

## **A CROSS REGIONAL STUDY IN CONSUMERS BUYING BEHAVIOUR: STANDARDIZED VS ADAPTED SALES PROMOTION STRATEGY IN NIGERIA**

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### **Abstract**

This study compares consumer-buying behaviour in the Nigeria and Ghana with the focus on sales promotions. Buying behaviour is divided here in impulsive buying, loyalty, stockpiling, promotion proneness, media usage for sales promotions, important aspects of sales promotion advertisement and expectations of promotion frequency. In addition, preference for promotion types and interest in non-price promotions are as well aspects of buying behaviour, but these are more directly related to recommending a sales promotion strategy. Based on the possible differences the choice for either a standardized or an adapted sales promotion strategy is given. In addition, the relationship between national culture dimensions and some buying behaviour aspects are studied. The sample consists of 75 consumers in the Nigeria and 75 consumers in Ghana (total of 150). More specifically, these include consumers of the retailer. A large part of the sample in both countries consists of women. Furthermore, the most important research method used was the survey and the questionnaire as its data collection method. The results of the analyses in this study show that there are some, but no large differences in the comparison of the Nigeria and Ghana regarding buying behaviour. Nevertheless, the differences that are found have resulted in recommending an *adapted* sales promotion strategy. In addition, the results show that the distribution of the cultural dimensions was not reflected in the sample as may be expected. Moreover, the relationship between national culture and buying behaviour aspects of *promotion proneness, interest in non-price promotions and loyalty* is not proven. Nevertheless, the relationship of one part of loyalty (brand loyalty) and culture is significant.

**Keywords:** Cross Regional, Standardized, Adaptation, Promotion Strategy and Behaviour

## 1. Introduction

Recent decades have faced with globalization of the international business, due to, for example, increasing liberalization of trade policies and the creation of regional economic integrations. Such factors have led to the rise of high competition, with the participation of a wide array of firms of different sizes, industries and national origins (Adeleke & Badmus, 2011). Furthermore, Ali & Maryam, (2012) believe that during the two previous decade's changes in the marketing environment changed the theory and practice of international marketing. The development of communication technologies and global markets influenced global economy, markets and consumers. This is reflected in informed and active buyers who know their needs and seek to satisfy them. These influenced the change of marketing solutions.

One of the most important decisions regarding the expansion of a company into foreign markets concern the marketing mix (Ali & Maryam, 2012). Demetris & Alkis (2007) believe that as companies begin to expand globally, new marketing strategies need to be developed or the existing approaches need to be examined, to obtain overseas feasibility. As business internationalization is developed for companies, they meet with a critical choice of marketing solutions, strategies (Ali & Maryam, 2012). The design of such international marketing strategies has been the focus of a sizeable stream of research. There exist three major perspectives of such a strategy; *concentration-dispersion*, *integration-independence* and the *adaptation-standardization* perspective (Adeleke & Badmus, 2011).

Given the great importance, for over 20 years in Africa academicians and practitioners have debated the standardization versus adaptation of international marketing strategy. Despite the importance of, interest in, and the volume of research this topic has generated, the debate remains unresolved. It is argued that the research has advanced without a strong underlying theoretical framework. Researchers still do not agree on the definitions of standardization/adaptation and analyze these strategies from different aspects of these strategies (Adeleke & Badmus, 2011).

### Objectives and research questions

#### Objectives:

1. To gain insight into the buying behaviour of consumers in the Nigeria and Ghana, emphasizing sales promotions.
2. To recommend to Retailers an appropriate sales promotion strategy.

(Had, Singh, & Seung, 2010)Central research question:

1. *To what extent do consumers in the Nigeria and Ghana differ in buying behaviour, with the focus on sales promotions?*
2. *Which elements of the Retailers sales promotions strategy should be implement in both countries and which need a different approach per country?*

*Marketing mix elements*

Marketing strategies consist of the marketing mix components. Thus, when an organization decides to begin marketing products abroad, a crucial strategic decision is whether to use a single marketing strategy in all countries (standardized marketing mix) or whether to use several strategies to fit the unique dimensions of each local market (adapted marketing mix). Recent marketing-mix elements used in the adaptation and standardization literature are provided by HadSingh, & Seung (2010)

- i. *Product* elements: brand, design, style, package, label, quality, customer service, warranty and product-related advantages.
- ii. *Pricing* elements: pricing method, pricing strategy, sales terms, margins, credit policy and currency strategy.
- iii. *Promotion* elements: advertising, sales promotion, personal selling, public relations emphasis, trade fairs and personal visits.
- iv. *Distribution* elements: transportation, network, distribution system, sales representative/office in the external market, direct buying, overseas distributors/agents and merchants, dealer support and delivery time.

Nowadays standardization and adaptation studies comprise of all elements of the marketing mix (Isabel, Hortênsia, & Francisco, 2013), however promotion and product have received more attention. This paper will focus on the promotion element. Within the promotion element, *sales promotions* will be the aspect studied as it is related to the problem statement.

#### *Support for standardization and adaption*

In line with the definitions of Jean Pierre (2012), the arguments for and against standardization and adaptation of international marketing strategy revolve around two key components. These are *cost savings*, via economies of scale through standardization, and *enhanced value delivery* through adaptation. Both are driven by the question of homogeneity of markets, or lack of homogeneity. In the end, the organization should decide whether to pursue a standardized marketing strategy in the domestic and external countries, or adapt it to the specific requirements in the foreign market(s).

