

# Impact of Marketing Mix Strategies on Consumer Purchase Intention

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## Abstract:

*The 21<sup>st</sup> century marketplace has become a battle field of brands. The survival of the fittest principle is demanding the global and the local brand managers to formulate their marketing strategies in such a way that can get them a competitive edge over their rival brands. The “battle of the brands” at the local level is also getting tougher. In competition to the global brands the local brands are trying their level best to develop their own core competencies and build their unique selling propositions. Every day new brands are making their ways to the market and making the battlefield more challenging and complicated. Khaadi is one of the emerging local garment brands. The current study was incorporated to empirically investigate the relationship between khaadi’s marketing mix strategies and the consumers purchase intention. Regression analysis was used to analyze the relationship between the dependent and independent variables. Results of the study revealed a positive relationship between the product, placement and promotional strategies of Khaadi and consumer purchase intention. Whereas a weak relationship between the pricing strategies of the brand and consumer purchase intention was recorded.*

**Key Words:** *Marketing Mix, battle of the brands & consumer purchase intention.*

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## 1. Background of the Study

People of Peshawar are famous for their rich culture and traditional historical values. They have unique clothing taste and distinguished lifestyle patterns like the people residing in the other provinces of the country. Peshawar city is globally famous for its traditional food, music and of course the hospitality of its residents. The traditional cultural values are still very much practiced in the rural parts of Khyber Pakhtunkhwa. However, residents of its provincial capital Peshawar reveal the other side of the picture. The residents of Peshawar have comparatively more advanced and modern lifestyle as compared to the residents of the rural areas as the residents of urban areas have a better access towards the needs of the modern day life.

Though Khyber Pakhtunkhwa is one of the prime victims of terrorism still various local and global brands are successfully operating and expanding in this part of the country. As an example the fast food industry, the banking industry, construction and consultancy firms as well as the volume of fashion industry is rapidly growing in Peshawar. The presence of various national and international garment brands in the city solidly proves this statement. Guzel is one of the garment store in Peshawar where 52 local and global garment brands are being sold under a single roof. Besides that Al-Karam, Nishat Linen, Firdous, Sana Safina and so many other garment brands have strongly grabbed the attention of Peshawarians towards their brands. Khaadi is also one of these successfully operating brands in Peshawar.

Furthermore, Khaadi is a renowned multinational Pakistani brand and has been growing ever since it was established. Like other major cities of Pakistan it also has a strong market share in Peshawar city. It specializes in female clothing also in men and children clothing. Apart from clothing Khaadi is famous for its accessories too. Khaadi was established with a goal of modernizing clothing line according to the latest fashion while keeping in touch with cultural aspects. Khaadi believes that fashion did not solely mean westernization but fashion means something that differentiates you from other while remaining close to your heritage. This is one of the reasons that Khaadi gained fame across a vast audience. At present, Khaadi has more than 40 stores operating across

the world. Keeping its popularity in mind, this study is also focused on the effect of marketing mix strategies on consumer purchase intentions at Khaadi.

## 2. Literature Review

Successful companies nowadays have one thing in common at all levels. They have a serious belief in marketing and a strong customer focus. In order to understand customer needs and wants they have a high sense of commitment. In such fruitful associations, every single individual is urged so as to give higher esteem to the client and looks for consumer loyalty. In such victorious firms, every single individual is vitalized so as to deliver greater value to the purchaser and seeks their satisfaction (Priyankara et. al, 2017).

Furthermore, it is aim of the marketing to perceive what is valuable for customer generates and deliver it to the customer and to keep the customer gratified. In today's world, the youth is not only pleased with being fashionable, but also being stylish and elegant makes them feel marvelous for their fashion taste (Khan et. al, 2016 & Chen and Ha, 2016). Females are influenced by their own personal tastes, self-esteem, beliefs, certain events, seasons, weather and climate (Rieke, 2015).

