

THE IMPACT OF ETHNOMARKETING ELEMENTS ON CONSUMER PURCHASE DECISIONS IN THE BALKANS: THE CASE OF MACEDONIA

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Abstract

Ethnomarketing defined as marketing segmentation approach that clusters consumers on the basis of ethnicity is slowly gaining traction in marketing in multicultural environments, particularly in countries or regions inhabited by consumers from different ethnic backgrounds, who though live together, still communicate in different languages. This study aims to find whether such marketing practice has any effect on consumers' purchase decisions in the Balkans. It focuses on consumers in Macedonia with the understanding that this is a preliminary exploratory study whose results will form basis for a large study on the Balkan region.

The study used a structured questionnaire with the Likert Scale and the sample selection was done non randomly. One hundred, forty-eight responses were received and analyzed using the SPSS statistical software.

The results of the analysis show that Albanian consumers in Macedonia agree that ethnomarketing is important and ethnomarketing elements such as a company's advertisement and promotion in their ethnic language instead of a national language are taken into consideration when they make their purchase decisions. Furthermore, results reveal that symbols, cultural elements as well as the information dissemination inside the stores and outside seem to be very important for consumers.

On the basis of this study, a larger study that covers the different countries in the Balkan region to determine how consumers in the different countries in the region relate to ethnomarketing is strongly recommended.

Keywords: marketing, culture, subculture, ethno marketing, research

JEL Classification: M3; M31

I. INTRODUCTION

The need for researching cultural framework and marketing activities has emerged in the last few decades by many scholars and academics. They are focused on researching about cultural elements and its impact on marketing activities. Ethnic marketing are company efforts using marketing activities in order to serve customers' needs and demands coming from a different segment from the whole market. Some of the scholars define ethnic marketing as a segment-marketing applied to ethnic target groups with special cultural considerations in their marketing activities (Meltem N. V., et al., 2009).

People are influenced by culture on the way they think, face the world and the way they consume products; the way they perceive the world; the way they think, the way they behave in a certain. It is a system that we learn and that is passed on from generation to generation. Many define culture as a collection of elements such as language, religion, values, beliefs, etc. On the other hand, subcultures are groups of people that have common preferences and experiences of life. Concerning consumer behavior, culture has often been regarded as one of the main factors of consumer behavior and a determinant while buying many products.

There is a gap on ethnomarketing research in the Balkans, or very little has been done, therefore this research is of very interest for trying to do a modest thing concerning ethno marketing and its influence on consumers' buying behavior and especially in market segments where there is a heterogeneity of consumers, i.e., consumers belonging to many ethnic groups. So, there is a lack of cultural marketing studies in the majority of the Balkan countries, where there is a market segments with different shades and mixture.

Small and medium size organizations have the necessity to incorporate culture in their marketing activities as an organizational philosophy. Culture is assumed to conduct and guide the entrepreneurial success, and as such ethnomarketing characteristics are presented in organizational marketing activities (Morales, 2011).

Marketing can be studied, from social, psychological, personal, anthropological and some other perspectives. In this sense, Mowen and Minor (1998) state that marketing must be seen from an anthropological and social optic since beliefs, values, and traditions of participant determine the behavior of individuals.

Ethnomarketing starts with recognizing the elements of culture as crucial and essential for driving contemporary business. In the same context, cultural dimension is used by a company to analyze consumer

behavior, organization decisions and the market dynamism in order to develop its activities. (Morales, 2011; Schein, 1985; Páramo, 2004).

Ethnic marketing is related to culture. According to Lindridge and Dibb, (2003) culture has been found out as the most influential element dealing with the consumption behavior where certain product is linked with a particular symbolism.

The market segmentation based on demographic characteristics might be successful in countries, where many ethnic groups live together with different cultures differing from one another (Györi, 2003).

So, this research study aims at providing further empirical evidence about ethnic elements and their influence on consumer behavior while purchasing products and services. Furthermore, it can draw some lights on the way how the concept of ethnomarketing to be used in order to explain the consumption patterns of consumers belonging to different ethnic groups.

1.1 Objectives of the Study

This paper tries to analyze and to find out the impact of ethnomarketing and its importance during the process of decision making and the buying process of consumers. The target group are native Albanians that live in Macedonia, a country with multicultural and multilingual ethnicities. So, the research aims at finding out whether and how much the Albanian community as a special segment target is influenced with designed marketing mix activities of companies. The results will show whether cultural elements such as: culture, subculture, language, religion, and symbols embodied in companies' activities will influence their buying behavior.

