Študentská vedecká aktivita

Positivist vs. Interpretivist Insight into Consumption

Bc. Lucia Chromeková

Sekcia: Ekonomika a Manažment Podniku

Konzultant:
Ing. Janka Táborecká – Petrovičová, PhD.

Banská Bystrica
2011

ABSTRACT

CHROMEKOVÁ, Lucia: Positivist vs. Interpretivist Insight into Consumption. [Students´ scientific activity] / Lucia Chromeková. – Matej Bel University, Faculty of Economics; Department of Corporate Economics and Management. – Consultant: Ing. Janka Táborecká Petrovičová, PhD., – Banská Bystrica: EF UMB, 2010, 51 pages.

A considerable uncertainty and ambiguity is often associated to the terms positivism and interpretivism in the sphere of consumer market research. Since interpretivism is a relatively new approach penetrating to marketing research from sociological and anthropological sciences, it is still a subject matter of extensive scholarly disputes how it should be understood, followed and implemented in the science of marketing. The main aim of the paper is to compare two different methodological approaches toward the study of consumer behaviour and evaluate their potentials and limits. The content of the paper is devoted to the study and explanation of theoretical background behind both approaches and evaluation of their advantages and disadvantages in the sphere of consumer behaviour research. Limits and potential of positivist and interpretivist approach are investigated and declared on an example of consumer behaviour of college students as customers of commercial banks. Positivist questionnaire form and interpretivist focus group are used as a tool to provide deeper insight into behavioural patterns and preferences of students managing their personal finances. Information gained can be utilized by commercial banks for improvement of marketing activities targeting the segment of students. Eventually the synthesis of findings reveals practical differences between two approaches and detects their benefits, especially in the consumer behaviour research. The synthesis of results and findings also indicates that by a deliberate bridging of both approaches a more complex and authentic research can be elaborated than by positivist or interpretivist approach individually. On the basis of performance analysis of each approach in practice, proposals and suggestions are formulated to define the most favourable combination for deep insight into the consumption.

Key words:
positivist approach, interpretivist approach, consumer behaviour, marketing, advertising.

ACKNOWLEDGEMENT

I would like to express gratitude to my consultant, Mrs. Ing. Janka Táborecká Petrovičová, PhD., for her professional advices, assistance and for the willingness to sacrifice her spare time for processing the paper.

LIST OF GRAPHS, TABLES AND CHARTS

List of graphs:

List of tables:

List of charts:

CONTENTS

Introduction

A considerable uncertainty and ambiguity is often associated to the terms positivism and interpretivism in the sphere of consumer market research. Explanation of both approaches is often simplified to an extent, that basic principles and characteristics of both approaches are disregarded. Since interpretivism is a relatively new approach penetrating to marketing research from sociological and anthropological sciences, it is still a subject matter of extensive scholarly disputes how it should be understood, followed and implemented in the science of marketing. The elaboration of this paper is intended to enhance understanding of positivism and interpretivism through comprehensible analysis of their theoretical backgrounds and to reveal how each of them could be applied beneficially to the study of consumer behaviour.

The main aim of the paper is to compare two different methodological approaches towards the study of consumer behaviour and evaluate their potentials and limits. It seeks to reveal benefits of each approach to consumer behaviour research and to study potentials of each approach individually and in conjunction. Foundations and differences of positivist and interpretivist research are analyzed in the first chapter. This knowledge is essential to exploit each approach properly when conducting a research.

Later, influences and motivations behind students´ decision making when choosing a bank and product for their personal finance are detected. Students´ consumer behaviour is studied by both, positivist and interpretivist approach individually. Our findings are presented in the second chapter.

Eventually, the third chapter is devoted to summarization of our findings and derivation of suggestions and proposals for commercial banks. Moreover, we will declare potentials and limits of each, positivist and interpretivist approach to consumer behaviour, on an example of students´ behaviour in establishment and usage of their student bank accounts. Finally, managerial implications are presented, with an educed model for combination of positivist and interpretivist approach in the sphere of consumer behaviour research, its potential and contribution for practical use.

1. Theoretical background of positivist and interpretivist approach to consumer behaviour research

Literature defines consumer behaviour as "those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision processes that precede and determine these acts" (Engel, et al.,1986). Consumer behaviour can be regarded as a sub discipline of marketing and the aim of its research is to identify how consumer research can be put to use in marketing practice, regards the field of consumer behaviour as an applied social science. (Pachauri, 2002, p.320). S. Khosla (2010, p.214) explains consumer behaviour is the study of when, why, how, and where people do or do not buy product. It blends elements from psychology, sociology, social anthropology and economics. Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer.

1.1.Consumer behaviour research

Studying customer behaviour is essential for marketers to give them insights and understanding of marketing options that might not be easily apparent. Researchers have multiple options how to conduct their research regarding the choice of methods in every step of the study, however, the most significant to the research progress is the choice of overall approach to the phenomenon under study.

Consumer behaviour itself emerged as a distinct field of study in the 1950s-60s. The traditional, positivist paradigms had dominated the discipline since the late 1950s (Goulding, 1999, p.859). In the essay *Studies in the new consumer behaviour*, R. Belk (1995) draws attention to the fact that during the 1980s alternative perspectives in consumer research began to emerge, that represented a radical departure from positivism. The primary cause of this shift was criticism of traditional approach derived from natural sciences and applied on social sciences, such as consumer behaviour research. Positivist research which is also sometimes referred to as quantitative research is based on the notion that research can be objective, that the researcher is independent and that the results are valid, reliable and replicable (Pather - Remenyi, 2004, p.142). On the other hand, interpretive approach undermine these assumptions as "consumer researchers are increasingly influenced by psychology and, in their attempts to understand the changing nature of consumer values, lifestyle or activities, interests, and opinions" (Wells - Tigert, 1971) influencing consumer behaviour continuously. To understand these influences marketers need to know diverse roles of buying centre, roles influencing and shaping the final decision. These roles are known as: initiator – the one who begins the purchase process, user – who actually uses the product, decider – the one with an authority to make choice, influencer – person who ads decision criteria and provide information, buyer, who executes the purchase and gatekeeper, who controls the flow of information (Saxena, 2009, p.180)

Generally, the objective of any research is to reveal something unknown, therefore the objective of customer behaviour research should be to find unknown patterns, motivations, attitudes, and influences behind customer decision making process. For this purpose it is essential to identify the roles individuals play in buying centre, thus marketer will be able to design a proper marketing plan that will influence the crucial players. If a researcher is conducting this (or any other) type of research, he or she has many possibilities how to design his/her research. In order to exploit these possibilities and get the best of the research he/she needs to understand them, their advantages and disadvantages, otherwise he/she will be not be informed enough to choose relevant approach, design the research process properly and get the best out of it. The next section will be devoted to different assumptions, methods and evaluation of positivist and interpretive research that constitute the basic knowledge about each approach.

1.2. Differences distinguishing positivist and interpretivist approach to studied phenomenon

In this chapter we will study differences between both approaches in deep, because understanding these differences is essential basis for understanding also their potentials and limits. The initial difference that is needed to be emphasized is that positivism and interpretivism are both rooted in different scientific spheres and therefore each of them is based on different assumptions and exploits different attitude to consumer research. Whereas positivism emphasizes the similarities between the object of the natural and social sciences, the interpretivist tradition emphasizes the differences between them (Babbie - Mouton, 2001). Interpretive approach (also referred as interpretative or interpretivist) to consumer research is much younger, it entered this field of study from social sciences only few decades ago and the benefit it claims is "acknowledgement of the social, complex, often irrational and sometimes unpredictable nature of consumer behaviour" (Goulding, 1999, p.860). "When information systems became an active field of study, positivists dominated research in this area (Wyssusek et al. 2002) and as Roode (2003) points out, in some senses still do” (Pather - Remendyi, 2004, p.143). “The positivistic and the interpretative paradigms differ from each other in terms of the detailed research methods and techniques through which each collect data, as well as, the more general philosophies upon which this collection and analysis of data are based (Haralambos and Holborn,1990) ” (Pachauri, 2002, p.335). Following table (Table 1) explains these differences between the two approaches.

Table 1: Positivist vs. Interpretivist approach

POSITIVIST APPROACH	**INTERPRETIVIST APPROACH**
emphasizes similarities between natural and social sciences	emphasizes differences between natural and social sciences
AXIOLOGY	
nomothetic statements = identification of universal low identification of causal relationship (systematic association of variables), "what" occurred	understanding (hermeneutical) explanation of causal mechanism "how" it occurred
ONTOLOGY	
objective, truth reality	subjective, relative reality
EPISTEMOLOGY	
objective reality can be known, observed, described - without influencing subject under study cause & effect can be isolated	every experience is unique researcher influences the subject cause & effect cannot be isolated
METHODS	
primarily quantitative experiments, survey techniques, observations...	primarily quantitative ethnography, grounded theory, hermeneutics...
in consumer research:	*in consumer research:*
questionnaire, observation, structured interview...	focus group, in-depth interview, metaphor analysis, projective techniques, college research...
- adherence to scientific protocol - conceptual framework - a prori hypothesis	- reliance on assistance of informants, cooperative development - no a priori hypothesis, developed
RESULTS	
objective, descriptive, empirical, generalizable, repeatable	subjective, unique, not generalizable

Source: own elaboration according to: (Pather – Remenyi, 2004, p.2), (Kerlinger-Lee, 1973, p.13), (Campbell and Stanley 1963), (Ozanne – Hudson, 1989), (Weinreich, 1996), Muray – Ozanne, 1991, p.133), (Searcy, 2003, p.131), (Gergen. 1985, p.3-4), (Goulding, 1999, p.892)

We already mentioned that interpretivist approach to consumer behaviour research has emerged only a few decades ago and it is important to emphasize that is was and still is a reason of a wide dispute among research scholars in this sphere. The primary cause of these argues is the fact that positivism and interpretivism are based on different and inconsistent philosophical assumptions, therefore if interpretive approach is being analyzed and judged according to principles of positivism it reveals considerable inadequacies and limitations and vice versa. Inconsistency or even dialectic of their assumptions is also incentives for disputes, whether positivism and interpretivism can or cannot be combined. „The incommensurability of positivism and interpretivism stems from the differences in axiology, ontology and epistemology which characterize the two approaches" (Fischer, 1990).

Axiology

Each approach subscribes to different goals or axiology. The positivists´ central goal is explanation via subsumption under universal law. As well, they seek prediction. A phenomenon is explained and understood if one can demonstrate an underlying systematic association of variables – causal relationship. Of course, if one can demonstrate a systematic association then one can also predict the phenomenon. (Muray - Ozanne, 1991, p.133) Main goal of interpretative researchers is an understanding. "Understanding involves grasping the individual and shared meanings and their interpretation" (Ozanne – Hudson, 1989). However, they view understanding as a never-ending hermeneutical circle, because past interpretations influence current interpretations and current interpretations will influence future interpretations. Moreover, interpretivist questions remind the researcher to look not only for the presence or absence of a relationship (like positivism), but also the specific ways in which it is manifested and the context in which it occurs. Thus, the researcher is able to go beyond "what" has occurred to see "how" it has happened (Lin, 1998, p.167). Thus interpretivism not only looks for causal relationship but tries to explain the causal mechanism.

Ontological and epistemological assumptions

Ontological issues are concerned with the nature of reality, what we believe to exist and are able to investigate. Epistemological issues are concerned with the ways in which the reality can be known**.** For simplification, positivists believe in objective, truth reality that can be discovered and contrary interpretivists claim there is no single objective truth reality, because reality is socially, subjectively constructed and therefore relative. Positivism relies on objective epistemology, in contrast to interpretivism. The positivistic view holds that there is a physical reality independent of human beings, i.e., reality is objective. The goal of research within this worldview is to discover this objective reality in order to predict and control it (Searcy, 2003, p.131). Positivists believe that reality is stable and can be observed and described from an objective point of view, without influencing the subject under study. Contrary, from interpretive viewpoint there is no single objective truth and reality is subjective, cause and effect cannot be isolated (Shiffman, 2008, p.24). Moreover interaction between researcher and respondent affects findings and finally since every consumption experience is unique there can be hardly any generalization of results to larger population conducted.

Methods, techniques and data validity

Exponents of positivist traditions utilize mainly quantitative techniques which, according to Babbie and Mouton (2001), have the following characteristics: an emphasis on quantification of constructs; assigning numbers to the perceived quality of things; the use of variables has a central role; and lastly, there is either experimental or statistical control for sources of error. Quantitative research is descriptive in nature and is used to understand the effects of various promotional inputs, thus enabling to predict customer behaviour. The research methods used in positivist research are primarily borrowed from natural sciences and consist of experiments, survey techniques and observation. The findings are descriptive, empirical, and if collected randomly can be generalized to larger populations. (Shiffman et al., 2008, p.23)

In consumer behaviour research qualitative techniques consist of depth interviews, focus groups, metaphor analysis, collage research and projective techniques. (Shiffman et al., 2008, p.23) These techniques should be administered and analyzed by a trained interviewer, however findings tent to be subjective, because interpretivism accounts that researches-respondent interrelation influences results. Moreover, since sample size is necessarily small, results cannot be generalized. Qualitative methods are privileged within the naturalistic approach, because it is assumed they can reveal how individuals “describe, explain, or otherwise account for the world in which they live” (Gergen. 1985, p.3-4).

