

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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THE METHODOLOGICAL PRINCIPLES OF DETERMINING THE LEVEL OF PERFORMANCE OF THE FUNCTIONS OF CONSUMERISM

МЕТОДОЛОГІЧНІ ЗАСАДИ ВИЗНАЧЕННЯ РІВНЯ ВИКОНАННЯ ФУНКЦІЙ КОНСЮМЕРИЗМУ

Urgency of the research. The issue of implementing the functions of consumerism takes an important place in the world and domestic practice of regulating the social and economic relations. Being characterized by a certain specificity as it is lying at the intersection of the planes of the social policy, of the state, oriented to the needs of the people and economy, able to ensure the implementation of these requirements.

Target setting. Observing the functions of consumerism can be analytically assessed, taking into account the availability of formal opportunities for the consumer in case of violation of their rights to apply to a particular organization. According to the results of this assessment we can build a consumer strategy of the country, which characterizes the capabilities of consumer protection.

Actual scientific researches and issues analysis. Such domestic and foreign scientists as J. Bremond, R. Valeeva, J. Hobson, A. Gorelov, N. Dochynets, P. Drucker, J. Dudley, A. Zheledana, F. Kotler, N. Kudelia, T. Kahal, M. Kazakov, L. Lypych, V. Opryshko, V. Pavlova, L. Rosenberg, J. Hirst, M. Shapoval, A. Shliyka, O. Yazvinska etc. have dedicated their works to the studying of the problems of functioning of consumerism issues.

Uninvestigated parts of general matters defining. Despite the significant scientific achievements the analysis of recent publications indicates the need to study scientific approaches to the assess of the impact of consumerism in modern conditions.

The research objective. The article is designed to structure methodological approaches to determining the level of performance of the functions of consumerism.

The statement of basic materials. The article deals with the peculiarities of performing the functions of consumerism. The research and systematic methodological approach are made in order to determine the level of consumer protection for a specific product or service. The use of the models of multiattributive products to the evaluation process of consumer protection is suggested, which doesn't provide an assessment of attributes, but as far the consumer is protected using it. The problems and further directions of activation of the Institute of consumerism in the context of the performance of its functions are motivated.

Conclusions. The results of the study are the developed measures in order to assess the level of performance of the functions of consumerism in modern market conditions by modifying the model of multiattributive goods.

Актуальність теми дослідження. Вагоме місце у світовій та вітчизняній практиці регулювання суспільно-економічних відносин посідає проблема реалізації функцій консюмеризму. Вона характеризується певною специфічністю, оскільки лежить на перетині площин соціальної політики держави, зорієнтованої на потреби людини та економіки, спроможної забезпечувати реалізацію цих потреб.

Постановка проблеми. Дотримання функцій консюмеризму може бути оцінено аналітично, з урахуванням наявності формальних можливостей для споживача у разі порушення своїх прав звернутися в ту чи іншу організацію. За результатами цієї оцінки можна побудувати споживчу стратегію країни, що характеризує можливості захисту прав споживачів.

Аналіз останніх досліджень і публікацій. Вивченню проблем функціонування консюмеризму присвятили свої праці вітчизняні й зарубіжні вчені, зокрема Бремонд Ж., Валеева Р., Гобсон Дж., Горелов А., Дочинець Н., Друкер П., Дудла І., Желедана А., Котлер Ф., Куделя Н., Кагал Т., Казакова М., Ліпич Л., Опришка В., Павлова В., Розенберг Л., Хірт Дж., Шаповал М., Шлійка А., Язвінська О. та ін.

Виділення недосліджених частин загальної проблеми. Незважаючи на значні наукові напрацювання аналіз останніх публікацій свідчить про необхідність дослідження наукових підходів до оцінки результативності консюмеризму в сучасних умовах.

Постановка завдання. Стаття покликана структурувати методологічні підходи до визначення рівня виконання функцій консюмеризму.

Виклад основного матеріалу. У статті розглянуто та визначено особливості виконання функцій консюмеризму. Досліджений та систематизований методологічний підхід до визначення рівня захисту прав споживачів для окремого товару або послуги. Запропоновано використання моделі мультиатрибутного товару до процесу оцінки захисту прав споживачів, який передбачає оцінку не атрибутів, а того, на скільки при його використанні споживач є захищеним. Обґрунтовано проблеми та перспективні напрями активізації інституту консюмеризму у контексті виконання своїх функцій.

