

MASS CUSTOMIZATION IN POLAND – DEMAND ANALYSIS IN THE CONTEXT OF BUYING DECISION MAKING PROCESS

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ABSTRACT

The state of the art analysis as regards to the existence of mass customization strategy implementations in Poland, has shown that only few companies have made any attempts to introduce this business strategy. Some CEOs in Poland have indicated that the reason is the lack of interest among customers in personalized products. In order to verify this thesis a pilot research has been made among university students. The goal was to investigate, whether there would be a demand for some popular products, if the personalization was available. The paper discusses the research outline and results in the context of buying decision making process.

KEYWORDS

Mass customization, Poland, demand analysis, buying decision making process.

1. INTRODUCTION

Mass customization is a complex business strategy that combines mass production of goods with various individual specifications through the use of components that may be assembled in a number of different configurations. Mass customization is a cost-efficient way of offering some of the benefits of customization. However it is important to remember that the full advantage of mass customization may only be achieved when it is implemented as the whole business strategy.

2.1 Motivation

Some CEOs in Poland have indicated that the reason for low interest in mass customization strategy in their main strategies is the lack of interest among customers in personalized products. Most of them have no full awareness about advantages of MC. Among them we recognize advantages not only for customers but also for companies:

- customers can tell what they need and prefer,
- by getting customer to invest time in product, they will be more loyal to producer of this item,
- developing products modules which can be used in various combinations,
- creation of automated processes which allow customers to tailor their product to their needs.

In order to verify this thesis a pilot research has been conducted among university students.

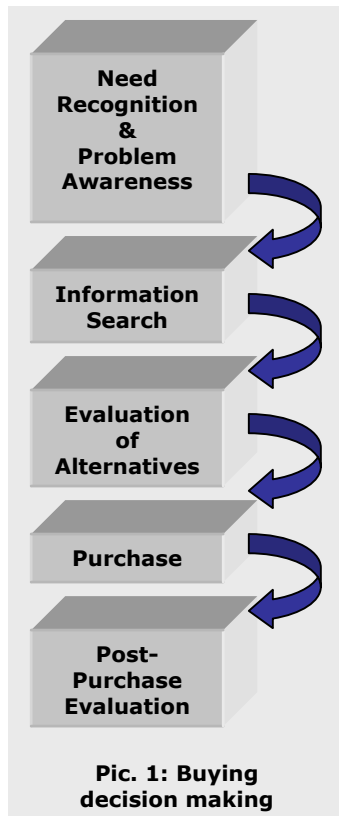
2.2 Goals

The goal was to investigate, whether there would be the demand for some popular products, if the personalization of purchasing process and products were available.

Respondents could choose between following various products (multiple answers were possible): cars, shoes, trousers, t-shirt, suits, glasses, jewelry, hi-fi, clocks, furniture, toys, music CDs, bicycle, ski/snowboard, computers, business cards, cosmetics, telecommunications services, banks services, internet information portals, insurance services, travel services, learning services.

2. BUYING DECISION MAKING MODEL

Customers buying products or services engage in a decision-making process. Researches show that many problems of sellers are that they fail in decent supporting the customers through the particular stages of this process. By understanding customers' needs and concerns as they progress through the decision-making cycle, sellers implement sales excellence techniques. Mass customization is one of the business strategies that can help sellers or manufacturers to meet customer expectations better.



The consumer decision-making cycle is the process we go through when we decide to purchase goods. The sophistication of the cycle depends deeply on the consequences of wrong decisions. The range of complexity differs from impulse buy (such as buying soft drink) to more profound purchase decision, stretched in time (e.g. buying the car or an apartment). In any case, the buying process is iterative, where customers collect information from different sources and repeatedly evaluate and compare the information they have found.

The cycle starts with need recognition. At this stage the customer recognizes the need or a problem, also as the consequence of market stimulus. In case of the complex purchase, the following stage is information search when customer decides how much information is required to make the decision. Several different sources of information may be used at this stage e.g. personal sources (friends, family), commercial sources (advertising), public sources and even experiential sources (product tests). The usefulness of sources varies according to the specific products. In the evaluation stage the customer faces the problem of judgment which purchase suits the needs to maximum degree. The stage of purchase is what follows alternatives evaluation. Finally the last stage is the post purchase evaluation which represents customers' concerns after making the decision. The concept known as cognitive dissonance may also affect customers' thinking related to the final stage of decision making process. The customer, having bought the product may feel that an alternative could have been the better choice. These circumstances may lead to different decisions while next purchase cycle.

