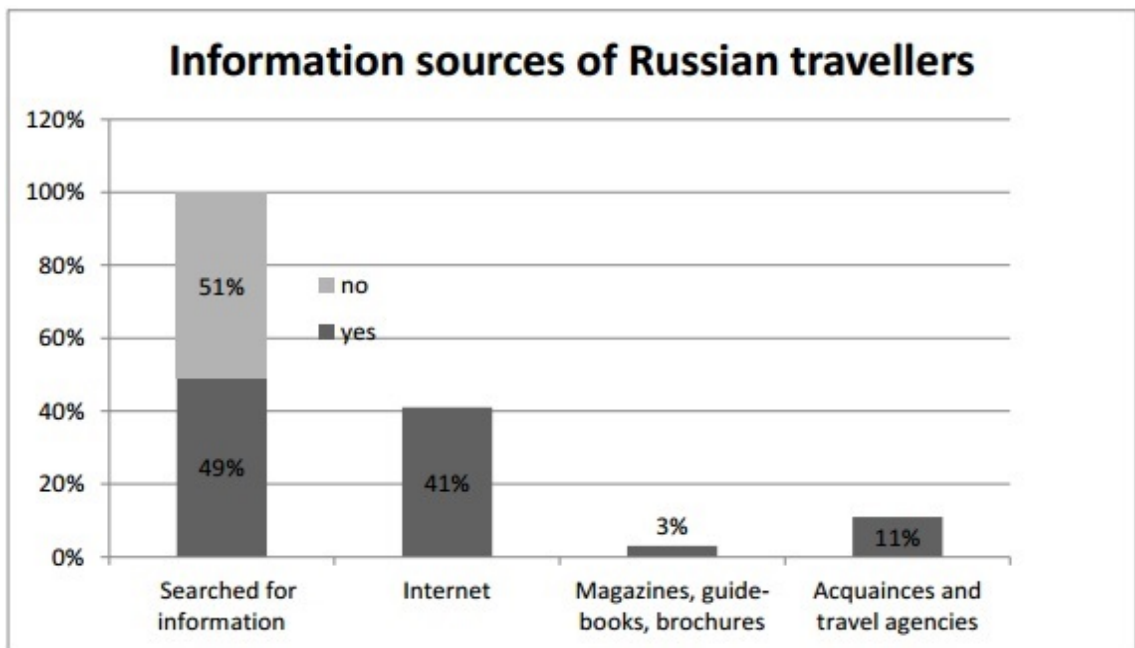


Figure 1. Information Sources of Russian travellers (TAK 2012)

Examination of the information search process gives an understanding on what the most "objective" sources for the target consumer group are. The information on the factors influencing purchase decisions is utilized in the empirical study.

2.3 Evaluation of alternatives

Once the problem is identified and the information is collected, the consumer is able to evaluate the different alternatives which are offered. At this stage the evaluation may include objective characteristics evaluation (functionality, features etc) and subjective (personal perception of the product). (Perreau 2013.)

A number of factors affect consumer choices. For some consumers the price may be a prior comparison factor, for others the quality or convenience of a product. Decisions are affected by consumer personality. Different consumers have different preferences when making a choice, some like to experiment, others are more likely to choose among well known options. (Perner 2010.)

Factors shown in Figure 2 below can come between the purchase decision and purchase intention.

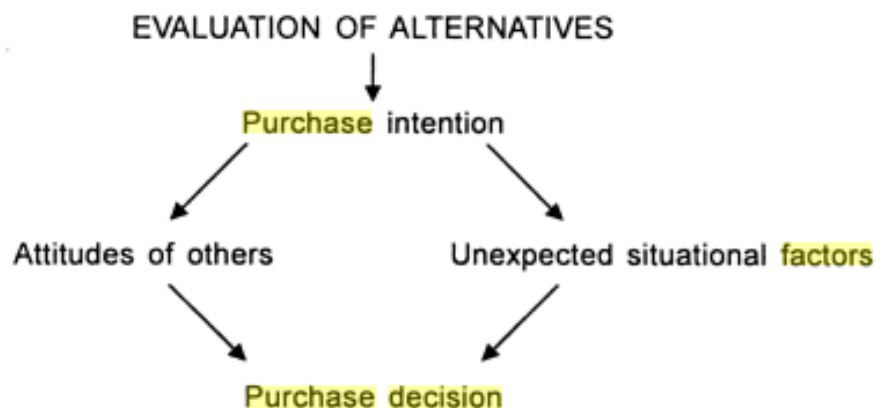


Figure 2. Steps between purchase intention and purchase decision (Govindarajan 2007)

Decision making itself is divided into five different steps or sets in which the consumer makes the final decision. The sets are as indicated in Figure 2.

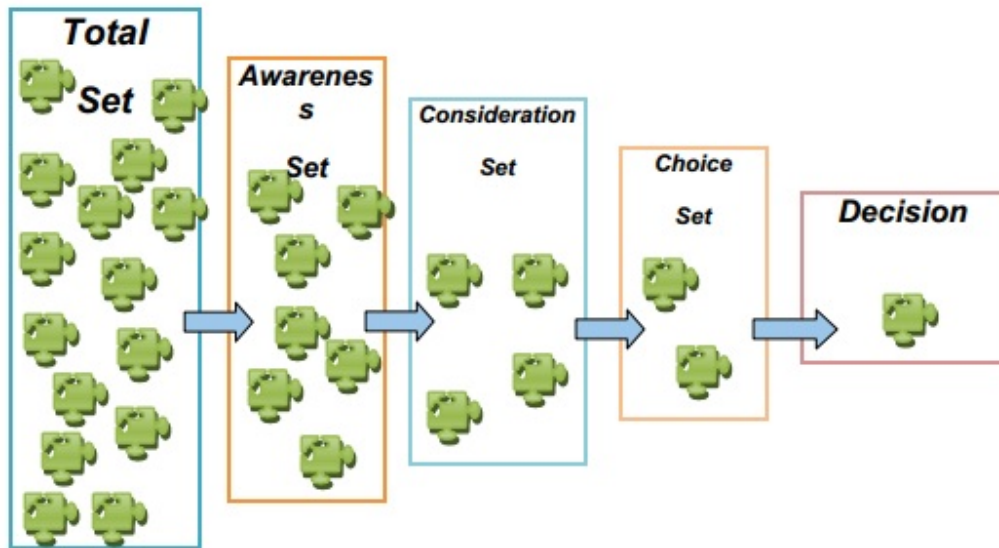


Figure 3. Decision making sets (Kotler 2001)

Total set is all the range of products available in the market. For example a person has decided to buy car tires. The total set includes all the available choices in stores. Awareness set is the set of brands or models the consumer is aware of. Usually the awareness set is less than the total set. Consideration set is the set of products identified by the consumer which are more likely to be purchased. This set is constructed on the basis of information obtained previously by the consumer. The final step before the decision is choice set. This is where a brand in the consideration set has for some reason been rejected (Kotler 2001.) These sets are affected by a consumer's internal or external factors, which influence the construction of each set. These factors are analyzed further in the theory part.

