

A Study on Emerging Markets and Marketing Strategies

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ABSTRACT

This paper proposes a framework for conceptualizing gender-based marketing strategies in emerging markets. The framework considers the inter-relationships between brand personality, consumer personality, and family decision-making, all of which have been extensively discussed in the literature, but which have hitherto not been inter-linked. The brand personality is measured through Aaker's (1996) scale. The framework would provide an insight into the feasibility of marketing of products based on gender.

KEYWORDS: gender-based marketing, emerging markets, brand personality, consumer personality, family decision-making.

1. INTRODUCTION

The last two decades has seen the interest amongst thinkers and professionals in trying to understand the nature and growth of the emerging markets. The focus of developed economies as well as large multinationals in these markets has raised many views and discussions. In this the key discussions have been about the nature and dynamics of the growth markets, especially if they are progressing the same way the advanced markets demonstrated in their early days. Many multinationals and new technology firms have entered the new markets with their own home grown marketing strategies and tried to find footholds on these markets.

To accelerate their penetration of these markets, and to sustain profits over time, these companies have been offering the consumers different value propositions, modify their distribution and marketing strategies, and achieve global scale and local focus. They have done all this without compromising the value and profitability of their offerings for traditional customers. And, when possible, they have used the strategy of decrease prices to attract the customers. These companies believed that they had a better understanding of the needs and demands of the consumers and adapted their business models to serve them more efficiently and effectively.

The largest group of multinationals has followed a flag-planting strategy: transplanting existing "first-world" products with minimal investment into a wide variety of new markets, without achieving significant market share in any of them. While multinationals are quick to cite the extent of their worldwide footprint, the global portfolio of most multinationals remains dominated by United States and Western European economies. The emerging markets combined in the portfolio of flag-planters are typically limited to less than 10 percent of their worldwide sales. Given their timid positions and weak understandings of these countries, the returns of those who have followed the "flag-planting" route are generally poor.

This gives an impression that firms from developed countries have been facing difficulty in emerging markets not from domestic producers but their own inexperience in handling the strategic requirements in the strong potential markets. “Because of all those institutional voids, many multinational companies have fared poorly in developing countries. All the anecdotal evidence we have gathered suggests that since the 1990s, American corporations have performed better in their home environments than they have in foreign countries, especially in emerging markets.”

The emerging markets have also witnessed a surge in consumption. They are showing signs of a large sized middle- income section, which as a large section of the population had a better disposable income than in the past. The UNCTADD Report states – “Using the concept of a representative consumer is less helpful when income distribution is taken into account. For example, socioeconomic class is likely to be a very important determinant of individuals’ consumption patterns (e.g. Lluch, Powell and Williams, 1977). People who are better off dispose of discretionary income and can shift their consumption pattern away from only necessities. It implies that consumers will start spending beyond goods that only satisfy their basic, or subsistence, needs once their income exceeds a certain threshold. “

The Marketing Programs especially the marketing mix and strategy preparation in the emerging markets both in terms of new and adaptation of tested ones. Boateng⁴ opines that the firm needs to incorporate four elements into the marketing mix- access, affordability, availability and awareness. In such a juncture it is evident that the strategies in emerging markets need more robust approaches as the potential is large and the opportunities are also immense, but there needs to be a careful approach in these markets as many accepted norms are different. The consumer’s behavior with respect to associating the product with their social status, the way they make decisions in the family and the purchase basket, have unique phenomenon and therefore needs a careful approach.

Our objective in this article is to demonstrate how the emerging market environment calls into question received marketing wisdom, and to draw lessons from companies that have designed marketing programs from the ground up.

BEHAVIOR OF HOUSEHOLDS

In many emerging consumer households, “stay at home” mothers make most of the purchases. We found that the self-esteem of these women was significantly tied to how they managed their spending on consumer goods for their families. For many mothers, the purchase of consumer products is the mechanism by which they fulfill their overlapping roles of “wife,” “caring mother,” “educator,” and “household manager,” and also is how they satisfy their own personal needs.