Supporters of standardization believe that consumer' needs, wants and requirements do not vary across various markets and countries. They believe that the world is becoming increasingly more similar in both environmental and customer requirements and no matter where they are consumers have the same demands. Such proponents argue that standardization of the marketing mix elements promises lower costs as well as consistency with customers (Karen, Scott, & Kusum, 2014). In addition, Theodosiou & Leonidou (2003) state that advocates of the standardization approach view the globalization in the world as the driving force behind greater market similarity, more technological uniformity, and higher convergence of consumer needs, tastes, and preferences

On the other hand, supporters of the adaptation approach believe that adjusting the marketing mix and marketing strategy are essential to suit local tastes, meet special market needs and consumer requirements. In order to fit new market demands multinational companies should have to find out how they must adjust the marketing strategy (Jean Pierre, 2012). Likewise, advocates of the adaptation approach argue that, despite increasing globalization, variations between countries in dimensions such as consumer needs, purchasing power, commercial infrastructure, culture and traditions, and technological development are still too large. This

necessitates the adjustment of the firm's marketing strategy to the individual circumstances of each foreign market (Adeleke & Badmus, 2011). In particular, proponents of adaptation criticize strategy standardization, representing an oversimplification of reality and contradicting the marketing concept. They also state that the ultimate objective of the firm is not cost reduction through standardization, but long-term profitability through higher sales resulting from a better exploitation of the different consumer needs across countries (Adeleke & Badmus, 2011).

### Sales promotion strategy

Promotion is one of the four elements of the marketing mix. Muthukrishna & Ravi (2013) defines it as following:

*'Promotion encompasses all the communications activities of marketing: advertising, public relations, sales promotions, personal selling, etc.'* However, this paper only focuses on one part of promotions, which is *sales promotions*.

As stated before, sales promotions are one aspect of promotions as a whole. They are targeted at final consumers that primarily aim to boost sales in the short-term by providing extra purchase incentives to customers. The most important features of sales promotions are: (a) encouraging increasing sales; (b) non-routine; and (c) short duration (Muthukrishna & Ravi, 2013).

#### *Sales promotion types*

The most widely accepted typology of sales promotions distinguishes three types: (a) retail promotions; b) trade promotions; and (c) consumer promotions (Nana Y. O., 2003).

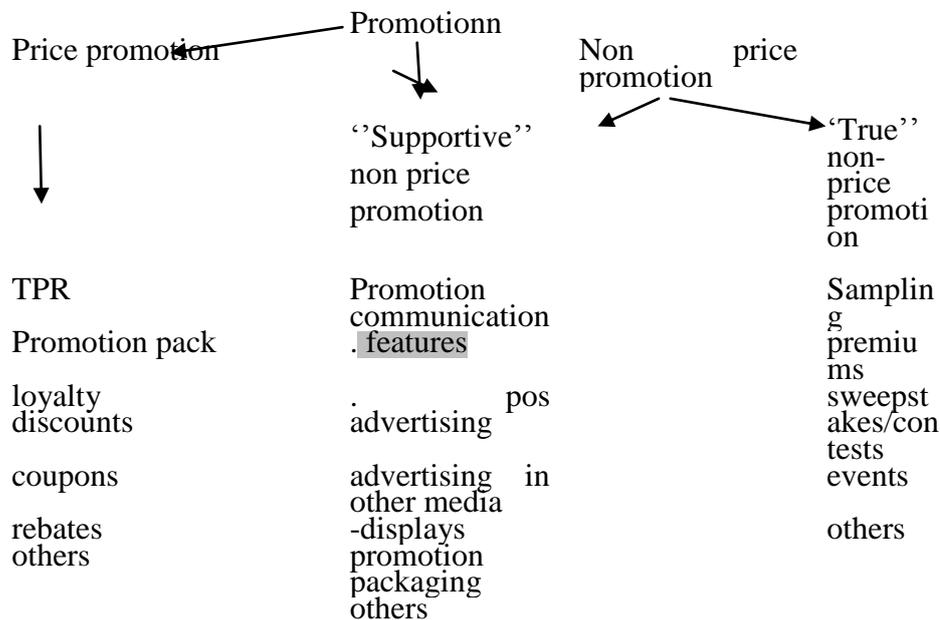
1. **Trade promotions:** Manufacturers  $\longrightarrow$  Retailers
2. **Consumers' promotions:** Manufacturers  $\longrightarrow$  Consumers
3. **Retailers' promotions:** Retailers  $\longrightarrow$  Consumers

*Typology of sales promotions* (Nana Y. O., 2003)

#### *Promotional instruments*

Retailers may use different promotion instruments (Oyeniya, 2011). Oyeniya (2011) provide the most appropriate overview of promotional tools as they are clearly illustrated, recent and broadly supported in the literature. The distinction between *price* and *non-price promotions* is the first one that can be seen. Among all the promotional tools, price promotions are the most common form of sales promotions applied (Oyeniya, 2011). However, price promotions have also been criticized. For example, consumers could be skeptical of sale prices, because they may view lower selling price, rather than the initial price, as the 'true price' of the item. Discounts may also reduce quality perceptions of the product (Oyeniya, 2011). In addition, price discounts are quite costly and can reduce consumer reference prices (Ali & Maryam, 2012). Also, price promotions can hurt brand image and brand equity (Phanasan, 2014). This study will include both the price and non-price promotions. Depending on the possible differences between consumer buying behaviour, the choice for certain promotional

instruments will be made.



*Instruments for retailer promotions (Pierre, 1995)*

The most used price promotion instrument is a *temporary price reduction* (TPR). Other forms of price promotions are *promotion/ bonus packs*, and packages with extra content (25 % extra) or *multi-item promotions* (‘buy three for x’ or ‘buy two get one free’). There are also *loyalty discounts* which require the purchase of units, but the consumer can do this over several purchases. Retailers can also use *coupons or rebates*. When using coupons, consumers have to bring the coupon to the store in order to get a discount. With rebates, consumers pay the full price, but they can then send in their receipt to get a discount (Pierre, 1995).

