



## THE INFLUENCE OF MARKETING COMMUNICATION ON THE CONSUMER'S BUYER BEHAVIOR – A RELATIONSHIP MARKETING APPROACH

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### **Abstract:**

*The purpose of the paper is to identify the nature of the influence of a company's marketing communication of the actual consumer behaviour. To achieve this purpose, the paper is structured in two parts; firstly, the recent literature regarding relationship marketing paradigm is reviewed and the value chain concept is presented. The second part contains a survey-based research which uses book-store customers as target unit. Sales promotion and advertising are used as input variables in identifying the variation in the client's buying behaviour. Client behaviour was measured through three variables: monetary value spent by the clients within their last purchasing experience, buying frequency of the clients, and their buying intention.*

**Key words:** *relationship marketing, value chain, marketing communication, consumer behavior, sales promotion*

### **1. Introduction**

The importance of paradigms in science, in general, and in marketing, in particular, presumes the development of a general theory accepted by the scientific community, theory that can be applied in the objective reality that surround us. Paradigms are directly linked with (cannot exist without) their specific paradigmatic framework. In this sense, the specific literature considers relationship marketing a new paradigm (Pop, 2006, Henning-Thurau, Gwinner, Gremler, 2002) of contemporary marketing due to the changes of the underlying paradigmatic framework (Sheth, Parvatyar, 1995).

The general paradigmatic framework for the marketing theory is represented by market functionality. The central element of market functionality and essential for marketing theory and practice is represented by exchange. Exchange, and thus market functionality is understood through two different approaches by the specific literature; firstly, markets are defined by the economic behaviour of their actors, and, therefore, transactions are associated with independent exchanges, and are temporally discrete one from another. The actors involved in such exchanges do not retain any information specific for the exchange (Hedaa, Ritter, 2005). Secondly, exchange is considered the result of each market actor's history; thus, the actors memorise relevant information which is used in their future decisional processes. The second

approach – relational approach – is interpreted as a new paradigm of understanding marketing (Sheth, Parvatiyar, 2005).

## **2. Literature Review**

The concept of paradigm was firstly introduced by Thomas Kuhn in his exceptional work *The Structure of Scientific Revolutions* (Kuhn, 1962). The author defines a paradigm as a scientific achievement (theory) recognized for a period of time by the scientific community as the foundation of its practice.

The change of the paradigmatic framework which replaced the known paradigm of marketing-mix into the relationship marketing paradigm is represented by the fragmentation of markets and the growing role of services within the developed economies in the mid 80's. This change forced the companies to develop and apply a relational approach of their clients. In this sense, their efforts were not only targeted to obtaining discrete, spontaneous transactions, but also profitable, long-term relationships with their clients. The premises were fulfilled for the rise of a new theory of understanding marketing – relationship marketing

Grönroos (1989) defines relationship marketing as the process of identifying and establishing, maintaining and enhancing and, when necessary, terminating relationships with customers and other stakeholders, so that the objectives of all parties are met, and that is done by a mutual exchange and fulfilment of promises. Bruhn (2009) considers three approaches of relationship marketing: (1) Client relationship lifecycle perspective, (2) Value chain perspective, and (3) decisional process of planning.

Client relationships or exchange relationships can be understood as complex structure built up by heterogeneous variables which through their interaction result in a behaviour specific for the whole (relationship) and not for the parts (company and/or client). The value chain concept is based on the interaction of a number of elements (Bruhn, 2009). Of interest for the present research is the client loyalty concept and the company's promotional activities. Obtaining client loyalty is considered a central objective for the companies which adopt relationship marketing because of the possible advantages the company can obtain: costs for serving loyal clients are lower, the price sensibility of loyal clients is much lower relative to common clients, loyal clients spend more time with the company, loyal clients positively recommend the company's offer to their peers. Client loyalty was defined in 1968 by Brody as being the re-buying act of a product in a certain period of time. In this regard, buying frequency and buying intention (or probability of future buying) are considered two solid indicators for measuring client loyalty. This kind of client loyalty – behavioural loyalty – has the advantage of measuring a possible relationship between loyalty and profitability; the main disadvantage being the static perspective of measuring and understanding the buying behaviour which does not take into consideration the factors which could have triggered the actual behaviour. The mentioned shortcoming was overcome by including the relationship attitude-behaviour in researching client loyalty. Dick and Basu (1994) classified client loyalty in four categories according to the following two criteria: relative attitude and re-buying level. In this sense, a genuine client loyalty can be identified if the client has both a strong relative attitude towards the considered brand and a high re-buying level. Oliver (1997, 1999) extends the loyalty concept by including factors as object performance, personal fortitude, and social bonding as determinants.

