Analogous to relations between the conscious and unconscious in organizational systems, executive parts must to implement decisions made from the highest levels of the hierarchical pyramid, which in man's body would be brain. Balanced effects of mental and emotional energy are important for individuals, but organizational systems too. It turns out the major emphasis in the design of control is put on the motivational pole, and that emotional pole is neglected, which creates a gap between the emotional desire as a product of emotional pole and the will, which is a result of motivation pole. In that gap, organizations aren't able to create more success. Therefore, it is naturally at least to partially meet mentality, i.e. mental energy. Whoever does so doesn't need to think for its own success.

### References

- 1. Ekonomski magazin, br. 508, Beograd, 2010. Str. 34
- 2. M. Radosavljević i drugi: Holistička tehnologija uspešnosti, FORKUP, Novi Sad, 2011. Str. 47
- 3. N. Tesli kao inovatoru i naučniku relativno dobar prikaz je dat u N.Tesla: «My invention» Electrical Eksperimenter, February, 1919. Pp. 696—747
- 4. Robert Dilts Strategies of Genius Aristotles Model of the Mind», p. 44—45.
  - 5. Strategies of Genius Chapter IV More Patterns of Genius, p. 390
- 6. V.Vučenović i drugi: «Ĥolistička teorija organizacije», FORKUP, Novi Sad, 2011. Str. 177.).
  - 7. Velix Meiner Verlag: Nikomachische ethik, Hamburg, 1985. P. 137

D. Rajevic, Phd J. Čiaček, MA S. Pajic, MA Faculty of Business and Law, Alpha University, Belgrade, Serbia

## CULTURE AS THE MAIN FACTOR OF SOCIAL DETERMINANT OF CONSUMERS BEHAVIOR

ABSTRACT: The social (sociological) factors are very important in the formation of long-term habits of consumer behavior. To explain the need for a certain product or service, it is necessary to understand the social determinants of demand. The influence of social (sociological) factors on the behavior of consumers had developed and changed in accordance with the social and economic development of population. It directly influenced the increase or decrease of the standard of living, because with socialization, human as consumer accepts values,

beliefs, and customs and so on, acquired by education and upbringing, and changing some habits that are not socially acceptable. The fact is that human cannot be extracted from the environment in which it lives, because every individual has the same biological needs, but depending on where one lives, to which civilization, culture or subculture belongs to, there are more or less differences in behavior. The process by

The social profile of consumers is determined by the influence of external factors, because it lives in a complex environment that affects its behavior. Social environment has a primary influence on forming personality of the individual, and thus the behavior is the result of such influence. The influence of society, as a key source of socialization takes place in two ways:

- 1. Directly through the application of law, respecting customs, moral and ethical norms, etc.
- 2. Indirectly through socialization gears and of those the most important are family, social groups, and reference groups, lifestyles, mass media and so on

Several sociological models are known in the literature and practice (Veblenian social-psychological model, Goffman's model of role division, and Riesman's social character model), which seeks to explain consumer behavior. Today, however, sociologists agree that the primary determinants of how people behave as consumers in society. (Fig. 1)

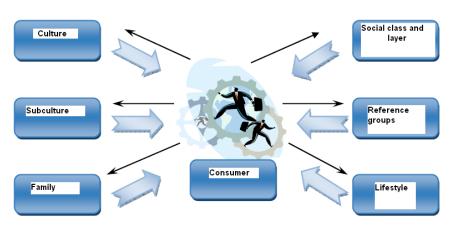


Figure 1. Social (sociological) determinants of consumer behavior Sources: Adapted according to B. Maricie, 2008

CULTURE, SUBCULTURE (ETHNIC INFLUENCE), SOCIAL CLASS AND LAYER, REFERENCE GROUPS, FAMILY AND LIFESTYLE

Keywords: culture, social (sociological) factors, consumer behavior, customs, values, norms

### 1. CULTURE

Culture has a profound impact on consumer behavior, and as such, it is the most fundamental determinant of the desires and needs of each individual's behavior, and a possible explanation for most decisions in life, including those related to the purchase.

Cultural specificities are is very difficult to change and are a permanent feature of society in terms of attitudes towards the social, political, economic and other determinants and the rules of human behavior.