Interpretative research is primarily operating with qualitative data, defined by M. Q. Patton as “detailed description of situations, events, people, interactions, observed behaviours, direct quotations from people about their experiences, attitudes, believes and thoughts and excerpts or entire passages from document, correspondence records and case histories”(Newman-Benz, 1998, p.17). While interpretivists may identify patterns of behaviour, they believe that the world is so complex and dynamic that causal relationships cannot be identified, because there is a simultaneous shaping between entities is consistent with their belief that reality should be viewed holistically (Lincoln – Guba, 1985, p. 37-38).

1.3.Focus group as an interpretivist research method

In marketing research, focus group is used to gather qualitative data from target groups of consumers. Qualitative researchers are “interested in meaning – how people make sense of their lives, their experiences, and their structures of the world” (Slater, 1998, p. 123). Crucial point here is that this qualitative technique is allowing for “the explicit use of group interaction to produce data and insights that would be less accessible without the interaction found in a group” (Morgan, 1990. In Denise, 1999, p.102).

Moreover the composition of the group must be representative to the whole population of interest (Hackley, 2003, p.80). Generally focus group consists of 8 to 12 participants, led by a moderator in an in-depth discussion with the goal to understand what people say and why. “The emphasis is on getting people talking in length and in detail about the subject, to find out how they feel about the product, concept, idea, organization etc., hoe it fits into their life and their emotional involvement in it” (McDaniel et al., 1997, p.101).

According to Y. David there are three important issues when undertaking focus group research in marketing, namely ”the role of group dynamics, the theories that inform the focus group research approaches and implementation practices (David, 2007). Normally, in group dynamics, direct questions are avoided, because people will tell us more about topic and do so in greater depth if they are encouraged to talk spontaneously instead of reacting to direct questions, therefore indirect inquiries are used to stimulate spontaneous discussion (McDaniel et al. 1997, p.101).

Focus groups are ”guided group discussions to generate a rich understanding of participants’ experiences and beliefs” (Morgan, 1998, p.11), having three basic strengths: (i) exploration and discovery – used to find out as much as possible especially about people, groups, topics that are not well, or thoroughly understood, (ii) context and depth – through which thoughts and experiences are elicited, and (iii) interpretation – offering an explanation about why some things are as they are and how they became to be what they are (Morgan, 1998). The structured approaches to leading focus group are more suited for the projects pertaining to product and campaign evaluation category while, semi-structured approaches are recommended for the researchers aiming to develop products or campaign concepts. When conducting a research by the method of focus group (irrespective to the degree of structuring), there are several steps that one has to follow. These steps are: (David, 2007)

1. Planning the focus group (establishing the goal, identifying the most important issue to be solved within the study);
2. Selecting the suitable moderators for the focus group;
3. Establishing the type of questions used in the focus group;
4. Selecting the participants of the focus group;
5. Analyzing the results/reports and interpreting of data.

“Focus groups are fast becoming the predominant method of qualitative research for advertising” (Slater, 1998, p. 131). They are used in campaign development and evaluation of ad executions. Y. David (2007) explains that yet, in most of the cases, the strategic planner’s choice (in other words the “researcher” in advertising) is to combine the focus group results with information gathered by other research methods as well, before recommending the promotion strategy.

1.4. Application of consumer behaviour research in banking sector

On Slovak market there are operating ten commercial banks providing and promoting advantageous products for youth and students. We acquired this information via intensive investigation scrutinizing of their official web pages and offered products. Most of banks provide establishment and handling personal account free of charge to the segment of students, however their products differ in complementary services and benefits included in this free bundle, p.e. amount of withdrawals from ATMs (automated teller machines) - own or competitors´, authorized overdraft, different type of debit/credit/embossed card, complementary products such as preferential interest rate on term deposits, interest rate subsidies on loans etc. (Czernak, 2010). Young people are highly prospective for the bank, since people do not use to change their bank often, banking houses are trying to win potential clients as soon as possible (Czernak, 2010). According to study conducted in Czech republic this number of customers loyal to their original bank represent approximately 62 percentage points of graduates. (Šimralová, 2009). Banks devote considerable space to students because of awareness that students represent significant potential clientele for the future (finweb, 2008).

In this part of the paper we would like to point out what is the message of current marketing activities of banks considering segment of college students. From the examination of marketing materials (Enclosure 1) of individual banks we can observe that they are usually trying to attract students between 18-26 years. The highest effort to attract this target group is devoted to promotion of benefits of product, which are also mentioned previously in this chapter, through leaflets and brochures, TV shots, billboards. However, we can also observe a tendency to compare own product advantages to those of competitors´ bank houses, for example through newspaper/online articles and articles in advisory institutions. Moreover we can also state that some of banks promote their product via intensive cooperation, and association of own product benefit to those of CKM SYS organization – issuer of cards like ISIC, Euro 26, member of EYCA (European Youth Card Association).

There exist materials encompassing comparison analysis of chosen packages for this segment. Findings of J.Mikolášová (2007, p.29) declare that only 14 % of high school student use bank account, in comparison to 90 % of college students. Further she detects the importance of decision-making factors influencing the choice of bank house/bank product according to following sequence: financial indicators, above-standard services and finally image of the bank (Mikolášová, 2007, p. 33-36). Only a very few surveys have been conducted in Slovakia considering preferences of students regarding the bank choice, therefore we believe that every bank is conducting this kind of research individually for its own marketing purposes.

2. Positivist & interpretivist insight into consumer behaviour of college students choosing their personal bank account

Taking into consideration the overall aim of this paper, comparison positivist and interpretivist approach towards the study of consumer behaviour and evaluating their potentials and limits, we will follow both approaches in the practical part, examining the problematic of students´ behaviour as bank clients from both perspectives. Further in this chapter we will describe chosen methodology and research techniques in more detail.

2.1.Methodology

The main aim of the paper is to compare two different methodological approaches toward the study of consumer behaviour and evaluate their potentials and limits. For the purpose of examining potentials and limits of positivist and interpretivist research in consumer behaviour, firstly it was essential to study the theoretical background of each perspective in depth. Thus we became familiar with the topic and acquired knowledge and abilities necessary for research implementation. We identified practical advantages and disadvantages if each approach on an example of consumer behaviour of students as a bank clients and formulated proposals for improvement of marketing communication. Following our stated main and partial objectives we designed two different options to study the phenomenon. Each option will represent a separate branch of research with the overall different approach to the research. For our purpose we chose to apply a questionnaire form as a positivist tool and focus group discussion (see chapter:1.2) representing an interpretative technique.

Interpretivist approach - *Focus group*

The first branch of our research is devoted to the study of the consumer behaviour phenomenon. In the effort to design the most suitable process of interpretivist approach (introduced earlier in chapter 1.3.), we chose a method of focus group discussion which was also explained in the theoretical background (chapter 1.2.). Although focus group was not led by a professional moderator (psychologist/sociologist /anthropologist), we devoted a considerable time to the preparation for the discussion. Firstly we studied basics of interpretative research deeply and also we followed valuable advices and principles for preparation on it. For example we prepared by watching the focus group tutorial series available online on www.youtube.com. Moreover we prepared a list of questions that will be used in a case that discussion will not have a good direction or it will be necessary to enhance it.

Our focus group consisted of 4 college students and it was recorded on a camera (Enclosure 3). Discussion was led on the topic: bank account packages for students. Respecting the assumptions and principles of interpretivist approach (see chapter 1.2.) we entered the discussion with no plan or hypothesis. Our objective during implementation of the focus group technique was to confirm or reject any hypothesis or to follow any protocol. We focused our effort on the deep understanding of opinions, experiences and subjective preferences of respondents We tried to stay open-minded in order to reveal also unexpected possibilities and potentials in consumer behaviour that could be exploited by banks to craft their marketing activities. Moreover we did not interrupt the discussion unless it was necessary. Interpretivists argue that direct questions asked by positivist usually lead to reasoning and explanation and consumer behaviour is not always rational, therefore we avoided direct questions in the discussion.

Positivist approach – method of questionnaire form

Positivistic approach to consumer study assumes researcher is revealing objective reality, identifying causal relationships that can be examined separately and therefore can be generalized. Moreover it accounts that researcher can stay objective – not influencing the research. Literature also assumes that positivists primarily work with quantitative data. After studying theoretical background of positivism in depth, we think that this might be true for the purpose of generalization, but not for the purpose of identifying causal relationship (cause – effect relationship, p.e. factor influencing the choice of bank house), because in order to identify cause and effect usually qualitative questions are used also in the questionnaire, however a representative sample must be inquired in order to generalize finding to a larger population.

We designed our questionnaire on the presumption that not character of the data (quantitative) is crucial from the perspective of positivist research, but assumptions described in chapter 1.2., therefore we included also qualitative questions in the form. The questionnaire form was created online in order to simplify and accelerate the distribution and evaluation of findings. It was responded by 165 college students of Matej Bel University in Banská Bystrica, who filled in the form anonymously. The form consists of four sections. First section is dealing with basic information which will be useful for comparing results according to gender, portion of self-financing, etc. Second section is devoted to information and incentives that led students to decisions when establishing their first bank account. We assume there that today students tent to open their first account younger than it was usual in the past therefore we will investigate also this relation. A part of questionnaire deals with a loyalty of students to their bank. The third section is consisting of questions that should reveal the perceived and real level of foreknowledge about benefits offered to students by banks operating on Slovak market, which will be contrasted to marketing activities of banks to find out whether their message is communicated properly and noticed by target group. The last section considers the most important communication channels and the most influential decision-making factors for students, to identify the most appropriate channels of marketing communication and advertising for commercial banks.

Synthesis of the focus group and the questionnaire

Eventually, on the basis of our findings gained through questionnaire and focus group were able to evaluate each method and each approach separately. After that we could compare the results, thus fulfil our main aim, evaluation of positivist and interpretivist insight into consumer behaviour. In addition, thanks to our research, we are able to evaluate the two of them not only separately, but also we can display their joint potential for consumer research.

2.2. Evaluation of the focus group

As we already mentioned in the methodological part of the paper (chapter 2.1.) that during the administration of our focus group we aimed to follow principles of interpretive approach, explained in chapter 1.2. We would like to emphasize that we decided to evaluate and interpret findings of the focus group before studying and evaluating the questionnaire in order to restrict potential influence on the researcher. During the performance we obeyed direct questions calling for direct, reasonable answer. We used indirect questions, in depth questions oriented on subjective opinions, experiences and perception of participant. In order to set relaxed, easy atmosphere we also conducted interactive activity during the focus group session. However during the evaluation of results we found this activity had very positive effect on participants´ mood and attitude, therefore we suggest to perform such activities at the beginning of the discussion.

Our focus group consisted of four participants, two girls and two boys, each of them is a student of Economic Faculty at Matej Bel University. The biggest issue, crucial to the research was to persuade students to take part in this discussion, we managed to group only four participants willing to organize their activities to meet at the same time and approving the video record. The discussion was performed at the faculty in the coffee house: Momo Cafe and took approximately eleven minutes. The location was chosen on purpose because on our assumption that familiar and friendly environment will make participants feel comfortable and more open, although it reduced the sound quality of the video.

The objective of the focus group was to study consumer behaviour, more concretely behaviour of student establishing and using students´ bank package. Subject of the study were chosen students and object of the study was their consumer behaviour. The objective of the focus group was to understand their behaviour in three general areas, which we can consider and sub subjects of study: chose of bank account, satisfaction with their bank account and eventually how they perceive endeavour of banks to attract the segment of college students. Before performing the focus group we prepared several questions to enhance the discussion and lead it to these free areas, however we open-minded and prepared to add more questions in order to gain deeper understanding of the topic on the basis of their answers and alter the direction of the discussion if it could lead to even deeper understanding of their behaviour. Moreover, after performance of the focus group we evaluated and interpreted finding, which we made again available to participants for their comments and feedback. This was an important step, because it allowed them to agree or not with our interpretations and gave them a chance to even add something more to the topic. The results of this feedback we included in the chapter: 2.4. For the purpose of transparent evaluation we can assign our findings into three categories in correspondence to the sub subject of study

Establishment of students´ first bank account

All participant attending the focus group established their first account in their teenage age (13 to 16) and they identically asserted they did not take any part in the decision-making process, this was entirely a domain of their parents, therefore most of participants do not have information or do not remember what was influencing their parents choice. Only one participant knew that the key factor to this choice was a financial benefit of the bank offered to successful students with excellent grades at school. Participant also talked about the first impression of their bank house, what they considered significant was the impression from the building and interior and also individual, professional approach to customers. Also they identified the bothering fact that they had problem to match their childish signature when executing transactions personally.