The second distinction can be made between ‘supportive’ and ‘true’ non-price promotions. *‘Supportive’ non-price promotions* are communication instruments that make the consumer aware of the product or of the promotion instruments. Very often they are used to draw attention to price promotions. For example, products on TPR are *featured or displayed*. Retailers can use many different forms of price promotions, such as temporary price reductions, coupons, and multi-item promotions, and combine them with non-price promotions like features, displays on the shop floor, other POS material and radio and/or TV commercials. On the other hand, retailers can use *‘true’ non-price promotions*, where the focus of the promotion is obviously on a brand or store, and not on a price cut. Instruments such as *sampling and premiums* are mostly used by manufacturers, and not by retailers. A premium (free gift) is a product or a service offered free or at a relatively low price in return for the purchase of one or many products or services (Pierre, 1995)

### **Consumer buying behaviour**

Before defining consumer behaviour, it is of importance to also provide a definition of the

consumer itself. Several definitions of consumers are provided (Rangsan & Titida, 2011). A recent definition which is well supported by the literature, and therefore will be used here, is given by Rangsan & Titida (2011)). According to him, a consumer is generally thought of as 'a person who identifies a need or desire, makes a purchase and then disposes of the product during the three stages in the consumption process' (Rangsan & Titida, 2011). The three stages are pre-purchase, purchase and post-purchase stages.

He defines consumer behaviour as 'the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas, or experiences to satisfy needs and desires' (Rangsan & Titida, 2011). In this definition consumer, behaviour is viewed as a process that includes the issues that influence the consumer behaviour before, during and after a purchase.

The *purchaser* and the *user* of the product may not be the same person. In other cases, another person may act as an *influence*, providing recommendations for (or against) certain products without actually buying or using them (Rangsan & Titida, 2011) also states that there are several consumer behaviour roles which can be filled by different members of a family or another group.

1. INITIATOR: The person who determines that some need or want is to be met.
2. INFLUENCER: The person or persons who (un)intentionally influence the decision to buy or encourage the view of the initiator
3. BUYER: The person who actually makes a purchase.
4. USER: The person or persons who actually use or consume the product.

#### *Consumer behaviour domain: buying behaviour*

These two dimensions are the basis for the seven aspects. Every dimension will be measured by several buying behaviour aspects. Viewed from a retailer perspective *exploratory acquisition of products* can be best measured by looking at impulsive buying, loyalty and stockpiling. *Exploratory information seeking* can best studied by means of measuring promotion proneness, media usage for sales promotions, important aspects of sales promotions advertisement and expectations of promotion frequency.

#### ***Impulsive buying (EAP)***

Impulsive behaviour generally is understood as behaviour that is not regulated and that results from an unplanned, spontaneous impulse. In particular, impulsive purchasing involves 'getting a sudden urge to buy something, without advance intention or plan, and then acting on that impulse without carefully or thoroughly considering whether the purchase is consistent with one's long-range goals, ideals, resolves, and plans' (Ripon, Md., Md., & Islam, 2013).

#### ***Loyalty (EAP)***

#### ***Stockpiling (EAP)***

Jean Pierre (2012) define stockpiling as 'the acceleration of a purchase in response to a price cut'. If consumers accelerate purchases, their inventories increase. So consumers can stockpile the extra quantity for future use. This can decrease sales in subsequent weeks. Thus, stockpiling increases sales during the promotion, but decreases them afterwards.

#### ***Promotion proneness (EIS)***

Proneness to promotions may be defined as '*the tendency to use promotional information as a reference to make purchase decisions*' (Karen, Scott, & Kusum, 2014). As the response to promotions varies across individuals', promotion-prone consumers will be those who modify their purchase behaviour so as to benefit from the temporary incentive offered by a promotion Karen, Scott, & Kusum (2014).

### ***Media usage for sales promotions (EIS)***

As retailers use several media to support their sales promotions for consumers (advertising), this is also an important aspect to measure buying behaviour. Most of the researchers who studied media usage of retailers and consumers roughly divide this into the 'traditional' and 'new' media (Ripon, Md., Md., & Islam, 2013). (Ripon, Md., Md., & Islam (2013) state that traditional media consists of TV, print and radio. Print media involves newspapers, magazines and leaflets/ brochures. New media sources are the Web, email, blog, social media and mobile media. Direct mail advertising is an example of using the internet to support sales promotions. Suitable for this thesis the media usage of the consumer, offered by retailers, will be viewed.

### ***Important aspects of sales promotion advertisement (EIS)***

Focusing on print media within the advertising of sales promotions, retailers frequently use *door-to-door leaflets*. These are pre-printed materials delivered directly to ZIP code areas of targeted households (Ripon, Md. Mosharraf, & Farhad, 2013). There are five common design elements for any feature ad – brand, text, pictorial, price, and promotion. The *brand* element contains the visual brand identity cues of the featured manufacturer brand or private-label item, such as the brand name, trademark, or logo. The *text* element consists of all textual information, such as descriptions of the attributes of the item, excluding the brand name. The *pictorial* element comprises all non-textual information, such as a picture (excluding the brand trademark and logo). The *price* element includes the numeric information of the price for the featured item, and the promotion element refers to any information (textual or numeric) reflecting the promotional discount for the featured item.

Rozana (2007) find that the size of the pictorial element has the largest effect, the total surface size of a feature ad has a strong effect on attention, and the size of the text element has little to no effect. The optimal layout differs for manufacturer brands, private label, and unbranded products. For a manufacturer's brand the pictorial, price, and brand elements should be most prominent.