Given the fact that the goal is understanding impact of culture on consumer behavior, some authors define culture as the totality of the material and spiritual values created by human using it to meet the needs and desires, improvement and development of technology, etc. In the widest possible terms, culture is described as a way of life.

For the purpose of comprehensive consideration here are some definitions that characterize the culture and so, Kotler defines culture as «a set of basic values, perceptions, desires and behavior that a member of the company learned from family and other important institutions,»1 while Shifman and Kanuk point out that «culture is the total sum of learned beliefs, values and practices that serve to regulate the behavior of individual consumers in society» 2.

It is worth quoting our authors, including Professor Branko Maricic, and he said, «culture is a framework in which it is necessary to establish goals of consumers, but also effective and acceptable means of achieving those goals», 3 while Prof. Bozo Mihajlovic said, «the culture is totality of culture values, attitudes, beliefs, lifestyles, social relations, and some common activities that are transmitted for generations in any society» 4.

In her book «Consumer Behavior», Ph.D. Tanja Kesic, points out that «culture is a set of material and spiritual values within the conditioned traditional and contemporary changes that form the acceptable behavior of the members of a society» 5. This definition points to several important conclusions, namely:

- Culture is a dynamic category, which due to the influence of these factors change over time,
  - As such, it represents a set of material and spiritual values,
- Consumer behavior under the influence of culture is essentially the result of traditional values and contemporary events, and
- Indicates a socially acceptable behavior of individuals, approved by most members of society

Social norms of conduct are rules of behavior in one culture, and therefore the group behavior in relation to individual behavior, it is very important for the marketing strategies that use the common behavioral traits, conditioned by cultural traditions.

When we talk about culture, we must inevitably consider the beliefs, values, customs, rituals and myths, as well as the standard by which we act.

- Beliefs, consisting of an enormous number of mental and verbal statements of values (i.e., «I believe...») that reflect the specific knowledge and man's judging something (other people, shops, products, brands).6 Beliefs or values □□in the narrow sense of the words, the individual's belief that a particular phenomenon, object or thing, has a particular characteristic or attribute. It emphasizes what is true, which means that believing we give an opinion about something based on previously acquired knowledge.
- Values represent the accepted beliefs about the proper behavior within a culture, and as such are accepted by most members of society. They express what is most important in human life; reflect the essence of what is right, good, and acceptable for both the individual and for society. Values emphasize what is important, and meet the following criteria: (Table 1)
  - 1. In numbers, they are relatively small;
  - 2. They serve as a guide to socially accepted behavior;
  - 3. They are permanent or difficult to change, and
  - 4. They are widely accepted by the members of society.7

Beliefs and values influence individuals to specific stimuli, responses and behavior in the standard and acceptable way. Set of ranked values makes the system of cultural values of a society, and it is different and unique compared to the culture of nations.

Table 1

Country	Values
Great Britain	Individuality, expression of difficult feelings, tactless
France	Insisting on quality of life/well-being
Italy	Religious idealism, community, curiosity
Spain	Human interaction, giving, harmony
Germany	Tangible reality, namely, the satisfaction

Source: Martin Evans Ahmad Jamal-Gordon Foxall, Consumer Behavior, John Wiley and Sons Ltd., West Sussex, 2006, p. 22

— Customs, the unwritten rules of conduct but generally accepted by most members of a culture. This public behavior and expression

are recognized or culturally acceptable behavior in a particular situation (E.g. routine addition of lemon juice in tea or eating hot dogs with mustard, etc.). Traditions are acquired through practice and teaching, mostly in the family, and belong to the tradition of recognition of individual nations. Remain unchanged, until it comes to new and more efficient information and solutions, or in situations with a lot of changing circumstances.

— Ritual, standardized actions or the actions of people that are periodically repeated in unchanged sequences from birth to death.8 They differ from the customs, because they include more symbolic elements, and are equally present in both the primary and in the culture of ethnic minorities. They are based on customs or written rules, and are present at different levels of abstraction, such as religion, magic, sorcery, etc.) (Table 2) They take place at pre-prescribed order, occasionally, for recognizable events throughout life (etc. weddings, holidays, promotion, funerals, etc.). It is highly used by marketers, in the positioning of products and services, for certain rituals, traditional and specific for special events, associated with the purchase of products or services.