2.4 Purchase decision

At this stage the product to be purchased is chosen. The range of alternatives taken into consideration is generally based on the previous stages and other factors. At this stage the retailer is chosen. The choice of the retailer may also have an impact on the final purchase decision. A variety of factors can influence consumers: the availability of a product, product warranty, maintenance and financial agreements, for example. (Pride & Ferrell 2010.)

Table 1 below describes common situational influences in the consumer buying process.

Situational influences	Examples	Potential Influences on Buying Behavior
Physical and spatial influences	Retail atmospherics Retail crowding Store layout and design	A comfortable atmosphere or ambience promotes lingering, browsing, and buying. Crowded stores in terms of people or spatial layout may cause customers to leave or buy less than planned
Social and interpersonal influences	Shopping in groups Salespeople Other Customers	Consumers are more susceptible to the influences of other consumers when shopping in groups. Rude salespeople can end buying process. Obnoxious "other" customers may cause the consumer to leave or be dissatisfied.
Temporal (time) influences	Lack of time Emergencies Convenience	Consumer will pay more for products when they are in hurry or face an emergency. Lack of time greatly reduces the search for information and the evaluation of alternatives. Consumers with ample time can seek information on many different product alternatives.
Purchase task or product usage influence	Special occasions Buying for others Buying a gift	Consumers may buy higher-quality products for gifts or special occasions. The evoked set will differ when consumers are buying for others as opposed to themselves.
Consumer dispositional influences	Stress Anxiety Fear Fatigue Emotional involvement Mood	Consumers suffering from stress or fatigue may not buy at all, or they may indulge in certain products to make themselves feel better. Consumers who are in bad mood are exceptionally difficult to please. An increase in fear or anxiety over a purchase may cause consumers to seek additional information and take great pains to make the right decision.

Table 1. Common situational influences in the consumer buying process (Ferrell & Hartline 2008)

The stages in the buying process depict a range of possible activities that may occur as consumers make purchase decisions. Consumers may spend relatively more or less time in certain stages, they may follow the stages in or out of sequence, or they may even skip the stages entirely. The range of possible buying process scenarios is always different because consumers, products and situations are always changing. (Ferrell & Hartline 2008)

2.5 Post-purchase behavior

When the purchase is made, consumers tend to evaluate if the actual performance meets their expectations. The criteria used at the stage of evaluation of alternatives may be used again. The result of the process is either satisfaction or not. This affects further decision making processes and consumer's impression of the product or brand in general.(Pride & Ferrel 2010.)

If the consumer was satisfied at this stage, a future process of decision-making involves a smaller number of stages and thus creates consumer loyalty. However, if the purchase was dissatisfying, the process of decision-making will involve the same or greater consumer accuracy at each stage.

All kinds of feedback are shared between consumers. Experiences can be shared between family and friends or on a larger scale, using internet blogs and forums. This process may have a significant impact on the formation of a brand image (Perreau 2013.)

3 Purchase decision contributing factors

Philip Kotler (2001) identifies four major factors affecting consumer buying behavior. Key determinants are divided into the following categories: cultural factors, social factors, personal factors and psychological factors.

Cultural factors consist of several sub categories, such as culture, subculture and social class. Social factors include reference group, family, role and status. Personal factors are influenced by age, life-cycle stage, occupation, life style, personality and self-confidence. Psychological factors refer to motivation, perception, learning, beliefs and attitudes (Kotler, Armstrong, Saunders & Wong 2001.)

Factors determining the purchase decision are later on mirrored in this study to the profiles of Russian consumers of the car tires. It is crucial to understand the impact of the factors on the buying decision making process of the consumers in order to improve marketing strategy and marketing message, making advertising campaigns more efficient and more in line with the way of thinking and expectations of the target consumers and, as a result, to increase the sales. Consideration of the factors will help to understand the reaction of the consumers, the motivations and aspirations guiding the customers to make a particular decision and choice on a certain retailer, product or brand over another. A purchase decision of a consumer is the result of each and every one of the factors.

3.1 Cultural factors

According to Kotler (2001) the basis of cultural factors is driven from history, society structure, religion, beliefs and other determinants. Minor cultural factors, such as symbols, heroic characters, traditions and rituals also contribute to the buying decision of an individual. All the factors change over time, some of them faster than the others.

Culture, as a part of external influences, dramatically impacts on the consumer's behaviour. An individual is influenced by his family, friends and the cultural environment throughout his existence. The society imposes values, preferences, perceptions, ideologies and common behaviours to the culture. That is why when observing consumers' behaviour it is crucial to take into consideration their cultural background (Kotler, Keller, Brandy, Goodman & Hans 2009.)

"A subculture is a distinct cultural group that exists as an identifiable segment within a larger, more complex society". A nationality, ethnic group, religion or a range of other factors may identify a subculture. "The members of a specific subculture possess beliefs, values and customs that set them apart from other members of the same society. They adhere to most of the dominant cultural beliefs, values and behavioral patterns of the larger society. Today marketers segment the larger societies into smaller subgroups called subcultures. These are homogeneous in relation to certain customs and ways of behaving." (Tyagi & Kumar 2004.)

Any company must take into consideration the importance of culture analysis in order to perform a quality strategy on the market. The adaptation of the strategy on particular cultural groups may have a more effective impact on a target segment.

3.2 Individual influences

The range of individual influences that can affect the buying process is quite extensive. Factors such as age, occupation and social status are easy to analyze and use in a marketing strategy. For the most part, these individual factors dictate preferences for certain types of products or brands. Married consumers with children will clearly have different needs and preferences than young, single consumers.

Such factors as motives, attitudes, perceptions and interests are slightly more difficult to be analyzed because these factors may not reflect or directly match the demographical factors of a target segment (Ferrell 2011.)

The degree of complexity is a meaningful subject in the context of the buying process. Complex decisions are often described as risky. The risk can be caused by personal emotional involvement in the process, lack of experience or financial risk. Purchases which are low in complexity are often non-involving for consumers. (Ferrell 2011.)

A consumer does not buy the same range or type of products or services during the entire lifetime. The lifestyle, environment, activities, hobbies and habits are continuously changing.

3.3 Situational influences

Situational influences may occur at any stage of the decision-making process. Different circumstances may influence consumers in different situations. These factors may start or terminate the process. According to Ferrell (2011), these factors can be described by five types:

- Physical surroundings may include different environmental factors influencing a consumer.

- Social surroundings include characteristics and interactions of others who are present during the purchase decision, such as friends, relatives, sales people or other customers.
- The time dimension factor influences the buying decision process in several ways, such as the amount of time to become knowledgeable about the product, to search for it and to buy and use it.
- The purchase reason describes the factors which triggered the intention to buy.
- The buyer's mood or current condition may affect the process of purchase.