Висновки. Результатами дослідження є розроблені заходи щодо оцінки рівня виконання функцій консюмеризму в сучасних ринкових умовах шляхом модифікації моделі мультиатрибутного товару.

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Keywords: consumerism; socially oriented economy; the functions of consumerism; consumer protection; multiattributive model.

Ключові слова: консюмеризм; соціально орієнтована економіка; функції консюмеризму; захист прав споживачів; мультиатрибутна модель.

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Urgency of the research. The development of globalization processes, the entry of Ukraine in the developed European space causes the emergency of a number of new challenges for our country in the area of building up socially important institutions, whose operation is related to the political rights and freedoms of the citizens, the protection of their economic interests in conditions of imperfect market competition. The issue of implementing the functions of consumerism takes an important place in the world and domestic practice of regulating social and economic relations. It is characterized by a certain specificity as lying at the intersection of the planes of the social policy of the state, oriented to the needs of the people and economy, able to ensure the implementation of these requirements. The dualism of such relations depends on the political situation in the society, the perfection of legal regulation of social and economic relations, the responsibility of businessmen and the activity of the population.

Target setting. The construction of the socially oriented market economy in Ukraine is closely linked with the creation of decent living conditions for the population, protection of the rights of citizens in all spheres of life. The implementation of these strategic objectives requires an effective socio-economic policy, where a significant place is taken by the enforcement of the functions of consumerism as a consumer protection system, an important factor in increasing the quality of life of the population.

Actual scientific researches and issues analysis. The research of the nature, role, objectives and features of forms of consumerism has been paid much attention to by modern Western scholars. Among them: P. Kotler, J. Drucker, J. Hirst, L. Rosenberg, John Hobson, J. Lambe, J. Bremond, A. Zheledan and others. Our domestic science has just begun to accumulate developments on this issue. Among the first to refer to analysis of mechanisms of consumerism in Ukraine were V. Mandybura, O. Yazvinska, S. Gerasimov. Their achievements represent the general qualitative assessment of consumerism as a social phenomenon and economic mechanism, the study of the history of its development in different countries of the world. The issue of consumer protection in Ukraine has been also studied by T. Gorodetska, I. Slabkovska, L. Galat, V. Kravchenko, T. Kyseliova and others.

Uninvestigated parts of general matters defining. Despite the wide range of areas of studying the peculiarities of functioning of consumerism, the works of these scholars actually have not reflected the question of the determination of the effectiveness of the performance of the functions of consumerism in modern conditions.

The research objective. The aim of the article is a research of modern methodological approaches in order to assess the level of consumer protection in the context of development of socio-economic processes.

The statement of basic materials. Consumerism is one of the mechanisms for ensuring the development of a socially orientated market economy. The impact on the economic processes of the movement, the protection of consumer rights and interests are primarily manifested in stimulating business activity. Modern businesses realize that those companies become market leaders that meet the most active consumer interests and primarily socially responsible business has the perspective of growth.

The impact of consumerism on the socio-economic processes and the development of the society exists due to its exercising the specific functions. We refer to the main functions of consumerism ensuring the freedom of choice, the protection of consumer rights and interests, keeping informed, education and market regulation [1].

The state of the country as for observing the functions of consumerism can be evaluated analytically as giving formal opportunities to the consumers in case of violation of their rights to apply to a particular organization (manufacturer, public organization, the appropriate public authority). From

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the results of this assessment we can build a consumer strategy of the country, which characterizes the capabilities of consumer protection.

In addition, it is possible to assess the level of compliance of the functions of consumerism through special formal approaches and methods: within this study it is suggested to achieve it by modifying the model of multyattributive goods. Several methods for translating the concept of multyattributive goods in the operating shape have been developed. The most popular one is the joint analysis (Green & Wind, 1975), which makes possible to measure private benefits that a potential buyer associates with each property (attribute). On the basis of this information the business entities can determine the number of properties that meet most requirements of each segment of the market. It is namely this method that is proposed for detailed consideration.

Starting from the general considerations we can access to the simulation of the concept of the brand as a set of attributes, to give it a practical utility and to check the extent to which this approach to the perception of customers describes the real situation and, in addition, provides a reliable leading indicator of real consumer behavior and the opportunities to maximize the market value of business [2-3].