Thus, the paper will try:

- To find out the impact of ethnomarketing on the buying behavior decision.
- To check whether cultural elements have an effect on the buying behavior.
- To measure the relative impact of cultural element on the consumer buying decision.
- To find out the more important factors that influence consumers during their purchase decision

1.2 Research Questions and Hypothesis

The study tries to answer the following research questions:

1. What is the impact of ethno marketing on the buying behavior of consumers?
2. What is the effect of cultural elements on the buyer behavior?
3. What cultural elements are more important for consumers in the buying decision process?

The study will also try to answer the following hypothesis:

H1: Ethno marketing has an impact on the buying behavior of consumers.

H2: Cultural symbols have a significant importance on the buying behavior of consumers.

II. LITERATURE REVIEW

There is a growing interest among scholars concerning the opportunities derived by ethnicity in order to market and target ethnic consumers within multi-cultural diversity countries (Pires and Stanton 2005, Cui, 2001; Burton 2000; Erdem & Schmidt, 2008). Ethnomarketing defined as marketing segmentation approach that clusters consumers on the basis of ethnicity (see Morales, 2005) is slowly gaining traction in marketing in multicultural environments, particularly in countries or regions inhabited by consumers from different ethnic backgrounds, who though live together, still communicate in different languages.

Ethno marketing is an effort of consumerism and buying behavior analysis of ethical minority groups by developing marketing concepts designed in order to appeal significantly to those target groups. (Kraus-Weysser, Ugurdemir-Brincks, 2002; Sözer, P., 2008). The major focus within the ethno marketing is to acquire a group belonging to a new customer segment using culture or nationality specific offer created in their native language.

The market segmentation provides companies many advantages. First of all, they can meet customers' needs and preferences more accurately by designing their marketing mix to meet that segment. On the other side this help companies to improve their profits because it allows companies gain the best price. In this line, market segmentation based on ethnicity helps companies to enter heterogeneous segments, i.e., segments belonging to different ethnic groups. Companies face the challenge of adapting their marketing mix activities in order to meet the segment needs and expectation concerning the evaluation of the range of products and services offered to them.

Ethno-marketing involves the recognition of cultural elements as the framework and essence for determining the consumer behavior during their purchase habits. The cultural dimension represents the decisions and the dynamics of the company's activities toward a given market. In this context, ethno-marketing is a

differentiated marketing adapted in alignment with the cultural origin of the target groups, as well as a tailored marketing mix (Mirela-C. V., et al., 2012).

According to Cui (1997) ethnic marketing means when ethnic groups of consumers have unique needs from the products designed to meet the mass market that are designed to meet the general needs rather than the ethnic segment needs. Orientation of marketing activities towards target groups with particular ethnic characteristics refers to ethnic marketing or intercultural marketing (Szillat. P., & Betov. A.,2015).

Ethnic marketing is targeting a group of customers based on the characteristics of that ethnic group in the marketing planning taking in consideration their culture, religion, value systems, rituals and symbolism in order to attract those target groups in that existing markets. (Wilken, 2004; Szillat. P., & Betov. A.,2015).

From this point of view and approach, ethno marketing might be considered as the study of consumption from the point of view of the social group or the cultural group to which one belongs.

Companies do recognize the fact that ethnomarketing elements play an important part while promoting products and services to special target segments based on ethnicity. The application of ethnomarketing helps companies to carry out a local differentiated marketing mix, and market analyses for specific target groups. In this way, it becomes more easily for companies to offer their marketing offer based on that ethnic group as well as communicating, using images, linguistic and cultural symbols that are important to that ethnicity.

Companies tailor their marketing mix activities with ethnomarketing elements in order to attract consumers in unique market segments where the ethnocentric inclination is very emphasized. So, companies use these cultural elements as strategies for entering such target segments. In this context, Watson, J. J., and Wright, K. (2000) in a research carried out in New Zealand found out that individuals with high levels of consumer ethnocentrism have more positive attitudes toward products from countries with similar culture compared to products coming from not similar cultures, and they suggest that cultural similarity is an important consideration for the ethnocentric consumers during the process of evaluation of foreign products.

In this line Chrysochoidis, G., et., al. (2007) in a study of Greek consumers concerning their evaluation of food products from other countries, and their results showed that ethnocentrism affects not only consumer beliefs, but also affects the way the quality of domestic and foreign products are evaluated.