3.4 Social factors

“Like individual influences there is a wide range of social influences that can affect the buying process.” Consumer behavior depends on cultural characteristics, reference group and other social factors, which have a strong impact on the reasons to make a purchase. “Among the social influences none is more important than the family. From birth, individuals become socialized to with respect to the knowledge and skill needed to be effective consumers. As adults, consumers typically exhibit the brand and product preferences of their parents.” (Ferrell 2011.) Govindarajan (2007) explains the role of social factors as follows:

- “Social class has a bearing on buying behavior. Social classes are categorized by criteria such as wealth, occupation, influence, people with whom the individual interacts, his own class-consciousness and the class status assigned to him by others.”
- “People may be members of a social class but may seek to relate themselves to another class, a reference group, which governs at least part of their purchases accordingly... A reference group within a social class can also exist. A reference individual is one to whom a person looks for guidance, comparison, or approval.”

- “The family has a considerable impact on the formation of values and attitudes that influence the purchase patterns. Many people favor the same product as their parents do. Consumers are more likely to buy product if it is used by someone they share common interests with or by someone they admire or trust.”

3.5 Psychological factors

A variety of social factors which affect consumers from the outside have a strong impact on formation of people’s psychological characteristics in general and particular as consumers (Ferrell 2011.)

Individual buying habits are further influenced by psychological factors: perception, motivation, learning, beliefs and attitudes. They are the tools consumers use to recognize their feelings, gather and analyze information, formulate thoughts and opinions, and take action (Lamb, Hair & McDaniel 2012.)

- Perception. The characteristics of perception depend on personal experience or other factors, which are already in the memory of the individual. Based on this the information from external sources is analyzed and interpreted in a way which makes sense to the individual.
- Motivation is a key factor for consumers when making a decision to purchase. It can be identified at the stage of need recognition.
- Learning is a process of receiving new information, which affects the process of experience formation. As the experience is gained it changes the behavior of the individual.
- Beliefs and attitudes are created by the means of internal and external sources. Family or personal experience may create beliefs or attitudes, which influence the behavior of consumers (Lamb, Hair & McDaniel 2012.)

4 Basic information about car tires and Russian market

The importance of tires is enormous in the context of many factors related to driving a car. Steering, breaking and traction depend on the tires which are installed. A number of car attributes depend on the tire attributes:

- Car power. If the engine of the car is powerful, this power can be only released with the high adherence tires. If the characteristics of tires are incorrect, some of the power is lost through skidding and tires wear out too quickly.
- Safety. Tire is the only thing which links the car to the road. The breaking distance and ability to maneuver depend on the quality of tires significantly.
- Comfort is influenced by the rigidity of the tire and the height of its wall. Carmakers always recommend the optimal size.
- Maximum speed capability. All tires are marked with speed index. If the tire has T index (190 km/h), safe performance is guaranteed only until that limit.
- Load index represents the maximum weight the car can carry.
- Design of car tires can impact the overall look of the car both positively and negatively.
- Efficiency is measured by fuel consumption, rolling resistance, and high total service life.

These are the factors, which are normally considered by consumers as basic evaluation criteria when purchasing car tires. A research made by Google (2013) reflects the general reasons for purchasing car tires.

REASONS FOR PURCHASE

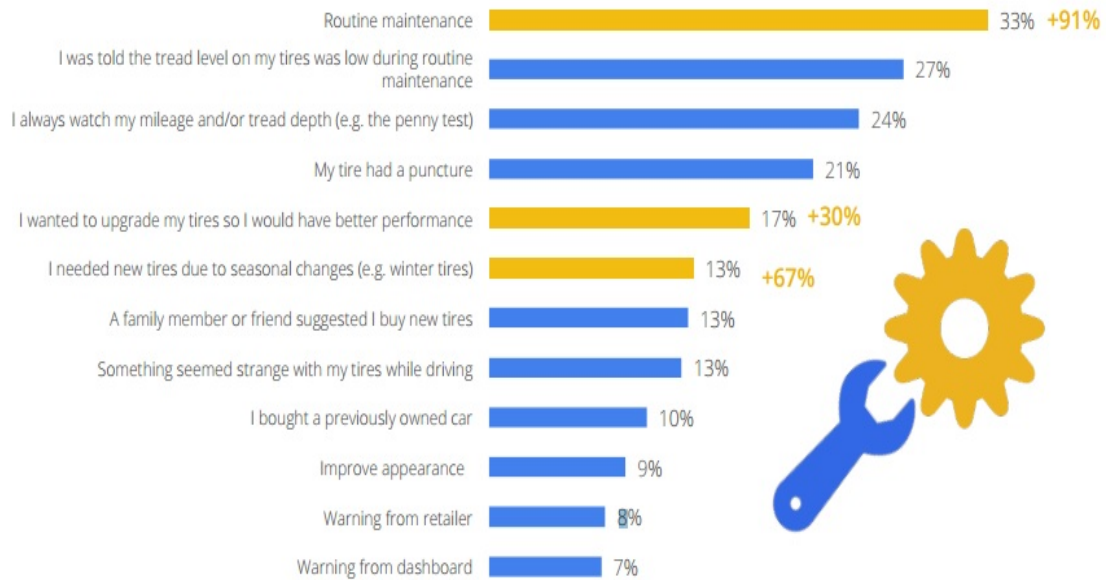


Figure 4. Reason for purchase of car tires (Google 2013)

Tire market for passenger cars in Russia has three price segments. The premium segment now occupies about 1/5 of the Russian tire market. The middle segment of the market covers about 1/4. Finally, the lower price segment has the highest demand. (Polymery.ru 2013)

5 Russians in South Karelia

The meaning of Russian tourists has increased significantly in the Karelia region in particular: for example, whereas in 2004 Russian tourists spent 12 million euros in Imatra and 70 million in Lappeenranta, in 2010 they spent 62.5 million euros and 196.7 million in these two cities respectively (Jakosuo 2011.)

According to Eila Potapova's bachelor's thesis (2012) the statistics concerning tax-free awareness is as follows (Figure 5):

Interest towards tax-free refund

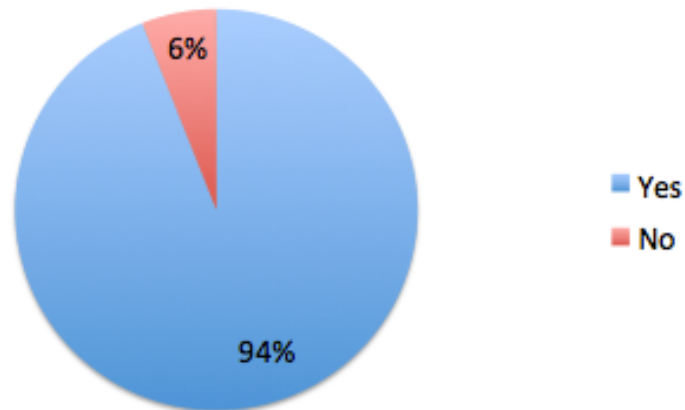


Figure 5. Tax free impact on tourism, answers from Russian tourists concerning their interest towards tax-free refund (Potapova 2012)

This statistics shows that for most of the tourists from Russia tax free refund is an important and well-known fact. According to Globalblue.com (2014), the tax free refund in Finland is equal to 12% of the amount of the purchase.