### ***Expectations of promotion frequency (EIS)***

Many researchers have assumed that a perception of promotion frequency, also called deal frequency, is an important determinant of consumer purchase decisions (Rozana, 2007) states that consumers could have some expectations of the frequency and regularity of a brand's promotion patterns, *when it will promote and when it will not*, depending on their experience with the past patterns of deals offered by companies. If a brand unexpectedly offers a price promotion, this could lead consumers to increase their purchase likelihood (as they experience a 'gain'). On the other hand, when they expect to find a promotion and find the brand on full price, they experience a loss, and may be even less likely to purchase the product (Rozana, 2007).

### **Cross-cultural consumer behaviour differences**

National culture is important in this paper because most elements of consumer behaviour are culture bound, and so is the marketing strategy that marketers develop (Shahriar & Jamia, 2011). Cultural distinctions have been demonstrated to have important implications for advertising content, consumer motivation, consumer judgment process and so on (Shahriar & Jamia, 2011). In addition, de Mooij & Hofstede (2009) state that effectiveness in marketing means adapting to cultural values. (Nana Y. O., 2013) for example states that the investigation of important cultural dimensions and their effect on consumer behaviour should precede decisions on the standardization of marketing programs, such as sales promotion strategies. In addition, as marketers enter new international markets, an understanding of how culture influences consumer behaviour will be crucial for both managers and consumer researchers (Luna & Gupta, 2001). Furthermore, expanding operations to countries with different cultural values than one's own, without adapting to these differences, can lead to serious losses (de Mooij & Hofstede, 2009). At the same time it is important to realize that culture only represents one aspect of the environment within which the firm operates. Other factors are for example political barriers, economic laws, technological differences and geographical distance (Muthukrishna & Ravi, 2013).

### *Culture*

Culture can be studied on a group level, an organizational level, a national level, a group of nations such as the African Union etc. For this study, culture will be described on a national level because two countries (Nigerian and Ghanaian) are compared to each other. Hofstede (2006) considers national culture not as the only culture, or the totality of cultures, within a nation, but it culturally distinguishes the members of one nation from another. The population of a nation can be divided on many grounds, but Hofstede states that regardless of these differences every national population shares a unique culture.

### *Elements of culture*

It is important to as well describe the cultures of the two countries (the Nigeria and Ghana) with some elements arising from sharing common values. Hofstede (20013) distinguishes four manifestations of culture: symbols, rituals, heroes and values. The order of these manifestations shows their volatility and persistence, which means their ability to be changed (Oyeniyi, 2011). Furthermore, Shahriar & Tahmores, (2012) states that culture comprises of five main elements which may be visible or non-visible (similar to Hofstede).

*Religion:* the prevailing religion has an impact on culture, even if the majority of the population is non-practicing.

*Language:* social behaviour is heavily influenced by language, through which a culture's values and norms are communicated. The language shapes the nation's thought.

*Social structure:* this represents the socio-economic class structure and also gender roles and family patterns.

*Shared beliefs and ethics:* beliefs about what is and what is not acceptable.

*Non-verbal language:* this includes gestures and body language. Some gestures are universal but most are not.

### *Dimensions of national culture*

Countries can be compared by means of dimensional scales of culture. The cultural dimensions in turn can be quantified and correlated with several aspects such as consumption. Various researchers discuss the choice of dimensions most appropriate for conceptualizing

and operationalizing culture (Hofstede, 2009).

### **Hofstede's cultural dimensions**

Only a few cultural dimensional models provide country scores that are appropriate as independent variables. Thus, data on consumer behaviour can be correlated with cultural variables (Shahriar & Tahmores, 2012). In this study, Hofstede's cultural dimensions will be used. Still, the framework (1980, 2001) is the most commonly used national cultural framework in marketing, business, management, psychology and sociology (Shahriar & Tahmores, 2012).

### **Hofstede's five cultural dimensions**

The five dimensions of national culture are described (Hofstede, 2001):

#### 1) Individualism–Collectivism (IDV)

Individualism–collectivism describes the relationships individuals have in each culture. The dimension determines the degree to which people prefer to act as individuals rather than as members in a group. In individualistic societies, individuals look after themselves and their immediate family only whereas in collectivistic cultures, individuals belong to groups that look after them in exchange for loyalty. In addition, in individualistic cultures, people value independence from others as opposed to collectivism. Also, in individualist cultures, the identity is in the person; in collectivist cultures, identity is based in the social network to which one belongs. Besides, in individualist cultures there is more explicit, verbal communication; in collectivist cultures communication is more implicit. The constructs of individualism and collectivism represent the most broadly used dimensions of cultural variability for cross-cultural comparison.

#### 2) Power distance (PDI)

The power distance dimension can be defined as *'the extent to which less powerful members of a society accept and expect that power is distributed unequally'*. Examples of such social inequalities are wealth, status and power. This dimension reflects hierarchy and dependence relationships in the family and organizational contexts. It leads people to buy and use products to construct a social identity and to confirm social status differences. Specifically, people in high power distance societies desire to imitate the consumption behaviour of their superiors, which is often innovative, and also quickly pick up innovations adopted by others of similar status. In cultures with a large power distance everybody has his/her rightful place in society, there is respect for old age, and status is important to show power. In cultures with small power distance, powerful people try to look less powerful and people try to look younger than they are.

#### 3) Masculinity–Femininity (MAS)

The masculinity–femininity dimension can be defined as follows: *'the dominant values in a masculine society are achievement, success and assertiveness; the dominant values in a feminine society are caring for others, nurturing, modesty and quality of life'*. Masculinity leads people to place greater value on performance, ambition and material values. Status is important to show success. Feminine cultures have a people orientation, small is beautiful, and status is not very important. In masculine cultures there is substantial role differentiation between males and females; in feminine cultures there is less role differentiation.