Table 1 shows different elements that make up the model. Combining these elements we can determine the measure of the total utility which a certain buyer assigns to a particular brand. This general value, can be interpreted as a determinant of the probability of acquiring goods by a buyer.

Table 1

Modeling the concept of multyattributive goods

Objective properties	Attributes	Evaluation of attributes		Private utility	Full benefits
		Importance	Availability		
...C _{1i} ...	A ₁	W ₁	X ₁	u ₁	U
... C _{2i} ...	A ₂	W ₂	X ₂	u ₂	
...	
... C _{3i} ...	A _n	W _n	X _n	u _n	
Reality	Attribute set	Priorities	Perception	Values	
Datasheet	Research	The scale of relations	The scale of intervals	The integrated model	

The value or utility of an attribute for an individual depends on a combination of two factors included in the assessment. These factors are: the importance of an attribute and a receptive level of its availability. Such a subjective value is regarded as a private utility, which has every attribute. This value is formed in the result of a combination of a susceptible level of the presence of an attribute and its value.

Then a full utility of the mark for a particular buyer may be either the amount or the formation of private utilities, which he gives to an attribute:

$$U = u_1 X_1 + u_2 X_2 + \dots u_i X_i + \dots u_n X_n, \tag{1}$$

where:

U – a full utility of a mark;

u_i – a private utility of an attribute i;

x_i – a perceptive level of an attribute i.

Applying this model to the evaluation process of consumer protection as one of the most important features of consumerism in each separate product or service does not involve the evaluation of the attributes of goods, but how the consumer is protected using it. At the same time the parameters of the importance and the presence of an attribute are replaced by the parameters of the importance of the protection of any consumer's rights in this product and the presence of protection from the manufacturer.

$$U = u_1 X_1 + u_2 X_2 + \dots u_i X_i + \dots u_n X_n, \tag{2}$$

where

U – a legal protection index of consumer goods (services);

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- u i - the importance of protecting the rights of a given product (service);
 x i – the perception of the level of protection of i-law in the above product (service);
 n – a legally specified number of consumers.

It is clear that under the high importance and low presence the mechanisms of regulation and self-regulation should be included such as – a collective consumer response and the reaction of the state. Depending on the product groups, setting the task, the importance of goods for the survival of the society different evaluation marks of "legal protection of consumers" can be used, similar to those used in the model of multyattributive goods.

Determining the full utility of this model implies the existence of a model of integration of private utilities. Additive and compensatory models the most commonly used:

- compensatory, as the low grade inherent in one of the estimated parameters can be compensated by a high grade characteristic of another;
- additive because it is assumed that there is no interaction between the parameters of evaluation.

It is possible to use other models, besides compensatory ones.

The operationalization of the concept of multyattributive goods. By using the above mentioned models of valuation of full and private utility we can use two procedures of assessment "compositional" and "decompositional".

The compositional approach moves from the evaluation of the marks for different attributes to forming an integrated quantitative assessment of utility. Otherwise, the "compositional" approach is to build the values of a complete utility based on the measurements of significance and understanding of deterministic attributes derived empirically. Using a compensatory or not compensatory integration models for combining these measurements, we get the full value of the utility synthesizing individual assessments of private utility and thus revealing individual preferences.

With regard to the process of consumer protection it is appropriate to apply a compositional approach in a situation where consumers have already got an opinion about the process they use, or goods and services that are on the market.

The decompositional approach is developed in the opposite direction and begins with classification of benefits of different products or brands, whose properties are already defined. This classification shows that it is based on private utilities for each characteristic that allows to restore the order of a respondent's preferences in the best possible way.

With the implementation of "the decompositional" approach, the respondents react to a number of a product's concepts described by usual specifications. The information collected by the respondents results in ranking benefits on the proposed concepts. Another analytical task is the formulation of private utility for each performance. Using the ratings of different sets of attributes we can reveal private utilities that underlie them, and then reproduce the structure of global benefits respondents [4-5].

It is appropriate to apply this approach while assessing the security of consumers to the products and services that only appear on the consumer markets of Ukraine. At a high level of transparency of consumer markets as a result of our country's accession to WTO, and a large number of technically sophisticated products their previous evaluation is appropriate.