The way the buying decision making process affects mass customization strategy is that the complex business arrangements described as mass customization not only refer to products' or services' characteristics. In most publications mass customization is defined as the way to enrich products or services by letting customers to define their own products which therefore suit their unique expectations. This obviously affects the decision making model. For instance the stage of need recognition, customers buying goods from businesses that operate within mass customization philosophy would define not only the need but also the unique preferences. The rest of the article discusses the state of the mass customization business strategy awareness combined with decision making model, among potential customers of companies operating in south east Poland.

3. RESEARCH

Mass customization is a strategy, not a touchable product. That is why measurement of its users' satisfaction and interest is not an easy thing to do. Perceptions of students who have evaluated this strategy are dependent on many factors, such as:

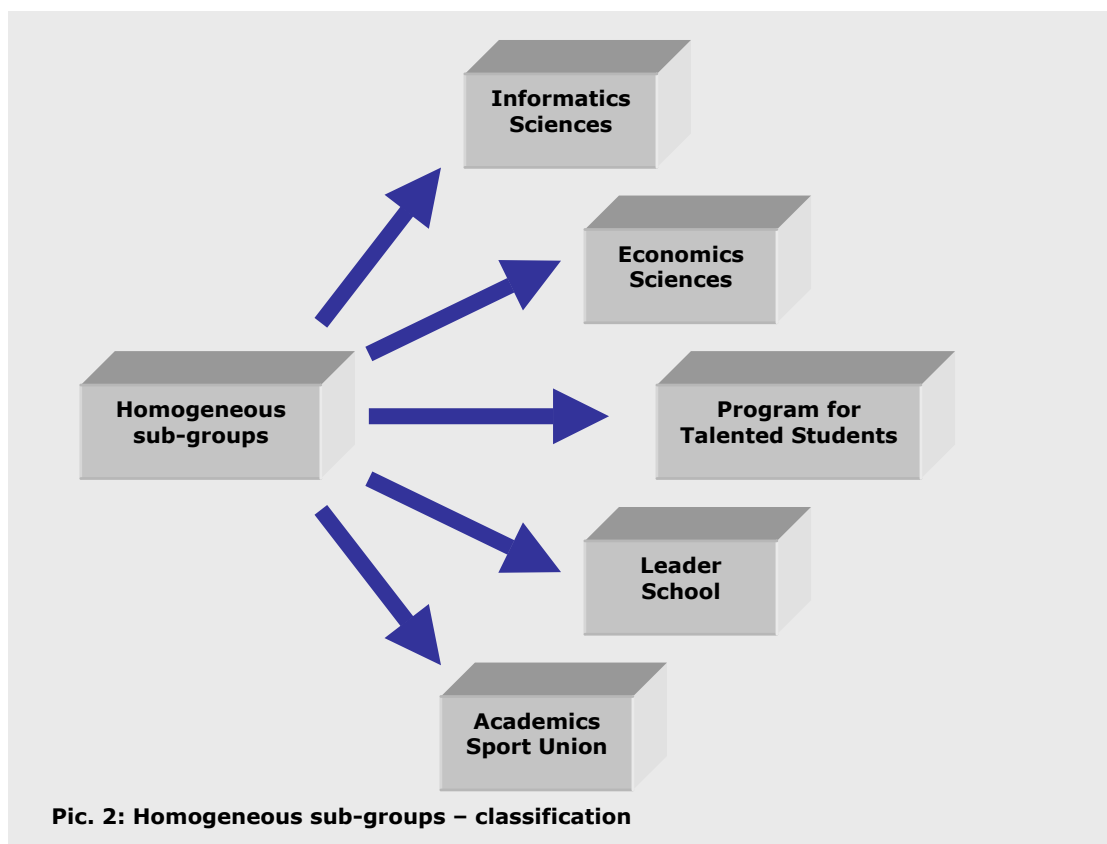
- adaptation to the Internet environment,
- Internet access,

- computer skills,
- interests,
- other.