4) Uncertainty avoidance (UAI)

Uncertainty avoidance refers to *‘the extent to which people feel threatened by uncertainty, risk and ambiguity and try to avoid these situations’*. It leads consumers to resist change, reduce risk, and avoid new products. In cultures of strong uncertainty avoidance, there is a need for rules and formality to structure life and competence is a strong value resulting in belief in experts. In weak uncertainty avoidance cultures there is a strong belief in the generalist. Moreover, in weak uncertainty avoidance cultures, people tend to be more innovative and entrepreneurial.

5) Long-term orientation versus Short-term orientation (LTO)

Long-term orientation is *‘the extent to which a society possesses a pragmatic, future-oriented perspective rather than a traditional historic or short-term perspective’*. Long-term orientation focuses on the future and adaptation of traditions to new circumstances leads people to be more adaptable. Also to believe that the most important events in life will occur in the future, and to be open to innovations. Long-term oriented cultures are particularly found in East Asia and value acceptance of change, having a sense of shame, relationships by status, thrift and pursuit of peace of mind. Short-term orientation is found in the Western world and values personal steadiness, stability and respect for tradition.

*Comparison of Nigerian and Ghanaian culture*

**Hofstede’s cultural dimensions for the Nigeria and Ghana**

As described afore, the most widely used model for determining a national culture and comparing this with other cultures is by Hofstede. Therefore, along with the many advantages, his dimensions will be used to compare the cultures of the Nigeria and Ghana. **Table 2** will show the scores of all the five dimension which are assigned to the two countries.

*Table 2. Index scores for countries (new cultural survey <http://geert-hofstede.com/cultural-survey.html>)*

Country	Power Distance	Uncertainty Avoidance	Individualism/Collectivism	Masculinity / Femininity	Long-Short-Term Orientation	Indulgence
<b>NIGERIA</b>	80	55	35	60	13	84
GHANA	75	65	15	40	4	72

*Explanation of table*

Power distance: Nigerian people have a slightly higher score tolerance for power distance (80) than the Ghanaian (75).

Uncertainty avoidance: The Nigeria has a slightly lower score on uncertainty avoidance

(55) as compared to Ghana (65).

Individualism-Collectivism: On this dimension, Nigeria has a higher (35) than the Ghana (15).

Masculinity-Femininity: Nigeria is more masculine (60) than Ghana (40). Out of the entire dimension, this dimension shows the biggest difference between the Nigeria and Ghana. The difference is 20 points

Long-Short-Term orientation: The Nigeria has a slightly higher score (13) on this dimension than Ghana (4).

Indulgence: Nigerian people have a slightly higher score tolerance for Indulgence (80) than the Ghanaian (75).

#### *Cross-cultural differences in consumer behaviour and the influence on marketing strategies*

In the end, the three most important concepts in this paper are culture, consumer (buying) behaviour and marketing (sales promotion) strategy. Several researchers have studied the relationship between them (Soni & Verghese, 2013). Ushe & Pellissier (2014) state that an understanding of culture can assist in making marketing decisions, such as whether to pursue standardized or localized strategies – something that has been discussed in the context of retailing strategies. They also believe that retailers should not ignore cultural differences, and thus differences among consumers, when expanding to offshore markets. Retailing strategies for one country cannot be extended to other countries without adaptation. Moreover, many companies that ignored culture's influence and thus centralized operations and marketing, resulted in declining profitability instead of increasing efficiency (Soni & Verghese, 2013). Ushe & Pellissier (2014) as well find some support for the view that culture plays a major role in shaping consumer behaviour, which offer some marketing implications to managers. Consumer values and needs always influence the shaping of consumers' reaction towards marketing stimuli based on social culture. Thus, managers need to give different marketing activities to satisfy different markets' consumers. Also, according to Claes, William, & Birger (1985) manufacturers and retailers should care about differences in buying behaviour. Retailers may have to offer a considerably different marketing mix to attract consumers in various markets. They suggest that differences in buying influences for example the prices offered by retailers (Ushe & Pellissier, 2014). The model used in this study to illustrate this relationship is provided by Karen, Scott, & Kusum (2014) as it is very clear and well supported. The usage of the well supported Hofstede's culture in this model is also a reinforcing argument. Muthukrishna & Ravi (2013) developed a model which describes the mutual influence of culture and consumer behaviour on marketing strategies. Culture affects consumer behaviour (as can be seen in the model) which itself may reinforce the appearances of culture. Marketers' actions serve as a means to transfer meanings or values from a culture to consumer goods so marketing communications are shown in the model as a moderator of the effect of culture on consumer behaviour. Nana Y. O. (2003) state that even when a few markets have relatively similar characteristics, each country should have its own marketing plan. Again, this section mentions the broad concept of consumer behaviour as a whole to understand the bigger picture. The next paragraph will be more specific.