Consumer behavior is the study of when, why, how, and where people do or do not buy a product. It attempts to understand the buyer decision making process and studies characteristics of individual consumers as well as groups in an attempt to understand people’s wants and needs. In particular, the Personal influence on buying is important in the new markets. A buyer’s decisions are majorly influenced by personal characteristics like gender, age, stage in lifecycle, occupation, income, and lifestyle. The adaptation of strategy and marketing mix requires a careful study of the conditions of the market and its intricacies especially with relation to orientation and behavior.

GENDER DIFFERENCE

At the first instance the problem of gender inequality is always cited as the issue impeding growth in the emerging markets. To address issues critical to human welfare in emerging markets, representatives from the public and private sectors annually convene at the Emerging Markets Symposium at Oxford University's Green Templeton College. Two year back, the group's focus was on gender inequality. The high-level gathering of policy makers, business leaders and academics reached two major conclusions. First, despite three decades of booming and innovative growth in emerging markets large and small, very little had been done to advance women's interests. Gender inequality is a significant barrier to prosperity. It deprives national economies of women's talents, constrains consumption and diminishes tax yields. And if emerging markets lead the way, both gender equality and quality of life will improve worldwide.

STUDIES ON BRAND PERSONALITY

Brand Personality has been defined as 'a set of human characteristics associated with a brand'. This is also a means by which a consumer expresses the self in dimensions of either being male or female. This drives the distinction between products from a generic form to something distinct from other brands in the market place.

Aaker was probably the first to discuss the term Brand Personality and its construct, by developing the methodology to measure brand personality. The research identified the relationship between brand and human personality, which in turn drives consumer preference. This development of scales was done on two different methods – one a theoretical and other based on theory. The development of the scales and the personality quotient thereafter, evolved a 'brand personality measure' that could be correlated with purchase decision.

The research study was conducted with four brand groups of ten brands each. These brands were administered to a panel of consumers who were asked to rate the brands from 114 personality traits that could be probably used to describe a brand. The factorized results gave five brand personality dimensions that represented the product brand. The results of the study were as follows:

- The brand has a unique 'personality'
- This personality was in fact corresponding to the psychological traits of the consumer, and the purchases reflected the brand personality with the consumer's personality.
- The research demonstrated that "the symbolic or self-expressive use of brands is robust, while that self-expression differs significantly"

CONSUMER PERSONALITY

Recent advances in personality psychology can help us predict consumer motivation. Traits are defined as enduring and stable patterns of behavior, attitudes, emotions, that vary between individuals. Traditionally, researchers were interested in understanding how individuals differ, and so they put a great deal of effort into discovering how to measure, map, and define personality traits. Consumption-specific personality traits are traits that affect shopping and /or consumption

behavior. The two issues, self-concept and self-image have been widely researched and dealt upon in studies on the consumer behavior. Theories related to self-concept indicate relationships between

a person and his/her social system, and conclude how this relationship affects a person's personality make up. Consumer's also exhibit "multiple-selves" and the same consumer could act differently at different times with different people or products.

Batra et al., attempted to discreetly separate Brand Personality from Category Personality. The study discussed that some product categories have an inbuilt personality which is dichotomous – manly or womanly. They used the tree product examples to discuss the phenomenon. The products used for the study were cars, jeans and magazines. The arguments were that intrinsically, these categories had a "gender tag" on them. They therefore opined that some product- categories have to be modified to make consumption more attractive to a broader target segment. They cited the example of 'diet cola' as more appealing to men, by making these drinks less 'feminine' and alcohol beverages have been made to look more 'hip and cool' rather than formal to make it more consumable by adults.

The studies on family decision making go on to suggest conflict resolution methods between the couple rather than examine the possibility of product related influences.

There are many research studies that have purported three varied typologies – Wife Dominated, husband dominated and syncretic relationship in purchase decision making. Role-specialization of wives is observed to be high for purchase of groceries, furniture, and clothing, while that of husbands is significant for the purchase of automobiles and life insurance policies. Vacations and housing decisions are seen to fall under the joint-consensus (syncratic) category and those of savings, investments and household appliances under the autonomic category.

It is also interesting to verify whether the Brand Personality and Consumer Personality has an impact on purchasing roles. This paper in fact would like to correlate the three parameters and arrive at a typology that would help the marketing firms to decide whether or not to use gender based positioning and gender based marketing.