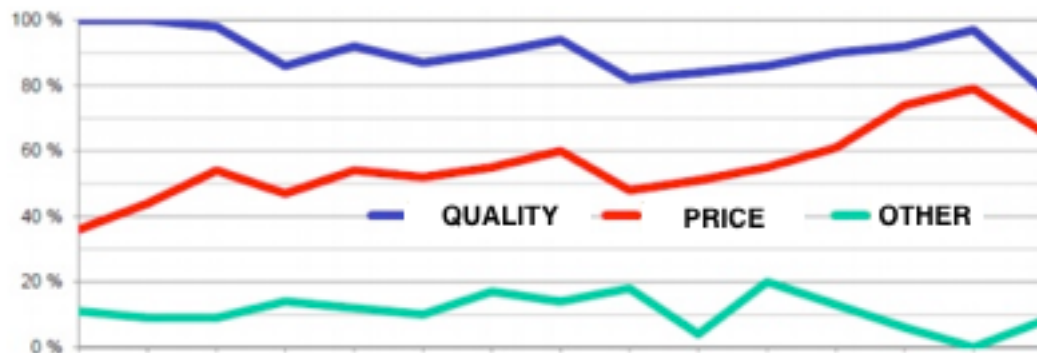


Figure 6. Why Russians buy goods from Finland (Potapova 2012)

Figure 6 shows that on average the main reason for Russian tourists to buy goods in Finland is the aspect of good quality. This reason seems to be the most popular and the degree of importance of this factor does not seem to depend on the category of goods. The second factor is low price, the importance of which is more dependent on the category of goods. The third category is other reasons, which are not specified.

6 Research methodology

Quantitative research is explaining numerical data collected for the purpose of interpretation of certain phenomena (Muijs 2011). The purpose of this thesis is to study the specifics of the purchase decision-making process and general characteristics of Twinmax Oy's particular customer groups. The research aims to understand the reasons and criteria of customers to decide to buy car tires in Finland. The overall purpose is to identify how the consumer acts and thinks when buying car tires in Finland.

The empirical part of this study was carried out by the means of implementing a questionnaire survey. Twinmax Oy retail shops were used as channels of questionnaire distribution. The questionnaire was created and used as a method of data collection in this research. There were 125 participants in the survey. The whole process was carried out in two different retail stores in co-operation with the sales personnel at the stores.

The debriefing method of questionnaire pre-testing was used. It involved the presentation of the questionnaire to six respondents in the same manner as it was done in the actual survey process. The respondents were asked about their thought process while completing the questionnaire and whether they had any problems. The questionnaire was clear and simple in the opinion of the test respondents. No other problems were identified either, and thus it was decided not to make any changes in the questionnaire form.

Also the funneling method was used while creating the questionnaire. Funneling is a process of asking the most general questions first, followed by more specific and restricted questions (Mirola 2013.)

The questionnaire included a number of multiple-choice questions. The results of the questionnaire were described in several measurement ways. Nominal-level measurement categorizes consumers into homogeneous and mutually exclusive groups. This method of measurement is used for analysis of gender, age group and family status. Ordinal-scale method of data measurement is used for the purpose of analysis of product, store and information sources evaluation. Additionally, non-comparative itemized scale is used for the purpose

of identification of consumer's characteristics. This method is often employed to measure purchase intentions. (Mirola 2013.)

In order to achieve the goals set in the study, answers to the following research questions should be found:

1. What are the characteristics of particular groups of consumers?
2. What are the decision-making steps and influencing factors?

In order to receive the answers to the particular research questions, the list of questions in the questionnaire was compiled respectively. The questions aiming to obtain general information and some information about the social status of customers were as follows:

1. Your age group?
2. Are you male or female?
3. What is your nationality?
4. What is your occupation?
5. What is your family status?
6. Amount of money spent on tires this year?

The next questions aimed to get an understanding of the need recognition step.

7. Choose your reason for purchasing new car tires
8. What is the reason for purchasing car tires in Finland?

The following questions were targeted to understand the information search process.

9. Where have you found information about the product?
10. Where have you found the information about the retailer?

Evaluation of alternatives was evaluated by the following questions:

11. Importance of product features
12. What are the most valuable evaluation criteria of a product?
13. What are the most significant evaluation criteria of a retailer?
14. Number of product brands considered?

15. Number of stores considered before the purchase?

The next question was aimed to understand the external influences of consumers

16. Importance of recommendations or information from list of sources?

The questions listed in the questionnaire were formulated on the basis of the theory of the decision-making process and factors influencing purchase decisions described in the theory part of the thesis. The questionnaire was also designed in a way which allows a brief analysis of the sample researched and the consumer behavioral characteristics. The respondents to the questionnaire were offered to fill in the survey sheets while waiting for their purchase to be delivered from the stock. The questionnaire consisted of 16 questions and the estimated time of the survey was reasonably short, which was positively reflected in the number of respondents. All of the 125 survey sheets were filled in correctly and returned in the return box.

The questionnaire results were presented in the form of generalized percentages in pie charts and tables. The analysis of two or more groups is a general task in the context of multidimensional analysis of quantitative data (Lex 2010.) Further in the interpretation of the results, the respondents were divided into two groups selected from the largest accumulated age group of the respondents. In addition, the groups were formed on the basis of occupational status: students and unemployed respondents formed the first group, and employed respondents and entrepreneurs formed the second one. The unique characteristics obtained by means of the questionnaire were described for each group separately and comparisons were made. The characteristics chosen for the comparison are:

- reasons for the purchase of new car tires
- reasons for the purchase in Finland
- importance of different product features

- importance of different criteria of evaluating retailers
- amount of money spent on tires this year

These are the characteristics, which were chosen for the analysis of the two different groups. Analysis of the results indicated that the selected groups have similarities and differences and thus this knowledge might be useful for the company to implement proper marketing activities or develop the quality of services for customers.

The information collected through the questionnaire makes it possible to draw a general picture about the decision-making process and purchase influencing factors of both groups. The type of analysis of the obtained results is descriptive. A general view on the results is presented, which does not give a strong statistical reliability.

7 Interpretation of results

The aim of the research was to analyze the characteristics of two different groups of customers. The group formation started with deriving selected occupations from the largest accumulated age group of respondents. Questionnaire results showed that 86 out of 125 respondents were 25 to 40 years old. Further classification of the respondents was done by occupational status. Students and unemployed respondents constituted group 1, and entrepreneurs and employed respondents constituted group 2. Group 1 constituted 28% and group 2 40% out of the total number of respondents.

If the customer's reasons to purchase new car tires are clear to the company, this gives a possibility to analyze the first step of decision-making. By stating the reason for the purchase consumers explain what was the moment or the circumstances when the need was recognized and the decision to purchase was made. It is crucial for the company to have this information in order to be able to influence on customers by different marketing tools and give a proper motivation to buy in a right place and time.

The reasons for the purchase of new car tires for group 1 were seasonal changes followed by routine maintenance. For group 2 the reasons were: seasonal changes, better performance and routine maintenance. The most popular reason for both groups was seasonal changes. Thus the conclusion to be drawn is that for both of the groups marketing activities would be more effective when the season is about to change. The second conclusion is that only entrepreneurs and employed respondents are seeking for better performance. This information leads to a conclusion that marketing of high performance products should be targeted to that particular group.