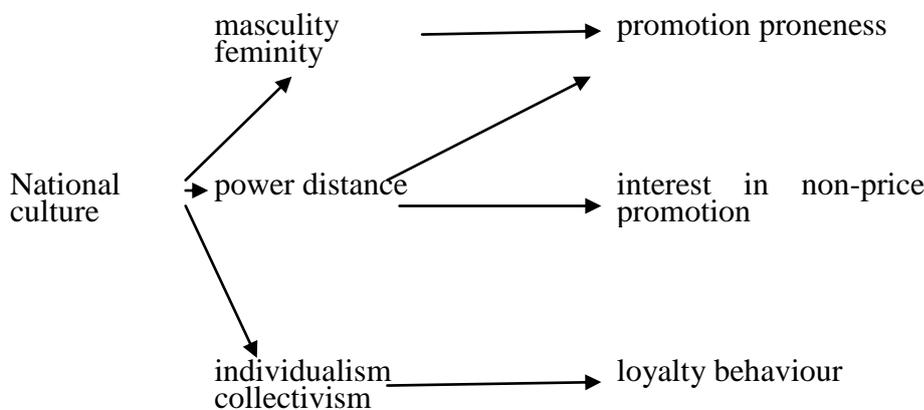
#### **Hypotheses**

H1: Countries with a higher score on femininity are more likely to have promotion prone consumers compared to more masculine national cultures.

H2: Countries with a lower score on power distance are more likely to have promotion prone consumers compared to higher power distance national cultures.

H3: Countries with a higher score on power distance are more likely to be interested in non-price promotions compared to lower power distance national cultures.

H4: Countries with a higher score on collectivism are more likely to be loyal to brands and stores compared to more individualistic countries



#### Research model

### Research methodology

Probability sampling was used to select the sample. More specifically, *simple random sampling* was done. This sampling method is conducted where each member of a population has an equal opportunity to become part of the sample (Osuola 2014). A sample from the study population was made by means of standing in front of Retailer stores and asking any shopper to participate the survey. This was done to maximize the chance of selecting actual Retailer shoppers. Three cities per country and per country one shopping center were selected to create a bit of dispersion and to increase representativeness. For Nigeria the cities Lagos, Abuja and Jos joined the survey. The Ghanaian respondents were found in Accra, Kumasi and Ghana. The survey was in both countries conducted during weekdays. 75 respondents in Nigeria and 75 respondents in the Netherlands filled in a questionnaire. A large part of the Retailer shoppers in both countries (study population) consists of women.

### Methods of analysis

The *Chi-square test* is most appropriate for the nominal variables (Pallant, 2007). A significance level 0.05 was ( $\alpha$ ) used for of this test which resembles a 'normal' significance. While Chi-square shows statistical significance of the differences, it does not give much information about the strength (degree and direction) of the relationship. When the difference

between the two groups is significant, the direction of this difference (which group is higher) should also be described. The percentages in the crosstabs can show this direction. The effect size (degree) of the relationship can be shown by means of the *Phi Coefficient* (for 2 by 2 tables), which is a correlation coefficient and can range from 0 to 1. For tables larger than 2 by 2, *Cramer's V* will be reported, which takes into account the degrees of freedom. Higher values indicate a stronger association between the two variables. Cohen's (1998) criteria were used: .1 = small effect, .3 = medium effect, .5 is large effect (Pallant, 2007). The hypotheses also contain ordinal variables which have the need for a *Mann-Whitney* test (Pallant, 2007). Also for this test a  $s 0.05$  was used.

## Findings

### Comparison Nigeria versus Ghana: buying behaviour

#### Hypotheses

This paragraph will discuss the results of the hypotheses that were tested. Each of the four hypotheses was measured by means of several items (six or two items). The results are given per hypothesis

H1: Countries with a higher score on femininity are more likely to have promotion prone consumers compared to more masculine countries.

#### *Chi-square tests for nominal variables*

#### Reason for store choice: promotions

For hypothesis 1, first of all, the relationship between *femininity-masculinity* and *promotions as a reason for the store choice* was tested.

A Chi-square test for independence (with Yates' Continuity Correction) indicated no significant association between masculinity-femininity and promotion as reason for store choice,  $\chi^2(1, n = 150) = 1.76, p = .19, \text{phi} = .13$

#### Promotion proneness

The second item to be tested for hypothesis 1 is called *promotion proneness*. As this dependent variable in this case is nominal a Chi-square test was used. A Chi-square test for independence indicated no significant association between masculinity-femininity and promotion proneness,  $\chi^2(2, n = 150) = 3.65, p = .16, \text{Cramer's } V = .16$

#### Last bought product, in promotion?

The third item for the first hypothesis involves *masculinity-femininity* and if the *last bought product was in promotion*. Again, as the dependent variable in this case is nominal a Chi-square test was used. A Chi-square test for independence indicated no significant association between masculinity-femininity and last bought product in promotion,  $\chi^2(2, n = 150) = 5.73, p = .06, \text{Cramer's } V = .2$

#### *Mann-Whitney tests for ordinal variables*

#### Promotion importance

The fourth item used for hypothesis 1 relates *masculinity-femininity* with *promotion importance*.

The Z-value is -2.49 (rounded) with a significance level of  $p = 0.01$  (rounded). A Mann-Whitney  $U$  test revealed a significant difference in promotion importance levels of masculine people ( $Md = 4, n = 75$ ) and feminine people ( $Md = 4, n = 75$ ),  $U = 1387, z = -2.49, p = .01, r = .2$

### **Usage of leaflets**

The fifth item of hypothesis 1 involves *masculinity-femininity* and the *usage of leaflets*. The Z-value is -.82 (rounded) with a significance level of  $p = 0.41$  (rounded).

A Mann-Whitney  $U$  test revealed no significant difference in the usage of leaflets levels of masculine and feminine people,  $U = 1735, z = -.82, p = .41, r = .07$

### **Expectations of promotion frequency**

For hypothesis 1, the last item is related to *masculinity-femininity* and the *expectations of promotion frequency* (see appendix X for the output of this Mann-Whitney test).

A Mann-Whitney  $U$  test revealed no significant difference in the expectations of promotion frequency levels of masculine and feminine people,  $U = 1793, z = -.49, p = .63, r = .04$

H2: Countries with a lower score on power distance are more likely to have promotion prone consumers compared to higher power distance countries.