Satisfaction with current bank account

The focus group discussion revealed an interesting finding, that although participants did not choose their bank/package personally, all of them are evaluating their bank and account as highly passable. Primarily because it covers all their needs and requirements to bank free of charge, expect for one participant who explained he would probably cancel the account if he did not have a friend in the bank. All of participants concluded that offered students´ packages do not vary much in what is important for them (the discussion revealed that they primarily use their accounts for: internet banking, GSM banking, to top up their cell credit, regular payments. What they highly appreciate is professional, prompt reaction of bank personnel to solve urgent situations (such as forgot PIN number), easily accessible and developed network of bank subsidiaries, and crucial was also accessibility of ATM network. Members of the group who have their account in bank with small accessibility of ATMs complained about this problem and identified it as a big disadvantage. Another disadvantage that one participant mentioned is a form of statement of account delivery: "It is usually default as a charged postal delivery and if you want to have it electronic you need to either go to bank and pay for it or make in online a kill your time searching for the manual."

Students´ perceptions of marketing activities

A set of question asked during the focused group was aimed to find out how participant perceive concrete marketing activities of concrete commercial banks. In the previous part we already mentioned that banks try to attract this group primarily through presenting them advantages of individual offers (see chapter...). During the discussion we revealed that most of participants did not feel need yet to compare their account to other offerings, probably because they are generally satisfied with the account chosen by their parents, as described earlier. However they all expressed, they will possibly start comparing between products when they will finish their studies.

One of an interactive technique applied during the session was thumbs up/thumbs down. The principle of this game is that students are shown a title page of promotional materials of different banks and they have to evaluate the impression from the brochure by showing their thump up/down immediately. The contribution of this game is revealing their spontaneous and immediate reactions, and it should be helpful to identify what kind of colours, inscription, and pictures would attract them at the first sight and make them study these materials deeper. The table of their reactions is below (Table 2), the title page of each material can be seen in Enclosure 1.

Table 2: Results of the thumbs up/thumbs down activity

Bank	**Thumbs up / Thumbs down**	**Participants evaluation**
Tatra banka	2 1+1	gloomy, depressing, dark
OTP banka	2+1 1	cheerful, colourful, lovely dog
Unicreditbank	3 +1	clear message
Volksbank	0 4	too serious, indistinct, unclear
Slovenská sporiteľňa	2 2	optimistic, clear message

Source: own research

**for title page of the brochures used during this activity see Enclosure 1*
** +1 =opinion of the person who is also the owner of the account*

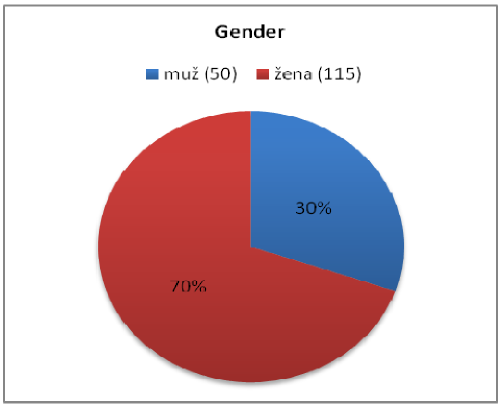
Focus group was intended not only to reveal students immediate reaction on banks´ brochures, but also we asked them to think about the last time the noticed some kind of propagation of students´ account. Only one member was able to remember a concrete example, although we found several posters and leaflets during the quick walk around the building – mainly on the wall, notice board, coffee machine and at the reception. Students are passing these ads daily, however members of our group did not notice them.

2.3. Evaluation of the questionnaire

This chapter is devoted to the presentation of our findings in the sphere of consumer behaviour of students as bank customers. We investigated their behaviour through online questionnaire form designed and evaluated on the basis of positivist approach (see chapter 1.2.) to consumer behaviour research. The questionnaire was distributed to respondents through online social network Facebook on 12th March 2010. The link was sent through inbox to 1 043 members of student´ group Ekonomická fakulta UMB. The number of students who actually responded and submitted the questionnaire within 24 hours reached 165 respondents within, thus the return rate is approximately 15.8%.

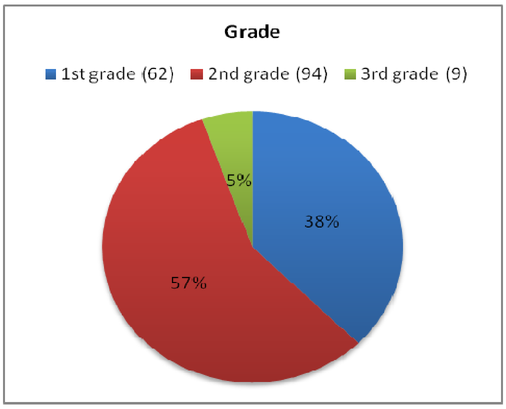
The first set of questions included in the questionnaire reflect the identification data, such as gender (Graph 1), degree of current study (Graph 2) identification of utilized bank account and the rate of self-financing. The first information, gender has only informative character, other variables will be used to reveal their interconnection to other questions discussed later in the chapter.

Graph 1: Gender of respondents



Source: own research

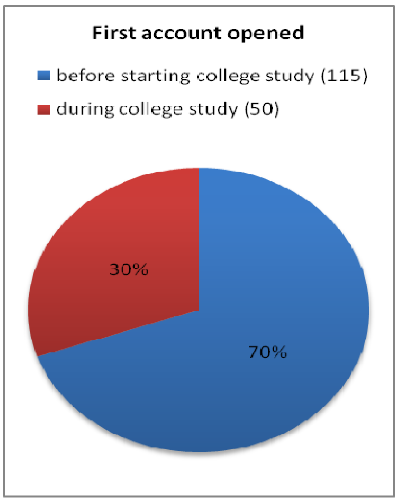
Graph 2: Current study degree



Source: own research

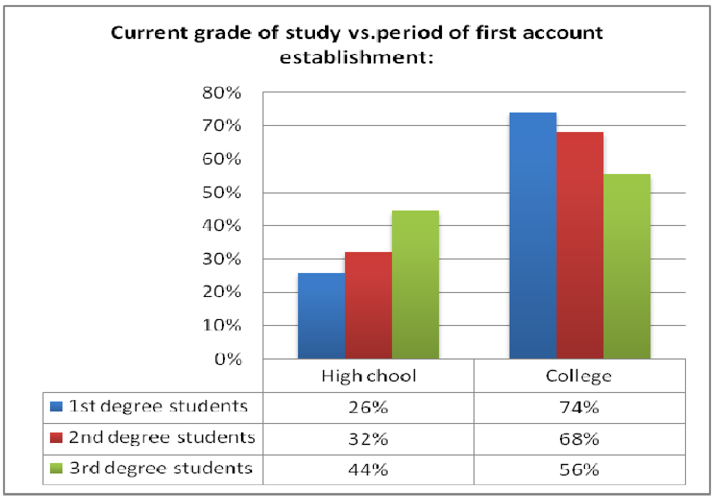
The first graph (Graph 1) presents the ratio of women (70%) and men (30%). The second graph (Graph 2) refers to the degree of current university study of respondents. We can see, that out of total 165 respondents, the biggest portion is represented by students of second degree (57%), 62 respondents currently study the first degree (38%) and there are also 9 postgraduates (5%). In our questionnaire form we also investigate when did students establish their first account (Graph 3)

Graph 3: Period of first account establishment



Source: own research

Graph 4: Current grade of study vs. period of first account establishment:

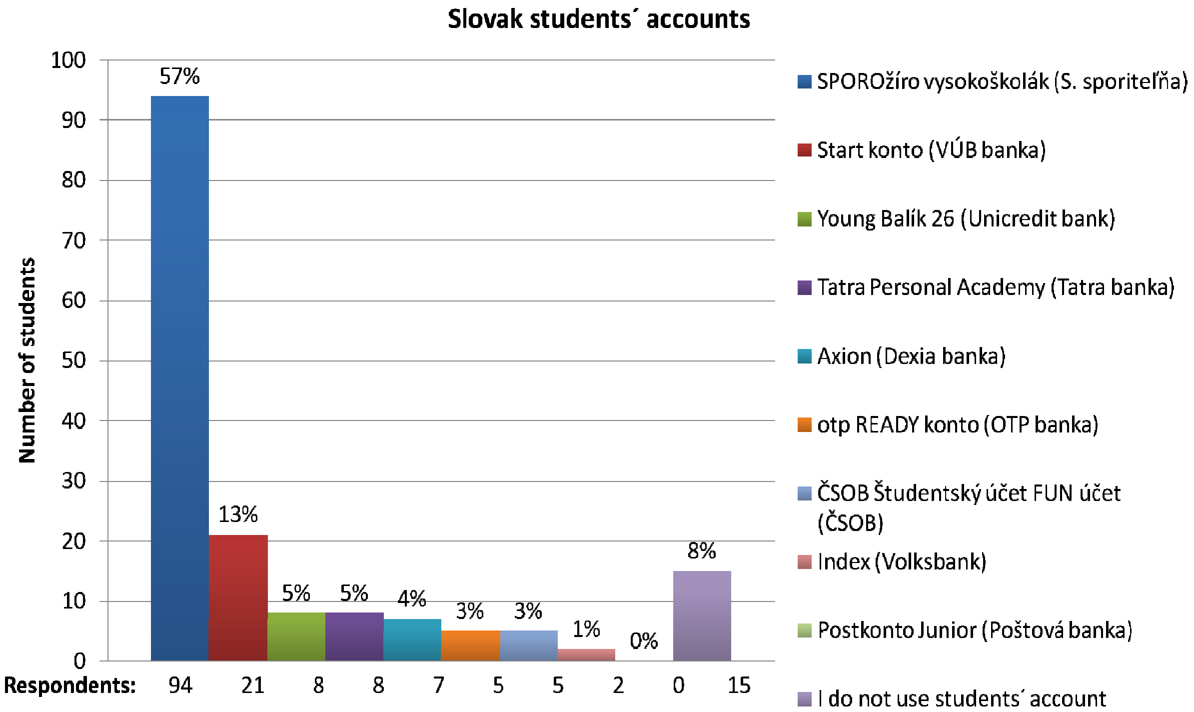


Source: own elaboration

One of intention behind these information was to observe, whether students tend to open their first account earlier and earlier. For this purpose we divided respondents into group on the basis of their grade of study. Later we could elaborate graph expressing the tendency of students to open account on the high school or college according to current grade of study (Graph 4). Most of students (70%) established their first account at the time they were high school students. In order to investigate whether there is a rising tendency to open first account sooner and sooner we processed data for each grade separately. We classified students into categories according to current grade of study. If it was true, among all categories, the highest percentage of students who opened account during high school studies would belong to first degree students, followed by second and third degree students. However the outcome for each category indicates that the opposite is true, our observation did not prove that younger students opened their first account younger than older students.

Another, important identification information necessary for further investigation of students´ behavioural patterns regarding their personal finance management is what kind of account do they actually have and exploit. Their answers are expressed in the graph below (Graph 5).

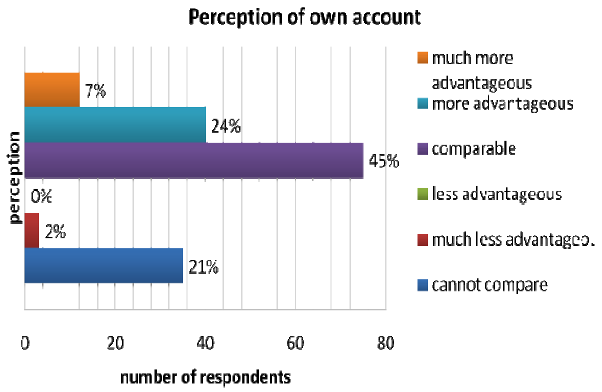
Graph 5: Number of students using students´ packages of Slovak banks



Source: own research

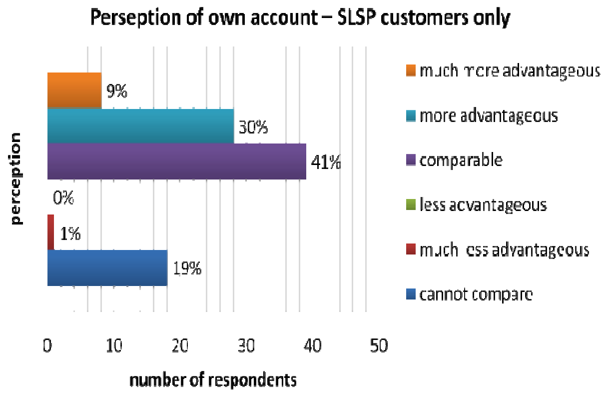
The purpose of this question was to find out how is the market share divided among commercial banks considering the segment of college students. We found that there is a considerable inequality among share of individual banks. Evidently highest share is being served by Slovenská sporiteľňa (57%), the second largest share has VÚB banka (13%) and other banks operate 0 - 5% market share. However, this was not the only objective of the question. We needed this information to take a deeper look into the consumption behaviour of students, to find out whether they know what kind of advantages their account provides them in comparison to other banks´ offers. To reach this objective we had to combine data from question: "What is bank account do you use?" with the data available from question: "How do you evaluate your account in comparison to those offered to students by competitive bank?" (Graph 6).