If customers buy car tires without any delivery service, in most of the cases they need to carry the tires in their own vehicle. The size of car tires is significant in the context of average passenger cars and usually the tires need to be carried in the passenger compartment of the car, which might bring significant discomfort during the long travel from Russia to Finland. Moreover, the car may be additionally checked at the customs due to the price and weight limits, which is time-consuming in most of the cases. Therefore, understanding the reasons for the purchase of car tires in Finland by Russians leads to information about the motives for the purchase, which are stronger than a desire for a comfortable trip. The only reason for group 1 to buy car tires in Finland was price. For group two the reasons were: price, quality and availability. This information leads to a conclusion that for all of the respondents the issue of price is the most important one. This information might be useful for the company to carry out proper procurement activities and thus have reasonably priced goods available in different sizes.

Knowledge about the importance of different product features for the customer is useful for the company in different ways. Once again, the procurement activities, suppliers and marketing activities can be modified based on that formation. Respondents in group 1 chose traction, fuel efficiency and brand as the most important product features of the product. Group 2 gave more preference to brand and physical appearance. The conclusion to be drawn is that brand is a common important feature for both of the groups and thus the company should concentrate on having strong, trustworthy brands in stock.

Knowledge about the importance of different criteria for evaluating retailers may give a possibility to attract more consumers by way of service development. These actions may lead to an increase in sales. Both of the groups responded that product availability and previous experience are the most important factors. Insuring stock availability will develop the quality of service and thus improve the image of the company. Good service is another factor to be taken into consideration; it makes the purchase experience positive and creates customer loyalty.

The amount of money spent on tires during year is similar for both of the groups evaluated. The average amount is from 200 euros to 400 euros (this year). This information gives an understanding about the customer's budget dedicated for tires this year. Thus the budget characteristics are similar for both of the groups, and this knowledge may give the company an understanding about the price segment which is relevant for these two groups.

8 Conclusion

The aim of this study was to investigate a particular group of consumers and their behavioral characteristics. The overview on how the purchase decision process is made and factors influencing the final purchase decision were presented in the theory part and the knowledge was used for the questionnaire creation. Further on, the general factors affecting consumer behavior were investigated. These factors were also used in the empirical research, in which different groups of customers of Twinmax Oy were analyzed. Those groups were analyzed and compared to each other by the means of unique characteristics obtained through the questionnaire survey. The set of characteristics to be compared was chosen based on the author's personal expertise on the importance of the factors for the case company.

The information collected made it possible to draw a general picture about the decision-making process and purchase influencing factors of the target groups of customers. The information obtained by comparing the different consumer groups is useful for the company in order to be able to influence on customers by different marketing tools and give a proper motivation for the purchase, as

well as develop procurement activities, product availability and service in general. The results obtained in the study were analyzed in a descriptive way. A general view on the results was presented, which does not give a strong statistical reliability.

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Customer base research questionnaire

Dear Customer,

The student of Saimaa University of Applied Sciences and Twinmax Oy carries a small survey in order to identify the general characteristics of an existing consumer base. It would be a great help if you give us a few minutes from your valuable times and answer the following questions. Your feedback will help us to build a service for you.

Thankfully yours

Andrey Veselov

+358 44 733 17 99

Email: andrey.veselov@list.ru

The questionnaire will not take more than 5 minutes. Please answer the following questions by marking it.

1. Your age group (1) 15-25 (2)25-40 (3)40+
2. Are you male or female?
3. What is your nationality?
4. What is your occupation?
 - Student
 - Employed
 - Entrepreneur
 - Not employed
5. What is your family status?
 - Married
 - Single
6. Choose your reason for purchasing new car tires.
 - Routine maintenance (tread level, general condition)
 - Warning from dealer, retailer, dashboard etc.
 - Puncture
 - Seasonal changes
 - Better performance
 - improved appearance

7. Where have you found information about the product?
 - Family, friends, neighbors etc.
 - Advertisements, salespersons, dealers, packages etc.
 - Mass media, consumer-rating organizations etc.
 - Handling, examining, test of the product etc.
8. Choose from scale 1-5 (important/not important) the importance of recommendations or information from sources of information listed:
 - Family, friends, neighbors etc.
 - Advertisements, salespersons, dealers, packages etc.
 - Mass media, consumer rating organizations etc.
 - Handling, examining, test of the product etc.
9. What are the most valuable evaluation criteria of a product? (1-5 important/not important)
 - Availability
 - Price
 - Reliability
 - Promotion
 - Previous experience
10. Features importance, choose from 1-5 (important/not important)
 - Physical appearance
 - Brand
 - Fuel efficiency
 - Traction
 - Warranty
 - Durability
11. Number of product brands considered
 - 1 other brand considered
 - 2 other brands considered
 - 3+ other brands considered

12. Where have you found the information about the retailer?

- Family, friends, neighbors etc.
- Advertisements, salespersons, dealers, packages etc.
- Mass media, consumer-rating organizations etc.

13. What are the most significant evaluation criteria of retailer? (1-5 important/not important)

- Product
- Price
- Place
- Promotion
- Previous experience

14. Number of stores considered before the purchase

- 1 other store considered
- 2 other stores considered
- 3+ other stores considered

15. Amount of money spent on tires this year

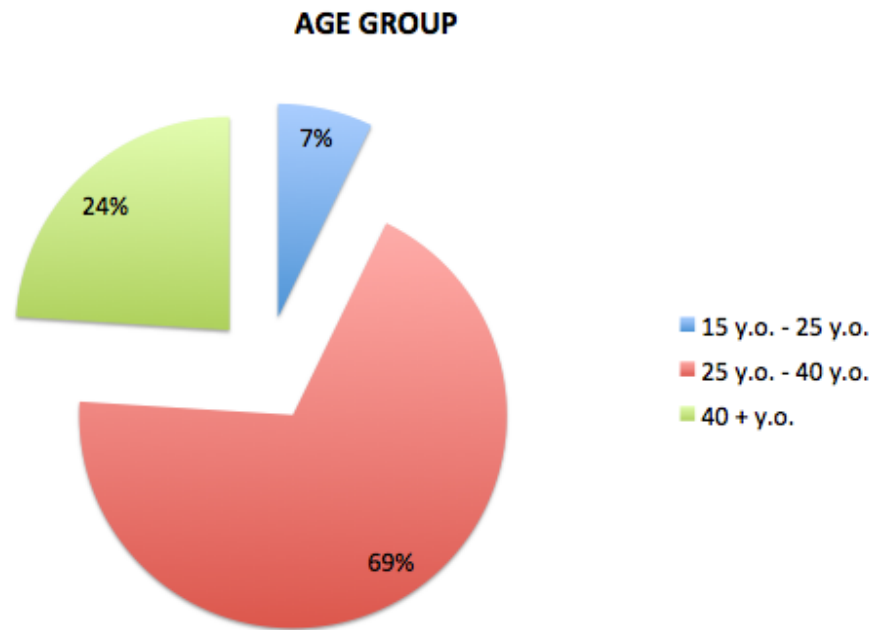
- Less than 150 Euros
- 150 to 200 Euros
- 200 to 400 Euros
- More than 400 Euros

