

The Impact of Effective Marketing Strategy on Buying Behavior of the International Consumer

Human Shakir¹, Mansoor Shakir², Khalid Zaman^{1,*}

1. Department of Management Sciences, COMSATS Institute of Information Technology, Abbottabad, Pakistan

2. Research Associate, Iqra University, Islamabad, Pakistan

khalidzaman@ciit.net.pk

Abstract: The main objective of this study is to examine the purchasing habits of the international consumer. The two factors which have a strong impact on consumer buying behavior are social and cultural elements. These two factors are directly related to the income level of the consumer. The cultural and social factors affect the buying pattern of the international consumers more effectively if backed by purchasing power. This study explains the role of 4 P's of marketing, which if properly develop would be more helpful to serve the target market. The marketing managers should effectively form a marketing strategy keeping focus on income level, cultural and social factors. This study is qualitative in nature and the variables and conceptual framework is supported with the help of literature review. The marketing managers can be benefited from the study and enhance their marketing strategy for serving the target international consumers.

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Key words: marketing mix; cultural factors; social factors; income level; buying pattern.

1. Introduction

The consumers are the ultimate or final buyers of the products or services which they acquire for personal use. On the other hand international consumers are the buyers and households in international markets who purchase or buy goods and services for personal use. In different researchers many factors are held to be responsible for the buying behavior of the consumers in the international market but the main focus in this research study is on three important factors cultural, social and income level. However these three factors can be effectively targeted if the marketing strategy is made taking into account of 4'ps of marketing mix elements. The firms when introduces new products and services in the international market they faces many challenges as consumers are not very aware of the products or services or they have little knowledge about the firm products or services. The international consumer buying behavior or pattern is very difficult to change specially in case of new products or services as they have been already loyal to some existing brands. To understand the buying behavior of the consumers is not only difficult for the firm operating in a single country but a compounded problem for the firms operating globally. The buying behavior of the consumers indicates their decision making style. The decision making style if better understand by the firms can help them answer many questions regarding consumer buying pattern like, what consumers buy, where they buy, how much they buy, when they buy and most importantly why they buy. The marketing strategy including the 4 P's (product, price, place and promotion) will help the firms to predict the consumer behavior

internationally. Many researches have focused on the better quality, easy distribution, affordable price and effective promotion to grab the attention of international consumer to change or influence their buying pattern. These 4 P's of marketing strategies are targeted specially for the consumption pattern of international buyers when they are most influenced by the social and cultural factors. However other than these factors income another important element also contributes to influence the buying behavior of the international consumer. The high or low income of the consumer will highly affect their buying pattern. The consumer with high income will tend to consume more products and services than from the low income consumer. The income level in this research paper is taken as an intervening variable between social and cultural factors to influence the buying behavior.

2. Literature Review

As Schiffman et al. (2001); Arnould et al. (2002); Kotler and Keller (2006) defined that every single person considered as consumer who have purchasing power. So for the firms it is very important to gain and develop strategy for the consumer buying behavior. Whereas there is growing trend in the attitudes of the retailers and firms for becoming global as they find more and more opportunities in international markets. These firms and companies spend millions of dollars to reach or server their potential consumers. But the firms or business faces a difficult situation because of increasing economic instability and intense competition around the world (Seock and Lin, 2010). Due to these and other external factors the buying behavior of the

