

¹ A Comparative Study of Consumer Attitudes in Iran and Dubai
² towards Marketing Mix Elements For Small Home Appliances

³ Maria Yousefian¹ and Dr. Mohammad Hossein askariazad²

⁴ ¹ Sharif University of Technology

⁵ *Received: 13 December 2011 Accepted: 2 January 2012 Published: 15 January 2012*

⁶

⁷ **Abstract**

⁸ This study examines the attitude of consumers of small home appliance products in Iran and
⁹ Dubai towards four elements of the marketing mix, Product, Price, Place and Promotion.
¹⁰ Empirical data were gathered from 393 respondents in Iran and Dubai. Statistical analysis
¹¹ conducted using SPSS 18 software to test the research hypotheses about the similarity of each
¹² element's importance in the two studied countries. The findings reveal great insights about
¹³ customers' preferences in each country. This novel study is of particular interest for the
¹⁴ academic researches and marketing practitioners seeking firsthand information about customer
¹⁵ attitudes both in Iranian and Dubai markets.

¹⁶

¹⁷ **Index terms**— Marketing Mix Elements, Consumer attitudes, Small Home Appliances, Iran, Dubai.

¹⁸ **1 Introduction**

¹⁹ The world is becoming more global and companies are trying to use the opportunities of international markets
²⁰ for their benefit. As global wealth is increasing companies face significant demand growth from international
²¹ markets. Over the last two decades business has become more globalized, now 98% of the fortunes 500 have
²² global operations (Cateora et al., 2009). Thus, the concept of international marketing is now of greater interest
²³ to both academic researchers and marketing practitioners. International marketing is a performance of business
²⁴ activities designed to plan, price, promote, and direct the flow of a company's goods and services to consumers
²⁵ or users in more than one nation for a profit (Cateora et al., 2009).

²⁶ Companies decide to enter foreign markets will examine various entry mode strategies, exporting, licensing,
²⁷ joint ventures or direct investment, and chose and adapt the one that best suits their long-term corporate
²⁸ strategies. However, many scholars mention that exporting is the most appropriate entry mode strategy for small
²⁹ and medium size (SMEs) firms (Hultman, Robson, & Katsikeas, 2009; ??eonidou et al., 2007; ??atsikeaet al.,
³⁰ 2007). According to Johansson (2009), exporting is the standard exchange of product for money; it is less risky
³¹ and more straightforward, since it is an expansion into a new market with an existing line of final products.

³² Dubai market is very intimating for most of Iranian based companies, as it comprises one of the largest
³³ consumer markets in the world today with Muslim consumers who have considerable purchasing power around
³⁴ the region. In recent years the government of United Arab Emirates has decided to diversify their economy, thus
³⁵ they open doors to internationalization and being global. This region also has close neighbors with deep pocket.
³⁶ The great advantage of Dubai seems to be its location that is highly proper for arranging re-exports activities to
³⁷ neighborhood countries" (Johansson, 2009).

³⁸ Although exporting seems to be a simple straightforward way of expansion into Dubai market, there exist
³⁹ great differences in costumer attitudes and preferences from domestic market (Iran) to that of the exporting
⁴⁰ country (Dubai). This makes decision making about designing an appropriate marketing mix suitable for the
⁴¹ Dubai market more complex. There is a lack of scientific research in this area as notice by researches. This
⁴² study, thus explores to find out differences among customer attitudes of the two countries toward marketing mix
⁴³ elements, Product, Price, Place, and Promotion focusing on small home appliance product category. Although

6 METHODOLOGY

44 this specific product category was chosen due to the researches expertise and knowledge working in this field the
45 novel findings of this study are highly applicable for other products categories.

46 The rest of this paper organized as follows. In Section 2 an extensive review of literature is presented to
47 explore recent methodologies and techniques used in this related area. Selected methodology for analyzing the
48 data gathered is presented in Section 3. The result of the survey is thoroughly defined and the detailed statistical
49 analysis is explained in Section 4. Finally Section 5 discusses the research findings and recommend interesting
50 topics for future research in this domain.