16. What is the reason for purchasing car tires in Finland?

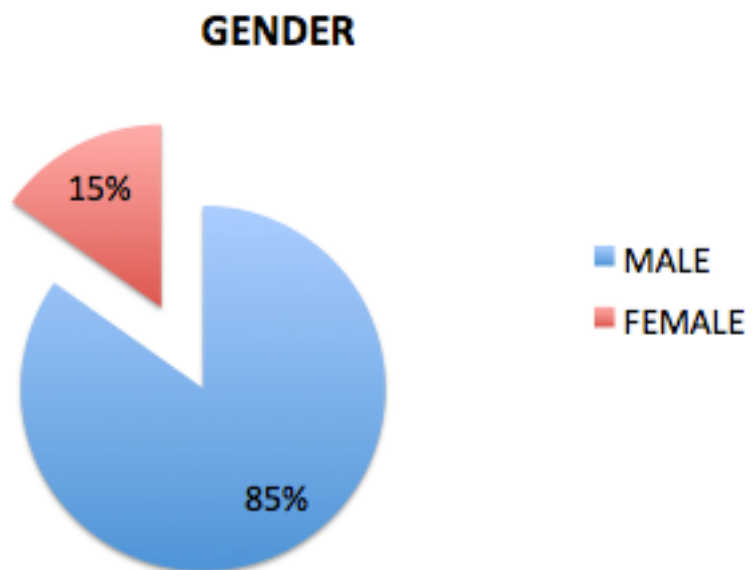
- Quality
- Price
- Availability
- Other (please specify your own reason)

Thank you very much for your effort!

Appendix 2



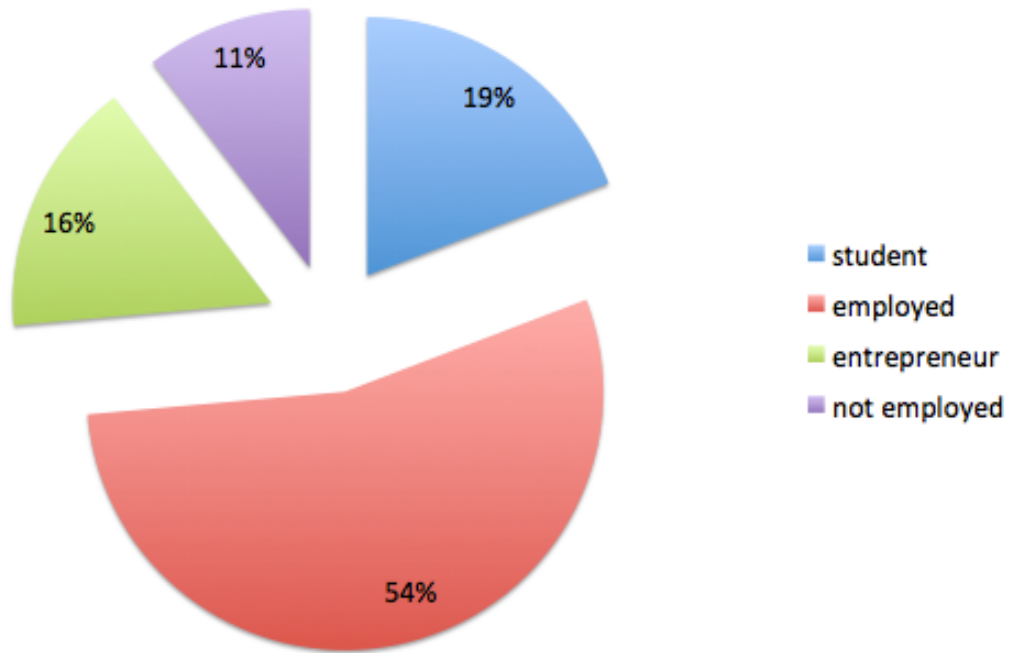
Age distribution



Gender distribution

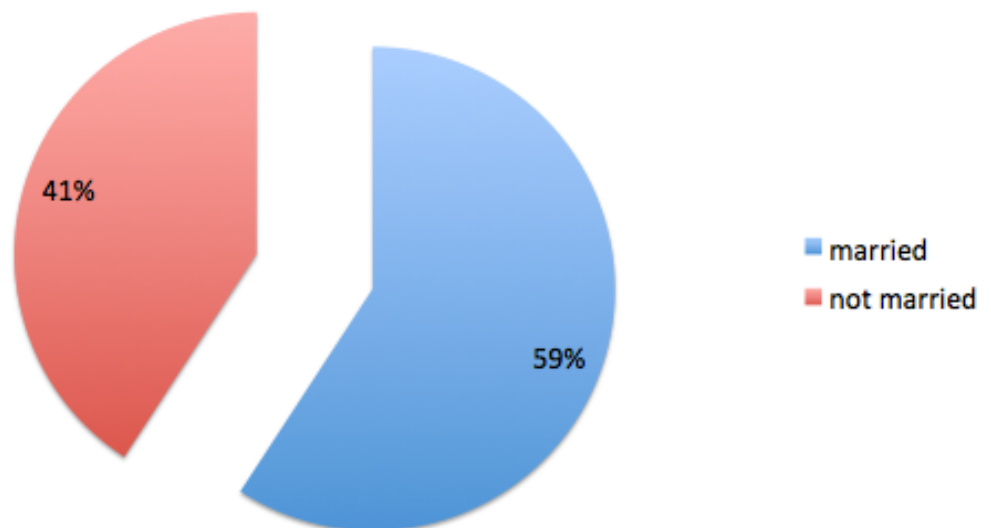
Nationality. All of the respondents have mentioned that their nationality is Russian.