THE GAP AND PROPOSED RESEARCH

The survey of literature is full of references on Brand Personality, Consumer Self and Family Decision making as individual parameters, but no attempt has been made to look at them in unison. This part explains the interaction between product/ Brand and the consumer's psychological personality. The third parameter of Purchase Decision will help firms in preparing the strategy. This research paper presents the concept of preparing Marketing Strategy in emerging markets, based on the three parameters of Brand Personality, Consumer Personality and Purchase Decision Making. Appendix a presents the three parameters which will be researched through a field study of consumers in four stages as follows:

1. Conduct a Brand Personality Test with all the 114 variables as done by Aaker and the same will be reduced through a Factor Analysis
2. Conduct a Dichotomous test of Consumer personality (male- female) as related to product/ category.

3. Analyze the current family level decision making status as an example of an emerging market as against the earlier assumptions that the purchase decision in poor economies was made by the major wage earner, irrespective of product/ Category characteristic or Brand personality.
4. The typology emerging as Appendix B will determine the possibility of Gender Based Marketing as a guide to firms in emerging markets.

APPENDIX A

The three dimensions of Gender Based Marketing

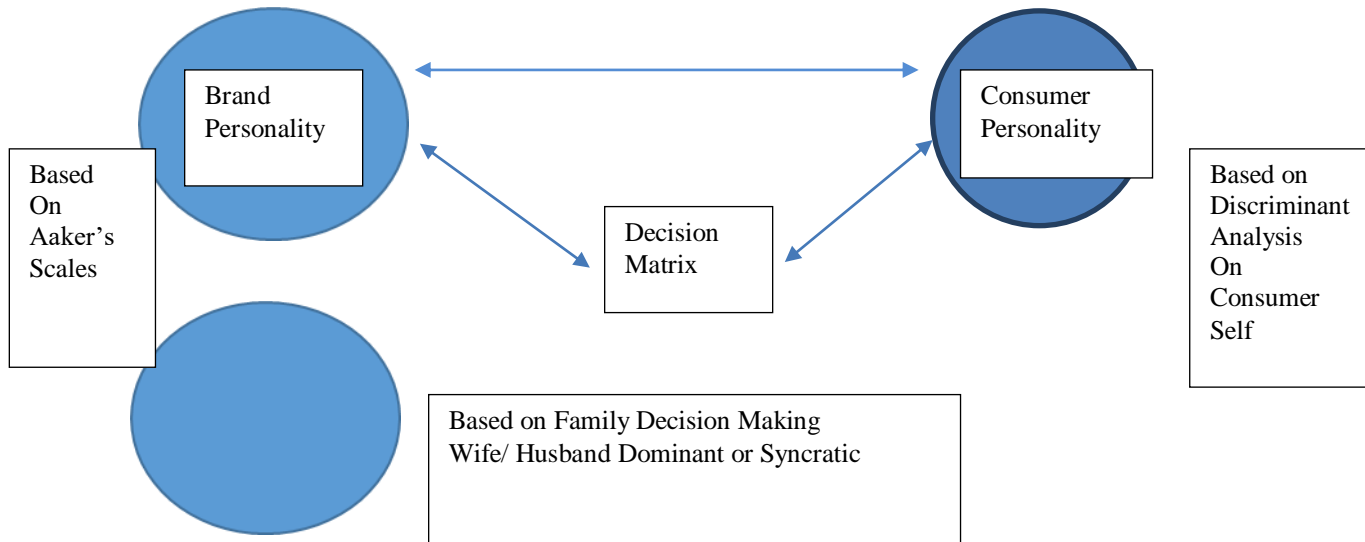


FIG NO 1

APPENDIX B

	BRAND PERSONALITY	CONSUMER PERSONALITY	FAMILY DECISION MAKING
Gender Based Marketing	Male	Male	Male Dominant
	Female	Female	Female Dominant
Gender Based Marketing not Possible/ Myth	Male	Female	Male Dominant
	Female	Female	Female Dominant
	Similar Combinations		

TABLE NO 1

2. COCLUSION

This concluding chapter includes a history of emerging markets, reasons to invest in them, a description of how asset management is currently conducted, a critique of finance theory, assessment of some of the major global economic issues at time of writing, and some policy recommendations and predictions. All countries are risky: the emerging markets are those where this is priced in. Developed countries have more dysfunctional markets – in which a significant portion of the investor base does not even think about their own sovereign risk.

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