51 2 II.

52 3 Literature Review

53 The extensive review of the literature in the area of marketing mix design, export strategies, and international
54 consumer behavior leads to a better understanding of the current concerns regarding the problem issue of this
55 study, exploring consumer attitudes in different countries towards marketing mix elements. The recent related
56 studies as noticed by the researchers are summarized in Table 1.

57 4 Industry Main results Methodology Study

58 This study is based on the premise that the main aspect of marketing strategy is marketing mix issue and its 4ps
59 elements, Product, Price, Place and Promotion. Through the use of the marketing mix, researchers have been
60 able to realize how changes in marketing mix variables influence the firm's ability to increase overall performance
61 (Katsikeas et al., 2006; Lages et al., 2008). Thus, the review of the literature is classified based on the related
62 studies for each element of the marketing mix as follows.

63 As Griffith (2010) stated product strategy is the adaptation of the product or service of the international
64 firm according to the customer tastes, product quality or safety standards. The differentiation advantage of
65 a firm compare to the other competitors in new market may result from better quality and reliability, more
66 durability, better service, have superior design or better performance (Terpstra and Sarathy, 2000). Many
67 scholars found positive relation between product qualities and export performance ??Leonidou et According to
68 Theodosiou and Katsikeas (2001) pricing strategy is the adaptation or standardization of international pricing
69 for firm product or service, which is highly influenced by similarity between home and host countries in terms
70 of customer characteristics, legal environment, economic conditions and stage of the product life cycle. Griffith
71 (2010) stated that the firms can response strictly toward changing market conditions, competitive situations,
72 and environmental forces, by choosing an appropriate pricing strategy, which is totally under control of the
73 organization. Although Bilkey and Warren (1985) found that high price results in high profit for the firm,
74 Cavusgil and Zou (1994) found no specific relation between these two issues.

75 O' cass and Julian (2003) investigated that strong and well arranged distribution channel is an essential factor
76 for participating in foreign market and being successful in new competitive market. According to Griffith (2010)
77 structuring and governing the global distribution element of the firm increase the firm ability to compete in the
78 market. Brady and Bearden (1979) claimed that within direct channels firms could provide a high level of control.

79 The last but not the least element of marketing mix is promotion. Griffith (2010) dedicated those differences
80 in fundamental elements increase the importance and necessity of firm's promotional adaptation in order to meet
81 the needs and requirements of the market segmentation. It is necessary for the firms to identify their main
82 promotional elements according to new market environment characteristics and to try to go through adaptation
83 or standardization. Most of the marketers believe that the advertising is the main elements of promotion strategy
84 but its relation with firm performance face contradictions. However, Bilkey and Warren (1982) found negative
85 relation, Kirpalani and Macintosh (1980); Szymanski et al., (1993) found positive relations between advertising
86 and firm performance. According to Cavusgil & Zou, (1994) this contradiction roots in the time-bound of
87 advertising. In the short time on the account of high cost and low feedback the relation is negative while in the
88 long term the noticeable pay-off will be recognized.

89 5 III.

90 6 Methodology

91 As this research tries to get insights from consumer's Attitudes towards marketing mix elements for small home
92 appliances to make comparison between the preferences of both Iranian and Dubai's costumer, four research
93 hypotheses are formulated as follows: H1: The importance of product element of marketing mix in Iran is equal
94 to that of Dubai. H2: The importance of price element of marketing mix in Iran is equal to that of Dubai. H3:
95 The importance of place element of marketing mix in Iran is equal to that of Dubai. H4: The importance of
96 promotion element of marketing mix in Iran is equal to that of Dubai.

97 To test these hypotheses empirical data from real-life customers of small home appliances was needed. A
98 questionnaire is designed consisting of two parts. The first part contains general questions about the respondent's
99 age, gender and educational degree plus some specific questions about how these customers usually collect reliable
100 data about these products where they buy these kinds of products and what brand they prefer in this product

category. The second part aims to gain insights concerning consumer attitudes towards four elements of the marketing mix, Product, Price, Place, and Promotion in buying small home appliances. For each element three to five questions concerning factors that affect the element were also included in this part of the questionnaire. The respondents were asked to use a five rating Likert scales representing their opinion for each element from "strongly unimportant = 1" to "strongly important = 5". The sample population of this study contains consumers of small home appliances both in Iran and Dubai. Convenience sampling method is used to get as much responses as possible in both countries.