### *Chi-square tests for nominal variables*

#### **Reason for store choice: promotions**

Also for hypothesis 2, the same six dependent variables are addressed. First of all, the relationship between *power distance* and *promotions as a reason for the store choice* was tested. As the dependent variable in this case is nominal a Chi-square test was used. an overview of the output of this test

A Chi-square test for independence (with Yates' Continuity Correction) indicated no significant association between masculinity-femininity and promotion as reason for store choice,  $\chi^2(1, n = 150) = 1.46, p = .23, \phi = .11$

#### **Promotion proneness**

Again for the second hypothesis *promotion proneness* is tested, this time related to *power distance*.

A Chi-square test for independence indicated no significant association between power distance and promotion proneness,  $\chi^2(2, n = 150) = 4.24, p = .12, \text{Cramer's } V = .17$

#### **Last bought product, in promotion?**

Also the third item of the first hypothesis is tested in hypothesis 2. It involves *power distance*

and if the *last bought product was in promotion*.

A Chi-square test for independence indicated no significant association between masculinity-femininity and last bought product in promotion,  $\chi^2(2, n = 150) = 1.45, p = .49$ , Cramer's  $V = .1$

#### *Mann-Whitney tests for ordinal variables*

##### **Promotion importance**

The fourth item for hypothesis 2 is involved with *promotion importance* and *power distance*.

A Mann-Whitney  $U$  test revealed a significant difference in promotion importance levels of high power distance people and low power distance people,  $U = 2127, z = -.92, p = .36, r = .08$

##### **Usage of leaflets**

The fifth item of hypothesis 2 relates *power distance* and the *usage of leaflets*.

A Mann-Whitney  $U$  test revealed no significant difference in the usage of leaflets levels of high power distance people and low power distance people,  $U = 2324, z = -.38, p = .97, r = .03$

##### **Expectations of promotion frequency**

For hypothesis 2, the last item is related to *power distance* and the *expectations of promotion frequency*

A Mann-Whitney  $U$  test revealed no significant difference in the expectations of high power distance people and low power distance people,  $U = 2196, z = -.53, p = .53, r = .05$

H3: Countries with a higher score on power distance are more likely to be interested in non-price promotions compared to lower power distance countries.

#### *Chi-square tests for nominal variables*

##### **Price versus premium**

Hypothesis 3 is tested by means of two different items, which both have nominal variables. Therefore, only Chi-square tests are appropriate here. The first item relates *power distance* to the preference for *price of premium promotions*. Unfortunately, in this case the assumption of 'minimum expected cell frequency' may be violated as all the expected cell sizes are not greater than 5 (4.11). Also less than 80% of cells have expected frequencies of 5 or more (75%). It means that the assumption of Chi-square concerning the 'minimum expected cell frequency' is violated. Therefore this test will not be used for hypothesis 3.

##### **Non-price versus price promotion**

The second item used to test the third hypothesis relates power distance to the preference for *non-price versus price promotions*.

A Chi-square test for independence (with Yates' Continuity Correction) indicated no significant association between power distance and preference for non-price versus price promotions,  $\chi^2(1, n = 150) = .01, p = .91, \phi = .03$

H4: Countries with a higher score on collectivism are more likely to be loyal to brands and stores compared to more individualistic countries

*Mann-Whitney tests for ordinal variables*

### **Store loyalty**

For hypothesis 4 two items were used. The first one relates *collectivism-individualism* to *store loyalty*.

A Mann-Whitney *U* test revealed no significant difference in the expectations of high power distance people and low power distance people,  $U = 1497, z = -.49, p = .63, r = .04$

### **Brand loyalty**

The second item used for hypothesis 2 relates *individualism-collectivism* to *brand loyalty*.

A Mann-Whitney *U* test revealed a significant difference in brand loyalty levels of collectivistic people ( $Md = 3, n = 75$ ) and individualistic people ( $Md = 2, n = 75$ ),  $U = 1497, z = -2.23, p = .02, r = .19$

## **FINDINGS**

This study has investigated the relationship between three cultural dimensions and some consumer buying behaviour aspects. Most of the results showed outcomes rejecting the four hypotheses which have been set up and tested.

H1: Countries with a higher score on femininity are more likely to have promotion prone consumers compared to countries that are more masculine.

Hypothesis 1 is measured by means of six items. First of all, the relationship between *femininity-masculinity* and *promotions as a reason for the store choice* was tested. The outcome was that the differences between the two cultural groups were not significant. The second item tested for hypothesis 1, is called *promotion proneness*. No significance between the masculine and feminine groups is indicated here. Next, the relationship between masculinity-femininity and if the *last bought product was in promotion*. Again, the result of the test was not significant. The fourth item used for hypothesis 1 relates masculinity-femininity with *promotion importance*. The result indicated that the differences between the masculine and feminine group are significant. The direction of this relationship shows that the feminine group significantly values promotion importance more than the masculine group. This is in line with the direction of hypothesis 1. Furthermore, the fifth item involves masculinity-femininity and the *usage of leaflets*. Significance was not proven in this relationship. Finally, masculinity-femininity and the *expectations of promotion frequency* were tested. Again, the outcome showed no significance. Altogether, *H1 is rejected*. That

cultures with a higher score on femininity are more likely to be promotion prone than masculine cultures is, overall, not confirmed. However, one of the six items does accept the hypothesis when it comes to the importance of promotions when buying the products.

H2: Countries with a lower score on power distance are more likely to have promotion prone consumers compared to higher power distance countries.