Table 2

Selected Rituals	Related Products
Wedding	White Clothing
Birth	Bankbook, Silver spoon
Birthday	Credit card, gift, cake with candles
50-anniversary	Celebration, greeting cards and gifts, photos
Graduation	Pen, bankbook, wristwatch
Valentine's Day	Sweets, greeting cards, flowers
New Year	Champagne, party, a dress suit
Thanksgiving	Turkey
Recreation	Sneakers, towel, tricot, walkman
Football match	Beer, chips
Bowling	(Same as for the football)
First job	Haircut, new clothes
Promotion	Lunch/dinner to celebrate
Death	Condolences

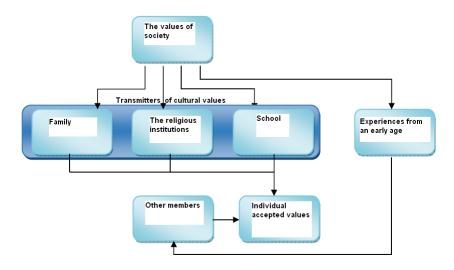
Source: Leon G. Schiffman Leslie Lazar Kanuk, quoted work, p. 415

- Myth, «the story containing symbolic elements that express the shared emotions and ideals of certain culture» 9. They also represent psychological models for the individual behavior and creating identity (e.g., myths about Batman, Superman, Tarzan, etc.). They are transferring from generation to generation, and depending on the circumstances, impose social norms followed by members of a certain culture (sociological), provide models for managing life (psychological), or explain the origin and formation of a people (historically).
- Norms, written rules of behavior by members of society that are directly linked to rewards or sanctions. They point to the correct, high quality and important values of certain society. There are legal norms binding for all, and norms that are accepted and adopted in some cultures.
- Conviction of the superiority of their culture is called ethnocentrism, as the belief in desirable and normal lifestyles.
- Cultural beliefs, values, customs, rituals and norms, continue to be followed until the present pleasure, because every society forms its own vision of the world and creates distinctive features of culture. However, when certain standards cease to satisfy the members of society, shall be modified or replaced by a new standard that meets current needs and desires.

## 1.1. CHARACTERISTICS OF CULTURE

Culture as an indicator of behavior, as individuals and groups, has some idiosyncrasies, characteristics, or features that modify or shape. Besides the above-described determinants, (beliefs, values, customs, ritual, myth, and norms) culture is characterized by following specificities:

- 1) Culture has been created it is known, not waiting anywhere to be «discovered» rather is creating by interrelation among three independent systems:
  - Ideological system,
  - Technological system, and
  - Environment (family and social groups and classes)
- 2) Culture is transmitting and learns Culture is transferring from generation to generation through the process of socialization. The main carriers of cultural values are primarily families, educational and religious institutions. How much each institution will be successful in transmitting cultural values and educating, depends entirely on specificities of individuals and groups, age structure, the meanings of the values that are transmitted, and compliance with the individual characteristics of each person individually (Fig. 2.).



Source: Engel, F. J. Blackwell, D. R., Miniard, W. P., Consumer Behavior, The Dryden Press, 1995, p. 614

In contrast to innate biological characteristics (e.g. sex, intelligence, hair color and skin, etc.), it is necessary to learn culture. There are three forms of learning:

- Formal learning where members of the older population advise younger members «how to behave»,
- Informal learning where the younger members (children) learn by imitating the behavior of selected individuals from the environment (family, friends, celebrities), and
- Technical learning where teachers teach and educate children what, how and why they should be doing.

Culture is transmitted to members of society through a common language and common symbols.

All elements of the marketing mix are used for symbolic communication with consumers. In order to effectively communicate with the target market, marketers must use appropriate symbols to transfer the desired image or product characteristics. Symbols may be verbal (TV announcements, advertisements in magazines) or nonverbal (figures, colors, brands, etc.). The symbolic nature of human language separates it from all other animal communications. The symbol is anything that represents something else, i.e. the word «jaguar» has a symbolic meaning, because to some it represents luxury cars, a wild animal to others, and wealth and status to third party.