The data collection started in January 2011 and lasts for two months.

The questionnaires were distributed in shopping malls of both Tehran and Dubai. The researchers traveled to Dubai several times to dispatch the questionnaire but the attempts were not as successful as for that of Iranian market. Total number of 310 responses from Iran and 83 responses from Dubai were gathered.

7 May

IV.

8 Data Analysis And Results

The reliability or the internal consistency of a research can be found by examining Cronbach 's Alpha which must be more than 0.70 to be highly acceptable (Hair et al., 2007). The Cronbach 's Alpha achieved for 310 questionnaires in Iran was equal to .808 that is highly acceptable while for 83 questionnaires in Dubai were 0.675, which is fairly acceptable for the purpose of this research. The demographic profile of respondents in two countries is summarized in Table ???. In both countries the majority of the respondents were between 20 to 35 years old with Bachelor's degrees.

9 Table 2 : Demographic Characteristics -Iran and Dubai

In Iran 29% of the respondents, usually gather information about this product category from friends' recommendation while 41.90% from salespersons, 21.3% from advertising. Almost 32.6% of the customers were influenced by the reference group to buy these products. The preferred brand for 25.2% of the respondents was Molinexx in this product category. In Dubai however, 39.8% were chosen advertising as reliable source for gathering information to purchase small home appliance product and almost 37.3% of the customers were influenced by salesperson recommendation to buy such products. As the result of survey shows 50.6 % of the respondents usually buy their small kitchen items from shopping malls. The preferred brand for 31.3% of them was Black & Decker.

10 a) Marketing Mix elements Importance

The importance of each elements of the marketing mix Calculated from each item's means using SPSS 18 software. The final means divided by five (fivepoint scale) and then multiplied by 100 to gain the percentage for each element.

Findings reveal that in Iran costumers mainly value the Product element at the most (85.10%). The second important element is Price (79.46%), which is close to the Place (74.77%) that has less effect. The last element is surprisingly Promotion (69.74%). Results also show that in Dubai product element (85.15%) has the most important effect on purchasing decision. The runner-up is the Promotion (78.98%), which is close to the Price (77.18%) with less effect. The Place (74.22%) has the least influence on the purchasing decision. The comparison of overall ranking for each marketing mix elements with its associated factors is shown in Table 3. 5 shows the summary of the hypothesis testing.

11 Discussion And Conclusion

The findings of this study reveal great insights about customer's preferences in buying small home appliances in the two studied countries of Iran and Dubai. In general although Iranian people are more influenced by friends' recommendation and reference groups, customers in Dubai rely more on advertising and personal selling skills. Attitudes toward Eshopping seem to have no direct and significant impact on the purchase intention of products in this business field. Most of the customers in Iran and Dubai would like to see, touch and physically observe the products before they buy it. The findings also shows that mostly customers in Dubai prefer to buy small home appliance products from exclusive stores in shopping malls or Carrefour thus it is suggested for the exporting companies to arrange their distribution channels via these two centers either within direct or indirect exporting.

Marketing mix elements' importance in Iran differs slightly from that of Dubai. In addition the results reveal that the importance of product and price can be considered to be equal for these two countries while for the place and promotion this is not the case. Concerning factors of each element it is found that, Availability of store as one of the place element is mentioned to be the most essential stimuli in buying behavior for both Iranian and Dubai customers. In both countries the main factor concerning the promotion element of the marketing mix is Discounts. Also among the product factors for both countries the main item is product quality. This confirms the previous scholar findings The main limitation faced by researchers in this study was the difficulty in

