

'CUSTOMIZED' CONSUMER AND CONSUMER 'INNOVATOR' IN THE LIGHT OF SOCIAL CAPITAL AND DOMINANT CULTURAL PATTERN*

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Abstract: *The authors' opinion is that consumers 'innovators' as a relatively small group of consumers, who tend to buy the first new product, are potentially significant source of so-called "customized" consumers. The interrelationship (innovator-customized consumer) is reflected in the context of social capital and the dominant cultural pattern, as a catalyst of the creation of consumers which key feature is active participation in the production of its own (consumer) experience.*

Key Words: *Consumer Behavior, Customization, Consumer Innovator, Social Capital, Cultural Pattern*

1. INTRODUCTION

Instead of representing a total sum of all consumers, consumer society, in Durkheimian terms, is a specific *totality* that is larger than the sum of its parts. The importance of *material objects* as "objects of consumption" for social relations is in the fact that such goods are "not wanted only because of their immediate benefits; their importance is governed by other considerations rather than purely economic reasoning" [1: 28]. In addition of meeting only basic existential needs, consumption meets many other needs which are socially conditioned, such as the acquisition of honours, prestige, participation in cultural activities and the like. By purchasing, consumers strive towards the acquisition of certain values, in the same time having the sense of their creation [2 8].

The key fact is the emergence of new *consumer logic* that becomes the hallmark of the *postmodern* culture of developed societies of the West, contributing to the general "marketization" of society (or the penetration of market paradigm in various segments of social relations). Therefore, consumption has got the status of one of the basic elements and integrating factors on society; it has become the central research subject in the area of marketing and management, shaping the daily lives of people to a large extent.

Rather than adopting the traditional and accustomed lifestyle, the new "heroes of consumer culture" have made it a lifestyle-project, expressing their individuality

and the sense of style through particularities (of goods, clothing, behaviour, experience, appearance and body) based on which they design their own lifestyle [3: 67]. Identity in consumer society is increasingly associated with style, image and appearance.

The logic of the modern market is clearly reflected by the postmodern ambivalence. The consumer is under the simultaneous influence of the so-called "situational" and "hyper realistic" consumer paradigm. The exposure to the so called situational (external) stimuli, such as the appearance, smell, music consumers are faced with at the selling point – anything that stimulates their senses, arouses their desire of which they are (often) unaware, or the existence of certain products unconsciously planned "within the perceived consumer world" [4], are in favour of the so-called situational paradigm and the impulsive consumer behaviour. Impulsive behaviour makes consumers alienated from the rational purchasing approach, indicating that the unplanned approach (with the situational stimuli being well planned) may become a prevailing feature of consumer behaviour.

The (postmodern) consumer is featured by the paradigm of hyper reality, providing him/her with the properties of creator of change ... As suggested by postmodern sensibility, "production and reproduction, image, simulation and meanings are no more the matter of accident or the result of fortunate circumstances,"; instead, they are "deliberate and organized" [5], opening new areas of challenges of marketing theory and practice.

The contemporary (postmodern) consumer increasingly participates the "customization of his/her own world," affecting the final appearance of the product, while "producing himself as a product", creating his/her own image, producing his/her own experience ... [6].

2. THE IDEA OF SOCIAL CAPITAL

The idea of social capital is very old (XVIII century) but its full affirmation experienced in the early nineties of the twentieth century through the analysis of Robert Putnam. The term was first time mentioned in L. J. Hanifan [7] report of the rural schools in Virginia (1916)

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but it was used during the second half of the twentieth century by sociologists in several Canadian researches of local community and racial inequality [8: 7]. The first serious theoretical analysis of social capital is given by Pierre Bourdieu [9] in his theory of capital. Bourdieu considers that social capital is made up by combination of relationships, obligations and social contacts which individuals, families and social groups realizes and it may be under certain conditions converted into economic capital. At the organizational level, the social capital of individuals associated in the organization is connecting into the social capital of the organization and it is relatively easy to convert it into economic capital in a favorable moment.

Putnam, the most important theorist of social capital, was initially determined the social capital as features of social organization, such as trust, norms and networks that can improve the organization of society through the implementation (supporting or facilitating) of coordinated engagement [10: 167]. In later papers he recognizes participants as beneficiaries of social capital [11: 664-665], and finally social capital is defined as the relationship between individuals, as social networks based on norms of reciprocity and trust built on it [12: 19] which makes the legitimate point that social capital becomes directly linked to long-term personal interests.