consumers changes rapidly as a result they switch over to the brands which they feel will satisfy their needs to the maximum extend. Wulf and Odekerken-Schoder (2003) also described culture as an important factor in explaining the varying behavior of the international consumer. So the firms operating at a global level must understand the cultural forces influencing the buying pattern of the international consumer behavior. The researchers Kim et al. (2002) in their study considered the importance of values (cultural values) which are more influencing factor in one country than to those in the other country. The success of the firms will only be making sure if they adopt or develop such marketing strategy which gain a deep insight of the cultural differences of the consumers across different countries (Kawabata and Rabolt 1999; Lam 2007). The complex and intense competition in the international market also makes the loyalty of consumers as an important factor in their buying behavior (Siu and Cheung 2001; Srinivasan et al. 2002). For the firms or business the ultimate goal is to make loyal consumers as much as possible for the survival Sirgy et al. (2000). However other than loyalty and cultural values Dittmar et al. (1996); Walsh et al. (2001) describes decision making styles as a contributing factor for understanding buying pattern of the consumers. The measure named consumer style inventory (CSI) was defined by Sproles and Kendall (1986) which can easily determines the decision making styles of the consumers. This decision making of the consumer is backed or supported by the cultural and social choices available to them. They defined consumer's decision-making style as "a patterned, mental, cognitive orientation toward shopping and purchasing, which constantly dominates the consumer's choices in a relatively-enduring personality." The styles can be strategies for shopping or choices of the consumers. "Sproles and Kendall developed a model of eight decision making styles which are as follows: perfectionism consciousness (considering the quality), brand consciousness (paying attention to the brand), novelty and fashion consciousness (choosing the trendy and new things to buy), recreational and hedonistic consciousness (buying for the fun of it), price and value consciousness (considering the value and the price), impulsiveness and carelessness (buying regardless of any thought before) confused by over choice (consumer does not know what to buy due to lots of choices), and habitual and brand loyal orientation (loyalty and buying because you are used to doing so)". However the social factors can impact the consumption of the international consumer in specific situation. The different behavior of these consumers can range from particular religion, social environment and ethnic group. The situation in which international consumer is most influenced can be a social identity when arise in a given environment (Joy,

2001). A person, let suppose, will have different behavior and buying pattern with a family but the same person will have different attitude when hanging out with friends. These types of behavior effect greatly the buying habit of the international consumer as these differences exist in many countries. According to Belk (1975) and Wooten (1995) the social and situational factors also influenced the individual level behavior. The daily lives of the people are greatly affected by the cultural factors which are blend of demographic and economic factors. As in western countries the single families exists while in the Asian countries there is trend of joint family system which in return then affect the buying pattern of the whole family. The same is the case of the urbanization of living in the country. In urban areas of the country people are tend to hang out, have different life style as a result the consumption pattern varies from urban to rural area (Douglas and Samuel, 2010). On the other side different researches empirically tested those differences do exist in the culture and social and these differences are the factors which influence or change the buying pattern of the international consumer." A better way is to treat cultural and social factors as exogenous factors and integrate them into price perception models. According to Hofstede's (1980a ; 2001b) culture theory, culture can be treated as a five-dimension construct, which includes long term orientation, individualism/collectivism, uncertainty avoidance, masculinity/femininity, and power distance". To target the international consumer more effectively it is necessary that a strong marketing strategy should be adopted. However other than the 4 P's of marketing, one important element for effective strategy is relationship marketing (Harker and Egan, 2006). The strong relationship marketing will ensure the maximum satisfaction and loyalty of international consumer (Sheth and Parvatiyar 1995; Gummesson 1999). The main aim of the relationship marketing is getting customers rather than keeping them. Whereas it is not only about manufacturing, distribution and advertisements of the products and services (Buttle, 1996), and holds the promise of keeping customers loyal (Gummesson 1994; Bulger 1999). The reasonable price, effective distribution, innovative advertisements and creative marketing strategy will strongly influence the behavior of the international consumer.

3. Rationale of the Study

In today's worlds everything is becoming global and technology advance. This globalization and advancement not only brings opportunities to the companies but broaden their perspective to operative effectively in international market. However with the opportunities these international firms face challenges in international market for the adoption and acceptance of products and services. The challenges are result of

the international consumer buying behavior. It is very difficult for the companies to change or influenced the buying pattern of the international consumer which is already in habit of using other locally and famous brands products and services. The consumer buying pattern is most influence by the two factors which are cultural, and social. To change the buying pattern of the international consumer the firms must have an effective marketing strategy which should be focused on these two factors. This research study also aims to target the main elements of the two factors for effective marketing strategy. These two factors (social and cultural) are directly related to the income level of the consumers. So if marketers studied the income level of the international consumer, they can influence the buying pattern of the consumers. The objective of the study is to direct the firms and marketers in proper way, where they can target their potential consumer in international market and effectively develop a strategy by using the 4 P's of marketing i.e. affordable price, proper place, effective promotion and high quality products. With the adoption of such strategy, the firms, no doubt, can operate very successfully in the global market.