Accordingly, people in Peshawar have their own cognizance towards fashion and has been influenced by Pashtun culture, traditions, norms, values and beliefs. Fashion has not been so much influential on the lifestyle of people because people think that fashion is a western life style. It need to be intensified that fashion does not indicate westernization. However, brand advertisement by numerous means has affected the perception of the people regarding fashion but still it hasn't flourished that much in Peshawar. That is why people spend very less money on purchase of fashion items. Additionally, information sources have a significant impression on people specially, on youthful females' elegant style through the apparel business, mass media communications and other different channels. Females, especially youngsters use wide sources of fashion information with a significantly high amount. The information source of new elegant style utilized by youngsters has evolved from the friends, family programs, store display

and television programs to the Internet, TV shows and magazines about fashion (Chen and Ha, 2016).

Furthermore, the role of marketing mix in the development of a positive consumer purchasing intent is very vital (Dickinson & Holmes, 2008). The marketing firms must devise their marketing mix strategies in such a way that can produce the most desirable impacts on consumer buying behavior (Gopal, 2010). It is very important for marketing managers to know and understand the consumer buying behavior. Based on the same understanding they most often formulate and design their marketing mix strategies (Priyankara et. al, 2017). Hence, the problem statement specifically developed for the current study is to examine the relationship between the marketing mix strategies of Khaadi and fashion consumer's purchase intention. For this purpose, the following hypotheses have been established:

H<sub>1</sub>: There is a significant relationship between product strategies and consumer purchase intention.

H<sub>2</sub>: There is a positive relationship between the pricing strategies of the firms and the consumer purchase intention.

H<sub>3</sub>: There is a significant relationship between the placement strategies and consumer purchase intention.

H<sub>4</sub>: There is a positive relationship between the promotional strategies and consumer purchase intention.

### **3. Methodology**

#### **3.1. Population of the Study**

The target population for this research consists of students of various colleges and Universities located in Peshawar city. This selection was made on the basis of easy access and convenience. Female students were selected irrespective of their programs and academic levels. Population consists of the female respondents from various areas of Khyber Pakhtunkhwa and its provincial capital Peshawar. Some of the respondents were also personally contacted inside the stores while they were purchasing. Young female

consumers residing in the various urban and sub urban parts of Khyber Pakhtunkhwa and its provincial capital Peshawar in age bracket of 18 to 30 years were surveyed. Sample size consisted of 300 respondents. Sampling technique used for this study was non-probability convenience sampling.

### **3.2. Questionnaire Construction**

Thorough analysis of literature led to discovery of questionnaire that was developed by Ling in 2007. All of the data was collected through this questionnaire. Responses were recorded using the Likert scale as it helps in clarifying the response (Likert, 1985).

### **3.3. Procedure for Data Collection**

Researcher personally approached majority of the students whether in universities and in stores to collect the data in more authentic form. In order to avoid any kind of disturbance during collection of data, assistance from the concerned authorities was obtained. Questionnaire was distributed and collected with the help of concerned authorities. Majority of the data was collected from the university students while they were present in classrooms so that they were briefed regarding the background of the research study. Data collection took one month.

### **3.4. Statistical Tool Used for Data Analysis**

After the data collection, regression analysis was carried out to know the strength of relationship between independent and dependent variables.

## **4. Analysis**

### **4.1. Results & Discussion**

**Table 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.973 <sup>a</sup>	.451	.452	.24241

a. Predictors: (Constant), Product, Price, Place and Promotion

b. Dependent Variable: Purchase Intention

**Table 2: ANOVA**

ANOVA						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	100.792	8	14.512	245.512	.000 <sup>a</sup>
	Residual	3.701	59	.055		
	Total	104.493	67			

a. Predictors: (Constant), Product, Price, Place and Promotion

b. Dependent Variable: Purchase Intentions

The results show that the model is very effective. ANOVA table confirms that this model is a good fit as it is significant in making its predication.

**Table 3: Regression Analysis**

Coefficients						
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.005	.123		.040	.968
	Product	.024	.063	.032	4.395	.006
	Price	-.441	.109	-.331	-1.049	.089
	Place	.182	.058	.219	3.156	.002
	Promotion	.899	.138	.787	6.660	.000

For the first hypothesis, coefficient shows that there is a positive relationship between product and consumer purchase intention. The price, on the other hand, has a negative relationship with consumer purchase intention i.e. by increasing the prices of Khaadi products, the consumers purchase intention will decrease. Furthermore, place has a positive relationship with CPI as indicated by many studies conducted previously. Similarly, promotion also has a positive relationship with CPI. The high value of coefficient shows that among the marketing mix, promotion has the strongest relationship with the dependent variable. In other words, it has the strongest impact on the consumers' purchase intention.