Measuring the level of protection of consumers' rights based on a compositional approach is implemented in this way:

$$A_{ij} = \sum_{k=1}^n W_{jk} X_{ijk} \quad (3)$$

where:

- A ij – an individual j position in relation to the goods / services i;
- W jk – relative importance to the individual j the protection of the right k;
- X ijk – perceived by the individual j the level of protection of the right k in the product / service i (score);
- n – the number of recorded (determined) consumer rights [6-7].

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The use of this model requires as initial information the scoring evaluation of the level of presence of security given in the above right in a regarded product / service. Such an assessment should be made according to a scale of intervals.

The relative importance of the right to the consumer, by contrast, should be evaluated according to a scale of relations. In order to get it, the respondents are asked to distribute 100 points between the major protected rights by proportion giving them importance.

To assess the importance the rating scales can also be used that are more convenient for testing consumers. It is necessary to apply the weighted average estimation of perceived product under a set of consumers. In this model (Fishbein's model) the low scores on one attribute can be compensated by the high scores on the other, so this method of estimation is not necessarily the most adequate.

The following discompensatory model of relationships is a disjunctive model. The buyer decides to consider only those brands that are the best for certain dominant rights, regardless of the position to the others. For example, there can be an important safety, in food products for some product groups that is no harm for health and the protection of other rights of consumers does not matter. Conjunctive model. The buyer establishes acceptable for each right. The product / service is rejected if it does not exceed the minimum at least in one of protecting rights. Thus, there is no integrated assessment, but only the identification of one or more suitable goods / services and we must make a choice between them.

Lexicographic model. The buyer acts consequently: 1) first he ranks the rights in the order of their importance; 2) then all the products / services or alternative choices are compared to the most important rights; 3) the brand with the highest score is selected. If there is an equality of evaluations, it is passed to the assessment of the second most important right, etc.

In fact, for the application of a discompensatory models the procedure of choice is commonly used in two stages. In the first stage the potential buyer accepts the conjunctive model, which enables him to exclude products that do not meet his minimum requirements. The second stage is a compensatory evaluation or lexicographical ordering of other goods is formed.

In addition to the options of assessing the level of protection of consumer rights international estimations should be also used also, the main of which is the "European quality index". The project the "European quality index" is designed for the systematic many-sided evaluation of customer satisfaction with the quality of products and services. It meets the interests of those who produce the products and those who consume it.

In this regard, there is a need for ensuring the restructuring of the general policy, namely:

- the need for accurate consumer information, that is the exclusion of discrepancy between the legal and information sector in the context of consumer protection;
- the lack of awareness of citizens of their role of consumers as the driving force of the market;
- incomplete or unclear labeling of goods, speculative prices, aggressive and poor quality of advertising and means of trade;
- individual consumers usually possess limited economic resources, that's why they are not sufficiently protected from abuse and other forms of violation of their rights;
- the problems in the sphere of security: the production and dissemination of innovative consumer products, the import of dangerous goods, the lack of the rapid exchange of information on the accidents related to the use of these products, services etc.
- the lack of enforcement structures and the mechanisms that would enable customers to achieve fast, inexpensive and fair resolution of disputes;
- the lack of coordination between public organizations and public authorities in whose competence are the issues related to the protection of consumers;
- poor organization and representation of collective interests of consumers, the low level of awareness of their rights as consumers, the lack of funds in non-governmental consumer organizations and other institutions, which represent the interests of consumers and take the appropriate decisions [3-5].

Thus, the process of consumer protection requires not only the regulation that is often implemented by the state authorities without the necessary approval of their actions, but also the monitoring that will

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allow not only to assess the level of protection of consumer rights in the goods that are displayed on the market, but for those which are in the process of entering the market.

Conclusions. In the results of the study we have formed a methodological approach to the determination of the level of performance of the functions of consumerism. The model of application of multyattributive products to the process of evaluation of consumer protection rights in each separate product or service that does not include the assessment of product attributes, but how the consumer is protected while using it (the consumer rights are observed). The parameters of the importance and presence of attribute are replaced by the parameters of importance of the protection of a consumer's rights in this product and the presence of protection on the side of the manufacturer. At high level of importance and pour level of protection of the consumer rights on the side of the mechanisms of regulation and self-regulation should be included – represented by a collective consumer response and the reaction of the state. Depending on the groups of the products, the task, the importance of goods for the survival of the society different evaluations of "legal protection of consumers, "can be used similar to those used in the model of multyattributive goods.

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