4. Discussion

As with the expansion of global market, the marketing and sales managers faces a challenge of understanding the different culture aspects which influence the consumer buying pattern specially the challenge is even more complicated when those firms operate in a larger span of different culture in different segments of the world (Terpstra and David, 1991) and specially the aim of the managers are to target the segments more profitably. The managers in order to strengthen the equity of the brands should focus the main aspects of the culture which have strong impact on the consumer. The "Global Consumer Culture Positioning" (GCCP) a new brand strategy was conceptualized by Alden et al. (1999). Authors reported the support of his brand positioning concept in brand advertisement (promotion) for different countries and laid an emphasis on further research for these concepts. "In addition, the effectiveness of such brand positioning strategies is believed to be driven by individual consumer differences (Alden et al. 1999; Batra et al. 2000)". The main five dimensions of the culture are as follows;

- Long term orientation: "Long Term Orientation stands for the fostering of virtues oriented towards future rewards, in particular perseverance and thrift" (Hofstede, 2001).
- Individualism/Collectivism: In an individualism based cultures the ties between the individuals are loose. Everyone is responsible for his/her own acts or his immediate family. However in collectivism culture the strong bonds exist between

individuals. The in-groups in collectivism are responsible for the individual's activities.

- Uncertainty Avoidance: "Uncertainty expresses the deficit that people tolerate ambiguous situations and need formal rules. Uncertainty is the extent to which the members of a culture fell threatened by uncertain or unknown situation".

- Masculinity/femininity: In masculinity cultures the men have more authority and powers where they are responsible for every decision and are concerned for quality of life. Whereas in feminity culture both men and female are responsible for decisions making but female tend to more authoritative.

- Power Distance: The power distance in culture explains the unequal distribution of power and authority among the members. The powerful members of the society free to use their powers in any manner.

The international consumer buying behavior is very much influenced by the social factors which also include the groups and social status to which the consumer belongs. In these groups to which the consumer belongs, many individuals interact and influence the buying decision. The main groups in the social factors are the opinion leader, consumer's family and reference groups. The consumer's family is the most important group in social factor to which the consumer belongs. In the family the decisions are combining and made jointly and hence consumer behavior starts within the family environment. The roles and preferences in the family are role models for the consumers. The family also performs a role of interpreter for culture and social values to the consumer. The reference groups in the social factors are those group of people where consumer identify itself and take on or adopts many of the values, norms and behaviors. These reference groups have both negative as well as positive influence on the consumers which then indirectly affect their purchasing decisions. The three most important reference groups are membership groups, aspiration groups and disassociate groups. In memberships groups the consumer "belongs to" reference groups. The marketer should focus the desires of the consumer which belong to reference groups. Whereas if the group members approved any product or service they are more likely communicate that product or service to other members of the group. The aspiration is those reference groups for which consumer "wants to belong to". The international consumer has a strong tendency towards these aspiration groups, so marketing managers should develop a marketing strategy which should target the aspiration groups effectively. The rarest form of the reference groups in social factors is disassociating groups for which international consumer "do not want to belong to". This type is very rare so it is beyond the scope of this research study. The reference groups can only influence the purchase decisions of the

international consumer if the consumer itself is very much involve in the particular reference groups. The third type in social factors is opinion leader. The opinion leaders have strong impact on buying behavior of the consumer as they are role model. However marketers must try to attract the consumers by communicating strong message through opinion leaders.

These groups also perform some roles which are as follows;

- Initiator: The first person who suggests or
- Figure 1 shows the conceptual framework of the study.

taken initial step for purchasing a particular brand or service.

- Influencer: The person whose idea or advice have strong impact on the buying decision of the consumer.
- Decider: The person in a group who has the financial power and authority to make the final choice for the purchasing of product and service.
- Buyer: The person who performs the final transaction.