Graph 6: Students´ perception about own account:



Source: own research

Graph 7: Students´ perception about own account (Slovenská sporiteľňa):



Source: own research

The outcome of this step was subjective perception of students, customers of SLSP (Slovenská sporiteľňa) (Graph 7), which is not very different from overall students' perception (Graph6). We conducted this deeper research by filtering the database of answer, we selected only customers of one bank, Slovenská sporiteľňa in this case, and filtered data again according to subjective perception of students about their account.

Later on, we compared students´(those who have account in SLSP) answers on question:"What advantages you can enjoy free of charge in your bank package?" with the stencil we elaborated for this purpose, expressed in Table 3.

Table 3: Chosen advantages of students´ bank packages

Advantages free of charge	**SPOROžíro vysokoškolák**	**Start konto**	**Young Balík 26**	**Tatra Personal Academy**	**Axion**	**otp READY konto**	**ČSOB Študentský účet FUN účet**	**Index**
No open fee and no minimum balance	✓	✓		✓	✓	✓	✓	
No limits on withdrawals from own ATMs	✓			✓	✓		✓	✓
All SMS notifications free of charge	✓	✓	✓	✓				
Account statement daily on email				✓				
Regular contests	✓				✓	✓		
Discounted withdrawals from chosen ATMs abroad	✓	✓	✓		✓			
Account management free of charge	✓	✓	✓		✓	✓	✓	✓

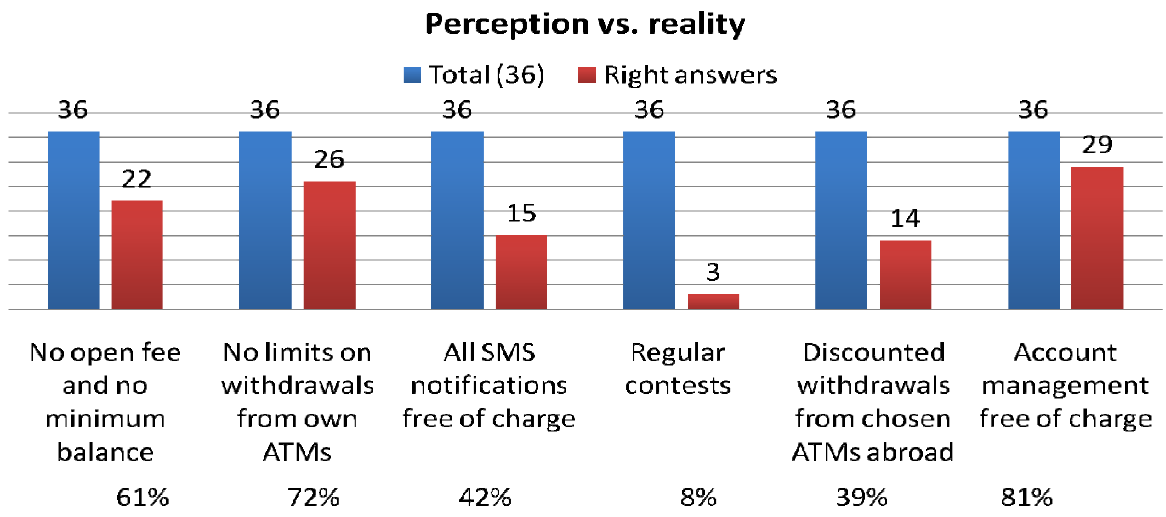
Source: own analysis

The table above was elaborated from the analysis of information available on official websites of mentioned banks, from their propagation material and also based on a personal visit of bank houses. On the basis of data in this table we will be state whether opinions of students, customers of SLSP are based on their knowledge in this sector, or it is just a subjective feeling. Therefore further process of the research is a comparison of their answers on the question where they were supposed to choose from a list of benefits that are included in their bank package free of charge. This was a multiple choice question.

We will now compare answers of chosen 36 students, customers of SLSP who claim that their account is more advantageous (28) or much more advantageous (8) than other students´ packages (Graph 7). We chose this sample because we suppose that their satisfaction is based on some reasonable fundamentals, such as sufficient information. The outcome of this comparison is visible from the graph below (Graph 8)

It is interesting to find out that although chosen group of student think their bank account is advantageous a big portion of them does not even know what is included in it free of charge. For example only 3 persons, out of 36 are aware of regular contests and attractive awards that their bank prepared for them. Less than half of chosen respondent know that they can receive all SMS notification free and that they have a possibility to withdraw money abroad for free. 19% of respondents even do not know that they do not pay for keeping their account. (Graph 8).

Graph 8: Students´ knowledge about their own account



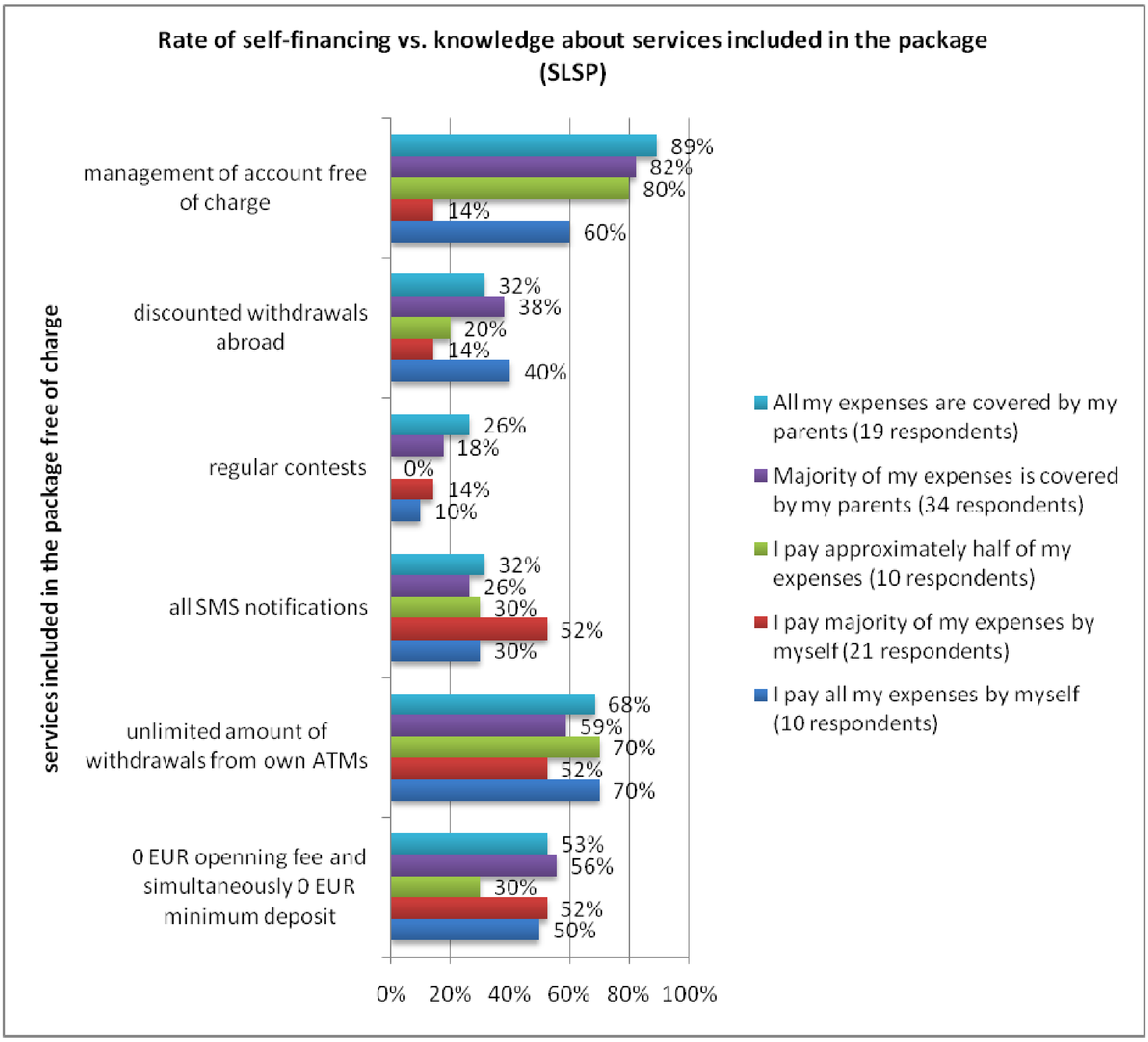
Source: own research

These findings might be important for marketing strategy of a concrete bank, because gaps and drawbacks in marketing communication can be identified. The bank can concretely elicit which information and messages are not well delivered / received by the target group and then take steps to enhance their communication and thus improve marketing program.

Further we wanted to investigate whether there exist any relationship between the rate of self-financing of students and their foreknowledge about services included free of chart about their own bank account. The objective is to find out whether students who pay majority/all of their expenses from their own income have higher rate of foreknowledge and knowledge about the topic in comparison to students funded by parents. We used the same, a bit complicated process as in the previous part detecting the perceived satisfaction and real knowledge.

Firstly we selected from the database only 94 students, customers of a bank with the majority market share – SLSP (Graph 5), later on we classified them into 5 groups according to the rate of self-financing. Finally, for each group separately, we compared their answers to the multiple choice question: “What advantages you can enjoy free of charge in your bank package?“ to the stencil elaborated earlier (Table 3). However our findings do not indicate proportionality between rate of self-financing and foreknowledge (Graph 9).

Graph 9: Rate of self-financing in relation to knowledge about services



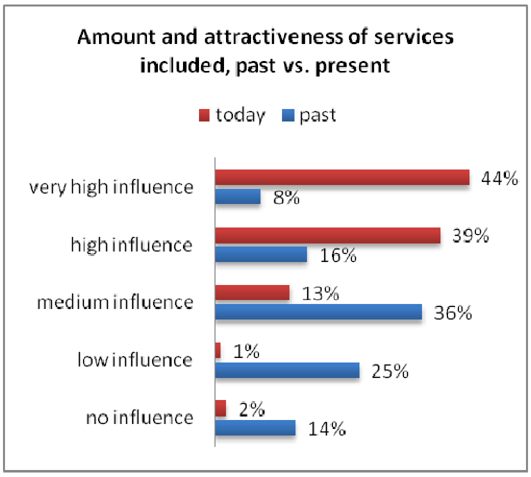
Source: own research

Although there exist slight differences in students´ knowledge about their own account based on their rate of self-financing (Graph 7), a proprtional relation between these two variables was not observed within the sample. The only service where self-financed students demonstrate higher informedness is SMS notification. This might be due to the need of better control over their money in comparison to others, however a more specific survey would be needed to approve this surmise. A bit surprising is the result indicating lower rate of informedness about no montly payments for guidance of account among self-financed students. Also they show lower informedness about the awards they can win in regular contests organized by a bank. There might be various reasons for this we are not able to prove without more information, p.e. lack of time and interest due to the workload. Anyway we can see that the level of informedness among target segment is generally very low considering mailny regular contests, SMS notification and discounted withdrawal abroad. All these services may be used during the whole period of using the account and thus increase their customer satisfaction.

Distributed questionnaire form contained also two scaling questions. Respondents were asked to evaluate seven factors influencing their choice of bank account in past, at the time they opened their first account. Later they were supposed to do the same under changed conditions, they were asked to evaluate importance of individual factor if they were, hypothetically, doing the decision about their account today. The scale had five degrees: 1-no influence, 2 – small influence, 3 – medium influence, 4 – high influence, 5 – very high influence. In the following part of this chapter we will contrast individual factors in past and today and thus investigate how preferences of students are changing with age and experiences.

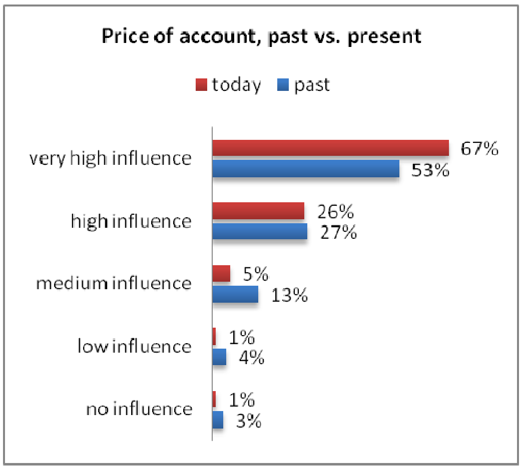
The first influencing factor we compared was amount and attractiveness of services included in the students´ package free of charge (Graph 10).Another important factor evaluated was a price of the package (Graph 11).