The difficulties of managing different symbols and religious or political pictures by advertising companies requires to conduct a precise analysis of the cultural conditions and customs and considering the different meanings these have in varying cultures (Wilken, 2004, Patrick Szillat, Alexander Betov. 2015). These interpretations have impact on communication and must be considered in the development of advertisements as well as in the design of packaging elements.

Thus, Ethnomarketing refers to the orientation of marketing activities towards special groups with activities focused on ethnic characteristics of the defined target group (Peñaloza, L., & Laroche, M. 2015). So, when companies use Ethnic marketing they integrate characteristics of members of ethnic groups in the marketing planning. Companies also focus on the way how to promote their products and services to ethnic targeted groups. Therefore, while communicating to ethnic cultures, they should take in consideration their culture, subculture belonging, religion, value systems, rituals and symbolism in order to attract those target groups in existing markets (Wilken, 2004).

III. METHODOLOGY

This study used different methods, and methodology explains the process of research, design, methods of data collection, sample selection, and ways of analyzing the data. Research is an intensive activity that is based on the work of others and generating new ideas to pursue new questions and answers.

The main purpose of this paper was to identify the role and the impact of the ethnomarketing and cultural symbols on the consumer buying behavior. The buyer behavior of consumers is a dependent variable that is influenced by the independent variables used in the study. The paper used both types of data, primary and secondary. The primary data was collected through a structured questionnaire. Whereas, secondary data was collected from books, textbooks, online articles, and journals. The study used a structured questionnaire with the Likert Scale (1 denoting consumer's "completely disagreed" position, and "5 denoting completely agreed" position, with 3 being a neutral position). The questionnaire which include elements such as "Companies use the language of consumers while promoting their product or services" and "Companies consider cultural of symbols of other ethnic groups while advertising" were distributed non randomly. One hundred, forty-eight responses were received and analyzed using the SPSS statistical software.

The target group are native Albanians that live in Macedonia, a country with multicultural and multilingual ethnicities. So, the aim of the research is to find out whether and how much the Albanian community as a special target market is influenced with designed marketing mix activities of companies. The results show whether cultural elements such as: culture, subculture, language, religion, and symbols embodied in companies' activities will influence their buying behavior. The statistical tools SPSS and Excel were used for data analysis.

IV. DATA PRESENTATION AND ANALYSES

This chapter includes a systematic presentation of data obtained from the survey about the role and impact of the packaging effect on consumer buying process.

4.1 Descriptive statistics

A structured questionnaire was sent to one hundred, forty-eight respondents. Table: 1 shows the number of respondents and their demographic characteristics that participated in the survey. There were 148 valid participants who responded to two parts of the questionnaire. The first part consists of demographic data, and the second part with 18 questions of the structured questionnaire.

Table: 1. Demographic statistics of participants

		Frequency	Percentage
Gender	male	106	71.6
	female	42	28.4
	Total	148	100.0
Age	less than 20	4	2.7
	21-30	54	36.5
	31-40	66	44.6
	more than 41	24	16.2
	Total	148	100.0
Education	secondary	14	9.5
	faculty	56	37.8
	master	46	31.1
	doctorate	32	21.6
	Total	148	100.0
Household income average	to 250 €	10	6.8
	251-400 €	18	12.2
	401-600 €	34	23.0
	over 600 €	86	58.1
	Total	148	100.0
How many languages do you speak beside mother tongue?	one	10	6.8
	two	70	47.3
	three	52	35.1
	more than four	16	10.8
	Total	148	100.0
Living area	monoethnic place	12	8.1
	multiethnic	74	50.0
	majority from my ethnicity	56	37.8
	majority from other ethnicity	6	4.1
	Total	148	100.0
How many languages are spoken in your living area?	one	14	9.5
	two	56	37.8
	three	38	25.7
	four	24	16.2
	more than four	16	10.8
	Total	148	100.0

Table: 1 shows the number of respondents and their demographic characteristics that participated in the survey. The study included different age groups, gender, education, household income and the number of languages spoken by them and the number spoken in their area.

4.2 Factor Analysis

Factor analysis is a technique that is used to reduce a large number of variables into fewer numbers of factors. The number of factors is determined by Eigenvalues. If Eigenvalues is greater than one, we should consider that a factor and if Eigenvalues is less than one, then we should not consider that a factor. According to the variance extraction rule, it should be more than 0.7. If variance is less than 0.7, then we should not consider that a factor.