OCCUPATION



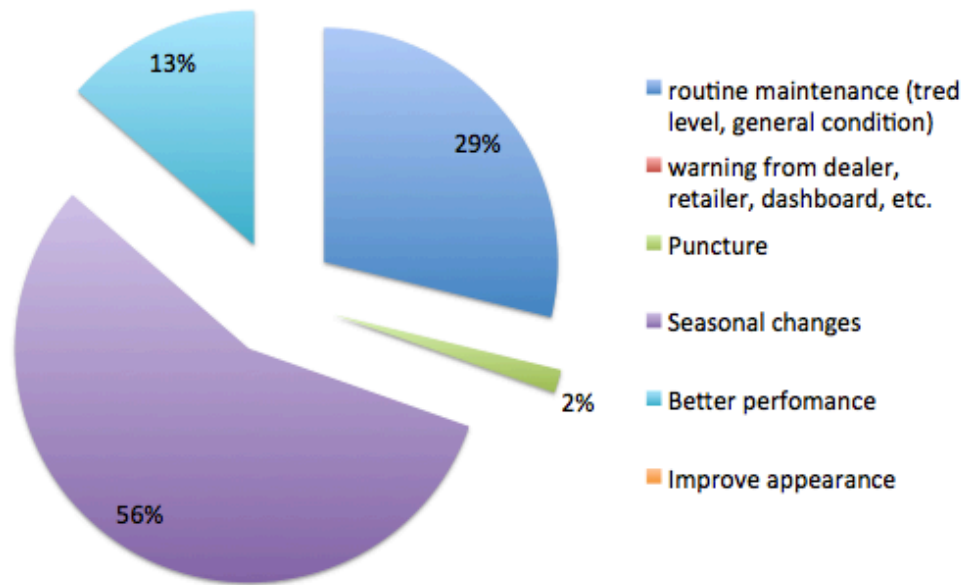
Occupation

FAMILY STATUS



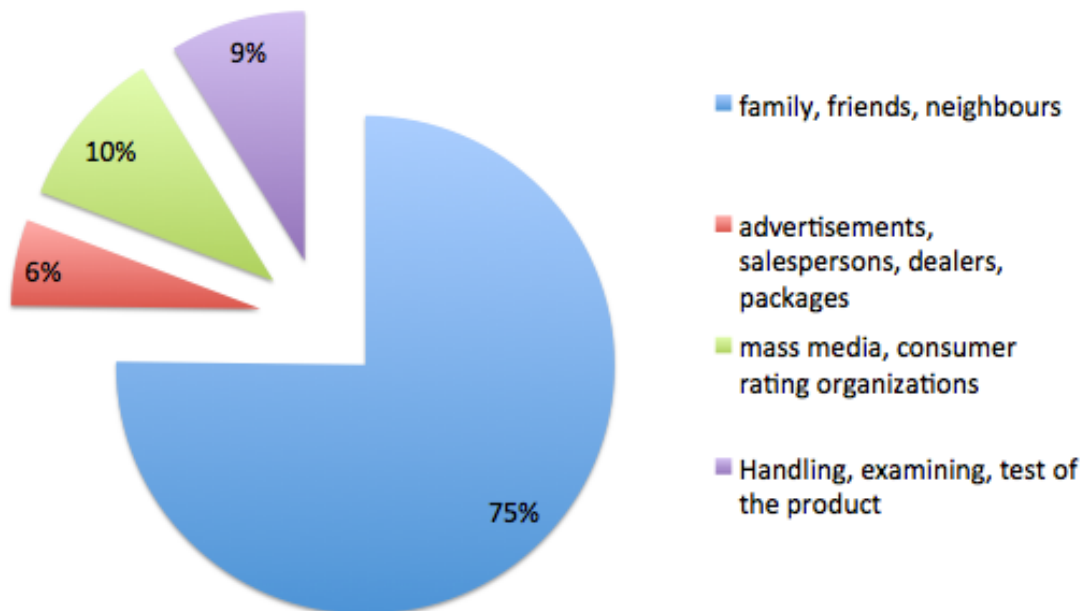
Family status

REASONS FOR THE PURCHASE



Reason for purchasing new car tires

PRODUCT RELATED SOURCES OF INFORMATION



Product related information source

Importance of recommendations or information from the list of sources.

Family, friends, neighbors etc.

Importance	Amount
1	0
2	0
3	10
4	27
5	94

Advertisements, salespersons, dealers, packages etc.

Importance	Amount
1	34
2	82
3	9
4	0
5	0

Mass media, consumer rating organizations etc.

Importance	Amount
1	14
2	17
3	75
4	14

5	5
---	---

Handling, examining, test of the product etc.