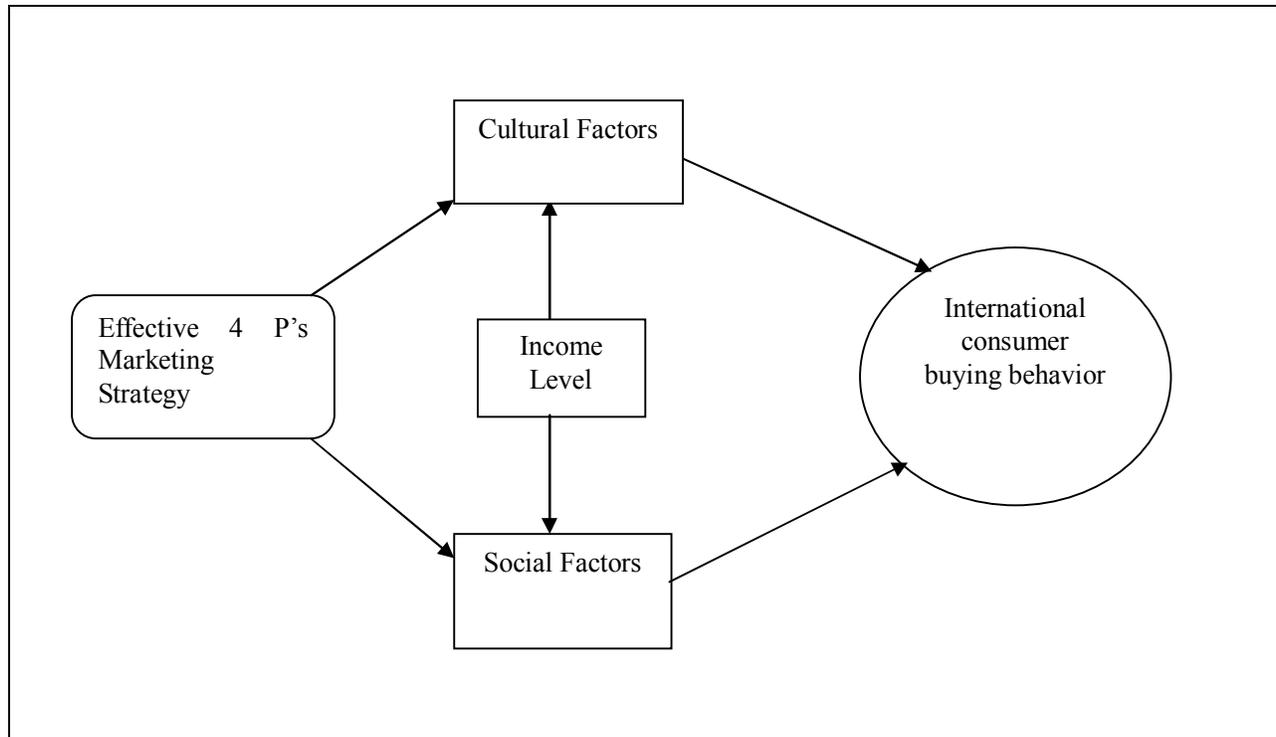


Figure 1: Conceptual Framework

Source: Self extract

The cultural and social factors do play an important role but these factors are more likely to be influenced by the income level of the consumers. Let suppose if consumers are not backed by purchasing power whatever influence they have in social or cultural factors they are not likely to buy the particular product or service. The literature shows that consumers who are more stable in terms of income level are more influence by the cultural and social factors from those consumers which have less income level. The income level is taken as additional variable in this research study which is not cover in many of the research topics especially for the international consumer buying behaviour. The marketers should develop an effective marketing strategy taking income as an important element in order to target the segment more properly in which they are serving. If for example a firm target a

low level income group for Honda car, it is , no doubt, the firm will face failure, because the low level income group, despite the desire for the care will not be able to purchase it. Same is mass marketing should be done for daily consumption goods as it is consumed both by low income group as well as high income group. According to (Biemans, 2011) “greater variety of food products, higher incomes, better choices in retailers, have all resulted in changes of consumers’ personal systems”.

The three income levels are as follows;

- High Income Group: The high income groups are those groups which have more money as compare to other members of the society and they are considered as rich in that particular society.
- Middle Income Group: The middle income group represents the middle class of the society which lies between upper middle class and lower middle class.

- **Low Income Group:** The low income group are the poor people of the society which are deprived of even basic necessity of the life.