- 3) Culture is shared by members of a society It is a group phenomenon, shared by the members of one group, and seeks to maintain using social norms and creation of customs. As joint product of a wider group, it can be passed and adopted in other geographically and culturally distant groups.
- 4) Cultures are similar, yet different cultures nurture certain similarities, such as for example sports, music, education, law, cooking, etc. However, in the manner, methods and application adoption and use of each element of culture, there are huge differences. These differences are specific for members of certain cultures, and as such choose their behavior by consumers.
- 5) Culture is ongoing and it rewards Culture meets both biological and psychological basic needs. If the needs are met in accordance with «standards» of the specific culture, such behavior will be rewarded, and will intensify current norms. In this way, the existing elements of culture become permanent transferring from generation to generation.
- 6) Culture is adaptive and dynamic category Although durable and consistent, there are elements that influence its adaptation to changes in the environment, technology, innovation, etc. Culture and consumer behavior are related, in a way where culture guides behavior, but changes in behavior gradually change culture. Marketing experts who follow the cultural change often discover new values and opportunities to increase profitability of the company.
- 7) Culture is organized and integrated All the elements of culture, by mutual aim to harmonize with the general and basic values, beliefs and moral principles of the wider culture, though sometimes there is a mismatch between the different parts of culture, social factors tend to harmonize them as soon as possible with the basic principles and foundations of culture.
- 8) Culture determines behavior This key advantage of culture has the greatest significance for marketers, because it assumes ideal standards for consumer behavior. Norms and practices that are directed by the rules of conduct of a culture, and on the other side, punishments to those who want to disrupt them, preferably influencing the behavior of the consumers. Although, both the norms and customs are relatively permanent, in the modern economy of advanced telecommunications and communications, their changes are faster and faster.

In recent years, global consumer culture comes to the foreground where people are united by common views on certain brands and use of certain services, primarily accepted by younger people, and refers primarily to the fashion hits and trends, jewelry, cosmetics and so on.

# 1.2. THE INFLUENCE OF CULTURE IN THE BUSINESS ENVIRONMENT

Culture of Western Europe and the United States, are accustomed to frequent changes of new products, caused by the rapid advances of technology and techniques, resulting in faster, better and easy acceptance of new products that appear on the market.

On the other hand, we see that there are cultures closely related to traditional frames, which do not easily allow for changes and the introduction of newer developments and as the reason of non-acceptance is reflection of prejudice, not reality.

The types of beliefs and way of shopping also vary from culture to culture. While in one culture, we have permanent, fixed price, in another an «acceptable» price is determined by agreement between the seller and buyer. Of course, it is determined by supply and demand on the market, and verbal abilities of the buyer in the negotiation process.

Cycles of buying certain products and services vary from one to the other cultural groups. Some cultural groups almost daily buy food, while others are supplied weekly or monthly and a few necessities (bread, newspapers, etc.) buy every day.

Promotional activities also vary from the values and attitudes of certain cultural groups. For some it is a very important component of time and clarity and brevity in the title, while in others, the promotion will have more success if it lasts longer and offers a broad explanation of reasons for purchasing and using products.

For some cultural groups, non-verbal elements such as photos, paintings or music, speak louder than words, while for other verbal, communication is the best way to understand the message (e.g. the Japanese prefer indirect communication and symbols, as Americans are practicing direct form of communication).

Given the named classification that cultures are exposed to, which are very significant in terms of communication, we share them ranging from those with a broad context (High Context Culture) to the cultures with the precise context (Low Context Culture). Authors Edward and Mildred Hall in '60s, while studying the business culture of most countries of Western Europe, divided them into two basic concepts as follows: 10

— High concept cultures believe their listeners know what was going on, and if they do not know, they can guess. That is why in high-context cultures, ideas are not explained in detail, because people are trying not to annoy each other with «step by step» explanations. They are based mainly on facial expressions, body language, and intonation and so on. The characteristic of this culture is that people,

who grow up within it, can be very impatient and intolerant with people from low context culture.