11 DISCUSSION AND CONCLUSION

157 accessing to Dubai customers, which leads to the fewer responses from that region. Furthermore, this research
158 provides a comparison of customer attitudes and Preferences concerning four elements of the marketing mix for
159 small home appliance products. In the future, it would be interesting to conduct similar studies for different
160 product categories. Also more comprehensive researches aiming at exploring appropriate strategies concerning
each element of the marketing mix is highly recommended. ^{1 2}



Figure 1:

161

¹Global Journal of Management and Business Research Volume XII Issue VIII Version I © 2012 Global Journals Inc. (US)

²© 2012 Global Journals Inc. (US) "A Comparative Study of Consumer Attitudes in Iran and Dubai towards Marketing Mix Elements For Small Home Appliances"

Colton et al., 2010	E	Brand strength and supplier relations are mediator between foreign market and firm performance.
Griffith, 2010	T	Consider that designing a global marketing strategy to operate in international markets is fundamental for succeeding overseas.
Brouthers et al., 2009	E	Emphasis is on international sale that results in superior export performance and strong distribution network for small firms.
	Small size exporting firms from Greece and Caribbean countries	Findings reveal strong link between the capabilities that influence product strategy and export performance, moreover the role of product quality in international marketing success being highlighted in this study.
Lages et al., 2009	E	Large exporting firm in Product adaptation strategy is positively
Calantone et al., 2006	E	US, Korea, Japan such as influencing the export performance.
Katsikea et al., 2005	T	Daewoo, Samsung, Hyundai
	Small and Medium-sized U.K. exporting firms	Examine the influencing factor for arranging the firms' adaptation according to market diversification or market concentration. Export manager behavior, export sales control, export sale satisfaction were identified as the main factors.
O'Cass and Julian, 2003	E	Agriculture, mining, metal-working, chemical, Electronic, services
		Environmental characteristics have influence on both export and marketing mix strategy adaptation. Besides, adaptation or standardization of
Cadogan et al., 2002	T	Exporting firms randomly selected
		Export experience and capability coordination positively related to export market oriented activities which itself positively associated with aspect of export performance.
Leonidou et al., 2002	E	Food, beverages, And electronics, clothing
		Identify the determinants of the firm's export to success and have found a great variety of antecedents but not significant
Albaum and Tse, 2001 (E : empirical, T: theoretical)	E	semiconductors, and Machine tools
		Marketing mix component are the main influencer them.
		Kong.
		on firm export performance success.

3

		Demogr aphic char acter istics (n=310)		% Response -Iran		1. Product Quality Operability Service Brand Reputation Package		2. Price Quality -Price equity Brand		3. Place Convenient Channel		4. Promotion Discount Advertising Sale Person Recommendation Internet advertising		Dubai 1. Product Quality Service Operability Brand Reputation Package 2. Promotion Discount Sale Person Recommendation Advertising Internet advertising 3. Price Quality -Price equity Brand -Price Equity Payment Methods 4. Place Convenient Channel stores Convenient Location	
102 and Business Research	G ender	Male													
Age	E ducation	46.8 20-35	Female 35-50	>20 <50	I ran	1. Product Quality	Operability	2. Price Quality	-Price equity	Brand	3. Place Convenient	Channel	4. Promotion Discount Advertising	Sale Person	1. Product Quality Service Operability Brand Reputation Package 2. Promotion Discount Sale Person Recommendation Advertising Internet advertising 3. Price Quality -Price equity Brand -Price Equity Payment Methods 4. Place Convenient Channel stores Convenient Location
Demographic	Diploma	33.2	53.2		Service										
Vol ume	G ender	2.6	51	33.5	12.9	Reputation	Package								
XII	Demogr aphic	Bachelor	50.3	Master	12.6	2. Price	Quality								
Issue	char acter	Male	50.6	Female	PHD	-Price	equity								
(n=83)	istics	49.4	>20	12	3.9	Equity	Payment								
VIII	(n=83)	esponse -Dubai	20-	% R		Methods	3.	Place							
Ver sion I	Age	E ducation	35	51.8	35-50	Convenient	Channel								
Global Jour nal of Management	Education	<50	1.2	Diploma	34.9	Convenient	Stores								
				Bachelor	41	Location	On line sale								
				Master	18.1	34.9	Advertising								
				PHD	6	Discount	Sale Person								
						Recommendation									
						Internet advertising									

b) Hypothesis testing

Figure 3: Table 3 :

4

Figure 4: Table 4 :

5

V.