Also for hypothesis 2 the same six dependent variables as was used for hypothesis 1 are addressed. First, the relationship between power distance and *promotions as a reason for the store choice* was tested. No significance was proven. For the second item, *promotion proneness* is tested, related to power distance. Again there was no significance between the two high and low power distance groups.

The third item relates power distance to if the *last bought product was in promotion*. We can conclude that the association is not significant. Next, *promotion importance* and power distance were tested, with no significance. The fifth item of hypothesis 2 relates power distance with the *usage of leaflets*. The result is not significant. Finally, the last item for hypothesis 2 is related to power distance and the *expectations of promotion frequency*. The different groups of high and low power distance indicated no significance. As all the six promotion proneness items related to power distance show no significant differences between the groups, *hypothesis 2 is rejected*. That cultures with a lower power distance are more likely to be promotion prone than cultures with a higher power distance is not confirmed.

H3: Countries with a higher score on power distance are more likely to be interested in non-price promotions compared to lower power distance countries.

This hypothesis was initially measured by means of two items. However, one item to measure interest in non-price promotions (preference for *price of premium promotions*) could not be used as the assumption of the test was violated. Therefore only one item remained to test the third hypothesis. This item relates power distance to the preference for *non-price versus price promotions*. The test indicated that there were no significant differences between the high power distance and low power distance group. This also means that *hypothesis 3 is rejected*. That cultures with a higher power distance are more likely to be interested in non-price promotions than cultures with a lower power distance is not confirmed.

H4: Countries with a higher score on collectivism are more likely to be loyal to brands and stores compared to more individualistic countries

For hypothesis 4 two items were used. First, collectivism-individualism is related to *store loyalty*. No significance was proven for this relationship. The second item used for hypothesis 4 relates individualism-collectivism to *brand loyalty*. The outcome of the test indicated a significant difference between the collectivistic and individualistic groups. The direction of this difference shows that the collectivistic group is more brand loyal than the individualistic group. As one of the two items shows no significance, this hypothesis cannot be accepted as a whole and therefore *hypothesis 4 is rejected*. However, if hypothesis 4 was divided into H4a (store loyalty) and H4b (brand loyalty), H4b would be accepted. That collectivistic cultures are more likely to be loyal than individualistic cultures is not confirmed.

*Theoretical implications*

As all the hypotheses are rejected this study indicates that culture (at least three out of five dimensions) has no impact on consumer behaviour. As stated in the literature review, the influence of cross-cultural differences in consumer behaviour has been studied by many (e.g. Ackerman & Tellis, 2001; Luna & Gupta, 2001). Also, de Mooij & Hofstede (2002) are advocates of cross-cultural differences between consumers. According to them, in general there is no empirical evidence that consumption behaviours are converging between countries. Instead, there is evidence that consumer behaviour is diverging. Therefore, they state that consumer behaviour will become more heterogeneous because of cultural differences. A lot of differences in consumption can be predicted and explained by looking at the relationship between consumer behaviour and scores on Hofstede's national culture dimensions (de Mooij & Hofstede, 2002). Most of the results in this study showed no empirical evidence of what advocates of cross-cultural differences between consumers believe.

More specifically, according to some literature masculinity has an influence on promotion proneness. As status and success are not so important to feminine countries, promotional buying will be more common and accepted than in more masculine cultures in which promotional buying can be considered as 'being cheap' (Hofstede, 1998). This study does not support the literature stating that promotion proneness is being influenced by masculinity-femininity. Masculinity only proved to be of influence on indicating promotions as an important buying criterion compared to other buying criteria. Therefore this study did contribute in proving masculinity influencing promotion importance as a buying criterion.

#### *Practical implications*

Several authors (e.g. Yuan et al., 2011; de Mooij & Hofstede, 2002), as stated in the literature review, believe that an understanding of culture can assist in making marketing decisions, such as whether to pursue standardized or localized strategies – something that has been discussed in the context of retailing strategies. They also state that retailers should not ignore cultural differences, and thus differences among consumers, when expanding to offshore markets. Retailing strategies for one country cannot be extended to other countries without adaptation (de Mooij & Hofstede, 2002). Luna & Gupta (2001) also believe that culture affects consumer behaviour. They also state that even when a few markets have relatively similar characteristics, each country should have its own marketing plan. The main results of this study indicate that culture does not influence the buying behaviour of consumers. This means that it does not support the literature saying taking cultural differences into account when implementing a strategy. The implications for retailers are when they set up their international (sales promotion) strategy – standardized or adapted – it should not depend on cultural differences. Thus, (most) differences between consumer behaviours are not influenced by culture. One exception is that brand loyalty is proved to be culture-dependent as well as the importance of promotions as a buying criterion compared to other criteria.

#### **Conclusions & Recommendations**

Recommendations are given to implement a standardized or an adapted strategy. First, the main recommendation to answer the main research question is given. The main research question is:

*Which strategy should Company implement for the Retailer sales promotions in both the*

*Netherlands and Belgium in order to maximize growth?’*

Overall, an *adaptation* strategy is recommended, as there are some differences between the Nigeria and Ghana. However, not all the aspects of the sales promotion strategy need a different approach per country. The more detailed recommendations and which elements have the need for a change are described next.

*The recommended main sales promotion strategy for Retailer*

*Sales promotion instruments*

(1) *Usage of price versus non-price promotions*

(2) *Usage of one brand and category versus mixing brands and categories*

(3) *Usage of multipacks versus individual products*

(4) *Usage of larger size and same price versus same size and lower price*

*Deal intensity*

(1) *Depth of price promotion*

(2) *Frequency of sales promotion*

*Deal support*

(1) *Usage of features for sales promotion*

(2) *Media usage for sales promotion*

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