Social capital comes to the fore when based on common values individuals realize social interaction, and on the basis of them build social networks which have a value not only on the emotional level but rather in a very concrete benefits resulting from the trust, reciprocity, information exchange and cooperation related to social networks. Thus, social capital is usually understood as a system of social networks (and norms) caused by regular social interactions that facilitate the action of individuals and groups within the wider community or society or as a social (common) resource that makes easy/difficult access to other resources and, potentially increases the comparative advantage over those who are not members of the network. Social capital, in principle, is disposed of the individuals linked to the different social networks. Ultimately this concept of social capital is an expression of personal (and social) trust and it represents a link that allows group coordination and cooperation for achieving individual (or group) benefits.

According to Putnam, social capital has three components: reciprocity, network connections and trust. Under reciprocity Putnam implies continuous cooperation and exchange relations involving mutual expectations that what we give today it will be returned in the future. When we talk about network connections, we should emphasize the importance of horizontal relationships of individuals of equivalent status and power. On the other hand, the vertical relationships involving individuals of different status are not considered significant for the formation of social capital. If mutuality and horizontal networks are placed in the same place then it has created a fertile ground for the development of mutual trust.

In general we can conclude that the key provisions of the social capital is that it includes all types of relationships between individuals, that all private networks and relationships with friends and family are

important to it and that the emphasis is put on abstract normative and value aspects of mutual trust. In this sense various forms of solidarity can be the basis of trust: family, political, ideological, religious, interest, professional, intragroup in any sense of the word.

According to one of the key authors of the theory of social capital J. Coleman social capital represents some aspects of social structure that support the specific activities of actors involved in these structures [13: 98], provided that he distinguish social and human capital. The first, according to the author, is incorporated in social structure and represents a public good, while the other is turned to the private benefits [14: 302]. Here we may add that the private benefit achieves through related individuals who occupy different (usually hierarchical unified) position within the formal structures of society. Individuals enter into personal and private relationships with other individuals with relatively equivalent position, education, social prestige and social power and thus create social networks that constitute their social capital. The very same social capital may occur at the same time as the social capital of institutions and organizations which the individuals belong to and it can also become a public (or organizational) good in that way. This means that the social networks that individuals build can simultaneously represent a social capital for their institutions and other organizations and for linked individuals.

Nowadays, researchers and theorists of the concept of social capital can be divided into two groups [15]. The first are those who follow Putnam, adopting its provisions, the methodology and operationalization (related to the level of trust and number of formal and informal associations). The second group consists of those who believe that there is a danger that this concept, by uncritical application, may distort into its opposite and therefore advocated the need for contextual analysis of social capital [16], [17]. Foley and Edwards consider that special attention should be devoted to the social structure and institutional framework as they set frameworks for potential capacity for cooperation and mutual trust which may be subject to the qualitative analysis.

3. THE PREVAILING CULTURAL PATTERN

In understanding the cultural (psychological) matrix, for which Muchielli's believes [18: 22] to represent the "group-identification core," through which "the existential mode of the entire national collective and its (national) specificity is expressed," also the position is explained that this and similar matrices "affect the behavior, thinking and feeling of all or most members of the national collective," where the cultural pattern [19], is "the way people are adopting particular, culturally specific ways of behavior, beliefs, attitudes to themselves and the others during their development..."

Since culture is "an integral part both of the structure of society and the structure of personality", it should be viewed from both angles. "Culture can be thought of as a 'building' others have built for centuries," says Z. Golubovic [20: 79], "that we find at birth, outside of which we would not be able to live a human life, but

while living in it we feel the need to participate in its modeling and shaping...". All the above speaks in favor of the thesis of interdependence of culture, man and his behavior.

Behavioral tendencies can be explained through the characteristics of the prevailing cultural pattern. "Regardless to their incompleteness, people realize themselves through culture..." [21]. What is the cultural pillar of human behavior in Serbia made of? The answer can be found in clues on the ruling cultural matrix (cultural pattern) in Serbia, based on research of G. Hofstede [22], who believes that culture is a multidimensional concept. Based on the research from the 1970's and repeated research, Hofstede et al. have concluded that countries are resolving the same problems differently, establishing four key dimensions based on which it is possible to distinguish between national cultures: power distance (PDI), uncertainty avoidance (UAI), individualism/collectivism (IDV), masculinity/femininity (MAS), with the fifth dimension, established in 1987 - The long-term/short-term orientation in time. The author was primarily interested in the amount of differences in opinions, attitudes, values, beliefs and perceptions of people from different national cultures. The above dimensions were constituted based on the received responses and their analysis.

Hofstede's [23] cultural dimensions may provide a good framework for the classification of national cultures and their respective levels of resistance to change. Cultures with the strongest resistance to change are characterized by a high power range index, low individualism index and high uncertainty avoiding index. The cluster of countries with the strongest resistance to change (Portugal, Latin America, and Korea) had included also the former Yugoslavia. However according to a later repeated research [22], countries established by the disintegration of 'second' Yugoslavia have also retained (or rather maintained) these characteristics.