- Low-context cultures generally prefer to clearly and precisely explain all things, but at the same time, they want their interlocutor do the same thing. Sentences are concise and complete, and in the time of communication only one person speak. Each mode of conversation is confirmed by fax or e-mail. They thing the representatives of high culture context are chaotic, unreliable, and intolerant. Communication in low-context culture is based on verbal and explicit forms of consultation.
- Polychronic cultures are the people who work more jobs or activities at the same time (e.g., talking on the phone, drinking coffee, and thinking about lunch). They are feeling uncomfortable and think they are losing time is only one thing is happening at any given time.
- Monohronic cultures, opposed to the previous, highly respect layout and schedule, and activities are grouped according to the schedule and needs.

Hall, the author, studying France and Germany in their researches concludes that French are high context/polychronic and the Germans are low context / monochronic. Hall also notes that Greeks belong to high context / monochronic, and that the Russians are high context / monochronic.

The appropriate cultural context is a key factor for the encoding and decoding advertising messages and influences how the message is interpreted (whether it is good or bad, conservative or acceptable), and how the recipient will respond to its contents (will it notice it or not, decide to buy it or not) 11.

#### RESUME

Culture is a set of values, beliefs, customs, symbols of the whole society in which individual lives. In addition, it represents a framework of communication and interaction between individuals, lifestyle and behavior, as well as a reflection of socialization of a society. Each society forms its own vision of the world, has its own particular view of it, and creates distinctive features and highlights of culture. It determines and highlights socially acceptable behavior of individuals, which is manifested in behavior and in meeting the needs and desires, the shaping of beliefs and preferences of customers.

Culture is flexible and has the ability to face different challenges. For marketing purposes, we define culture as the source of all the positive elements in the values of a society, given its beliefs, customs, myths, and rituals specific to high-value behavior of both, individuals and consumers.

### References

- 1. *Božo Mihailović*, «Marketing u turizmu» F.T.H. Kotor, CPI Podgorica, Cetinje, 2005 god. str.142
- 2. Branko Maričić, «Ponašanje potrošača» CZID Ekonomski fakultet Beograd, 2008 god. str. 211
- 3. Branko Maričić, «Ponašanje potrošača» CZID Ekonomski fakultet Beograd, 2008 god. str. 218
- 4. *Domazet, A., Jović, M., Rakita, B., Sinangić, M.*, «Međunarodni marketing» Ekonomski fakultet Sarajevo, 2001 god. str.186
  - 5. Ibid.str.322
- 6. Kotler, Ph., Wong, V., Saunders, J., Armstrong, G., «Osnove marketinga» Četvrto evropsko izdanje, Mate, Zagreb, 2006 god. str. 256
- 7. Mattock, J., Ehrenborg, J., «How to be a better negotiator» Clays Ltd, England 1996 god.
- 8. Michael R. Solomon., «Consumer Behavior Buying, Having and Being», third edition, Prentice Hall, Inc, Englewood Cliffs, New Jersey, 1997 god. str. 543
- 9. *Schiffman, L.G., i L. Kanuck.*, «Ponašanje potrošača» Sedmo izdanje Mate, Zagreb., 2004., str. 322
- 10. Schiffman, L.G., i L.Kanuck., «Ponašanje potrošača» Sedmo izdanje Mate, Zagreb, 2004, str 322
  - 11. *Tanja Kesić*, «Ponašanje potrošača» Opinio, Zagreb 2006. str. 48.

## УДК 338.242

*Є. А. Ревтюк*, канд. екон. наук, доцент кафедри управління галузевим та регіональним економічним розвитком, *Я. С. Витвицький*, д-р екон. каук, професор кафедри економіки підприємства.

Л. Л. Креховецька, аспірант кафедри

управління галузевим та регіональним економічним розвитком, Івано-Франківський національний технічний університет нафти і газу

## РОЗРОБКА СТРУКТУРИ ЛЮДСЬКОГО КАПІТАЛУ З УРАХУВАННЯМ ОСОБЛИВОСТЕЙ ЙОГО ФОРМУВАННЯ

АНОТАЦІЯ У роботі запропоновано трьохвимірну структуру людського капіталу суспільної системи з урахуванням особливостей його формування

АННОТАЦИЯ В работе предлагается трьохмерная структура человеческого капитала с учетом особенностей его формирования

ABSTRACT This paper proposed three-dimensional structure of human capital social system taking into account the peculiarities of its formation