Graph 10 : Amount and attractiveness of services included, past vs. present



Source: own research

Graph 11: Price of account, past vs. present



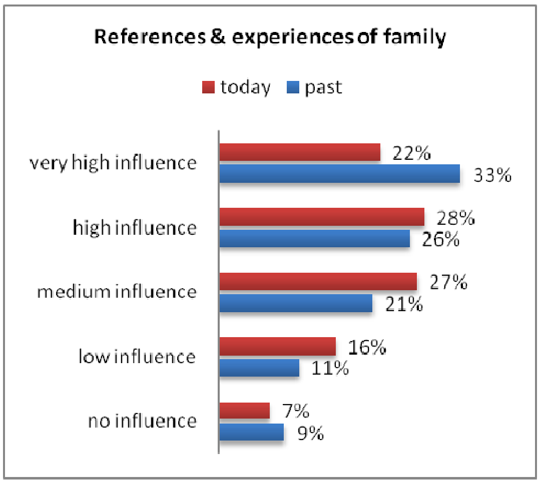
Source: own research

From our results (Graph 10) it is evident that the variety and quality of services is becoming more and more important for students as they get older. In comparison to 10% of respondents who rejected influence of this factor at the time they opened their first account, today only 2% perceive this factor as non influential at all. Only 13% considered variety and attractiveness of services and a highly influential factor. However, today this number rises up to 44%, and vast majority of the sample admits its importance (83%). This information can be useful for bank, if it understand what and haw influence customers in their decision-making, it can better design its products adequately to the age and experiences of the target group.

We can also observe that influence of price as a decision-making factor do note fluctuate that much over time in comparison to attractiveness of services, but its importance is rising anyway.(Graph 12, Graph 13).

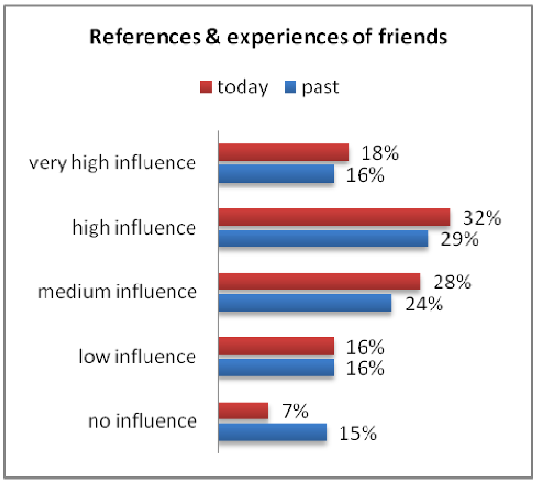
Among the decision factors observed in the questionnaire we included also influence of relatives and friends.

Graph 12: Influence of the family



Source: own research

Graph 13: Influence of friends

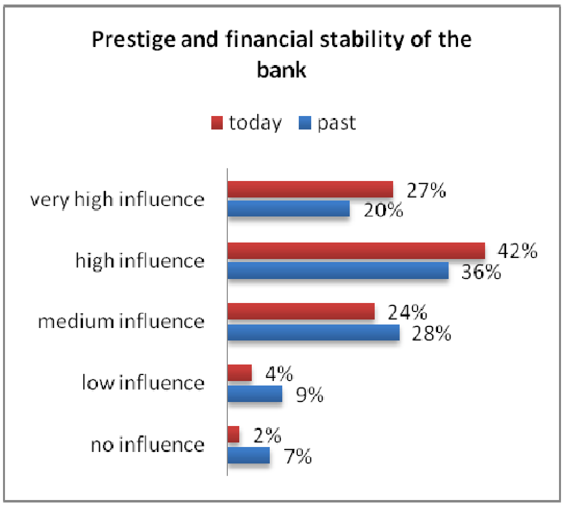


Source: own research

According to respondents, influence of their surrounding plays also important role in decision making process. Half of respondents admit high or very high influence of relatives today(Graph 12) and even more (68%) at the time of their first account establishment. Experiences and references of friends are not important to that extend as experiences of family (Graph 13), but we can observe that it has increasing tendency over time, conversely to family which has smaller influence on decision than in the past.

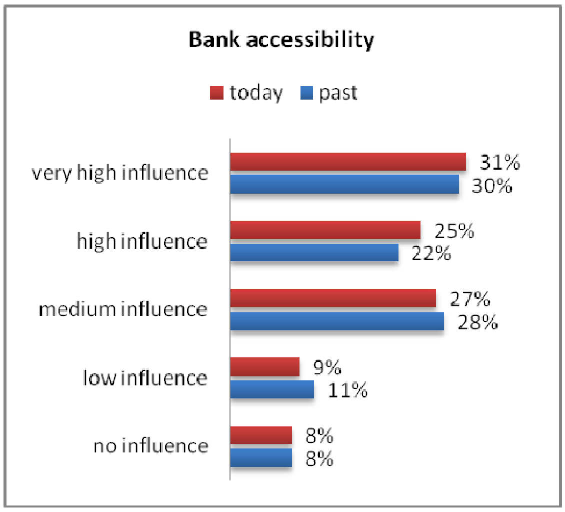
Among other factors students evaluated also importance of the prestige of the bank (Graph 14) and its accessibility (Graph 15)

Graph 14: Prestige and financial stability



Source: own research

Graph 15: Bank accessibility

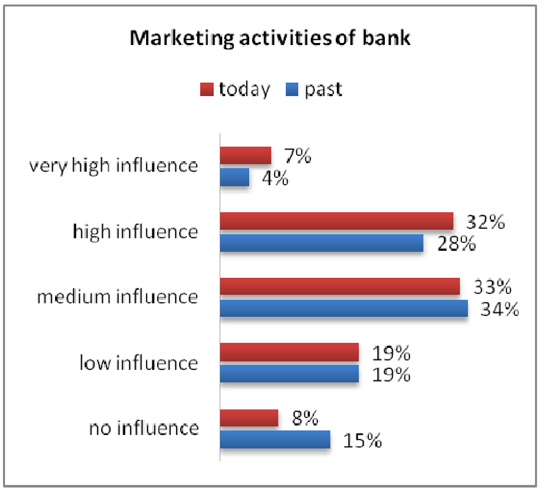


Source: own research

It is evident that financial stability is an important factor for students and the strength of this factor is rising. For example 16% of respondents assigned this factor low or no influence at the time of first account opening in comparison to 6% today. Graph 15 describes the importance of a bank accessibility factor of high importance for the majority of respondents. Banks should aim to develop a wide, accessible network of branches in order to build and maintain consumer satisfaction.

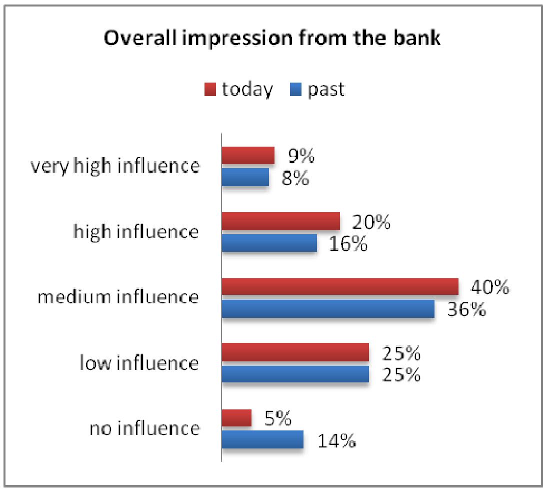
The last couple of factors evaluated by students are banks overall impression (Graph 16) and its marketing activities (Graph 17).

Graph 16: Marketing activities



Source: own research

Graph 17: Overall impression



Source: own research

From graphs above we can see that overall impression is mostly considered to be of medium influence with an increasing tendency over time. Marketing activities to attract students, such as advertisement, presents, bonuses, contests and discounts for shopping are important for 39% of respondents, therefore commercial banks should not neglect this kind of promotion.

In order to provide a more complete overview about individual factors and their influence on the decision-making process of students we elaborated a table displaying the order of factors that gained the highest percentage of the label – very high influence (Table 4).

Table 4: Order of factors influencing students´ behaviour

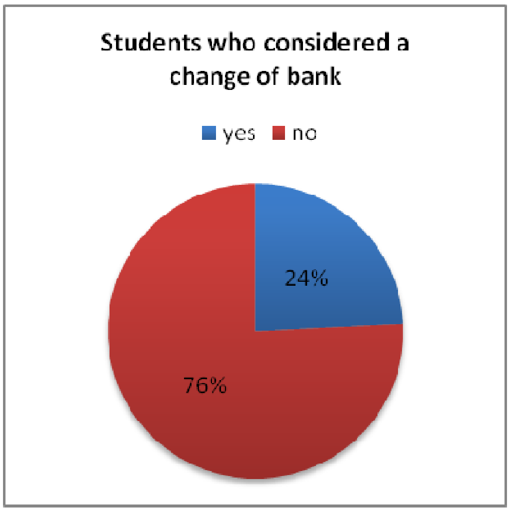
No	**Factor: (when opening the account)**	Very high influence	No	**Factor: (today)**	Very high influence
2.	Price of account	53%	1.	Amount and attractiveness of service included in package	67%
1.	Amount and attractiveness of service included in package	44%	2.	Price of account	67%
3.	References & experiences of the family	33%	3.	Bank accessibility (distance from home, school, etc.)	31%
4.	Bank accessibility (distance from home, school, etc.)	30%	4.	Prestige & financial stability of the bank	27%
5.	Prestige & financial stability of the bank	20%	5.	References & experiences of the family	22%
6.	References & experiences of friends	16%	6.	References & experiences of friends	18%
7.	Overall impression (buildings, interier, individual and professional attitude, etc.)	8%	7.	Overall impression (buildings, interier, individual and professional attitude, etc.)	9%
8.	Marketing activities (advertisement, presents, bonuses, contests and discounts, etc.)	4%	8.	Marketing activities (advertisement, presents, bonuses, contests and discounts, etc.)	7%

Source: own research

We can observe that the top two strongest factors the price of account, amount and attractiveness of services in the package. Following group of factors are references, prestige and accessibility of the bank, these factors were evaluated as most influence by 16-33%, when opening their account and by 18-31% today. Overall impression and marketing activities of the bank are seen as the least influential factors. The only factors were we can observe a decreasing tendency over time, are relatives and bank accessibility. This overview can be used by commercial banks to design their advertisement and promote primarily information and opportunities that are most important for consumers.

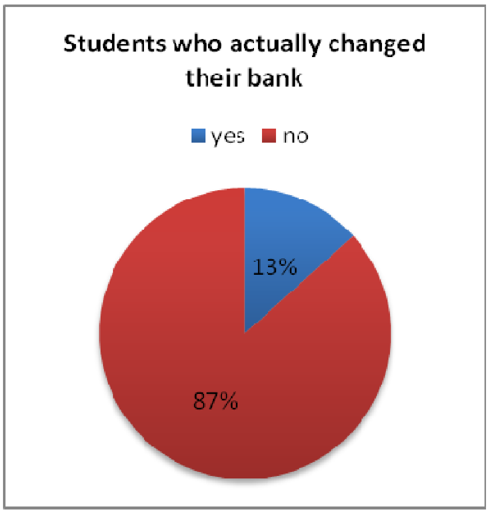
Detection of consumer loyalty was one of the intentions of the questionnaire, therefore two questions associated to this topic were included. Findings are expressed in Graph 18 and Graph19.