First of all, KMO and Bartlett’s Test was used to check the appropriateness of factor analysis for the purpose of research. The results of reliability should be bigger than 0.7. Also, the results of Bartlett’s Test of Sphericity should be less than 0.05

Table: 2. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.726
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig.
	997.571
	149
	.000

According to results obtained from table 6, KMO is .726 which is above the acceptable level, which approves the appropriateness of this analysis for the study.

Table: 3. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.685	26.026	26.026	4.685	26.026	26.026	3.953	21.963	21.963
2	2.692	14.953	40.979	2.692	14.953	40.979	2.205	12.248	34.211
3	1.800	9.999	50.978	1.800	9.999	50.978	1.918	10.657	44.867
4	1.372	7.622	58.600	1.372	7.622	58.600	1.799	9.992	54.859
5	1.076	5.976	64.576	1.076	5.976	64.576	1.749	9.717	64.576
6	.855	4.748	69.325						
7	.767	4.261	73.585						

Extraction Method: Principal Component Analysis.

According to table 3, Total Variance, and the Rotated Component Matrix shows the most important factors from the ethnomarketing elements. Loading factors show the importance of the specific factors for the customers during their buying decision process. Eigenvalues show variance explained by that particular factor out of the total variance. From the commonality column, we can see that our first factor explains 26.026% variance out of the total. The second factor with 14.95%, the third factor with 9.9%, the fourth factor with 7.62, and the fifth factor with 5.9%.

Table: 4 Rotated Component Matrix

	Component				
	1	2	3	4	5
Companies have to prepare their offers respecting the language of the consumers	.810				
Companies have to take care about cultural elements during advertising	.764				

Companies have to post information in more languages in their stores	.759				
Companies have to take care during information dissemination respecting the languages spoken in the market	.754				
Companies take care about symbols of other ethnicities while promoting	.705				
Companies use consumers' language while promoting their products and services	.563				
I am influenced during the purchase if the company advertises in my language		.859			
I think of boycotting businesses that don't use my language during communication		.729			
Consumers do not have alternatives while choosing product/services based on ethnomarketing			.792		
Ethnomarketing is not important for my ethnicity			.741		
Companies take care a lot communicating with consumers in their language			.551		
Consumers do not have alternatives while choosing product/services based on ethnomarketing				.818	
Ethnomarketing should have an important role in selecting products and services				.652	
I get irritated from advertisement in the market done by other languages				.555	
I am more concerned with the quality of products/ services rather than getting information in my native language					.782
It is more important for me the price of a product/service than getting information in my language					.541
Consumers don't have to buy products/ services from companies that do not use different languages in their stores					-.487
I am always interested to buy qualitative products rather than domestic products					.447

According to table 4, using Rotated Component Matrix and Total Variance, factors are put in one group. This means that all this factors are important as ethomarketing elements during consumer buying behavior. The most important factors are listed. Therefore, based on the results, the loading factors showed the importance of the specific factor for the customers during their decision process. The marketing offer on consumers' language, cultural elements, symbols during advertisement are more important in consumer buying process.

4.3 Testing hypotheses

The main purpose of this paper was to identify the role and the impact of the ethnomarketing and cultural symbols on the consumer buying behavior. The buyer behavior of consumers is a dependent variable that is influenced by the independent variables used in the study.

H1: Ethno marketing has an impact on the buying behavior of consumers.

H2: Cultural symbols have a significant importance on the buying behavior of consumers.

Based on results obtained, especially from the factor analysis, it shows that factors related with ethno marketing and cultural symbols are very important for consumers and have an impact on their buying behavior.

V. CONCLUSIONS

The obtained results of research on role and the impact of ethomarketing elements on consumer's buying behavior lay down the following conclusions:

Consumers are very keen on *using consumers' languages while companies promote their products and services. Moreover, communicating with consumers into their languages is of very importance. Therefore, companies need to pay more attention while promoting and communicating with their consumers in the language of that target group.*

It is also very important for consumers that companies use symbols of other ethnicities while promoting. So, companies need to use and not neglecting symbols while promoting their products or services. So, based on results companies do not use enough consumers' language while disseminating information respecting the languages of the market. Using consumers' languages while disseminating information seems to be of very importance for consumers.

Using consumers' languages while posting information in stores seems to be of very importance for consumers. So, based on results companies do not post enough information in their stores using more languages. Companies need to pay attention to cultural elements during advertising their products and services in multiethnic segments.

Companies while targeting these segments need to consider this opportunity offering more products or services based on consumer expectations and products and services based on ethnomarketing.

Finally, based on the empirical results a large proportion of consumers find ethnomarketing elements playing an important role in their selection of products and services.

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