3.1 Methodology

UITM student population is a heterogeneous group which could be divided into homogeneous groups, as follows:

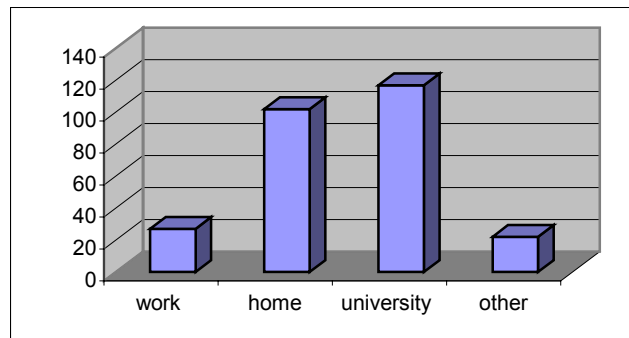
From the overall UITM population, students of Informatics Sciences were chosen to this research as representative group. The usage of stratified sampling technique is reasonable, because Mass Customization strategy is indissolubly connected with the new technologies and the communication medium such as Internet. These features are closely connected with Information Sciences students' interests and their study profile.



As a tool used for research a questionnaire was prepared, which has given possibility to define detailed profile of examined students, as well as their attitude to Mass Customization strategy.

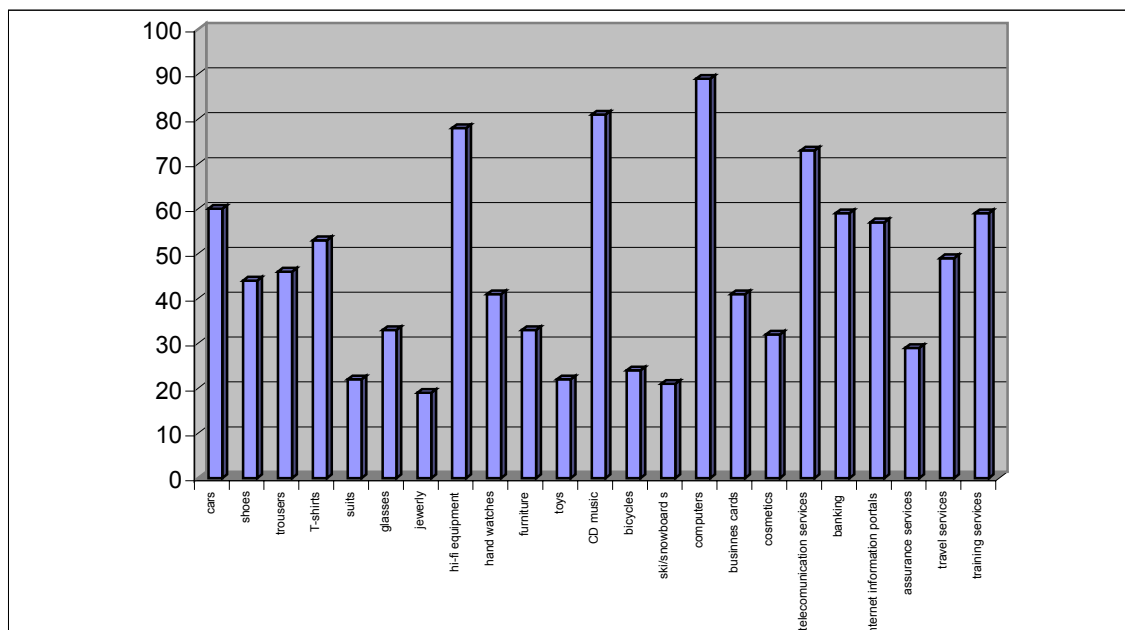
3.2 Results

Prepared questionnaire was filled up by 140 students, 19 female and 121 male. 48% examined students live in cities occupied up to 25 000 citizens, and 75% of them have Internet access from home.



Graph 1. Respondents' Internet access

Although 60% examined students has already done shopping via Internet, their preferred method of payment is at the moment of delivery of products. Only 20% of them pointed that preferred method of payments is on-line by credit card. After recognition main advantages and disadvantages of Mass Customization strategy, 85% of examined students pointed that its implementation by companies crucial. The most interesting part of questionnaire is where students make a chose of item and services among given group, as the most needed as product offered in MC strategy. Results are given in the following graph:



Graph 2. Products that customers wish to buy according to MC strategy.

Most males pointed that MC strategy would be useful for them for purchase of:

- computer,
- CD music.

Most females pointed that MC strategy would be preferred when they would want to buy:

- travel services,
- training services.

Surprisingly this strategy is not pushing to buying a jewelry and computer equipment for man, and suits and glasses for women.

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