It is easy to conclude that cultures with low power range and uncertainty avoidance index and high individualism index, are expressing openness and readiness for change (England, USA, Sweden, Finland, Norway, The Netherlands). Of course, generally speaking, we can rather say that high uncertainty avoidance and power range levels are resulting with increased resistance to changes, while high level of individualism 'encourages' changes.

4. CONSUMERS INNOVATORS

Considering the characteristics of consumer innovators as a consumer group with a strong tendency towards being the first to buy a new product, the authors argue that this group has a significant capacity of influencing the final appearance of the product that they want to buy. In this way, consumer innovators indicate the consumer preferences that can be identified as an explicit preference for participating in the "customization of their own world" and creating their own consumer experience. All this supports the view that the *identification of consumer innovators is the key concept to the development of businesses that root their differential advantage in the strong synergy of creative*

consumer and producer inputs while creating the desired product.

Consumer preferences are explained by the consumers' personality traits. *Innovativeness, the low level of dogmatism, the high optimum stimulation level* and thus, the readiness of assuming higher levels of risk ... are all the key characteristics of consumer innovators. As characterized by the absence of prejudice, their innovative behaviour is an expression also of a strong need for uniqueness [24], and of the tendency to special offers. All this supports the thesis that consumer innovators are the potential core of 'customized consumers', having also the potential of recruiting new consumers who belong to the group called non-innovative consumers. *A higher level of social acceptance and social integration of consumer innovators* makes them effective opinion leaders, increasing their impact on consumers of different consumer preferences.

Considering the properties of consumer innovators, it is not difficult to see the significance of the level of *social capital and the prevailing cultural pattern* as indicators of the innovative consumer capacity.



Fig. 1. *The interrelationship: Co-innovator & Cu-Co-creation & Soc.capital & Cultural Pattern*

Social and cultural elements are highly intertwined. The study of economic life can offer an important lesson, "that the welfare of a nation and its capacity in terms of competitiveness are conditioned by a unique, pervasive cultural characteristic: by the level of interpersonal trust that exists in the society"[25: 17].

The specificity of social capital is in the fact that it is usually created and transmitted through cultural mechanisms – religion, tradition, ideology, practices... According to Geertz [21: 89], culture is a "historically forwarded model of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms through which people communicate, maintain and develop their knowledge about life and their attitudes towards it."

In societies with high levels of trust, "doing the job will cost less. Such a society will be more able to introduce organizational innovations, since the high level

of trust allows the existence of a wide diversity of social relations...

The Nobel laureate and economist Kenneth Arrow concluded that "it can be convincingly argued that any of the economic backwardness in the world can be largely explained by the lack of mutual trust"[26: 357]. Since societies differ in what extent the culture of trust has been established, trust is taken into account, both as moral and economic and political-cultural category.

The key concern of marketing professionals is finding and recruiting new customers. Regarding the target group that has a high capacity of consumer preferences of participating in the creation of the own products, they are reasonably found among the consumer innovators. On the other hand, it is highly important to ensure the critical mass of such customers in order to ensure the cost-effectiveness of the co-producing strategy, both in terms of profitability, and in terms of less tangible values (image, brand, etc...). However, it is necessary to be familiar with the prevailing cultural pattern and the status of social capital. In societies with a high level of risk avoidance and power distance and low levels of individualism indicated by the cultural pattern, it is difficult to expect a significant level of presence of consumer innovators and 'customized' consumers. On the other hand, societies with empty or low reservoirs of social capital are characterized by high levels of distrust towards both the individuals and institutions, making the inclusion of processes of creating consumer experiences more difficult.

5. CONCLUSION

Consumer innovators are expressing consumer preferences that can be identified as the preference for participating the "customization of the own world" and the creation of the own consumer experience. All this supports the view that the identification of consumer innovators is essential for the development of businesses establishing their differentiated benefits on the strong synergy of consumer and manufacturing inputs in the creation of the desired product. Considering the characteristics of consumer innovators, it is not hard to perceive the significance of the level of *social capital and the prevailing cultural pattern*, as an indicator of innovative consumer capacity. The higher level of social acceptance and the better social integration of consumer innovators make them effective leaders of opinion, increasing their impact on consumers of different consumer preferences.

Societies with high levels of trust will be more able of making organizational innovation given that the high level of confidence allows the existence of a large variety of social relations ... On the other hand, in societies the cultural pattern which indicates high levels of risk avoidance and power distances and low levels of individualism, it is difficult to expect a significant presence of consumer innovators, and hence 'customized' consumers.

Looking through the prism of the prevailing cultural pattern and social capital in the area of the former Yugoslavia, it is unlikely to expect neither a significant number of consumer innovators nor the consumer co-

creators with their own supply to be profiled in the near future.

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