Importance	Amount
1	13
2	2
3	19
4	28
5	63

Evaluation criteria of a product

Availability

Importance	Amount
1	8
2	41
3	28
4	34
5	14

Price

Importance	Amount
1	0
2	0
3	3

4	2
5	120

Reliability

Importance	Amount
1	0
2	0
3	0
4	0
5	125

Promotion

Importance	Amount
1	7
2	13
3	52
4	41
5	12

Previous experience

Importance	Amount
1	0
2	4
3	5

4	12
5	104

Importance of features

Physical appearance

Importance	Amount
1	14
2	21
3	74
4	13
5	3

Brand

Importance	Amount
1	6
2	9
3	23
4	83
5	4

Fuel efficiency

Importance	Amount
1	3
2	11

3	22
4	64
5	25

Traction

Importance	Amount
1	0
2	0
3	3
4	12
5	110

Warranty

Importance	Amount
1	14
2	67
3	29
4	7
5	8

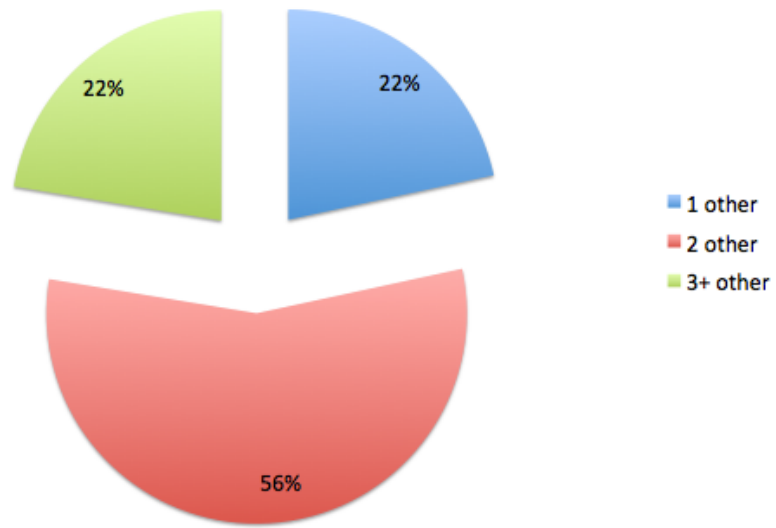
Durability

Importance	Amount
1	0
2	8
3	13
4	16

5

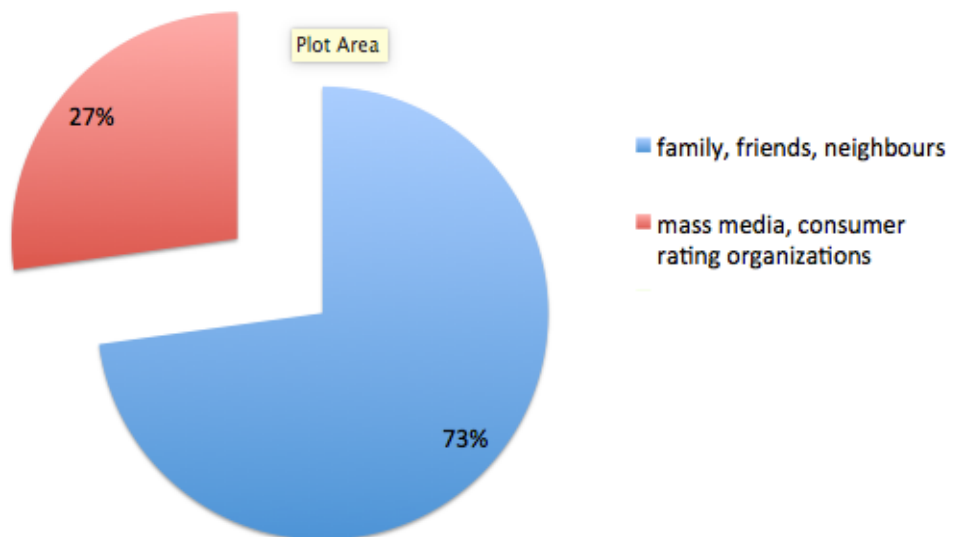
88

NUMBER OF PRODUCTS CONSIDERED



Number of product brands considered

RETAILER RELATED SOURCES OF INFORMATION



Retailer related information source

Retailer evaluations criteria

Product availability

Importance	Amount
1	0
2	0
3	0
4	11
5	114

Place

Importance	Amount
1	16
2	27
3	43
4	21
5	18

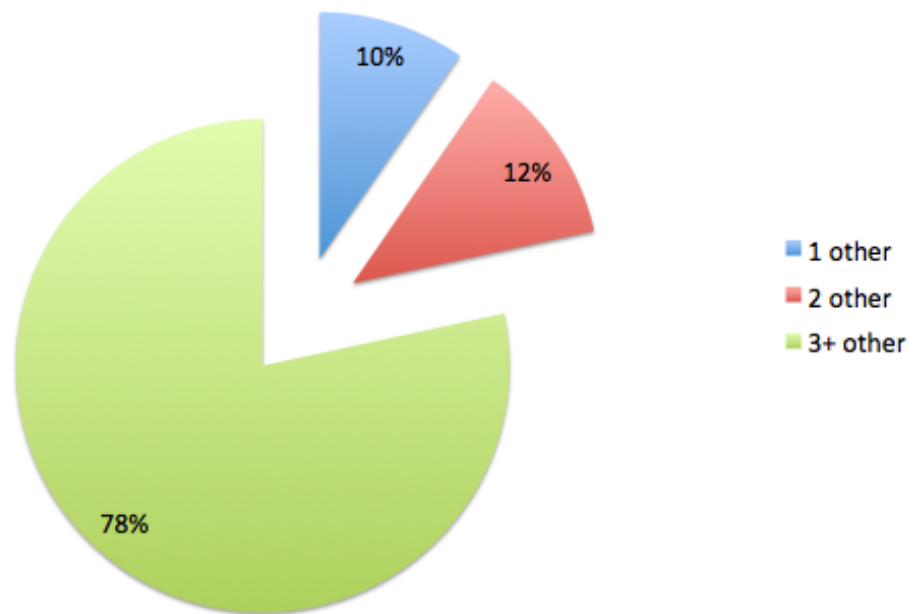
Promotion

Importance	Amount
1	81
2	4
3	19
4	10
5	11

Previous experience

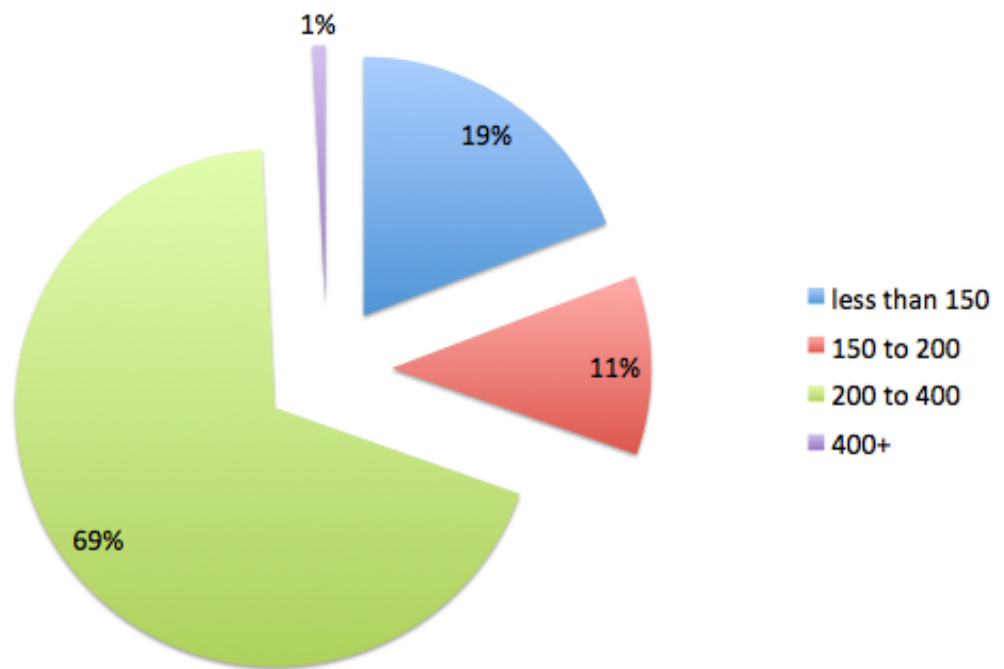
Importance	Amount
1	2
2	2
3	9
4	14
5	98

NUMBER OF STORES CONSIDERED



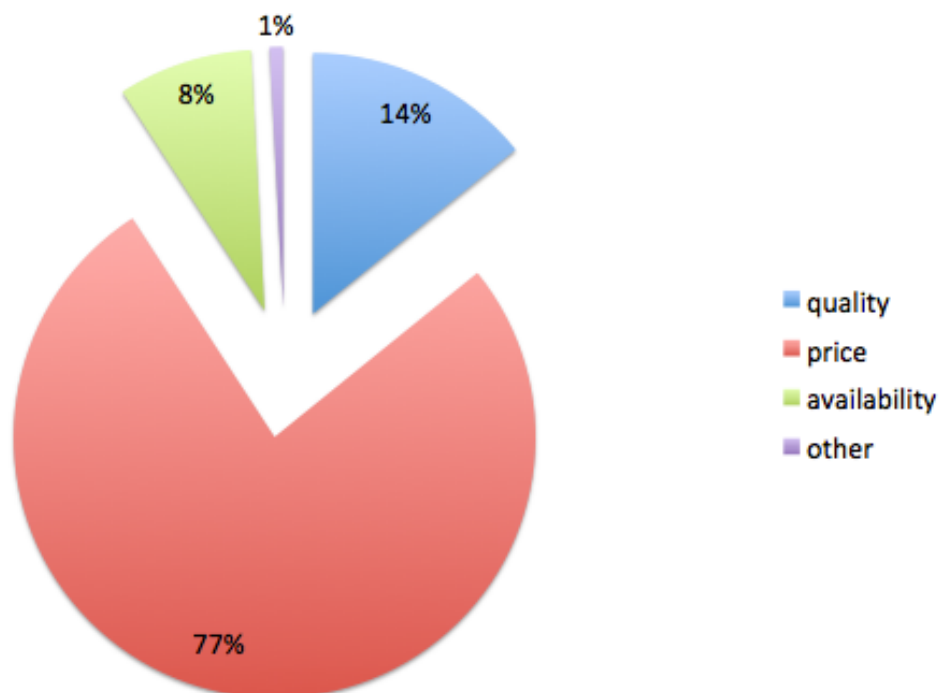
Number of stores considered before the purchase

AMOUNT OF MONEY SPENT ON TIRES THIS YEAR



Amount of money spent on tires this year

REASON TO PURCHASE TIRES IN FINLAND



Reason for purchasing car tires in Finland