Marketing communication can be defined as the company's efforts to use its communicational capital in coherent ways, both in commercial and corporate purposes that favour the achievement of the pre-settled marketing objectives. Integrated marketing communication contains different persuasive communication programs with actual client and/or

prospects which aim a positive modelling of the target group behaviour (Popescu, 2002). Promotional activities are part of the company's marketing communication, having two general aims: (1) creating awareness regarding the promoted object (company, brand, product, idea, service, event, etc.) and (2) inducing a buying behaviour towards the promoted object. In accordance with the company's promoting objectives, the promotional activities can be classified in: advertising, sales promotion, public relations, events, sales force, direct marketing, brand communication. Sales promotion include those techniques which aim to stimulate, on short-term, the demand for the company's offer. For the present research price reduction and special offers are important. Price reduction presume a price lowering of the promoted object for a specific period of time so that the demand for the promoted object is stimulated. Special offers can be considered product bundles for which the price is lower than the sum of the individual product prices.

### **3. Research methodology**

The present research respects the standard phase of a direct, quantitative marketing research. In this sense, the first step is identifying the book-store's management problem, namely the lack of information regarding the influence of the applied promotional activities on its clients' buying behaviour. Based on the upper management problem, the purpose of the subsequent marketing research is to identify the nature of the book-store's promotional activities on its clients' buying behaviour.

For achieving the research purpose, the following research hypotheses were developed:

H1: There is a direct statistically significant correlation between the book-store's applied price reductions and its clients' buying behaviour

H2: There is a direct statistically significant correlation between the book-store's developed special offers and its clients' buying behaviour

H3: There is a direct statistically significant correlation between the book-store's online advertising activities and its clients' buying behaviour

H4: There is a direct statistically significant correlation between the book-store's offline advertising activities and its clients' buying behaviour

H5: There is a direct statistically significant correlation between the events managed by the book-store and its clients' buying behaviour

To test the developed hypotheses and achieve the research purpose, the needed information was attracted from natural persons who visited the considered book-store and bought at least one time from it. Therefore, the information source is external, the data is primary and free-of-charge. Based on the research purpose and hypotheses, as well on the information type source, the used variables were defined both conceptually and operational.

The considered research population is represented by natural persons who patronized at least once the studied book-store. For the present research, the researched population is similar with the survey unit which can be defined as the book-store's client who has delivered the requested information in accordance with his buying experience as a book-store client. The used data collecting method was a simple, transversal, ad-hoc survey which has used a questionnaire as data collecting instrument. The questionnaire was applied both in the offline (within the book-store), and in the online environment (by using a specialized web-site, the online questionnaire was shared on the book-stores social network pages) in the period: 1st June – 1st August 2015. Simple random sampling technique was used as sampling method, thus every population unit had equal chances to be part of the final sample. A significance level of 95% and an error margin of 5% were used for determining the sample size of 384. At the end of the collection period, 489

questionnaires resulted from which 78 were not valid, thus the final sample size of 411. Data tabulation and analysis were done by using IBM SPSS V.20.

#### **4. Research Analysis and Discussion**

The promotional activities used by the considered book-store were: (1) price reductions, (2) special offers, (3) online advertising (social networks and web-site), (4) offline advertising (flyer, banners, radio announcements), and (5) events managed within the book-store. For each of the five promotional activities, an item was created that measured the respondent's awareness regarding the specific promotional activity; the used scale was a five-point Likert scale (1 – not at all aware, 5 – very aware). For every item, the means, standard deviations, and variation coefficients were computed. The item with the highest client awareness is E (events managed within the company's bookstore) with a mean of 4,14 and OnA (book-store's online advertising activities) with a mean of 3,92. An interesting fact is that the spread of the answers is more homogeneous for SO, OnA, and E, while for PR and OffA heterogeneity can be spotted. A possible explanation for this variation could be the message type transmitted by the book-store in the online environment. After researching the online messages of the book-store and after a discussion with the manager, it can be concluded that the online messages of the book-store promote book-store events and books in general, and special offers in particular. The items' means are above the average of 2.5 (with the exception of OffA – offline advertising), implying that the book-store's clients' are, on average, aware about the book-store's promotional activities.