Graph 18: Students who considered a change of bank



Source: own research

Graph 19: Students who actually changed their bank

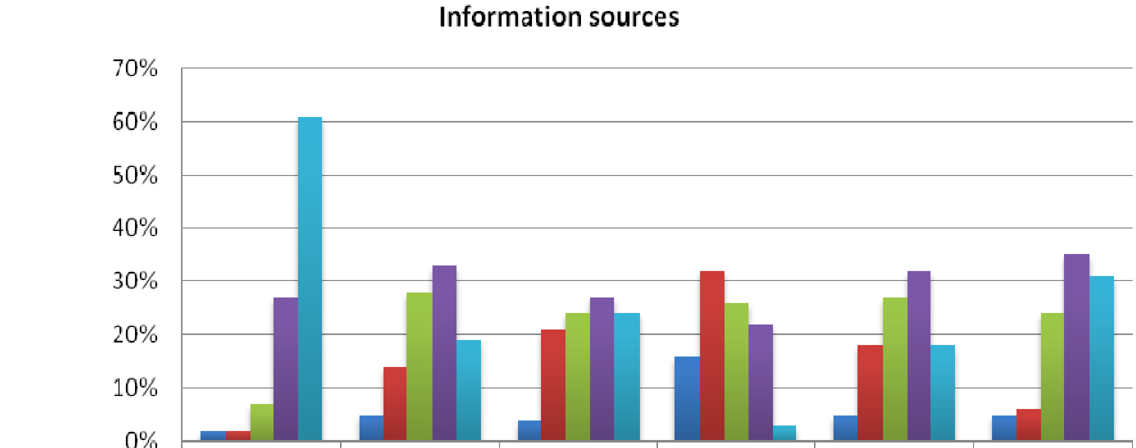


Source: own research

From the two graphs we can observe a high rate of consumer loyalty. While nearly one quarter of all respondents considered a change of bank in the past, only 13% undertook this step. These two dichotomous questions were followed by an open question demanding the reason for bank change. The most common among answers was: better condition, lower fees and more extra services provided by competitive banks. Many students who changed their bank explained that ATMs of their old banks were just never on their route in the town where they study thus accessibility of ATMs was a reason of change. Some students changed their bank, after it changed terms of contract without informing them directly. A few mentioned as a reason extra benefits provided by a competitive banks, such as opportunity to get embossed card, to withdraw abroad free of charge. Couple of students changes their account after bad experience with unprofessional attitude of bank tellers, and two of them due to a personal reason, because their parent had a chance to control their finance as bank employees.

The last part of the questionnaire contained a question referring to information sources. Students were asked to label each possibility according to personal preference. Results of the research are expressed in the Graph 20. From their answers banks can gain a key for the most effective promotion of their products to attract this group of customers. We can observe that the most effective way of marketing communication should be attractive and transparent official web page, because only 4% percent of respondents would not look for information there. 89% of respondents would maybe, probably or definitely ask their friends and relatives if deciding on the choice of the bank.

Graph 20: Information sources



	official webpages	informative brochures	personal bank visit	advertising campaigns	newspapers/ internet	friends and relatives
definitely no	2%	5%	4%	16%	5%	5%
probably no	2%	14%	21%	32%	18%	6%
maybe	7%	28%	24%	26%	27%	24%
probably yes	27%	33%	27%	22%	32%	35%
definitely yes	61%	19%	24%	3%	18%	31%

Source: own research

Banks must therefore improve customer care in order to attract even more potential clients. Informative brochures, newspapers and online articles are sources where the majority of respondents would look for information with a high probability, therefore banks should press attractive and addressing brochures and mainly distribute them (when we visited banks personally 2 of 9 did not have brochures for students´ product available at the moment). The least persuasive as a tool of promotion seems advertising campaign and marketing activities, however from the practice we know that people perceive such activities often inadvertently, therefore there is no need to neglect this kind of promotion.

3. Managerial implications and recommendations for practice

It is no doubt that a company or organization that wants to be successful on the market it needs to know its customers, understand their consumer behaviour, preferences, needs and requirements and also influences that shape their decisions. There exist multiple possibilities how organization can study consumer behaviour and learn something more about its consumers. Generally, those methods and techniques fall into two overall approaches to consumer research, positivism and interpretivism. We applied both approaches to learn more about students´ consumer behaviour as bank clients and we processed our finding to formulate proposals and suggestions for commercial banks, presented in the following chapter.

3.1. Interpretations and suggestions from interpretivist and positivist approach for commercial banks

This part is devoted to presentation of our findings, which can be useful for shaping the marketing strategy of commercial banks operating on Slovak market. By contrasting research results to current marketing strategies addressing the target group of students we will identify drawbacks in banks´ marketing strategies and eventually suggest possible improvements.

Interpretations and suggestions from interpretivist approach

Interpretative approach brings researcher close the object of study and deep into the subject of study. This allowed us to detect important patterns and influences behind the consumer behaviour of college students, which might be useful for banks to attract this target group even more. We are able to identify possible market opportunities and improvements of customer care for banks. These can be classified into three areas in correspondence with the sub subjects of study.

Interpretations and suggestions: students´ first contact with bank

From the finding of the discussion evaluating first experiences of students with their bank account, we can deduct several conclusions and suggestions. We found that students did not take active part in the deciding on their first bank account. Since it was their parents' responsibility they are hardly able to evaluate the influences that led their parent to the decision. Therefore it would be more meaningful to study further factors influencing this decision not on the students but on their parents. However, banks should take into consideration also annoying complications that bother young people in connection to the signature specimen, and use primarily other form of client identification.

Interpretations and suggestions: students´ satisfaction with their bank account

Focus group revealed interesting opinions of students that is worth to examine further, such as importance of ATM accessibility, importance of personnel and bank ability to solve critical situations promptly. Moreover on the basis of the discussion we would suggest commercial banks to design the initial setting of the students´ accounts so, that they will be automatically delivered through email, to save students´ time and money. Another suggestion for commercial banks, proposed by one group participant during the feedback stage of the survey is to install the ATM machine directly at the universities/faculties. She explained that many students of the Economic Faculty UMB would appreciate and use it, because they use to withdraw small amount and more often in comparison to non-students, and every time they need cash they have to go to a distinct ATM.

Interpretations and suggestions: students´ perception of marketing activities

Our conclusion from this session is that students satisfied with their current bank account do not tent to notice effort of other banks to attract their attention. Interpretative approach to consumer research applied during this focus group uncovered utilizable and applicable finding that colourful, optimistic and cheerful graphical attributes of promotional material attract students the most. Moreover the message of the graphics must be clear.

Interpretations and suggestions from positivist approach

Thanks to answers of our respondents we discovered that 70% of surveyed students established their first account before starting their college studies. Since the loyalty of students to the bank is considerably high – 86% of students stay with the same bank since the very beginning, it is important for bank institutions to win young people at the very beginning, when they open their first account.

Among others, one of incentives of the questionnaire was to find out how well students know their account. For this purpose we processed further only customers of Slovenská sporiteľňa who perceive their account as more advantageous in comparison to other offers on the market. Further we studied whether students know what is included in their package account by comparing their answers on a multiple choice question to a stencil elaborated in advance for this purpose. Our investigation found that most of students do not precisely know what services they have included in their account, only 2 out of 36 respondents labelled all services right. We indentified where the biggest dissonances in marketing communication are: awareness about regular contests and special proposals for students (92% of respondents are not aware), withdrawals abroad (61%) and 58% do not know they can use SMS notifications free. It is surprising, that also financial factors that we evaluated by respondents as those of the highest importance do not prove a sufficient awareness among students. This kind of identification of the most critical paucity of foreknowledge among customers processed for any bank, if there is a sufficient amount of data/respondents. If we align the lack of foreknowledge to the fact that marketing activities, such as advertising were t as the least influential source of information, we would suggest SLSP to contact students directly to communicate them what benefits they can use, p.e. through mass SMS or mass email. This should be also important if any change occurs in the tariff policy of the bank, because anger from not informing clients about such changes is identified as one of the most common reason for the change of bank in a following question of the questionnaire.

Since we discovered that 70% of students opened their first account relatively long time ago as high school students, our proposal for the SLSP is to communicate all changes and new opportunities to inform mainly long-term customers who did not need these services in their teenage age and who do not feel a need to refresh their information, but would probably appreciate these services now. If they have this knowledge, they can become also effective channel of communication to attract even more customers, since we discovered in a different question that the word of mouth and advice of friends is seen as a very influential factor and source of information in decision making process. Our questionnaire also detected a rising influence of friends and slightly decreasing, but still important, influence of relatives when choosing a bank/product. The advice coming out from results on references as a factor of decision making for banks is to treat every client with respect and to his/her best satisfaction, because he/she might be a friend or relative of the potential client. Also banks can help to spread a positive word of mouth by an advertising campaign challenging satisfied people to tell their friends.

Prestige of a bank and its financial stability was evaluated as important by 69% of respondents. Although financial stability is not the matter of marketing and we are aware it is a long term process of image creation, it can be also declared to public, p.e. by promoting of the relation with a strong partner, mother company etc.. Therefore banks that are evaluated positively by p.e. rating agencies should include this message into their advertisements, to build their image and enhance public opinion.

Marketing activities to attract students, such as advertisement, presents, bonuses, contests and discounts for shopping are important for 39% of respondents, however we revealed that the level of foreknowledge about these activities, especially in the case of SLSP is piteously low. Therefore we would advice banks to organize such activities p.e. in cooperation with high schools and universities to get closer to actual and also potential customers. Considering the most efficient sources of information about the offer of individual bank products, number one is official webpage of the bank here. Some banks provide only very brief information here and looking for detailed information among documents publicly accessible is an exacting process. However, some of them, p.e. SLSP, OTP banka, Dexia, offer on their webpage a link that will divert students to a special address, developed specially for them to provide a complete information about the account and moreover extra information about contests, activities, attractions, discount, special offers etc. The design is not as serious as an original bank webpage in order attract students more. We would definitely suggest also other banks to follow this strategy, because neglecting this area can lead to strengthening the position of competitors. News and online articles were also labelled as probable source of information by majority of students. When checking these articles we discovered that some products for students of a few banks are usually omitted in article overviews and comparisons (p.e. Poštová banka, Dexia). We suggest these banks contact authors and issuers, press on them to include their products and cooperate with them in a future.

3.2.Evaluation of practical limits and disadvantages of each approach

Each of these approaches is brings it own advantages and disadvantages. Most of their disadvantages are resulting directly from their assumptions, their beliefs and overall point of view and therefore have been a target of criticism by representatives of an opposite view. Positivists blame interpretivists for providing non-consistent results, which cannot be measured and confirmed. The interpretive and postmodern perspectives argue that "consumers can only be fully understood as totalities, that is, "holistically". For example, the interpretive perspective is strongly associated with the use of naturalistic methods of inquiry that attempt to get as close as possible to the experiences- lived by consumers" (Gabriel, 1990, p.570). The primary source of such discussion is the fact that they each approach tries to evaluate the other by its own principles.

Disadvantages and limits of positivist approach to consumer research resulting directly from its axiology, ontology and epistemology is that it tries to identify patterns of behaviour without explaining them. p.e. when we evaluated a questionnaire about bank products in the earlier chapter of this paper, our results revealed that students do not know much about their own account and services included in it. However, from the questionnaire we were not able to identify a reason of this lack of foreknowledge. So thanks to positivist approach we could find the problem, identify the drawback, but we could be hardly able to provide some suggestions on improvements without identifying the reason of this low rate of foreknowledge. A deeper study, most favourably in-depth interview or focus group would be needed to look for the real cause of the problem.

Another limit of positivist paradigm is that it does not provide as deep and rich study in comparison to interpretivism. Rather than focusing on quality is focused more on quantity, reliability of generalizability of findings. That seems natural, if we seek to identify the patterns of consumer behaviour, but this way consumers are understood as not individuals beings, but are perceived as rational, robotic beings making their decisions and living their lives according to some behavioural patterns. Criticism on positivism is also associated with the problem of induction. Induction is used by positivists to provide p.e. prediction, however the problem of induction express, there is no proof that if something happens always it will also happen in the future. However for the purpose of marketing the prediction of consumer behaviour is essential issue and positivism that provides a chance to predict phenomenon.

Taking into consideration assumptions of interpretivist approach and our finding in the focus group, we can say that the main limit of this paradigm for consumer research, which is identical to its assumption, is not generalizability of findings. Firstly, number of respondents/participants is essentially too low secondly it is against the overall rules and principles of positivism, because every person is considered as individual, subjective, holistic being. When conducting an interpretive research, researchers may enter the field with some general ideas and questions, but they do not know enough to specify a fixed design and must rely on the assistance of informants. Meaning is cooperatively developed.

The research design evolves as researchers immerse themselves in the natural and changing environment. (Ozzane – Hudson, 1989). Hypotheses are generated during data collection and analysis, and measurement tends to be subjective. In the qualitative paradigm, the researcher becomes the instrument of data collection, and results may vary greatly depending upon who conducts the research (Weinreich, 1996). Contrary to a strict adherence to scientific protocol, interpretive data processing is based on reliance on the human instrument for generating "thick description" (Murray – Ozzane, 1991, p.136). This is also the reason why interpretative researchers may find their results challenged as invalid by those outside the field of social marketing (Weinreich, 1996).

Based on previous paraphrases and description of the interpretive research we can now understand why a professional experience in the field of sociology/psychology/anthropology is needed to conduct an interpretive research and to be able to interpret its findings. This is also a considerable disadvantage of interpretivist approach.

3.3.Potential of approach combination in consumer research

Just like each approach brings certain limits to the study of consumer behaviour, it also implies its own potentials and advantages. For simplicity we can say that there exists an inverse relationship between approaches. What is an advantage of positivism (p.e. ability to generalize, ability to provide reliable and replicable results) is at the same time a limit of interpretivist approach, and vice versa, what is a potential of interpretivism (p.e. validity, rich content of findings, description of causal mechanism) is at the same time unattainable by positivist approach to consumer research.