## **5. Conclusion**

In the business world, one of the tools that can distinguish a successful business from an average performing business is the use of marketing strategies (Mazlan et. al, 2016). Those brands that use this tool in the most effective and efficient manner are becoming more and more successful as the day passes by. To achieve a cutting edge over its competitors the business are focusing more on how to market themselves in the most effective way. Advancement of technologies and customization of practices have helped them in achieving the aforementioned goal. However, pure reliance on marketing mix can lead to desired goals only if the designed marketing mix is an appropriate one (Priyankara et. al, 2017).

Moreover, it must address the target consumers effectively using the resources in an efficient manner. Findings of this study are matching with the past studies results. Gopal (2010) and Nisar (2013) stated in their researches that the designing of a product has more effect on the consumer's purchase intention and as a result brand loyalty depends upon the designed product strategies as long as product is satisfying majority of the needs of the customers. This study has further enhanced the belief that there is a positive relationship between product strategies of a brand and the purchase intentions of its consumers. Van Eck, Grobler and Herbst (2004) through their research revealed how a product effects the decision making of the consumers. They also found that public prefers branded products over unbranded products as they are surer about the branded product quality and associated performance risk. Researches carried out by other researchers

revealed similar results. Thus, a common belief has developed now that without appropriate branding it is hard to sell the product effectively (Mazlan et. al, 2016).

Furthermore, like any other business line, fashion business is also affected by their branding strategies. At the same time, product design and quality play more integral parts of the marketing strategy as compared to other industries. Julia et al. (2010) found that chains that offered high quality of the products were even able to attract price conscious customers. Khaadi is doing the same. Their focus is not only providing high quality product but also keeping the price tag as reasonable as possible. Khaadi is now targeting middle class more as it has already established itself in the upper class of the society.

However, even though Khaadi is trying to lower its price tag but still it has not been as successful as they should be. Due to higher quality products, Khaadi is somehow still charging high and thus not been able to penetrate into lower middle class in a true sense. This study has revealed that there is a negative impact of price on the purchase intention of the fashion consumers. Some of the previous studies revealed that due to the high price tag, most of the customers feel reluctant to buy a brand (Ali et al., 2014). Ali et al. (2014) wrote that for a successful business, the channel of distribution is the key. More hard work on making it effective can lead to more success in terms of making its product more available to the greater satisfaction of its consumers.

Furthermore, this study confirms the same findings that there is a positive relationship between the Khaadi's consumer purchase intention and placement strategies of the product. Right placement enhances the chances of attracting more customers and increasing the sale of the product. Use of celebrities during the promotional activities of the product is also fruitful if it is properly carried out (Khan et al., 2016). Right selection of the celebrity can create strong brand equity. Right kind of celebrity will attract more consumers as they will feel resonance effect due to the fact that their favorite celebrity is endorsing the product (Salmones, 2013). According to the findings of the current study, the promotional strategies have revealed the most significant relationship with the buying intention of the consumers. It is all up to the skill of advertisers that how the brand is being promoted it can have the strongest impact on the sale of the product. Promotion can

provide the competitive edge over its competitors if it is executed in an effective manner (Mazlan et al., 2016).

### **5.1. Academic & Managerial Implications**

Being a fashion outlet, Khaadi has to be innovative and cheap at the same time. They should try to hold its present customer base but also to increase it. They need to find out ways in order to deliver their message in an effective manner to its target audience. Like other outlets, they can't focus on single product line as it will affect their revenue and their survival also. Branding is considered as a symbol of success of the promotional strategies, especially in the fashion industry. Branding plays its role in increasing the sales revenue if done in an appropriate manner. Current study strengthens this belief as there is a positive relationship between the marketing mix strategies of Khaadi and the purchase intention of its consumer. Findings of the current study can be of great importance to academicians and marketing management students. As they can build their knowledge regarding the role of marketing mix strategies in shaping and reshaping the consumer buying behavior in a desirable manner. Researchers can extend the scope of future researches to other areas which will help in developing more effective marketing mix strategies. Basic idea of the current research can be implemented to other industries such as pharmaceuticals, departmental stores and super marts. This can help them in understanding the thinking of their consumers.

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