The most difficult area of decision for managers operating in marketing department is whether to use the same 4 P's marketing strategy globally or locally. Whereas the every important element of the strategy whether advertisement (promotion) (see, Pae et al, 2002; Wong and Merrilees, 2007), should be effective. The findings of the Theodosiou and Leonidou (2003); Lehmann et al (2008) and Wong and Merrilees, (2007) shows that firms should make effective marketing strategy globally, especially for the international consumer. The marketing strategy with 4 P's is the influential factors which can affect the firms demand for products and services. They are very much different from the competitive and environmental factors which are not in control of firms actions. The marketing mix strategy with price is the allowances, distribution, deals, mark-ups, coupons and discount etc. The product includes the quality, features, models, sizes, packaging and brands etc. Whereas as promotion comes with advertising, sales promotions, publicity and personal selling. The place includes the channels, outlet, location, warehousing, stores, retail outlets etc. These elements of 4p's vary with the firm's strategy but remain standard in terms of marketing mix. The marketing manager with such an effective strategy can target the international consumer focusing their income level with social and cultural factors.

The qualitative research is one of the useful techniques which tend to interpret, describe, explain, and translate the meanings of the naturally occurring phenomena in the social world (Van Maanen, 1983). According to Miles and Huberman, (1994), "Qualitative data are rich and holistic, with strong potential for revealing complexity; such data provide thick descriptions that are vivid, nested in a real life context and have a ring of truth that has impact. One of the main advantages of the qualitative research is that it has a strong control on the concepts which help the researcher to handle the real life. The main focus of the qualitative research is to have deep understanding and provides flexibility and suitability for the underlying concepts (Carson et al, 2001). The main source of this study is secondary data and qualitative in nature. Different research papers were examined to pin point the main influencing factors for the international consumer. However with many other aspects, two variables are taken for this research which is cultural and social factors. The importance of both factors is explained in literature review. The additional variable is taken into consideration which has strong and direct effect on both cultural and social factors as well as buying pattern of international consumer. The marketing strategy with 4 p's (product, price, place and promotion) should

develop in such a way which effectively targets the income level of the international consumer. Likewise, the high price products should only be advertise (promotion) only to high income level consumer. Whereas daily consumption good or fast moving consumer goods (FMCG) can be advertise and distribute (place) to both high income as well as low income level consumers in the international market. The independent variables for this research study are income level, cultural factors, social factors and marketing strategy while dependent variable is international consumer buying behavior.

5. Conclusion

It is concluded from the literature that the consumers buying intentions can only be represented completely when their attitudes motivations and income level must be taken into considerations. The consumer's attitude towards products can only be changed if the marketing mix elements are targeted specifically on the culture and social factors of the consumers. However the income level acts as an intervening variable which will change the buying pattern of the international consumer even if there are social and cultural barriers. The marketing mix with four P's i.e. product, price, place and promotion plays a significant role in influencing the buying pattern. Whereas the main elements of culture i.e. long term orientation, individualism/collectivism, uncertainty avoidance, masculinity/femininity and power distance also affect the purchasing behavior of international consumers. The main elements of social factors like opinion leader, consumer's family and reference groups can be very effective in changing the buying pattern of the international consumer if the income groups of high, middle and low are also taken into considerations. Overall the study with the support of literature review supports the conceptual framework of the study.

5.1. Limitations and Future Research Area

This research study focuses on the buying pattern of the international consumer. The income level is taken as important indicator which can affect the consumer buying intention. With the help of literature review a deep understanding of income level with social and cultural factors is presented. However this study is descriptive in nature but still it has some limitation. One of the major limitations is that the study is qualitative in nature whereas quantitative data is more suitable with support of empirical evidence. The second limitation is that this study is general explanation of international consumer buying behaviour. The specific countries should be taken for the study where different firms are operating at international level. The third limitation is that some products or services should be selected and their success level should be studied in different

countries. The forth and last limitation is that specific income groups around the globe should be taken into consideration. The future research can be done keeping in view these limitations.

Correspondence to:

Khalid Zaman, Assistant Professor,
Department of Management Sciences,
COMSATS Institute of Information Technology,
Abbottabad, Pakistan
Telephone: 092-992-383441
Cellular phone: 092-334-8982-744
Email: khalidzaman@ciit.net.pk

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