Although philosophers argue that combination of approaches into one research is not applicable, because they are based on contradictory assumptions and perception of reality, by our research we proved that using both approaches to study the same phenomenon is beneficial and enriching for the purpose of marketing research. Our point here is, that consumer behaviour is a multidisciplinary science. It blends elements of social sciences, psychology and anthropology, when studying human behaviour, however, it incorporates also elements of microeconomics. Coming out from these attributes of consumer behaviour we suggest that for such a multidisciplinary science also a multiple approach to research should be appropriate. Therefore we suggest studying the phenomenon of consumer behaviour by applying both, positivist and interpretivist approach, so that they can enrich and supplement each other. The way this combination of approaches can work we will declare on an example of previously mention insight into consumer behaviour of college students choosing and managing their bank account.

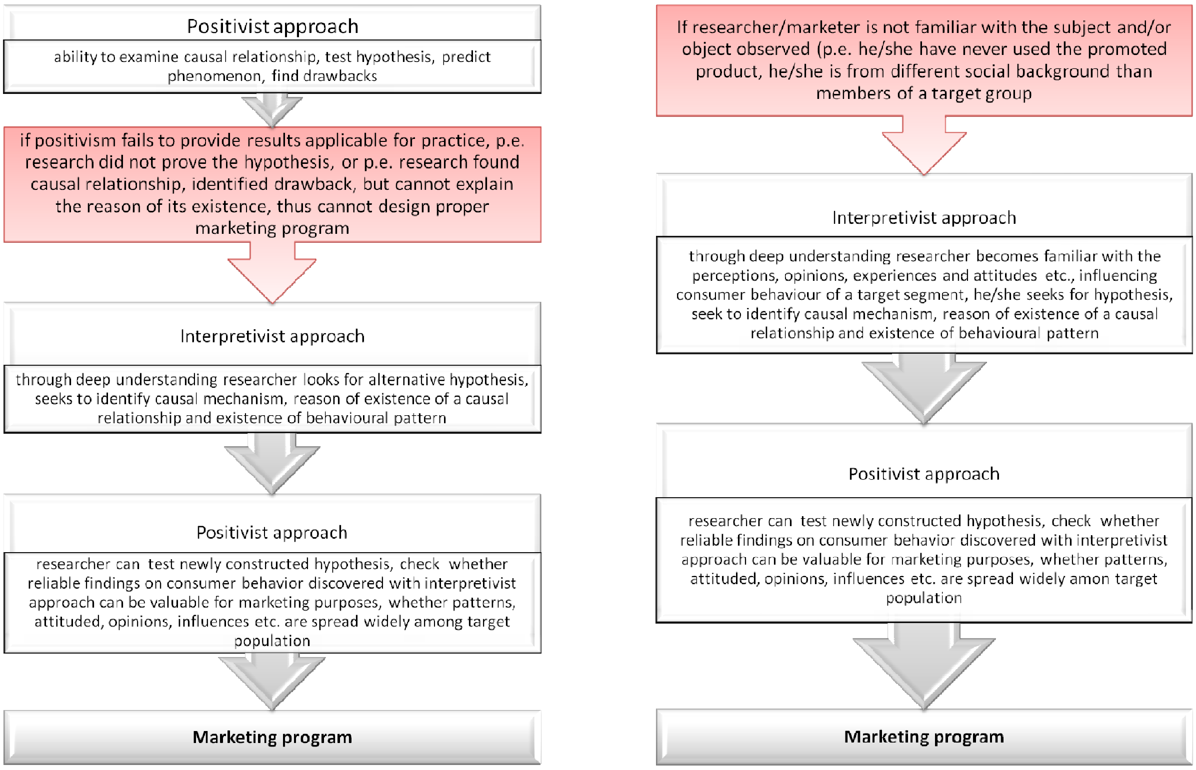
Further in the chapter will explain what limits and potentials we can define for interpretivist and also positivist approach, coming out from the focus group discussion we led with students and the questionnaire. Previously we evaluated each branch of our survey separately, now we will outline how their findings can supplement each other.

The crucial finding considering this discussion was that none of participants took part in the initial decision of choosing their first bank account. It was the decision of their parents only, they explained, they were too young to make a decision of this character. However it is interesting that our questionnaire did not reveal such influence of family, although 70% of respondents opened their first account at the time of their high school study. Here, we can define one limit of positivist approach. Positivism assumes that each factor of influence can be separated, thus evaluated individually. Moreover this was a required question of the questionnaire that basically means that also students who did not take part in deciding about their first account were supposed to evaluate each factor influencing their decision. Yes, this has no sense. And therefore we can define an important potential of interpretivist approach. If the focus group was performed in advance to questionnaire, we would design some of the questions totally different, on the basis of finding of the focus group. For example, taking into consideration only previously mentioned problem, we would not ask on influences of decision-making factors, but we would firstly ask if the respondents took a part in the decision making. If not, it is useless to ask him/her about influences, therefore we would orientate questionnaire to a completely different direction, p.e. it would be much more effective to study factors influencing decisions of parents who open account for their children. Since our questionnaire revealed a considerably high rate of loyalty to the first bank where account has been opened, we can say that it is critical for commercial banks to attract attention of parents who play an important role as decision-makers. Moreover, some commercial banks, p.e. Tatra banka do provide free account only to children whose parent has account in the same bank. We would advise these banks to reconsider this policy, taking into account a strong loyalty of clients and importance of children as potential future customers.

Focus group also revealed what services are of a major importance to students, such as ability to solve problems promptly and accessibility of ATMs. We did not endeavour to study importance of these factors in connection to customer satisfaction, therefore we are not able to generalize its importance right now. However we can appreciate the added value of the focus group it was led before designing the questionnaire itself. If we had another chance to built up a new questionnaire we would include a question to determine the most valued services for the target group. And this is also the potential of combination of approaches to the research. Interpretivist approach is able to give some ideas, reveal information unknown to the researcher through deeper understanding, so he/she will be able to find out which parts, incentives, motivations and patterns of consumer behaviour are worth studying later by positivist approach in order to generalize findings and craft the most appropriate marketing program targeting the chosen segment.

After applying the two approaches to study students consumer behaviour, we are now able to say that similarly to the added value that interpretivist approach brings to the positivist one, also a vice versa process is beneficial and enriching the overall research. The message of our practical recommendations and implications is expressed in the following chart (Chart 1).

Chart1: Practical model proposing positivist and interpretivist approach combination in consumer behaviour research



Source: own elaboration according to own research

We will declare our arguments, based on our findings that were displayed in the chapter Evaluation of the questionnaire. For instance, the questionnaire results indicate that there is a very low level of foreknowledge, students do not have sufficient information about their own account, thus we doubt they are able to compare products offered by banks and make some opinion on it. We studies this lack of information on an example of students, customers of SLSP, and we were looking for possible reason, by analyzing the sample according to perceived satisfaction with own account or the level of self-financing. However, none of these sample characteristics appeared to be in some relation to the level of foreknowledge. If we really want to understand what is behind this problem, an interpretivist approach to consumer study would be more appropriate. Through in-depth interview or focus group with students we would be able to grasp deeper understanding and find out what is the reason behind their ignorance. The interpretivist approach is more appropriate here, because understanding their opinions and experiences can give researcher a new perspective on the problem or its explanation ant its prevalence we can later check by positivist approach. This sequence of approaches is much more efficient than just guessing the reason of the problem and checking its validity by questionnaire (other positivist method) again and again.

The point we want to emphasize here is that interpretivist approach has a potential to help the researcher to take into consideration possibilities, opinions and experiences grasped through deep understanding, it can moreover help him to gain a new direction of the research if he/she gets stuck and cannot move further, however without a traditional, positivist approach he/she will never find out how much are the same beliefs, patterns, influences, etc. spread among the population. For the purpose of marketing research both approaches play an important role. Interpretivist approach helps to find new ideas, reveal unknown opportunities and thus makes marketers to benefit from it when designing their marketing campaigns and advertising, but without a traditional approach marketers would never be able to find out and predict how successful will steps and changes in marketing be, and what impact they will have on the whole target population.

Conclusion

Positivist and interpretivist paradigm each entails an exceptional insight into consumer behaviour research. The aim of this paper was to evaluate potentials and limits of these two methodological approaches. We managed to fulfil our aim thanks to studying and analyzing each approach separately considering its theoretical background, but also practical implication in the area of consumer behaviour of students and clients of commercial banks. We evaluated each approach, identified its limits and disadvantages resulting from their philosophical assumptions, but we also evaluated them on the basis of findings that each of them was able to reveal considering the studied phenomenon, students´ consumer behaviour. We analyzed the foundations and differences of positivistic and interpretative research in order to be able to properly exploit each approach in the managerial practice. One of our partial aims, to detect influences and motivations behind students´ decision making when choosing a bank and product for their personal finance was followed by implementing two studies, each following principles of different approach. When evaluating and interpreting results of these two branches of our research we crafted and suggested also concrete solutions for enhancement of marketing activities of commercial banks targeting the segment of college students

Moreover, we also managed to reveal and express what are the potentials and benefits of combining positivist and interpretivist approach, and we suggested when and how they can be combined in consumer behaviour research and elaborated a model for practical managerial implication. It might seem ironic, but we designed this model on the basis of backward criticism of our own research in the phase of result synthesis. Thanks to the fact that we were conducting the focus group and designing the questionnaire form simultaneously and we processed and evaluated their findings separately, we could identify practical limits and potentials of each approach. Later, when we compared the results in the synthesis phase we found these approaches tend to supplement each other, because where one approach fails to provide results applicable for practice of marketers, the other can help, thus we developed the model. This model indicates the most favourable combination of approaches for the practical use within the field of consumer research.

Bibliography:

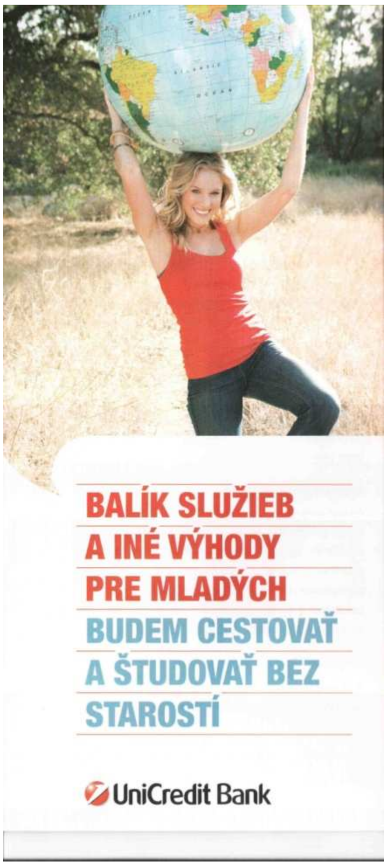
1. BABBIE, E. - MOUTON , J. 2001. The practice of social research. Cape Town: Oxford University Press, 2001. ISBN 9780195718546
2. BELK, R. W. 1995. Studies in the new consumer behaviour. In MILLER, D. 1995. Acknowledging Consumption: A Review of new studies, London: Routledge, 1995. ISBN 0-203-97539-1.
3. CZERNAK, P. 2010. Ako banky vábia mladých: Porovnanie účtov pre mladých a pre študentov. . [Online]. TREND Holding. 2010 [Cited: March 1st , 2011.] available online: <http://financie.etrend.sk/banky/ako-banky-vabia-mladych.html>.
4. DAVID, I. 2007. Using Focus Group Method in Consumer Behavior research, in Cognitie, Creier, Comportament / Cognition, Brain, Behavior,pages 461-474, vol.11, no. 2, A.S.C.R. Press. 2007. ISSN: 12248398.
5. ENGEL, J. F.-BLACKWELL, R. D. -MINIARD, P. W. 1986. Consumer Behaviour. 5th edition. Chicago: Dryden Press,1986. ISBN 0030018927.
6. FINWEB. 2008. Bankové produkty pre študentov a mladých. [Online].Ecopress. [Cited: February 17th , 2011.] available online: <http://finweb.hnonline.sk/c1-29021410-bankove-produkty-pre-studentov-a-mladych>
7. FISCHER, E. 1990. Regularities, Rules and Consumer Behavior: Tangencies between Positivist and Interpretive Approaches to Reesearch. In Advances in Consumer Research. vol.17. [Online] UT : Association for Consumer Research, p. 19-24. [Cited: February 5th, 2011.]. available online: <http://www.acrwebsite.org/volumes/display.asp?id=6989 >.
8. GABRIEL, C. 1990. The Validity of Qualitative Market Research. In International Journal of Market Research, vol. 32, no.4, p.570 . Henley on Thames: Market Research Society. 1990. ISSN 14707853
9. GERGEN, K.J.- 1985. Social constructionist inquiry: Context and Implications. In GERGEN, K. J. – DAVIS. K.E. 1985.The Social Construction of the Person, p.2-12. Verlag NY: Springer. 1985. ISBN 9780387960913
10. GOULDING, CH. 1999. Consumer research, interpretive paradigms and methodological ambiguities. In European Journal of Marketing, vol. 33, p. 859-873. Bradford: Emerald Group Publishing. 1999. ISSN 03090566