Figure 5: Table 5 :

4Ps	L even's T est for E quality of var iances			t	T -T est for equality of M		
	F	Sig			df	Sig. (2- tailed)	e
Equal Variances	2.167	.142		-.049	391	.961	-.
Unequal Variance (Pr oduct)				-.054	150.055	.957	-.
Equal Variances	Unequal	.588	.444	1.561	391 141.016	.119	..
Variance (Pr ice)				1.659		.099	..
Equal Variances	Unequal	1.472	.226	-5.469	- 391 144.902	.000	..
Variance (Pr omotion)				5.913		.000	..
Equal Variances	Unequal	5.619	.018	-7.639	- 391 160.871	.000	..
Variance (Place)				8.777		.000	..
Hypothesis							

H 1:

Figure 6:

162 [Albaum and Tse ()] 'Adaptation of International Marketing Strategy Components, Competitive Advantage,
163 and Firm Performance'. G & Albaum , D Tse . *Journal of International Marketing* 2001. 9 (4) p. .

164 [Leonidou et al. ()] 'An analytical review of the factors stimulating smaller firms to export. Implications for
165 policy-makers'. L C Leonidou , C S Katsikeas , D Palihawadana , S Spyropoulou . *International Marketing
166 Review* 2007. 24 (6) p. .

167 [Lages et al. ()] 'Bringing export performance metrics into annual reports: the APEV scale and the PERFEX
168 scorecard'. L F Lages , C Lages , C R Lages . *Journal of International Marketing* 2005. 13 (3) p. .

169 [Cateora et al. ()] P Cateora , M Gilly , J Graham . *International Marketing*, (McGraw-Hill, Irwin, New York)
170 2009. (14th edition. published book)

171 [Bilkey ()] 'Development of Export Marketing Guide lines'. Warren J Bilkey . *International Marketing Review*
172 1985. 2 (1) p. .

173 [Colton et al. ()] 'Drivers of International E-Tail Performance: The Complexities of Orientations and Resources'.
174 D A Colton , M S Roth , W O Bearden . *Journal of International Marketing* 2010. 18 (1) p. .

175 [O'cass and Julian ()] 'Examining Firm and Environmental Influences on Export Marketing Mix Strategy and
176 Export Performance of Australian Exporters'. A O'cass , C Julian . *European Journal of Marketing* 2003. 37
177 (3) p. .

178 [Katsikea et al. ()] 'Export market expansion strategies of direct-selling small and medium-sized firms: implications
179 for export sales management activities'. E S Katsikea , M Theodosiou , R E Morgan , N Papavassiliou
180 . *Journal of International Marketing* 2005. 13 (2) p. .

181 [Cadogan et al. ()] 'Export market-oriented activities: Their antecedents and performance consequences'. J W
182 Cadogan , A Diamantopoulos , J Siguaw . *ABI/INFORMglobalpg.615 Journal of International Business
183 Studies* 2002. 33 (3) .

184 [Hultman et al. ()] 'Export product strategy fit and performance: An Empirical Investigation'. M Hultman , M
185 J Robson , C S Katsikeas . *Journal of International Marketing* 2009. 17 (4) p. .

186 [Theodosiou and Katsikeas ()] 'Factors influencing the degree of international pricing strategy standardization
187 of multinational corporations'. M Theodosiou , C S Katsikeas . *Journal of International Marketing* 2001. 9
188 (3) p. .

189 [Hair et al. ()] J F Hair , A Money , P Samouel , M Page . *research method for business*, 2007. John Wiley &
190 Sons, Ltd.

191 [Kirpalani and Macintosh ()] 'International Marketing Effectiveness of Technology-Oriented Small Firms'. Jour-
192 nal of "A Comparative Study of Consumer Attitudes in Iran and Dubai towards Marketing Mix Elements
193 For Small Home Appliances'. V Kirpalani , N B Macintosh . *International Business Studies* 1980. 1980. 11
194 (3) p. .