The respondents' buying behaviour was measured through three classical items: monetary value spent within the last book-store visit (MV), buying frequency (BF), and buying intention (BI). For the first item (MV), the respondents were asked to fill on the monetary value (local currency) they have spent within their last buying experience in the book-store, thus a parametrical scale was used. Information regarding buying frequency (BF) was attracted by asking the respondents to choose how many times (out of 5 encounters) did they patronize the considered book-store and not the competition; for this item a nominal scale was used. Buying intention (BI) was measured through a classical 5-point Likert scale with 5 representing total agreement about the assertion of buying the next time from the considered book-store. After analysing the data, we reached the following conclusions: (1) there is a high variation (coefficient of variation = 0,7) in the monetary value spent by the clients within their last purchase, (2) there is a high probability (mean of BI – 3,67 out of 5) that the clients rebuy from the considered book-store, and (3) almost half of the respondents bought 4 or 5 time (out of 5) from the book-store indicating a high behavioural loyalty.

The simple Pearson correlation coefficient values show use the common variance between two considered variables, and not the causality between them. In this sense, there is a medium and statistical significant correlation (for a 95% significance level) between the following item pairs: price reduction – monetary value (0,35), price reduction – buying intention (0,381), special offers – monetary value (0,362), special offers – buying intention (0,355), online advertising – buying intention (0,342), events – buying intention (0,312). The identified correlation can be considered a first hint of the positive influence of the book-store's promotional activities on its clients' buying behaviour. Too validate empirically the cause-effect relationship between the two item blocks a different form of data collecting method should be considered – market experiment.

For analysing the possible influence of the five promotional activities on the clients' buying frequency, the one-way ANOVA technique was used. The mentioned procedure compares if the

mean difference of the dependent variable computed for each pair of the independent variables' categories differs statistically from 0. Considering a statistical level of 95%, the following can be stated: (1) the clients which have bought three, four or five times from the book-store in the last five book purchases have higher awareness regarding the book-store's online advertising activities relative to the clients which have bought only once out of 5, (2) the clients which have bought five times from the book-store (out of five) are more aware about the book-stores managed events in comparison with the clients which have bought only once.

<b>Buying behaviour variable Research Hypothesis</b>	<b>Monetary Value</b>	<b>Buying Frequency</b>	<b>Buying Intention</b>
<b>H1</b> – direct statistical correlation between the applied price reduction and buying behaviour.	Pearson Corr. (0,35)	Anova	Pearson Corr. (0,381)
<b>H2</b> – direct statistical correlation between the developed special offers and buying behaviour.	Pearson Corr. (0,362)	Anova	Pearson Corr. (0,355)
<b>H3</b> – direct statistical correlation between the online advertising activities and buying behaviour.	Pearson Corr. (0,256)	Anova (once – 3,4,5)	Pearson Corr. (0,342)
<b>H4</b> – direct statistical correlation between the offline advertising activities and buying behaviour.	Pearson Corr. (0,128)	Anova	Pearson Corr. (0,252)
<b>H5</b> – direct statistical correlation between the book-store's managed events and buying behaviour.	Pearson Corr. (-0,105)	Anova (2 – 5)	Pearson Corr. (0,311)

Table 1 – Confirmed and disconfirmed research hypothesis after data analysis

The above table (table 1) presents the techniques used (and obtained results) for validating or not the research hypotheses. The client buying behaviour was measured through three items, thus each hypothesis is associated with them. Hypothesis validation is coloured green, a red cell meaning hypothesis invalidation. It can be stated that the book store's offline advertising techniques are not so well perceived by its clients, thus the lack of correlation and influence on the buying behaviour. On the other hand, the applied online advertising techniques seem to have a high impact on the clients' awareness in general, and on their buying behaviour in particular. In this regard, the clients which have a high return rate (high buying frequency) to the book-store are more aware about the online activities of the company, thus it can be inferred that the online advertising activities influence positively the client's buying frequency. Moreover, a high awareness regarding the online activities positively correlates with the client's buying intention. Managing events seems to be an effective promotional activities because: (1) it has a high client awareness, (2) it correlates with buying intention, and (3) it influences positively buying frequency. Based on the arguments presented above, it can be stated that the promotional activities with the highest influence on the client's buying behaviour are: online advertising activities and managing events.

The present research presents a number of limitations which can be considered future research direction for the relationship marketing theory. Firstly, the study examines the possible correlation (and some hints of causality) between promotional activities and buying behaviour; thus, a market experiment would overcome this shortcoming and demonstrate or not causality. Secondly, the value chain presumes psychological effects which are generated by the

company's marketing activities and which moderate the client's behaviour, a theoretical issue not considered by the present research. Thirdly, one-time, cross-sectional data gathering has its advantages, but an evolution of the marketing phenomena, in general, and of buying behaviour, in particular, can be determined only by longitudinal research.

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