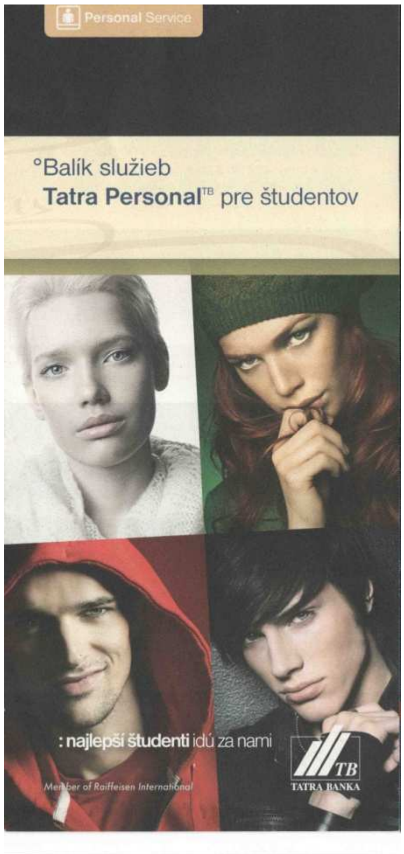
11. HACKLEY, CH. 2003. Doing Research Projects in Marketing, Management and Consumer Research. New York: Rotledge – imprint of the Taylor & Francis group. 2003. ISBN 978-0415268943
12. KERLINGER, F.N. - LEE, H. B. 1973. Foundations of Behavioral Research, 2nd Edition. Holt, NY: Rinehart and Winston. 1973. ISBN 0030854628
13. KHOSLA, S. 2010. Personality and Consumer Behaviour. In International Journal of Educational Administration , vol. 2, no. 2, p. 213-217. Research India Publications. 2010. ISSN 0976-588.
14. LIN, A. CH. 1998. Bridging Positivist and Interpretivist Approaches to Qualitative methods. In Policy Studies Journal, vol. 26, no. 1., p. 162-180. 1998. ISSN 0190292X
15. LINCOLN, Y. S. – GUBA, E. G. 1985. Naturalistic Inquiry. Beverly Hills: Calif.: Sage Publications. 1985. ISBN 0-8039-2431-3
16. MCDANIEL, C. D. jr. et al. 1997. Marketing Research Essentials, 2nd edition. U.S.A.: South-Western College Publishing. 1997. ISBN 978-0538876698.
17. MIKOLÁŠOVÁ, J. 2007. Študentské účty vo vybraných komerčných bankách (Bachelor thesis). Žilinká univerzita: Fakulta prevádzky a ekonomiky dopravy a spojov:Katedra ekonomiky. 2007.
18. Morgan, D. L. 1998. The Focus Group Guidebook, 1st edition. Thousand Oakes: Sage Publications, Inc. 1998. ISBN 978-0761908180
19. MORGAN, D.L. 1990. Focus Groups as Qualitative Research. In DENISE, K. Using focus groups as a consumer research tool. In Journal of Marketing Practice: Applied Marketing Science, vol. 5,no. 4. 1999. p. 102-105. [Online]. © MCB University Press, 1355-2538 [Cited: March 10th , 2011.] available online: <http://www.emarketing.net.cn/upload/file/2009/01/05/161231145805656.pdf >.
20. MURRAY, B.J - OZANNE, J.L. 1991. The Critical Imagination: Emancipatory Interest in Consumer Research. In The Journal of Consumer Research, vol. 18, no.2. sept 1991 [Online] pp.129-44, [Cited: February 5th, 2011.]. available online: <http://www.marketing.pamplin.vt.edu/facultyFolder/julieOzanne/01socialwebsite/professional/researchpapers/1991_JCR_critical.pdf>.
21. NEWMAN, I. – BENZ, C.R., 1998, Qualitative-Quantitative Research Methodology: Exploring the Interactive Continuum, U.S.A.: Southern Illinois University Press, 1998, ISBN: 0-8093-2150-5.

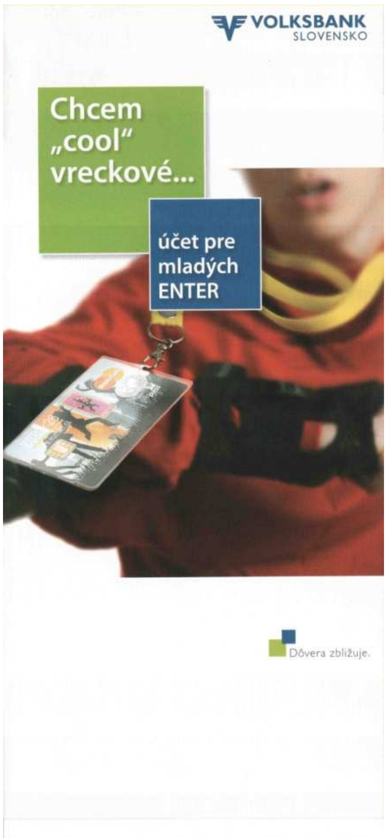
22. OZANNE,J. L. – HUDSON, L. A. 1989. Exploring Diversity in Consumer Research. In special volumes Association for Consumer Research. [Online] p.1-9, [Cited: February 14th , 2011.]. available online: <http://www.acrwebsite.org/volumes /display.asp ?id=12171 >.
23. PACHAURI, M. 2002. Consumer Behaviour: a Literature Review (Nottingham University Business School).In The Marketing Review, vol. 2, p.319-355. Westburn Publishers. 2002. ISSN 1472-1384.
24. PATHER, S. – REMENYI, D. 2004. Some of the Philosophical Issues Underpinning Research in Information Systems: From Positivism to Critical Realism. In SAICSIT '04 Proceedings of the 2004 annual research conference of the South African institute of computer scientists and information technologists on IT research in developing countries, p.141-146. [Online] 2004. [Cited: February 8th, 2011.]. available online: <http://portal.acm.org/citation.cfm?id=1035070 >.
25. SAXENA, R. 2009. Marketing Management, 4th edition. New Delhi: Tata McGraw Hill Education Limited. 2009. ISBN 978-0-07-014491-0
26. SEARCY, D. L. - MENTZER, John T. 2003. A Framework for Conducting and Evaluating Research. In Journal of Accounting Literature, vol. 22., p.130-167. University of Florida, Fisher School of Accounting. 2003. ISSN 07374607
27. SHIFFMAN, L. G. et al. 2008. Consumer Behaviour: A European Outlook. Edinburgh Gate: Pearson Education. 2008. ISBN: 978-0-273-70401-0
28. ŠIMRALOVÁ, H. 2009. Přechod ze studentského účtu (výsledky průzkumu) [Online]. [Cited: February 21st , 2011.] available online: <http://www.vyplnto.cz/realizovane-pruzkumy/prechod-ze-studentskeho-uctu/#oo>
29. SLATER, J. S. 1998. Qualitative research in advertising. In JONES, J.P. How Advertising Works:The role of Research, 1st edition. Thousand Oakes: Sage Publications Inc. 1998. ISBN 978-0761912415
30. WEINREICH, 1996, Integrating Quantitative and Qualitative Methods in Social Marketing Research, in Social Marketing Quarterly. [Online] [Cited: March 6th , 2011.] available online: <http://www.social-marketing.com/research.html>.
31. WELLS, W. D., and TIGERT, D. J.1971. Activities, Interests, and Opinions. In Journal of Advertising Research, 1971, vol. 11, p. 27–35. In In PIIRTO, R. 1991. Beyond Mind Games:The Marketing Power of Psychographics. Ithaca NY: American Demographic Books. ISBN 978-0936889085

List of enclosures

Enclosure 1: Promotional materials of chosen accounts for students







Enclosure 2: Promotional materials of chosen activities for students

Enclosure 3: Video record – focus group

Enclosure 4: Questionnaire form – Marketing survey on bank products for college students

Marketing survey on bank products for college students

Dears students,
As a students of Economic Faculty UMB I devote myself to a research in the sphere of consumer behavior of students when choosing and managing their personal finances in Slovak commercial banks. This way, I would like to ask You for cooperation by submitting this short questionnaire. Is is aimed for graduate students who manage their account in one of banks operating on Slovak market. Filling in the form will take You approximately 6 minutes. The questionnaire is anonymous, thus You can answer truly and spontaneously. I highly appreciate the time and effort You devote to this questionnaire. THANK YOU

1. Choose Your gender: *

- man
- woman

2. You are a students of: *

- 1st degree
- 2nd degree
- 3rd degree

3. In what proportion do You cover your own expences? *

- I pay all my expences myself from my own
- I pay the majority of my expences
- I pay approximately half of my expences
- a majority of my expences is covered by my parents
- all my expences are covered by my parents

4.Which package of services / in which bank do you use? *
(in case You use more of them, choose the one You use more often)

- SPOROžíro vysokoškolák / Slovenská sporiteľňa
- Young Balík 26 / Unicredit bank
- otp READY konto / OTP banka
- Index / Volksbank
- Start konto / VÚB banka
- Tatra Personal Academy / Tatra banka
- ČSOB Študentský účet FUN účet / ČSOB
- Index Extra / Volksbank
- Tatra Personal Young / Tatra banka
- Axion /Dexia banka
- Postkonto Junior / Poštová banka
- nevyužívam výhody študentského účtu

Your first personal account

(in case You use more personal accounts, consider the one You have been using for a longer period)

5. When did You open your first personal account? *

- during the high school studies (or before starting the college)
- during the college studied

6. Which factor were important at the time of Your first personal account establishment? *
(label the influence of individual factors: 1 – no influence, 5 – very high influence)

	2 – low influence	3 – medium influence	4 – high influence	5 – very high influence
Amount and attractiveness of services included				
Price of account				
Prestige & financial stability of the bank				

Overall impression from the bank – attractive buildings/ interier, atmosphere, individual and professional attitude etc.				
References and experiences of family				
References and experiences of friends				
Marketing activities of the bank, advertisments, presents, extra benefits for students(clubs, discounts, contests, etc.)				
Bank accessibilty (distance from home/school etc.)				

Others (please, fill in what other factors were of a high influence when opening Your first personal account)

Your actual personal account

(in case You use more personal accounts, consider the one You have been using for a longer period)

7. Have You ever considered the change of a bank where you have Your personal account? *

- yes
- no

...ıғ yes, what was the reason?

8. Have You ever actually changed the bank where You have Your personal account? *(except for automatic transformation when merge of banks, change of business name etc.)

- yes
- no

...ıғ yes, what was the reason?

9. How do you evaluate your account in comparison to alternatives offered to students by other commercial banks? *(in case You use more personal accounts, consider the one You have been using for a longer period)

- it is much more advantageous
- it is more advantageous
- it is comparible
- it is less advantageous
- it is much less advantageous
- I cannot compare

10. Choose, what benefits You can enjoy with Your bank for free : *(choose services you can use in your personal account package <u>free of charge!)</u>

- 0 EUR openning fee and simultaneously 0 EUR minimum deposit
- unlimited amount of withdrawals from own ATMs
- all SMS notifications, for every transaction
- account statement on email daily free of charge
- egular contests for “attractive“ awards
- discounted withdrawals abroad
- management of account free of charge

If You coul make Your decision today?

11. If You could make Your decision about the choice of Your personal account/Your bank, what factors would be important to You?* (label the influence of individual factors: 1 – no influence, 5 – very high influence)

	1 – no influence	2 – low influence	3 – medium influence	4 – high influence	5 – very high influence
amount and attractiveness of services included					
price of account					
Prestige & financial stability of the bank					
Overall impression from the bank – attractive buildings/ interier, atmosphere, individual and professional attitude etc.					
References and experiences of family					
References and experiences of friends					
Marketing activities of the bank, advertisments, presents, extra benefits for students(clubs, discounts, contests, etc.)					
Bank accessibilty (distance from home/school etc.)					

Others (please, fill in what other factors were of a high influence when opening Your first personal account)

12. If You could make Your decision about the choice of bank that will govern Your finances, where would you look for information? * (label according to preferences: 1 – definitely no, 5 – definitely yes)

	1 – definitely no	2 – probably no	Maybe yes, maybe no	4 – probably yes	5 – definitely yes
Official webpages of banks					
Informative brochures of banks					
Personal visit for the purpose of market survey					
From the marketing campaign /TV shots, ads in magazines etc.)					
From news and online atricles, comparisons and forums on this topic					
I would ask friends on their experiences					

Other (fill in where elsewhere You would look for information about products of individual banks)

********FINISH********

Thank You for Your tame, the reward is the good feeling that You helped someone. :-)

Submit