195 [Brouthers et al. ()] 'Key factors for successful export performance for small firms'. L E Brouthers , G Nakos , J
196 Hadjimarcou , K D Brouthers . *Journal of International Marketing* 2009. 17 (3) p. .

197 [Katsikea et al. ()] 'Managerial, organizational and external drivers of sales effectiveness in export market
198 ventures'. E Katsikea , M Theodosiou , R E Morgan . *Journal of the Academy Marketing Science* 2007.
199 35 (2) p. .

200 [Cavusgil and Zou (1994)] 'Marketing Strategy -Performance relationships: An investigation of the Empirical
201 link in export Market ventures'. T Cavusgil , S Zou . *Journal of Marketing* 1994. January 1994. 58 p. .

202 [Leonidou et al. ()] 'Marketing Strategy Determinants of Export Performance: A Meta-Analysis'. L C Leonidou
203 , C S Katsikeas , S Samiee . *Journal of Business Research* 2002. 55 (1) p. .

204 [Johansson ()] 'Published by McGraw-Hill Education (Asia), for manufacture and export, 1221 Avenue of the
205 Americas'. J K Johansson . *Global Marketing*, (New York) 2009. 10020. (Fifth edition)

206 [Lages et al. ()] 'Relationship Capabilities, Quality, and Innovation as Determinants of Export Performance'. L F
207 Lages , G Silva , C Styles . *Journal of International Marketing* 2009. 2009. American Marketing Association.
208 17 (4) p. .

209 [Czinkota and johnston ()] 'Segmenting US firms for export development'. M R Czinkota , W J &johnston .
210 *Journal of Business Research* 1981. 12 p. .

211 [Szymanski and Bharadwaj ()] 'Standardization versus Adaptation of international marketing strategy: An
212 Empirical Investigation'. D M Szymanski , S G Bharadwaj , PR . *ABI/INFORMglobalpg.1 Journal of
213 Marketing* 1993. 57 (4) .

214 [Katsikeas et al. ()] 'Strategy fit and performance consequences of international marketing standardization'. C S
215 Katsikeas , S Samiee , M Theodosiou . *Strategic Management Journal* 2006. 27 (9) p. .

216 [Terpstra and Sarathy ()] Terpstra , R Sarathy . *International Marketing*, (Sydney) 2000. Dryden Press. (8th
217 Edition)

11 DISCUSSION AND CONCLUSION

218 [Brady and Bearden ()] 'The Effects of Managerial Attitudes on Alternative Exporting Methods'. D Brady , W
219 Bearden . *Journal of International Business Studies* 1979. 10 (3) p. .

220 [Calantone et al. ()] 'the influence of internal and external firm factors on international product adaptation
221 strategy and export performance: a three-country comparison'. R J Calantone , D Kim , J B Schmidt , S T
222 Cavusgil . *Journal of Business Research* 2006. 59 p. .

223 [Lalonde and Czinkota ()] 'The role of REFERENCES RÉFÉRENCES REFERENCIAS 2012 M ay physical
224 distribution in the export activity of US manufacturing firms'. B J Lalonde , M R Czinkota . *International
225 Journal of Physical Distribution & Materials Management* 1981. 15 (5) p. .

226 [Lages et al. ()] 'The STRATADAPT scale: A measure of marketing strategy adaptation to international
227 business markets'. L F Lages , J L Abrantes , C R Lages . *International Marketing Review* 2008. 25 (5)
228 p. .

229 [Marr ()] 'Understanding customer service for Increased competitiveness'. N E Marr . *International Marketing
230 Review* 1987. 4 (3) p. .

231 [Griffith ()] 'Understanding multi-level institutional convergence effects on international market segments and
232 global marketing strategy'. D A Griffith . *Journal of World Business* 2010. 45 (1) p. .

233 [Bilkey ()] 'Variable Associated with Export Profitability'. Warren J Bilkey . *Journal of International Business
234 Studies* 1982. 13 p. .