

Strategy Through the Eyes of the Consumer: An Exploratory Study Across Emerging Economies

La estrategia vista por el consumidor: un estudio exploratorio en las economías emergentes

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ABSTRACT. Most published business strategy studies assign strategies to organizations by examining their competitive behaviors. In contrast, we argue that a richer conceptualization of strategy might be found by considering buyer behaviors as well, especially at the consumer level and in the global arena. A survey of consumers in Puerto Rico, Guatemala, Peru, and India demonstrates two distinct types of strategic factors also inherent in the purchase decision, (1) those directly related to the product or service such as price and quality, and (2) those indirectly related to the product or service such as advertising and brand reputation. In some but not all nations these factors were directly related to consumer preferences related to price orientation, independence, and brand consciousness. It is suggested that an organization's business strategy may be better understood by creating a profile of the customers it serves along the lines of such preferences. In addition, future strategy-performance studies may benefit by incorporating perspectives of the buyers in the assessment of competitive strategy.

Key words: Consumer behavior, business strategy, consumer lifestyles, customer profiles, cross cultural.

RESUMEN. En el análisis del comportamiento competitivo, la mayoría de los estudios sobre estrategia de negocios le asignan una estrategia a las organizaciones. En contraste, sostenemos que una conceptualización más refinada de la estrategia puede ser encontrada al considerar, a su vez, el comportamiento de los compradores, especialmente a nivel del consumidor y en el escenario global. Una encuesta sobre consumidores en Puerto Rico, Guatemala, Perú e India mostró dos tipos distintos de factores estratégicos inherentes a la decisión de compra, (1) aquellos directamente relacionados con el producto o servicio, tales como precio y calidad, y (2) aquellos indirectamente relacionados con el producto o servicio, tales como publicidad y reputación de la marca. En algunas naciones, pero no en todas, estos factores estaban directamente relacionados con las preferencias del consumidor en cuanto a la orientación hacia el precio, la independencia y la consciencia de marca. Se propone que la estrategia de negocios de la organización puede ser mejor comprendida creando un perfil del cliente tipo de la organización considerando sus preferencias. Además, estudios futuros de desempeño estratégico podrían beneficiarse al incorporar el punto de vista de los compradores en la evaluación de la estrategia competitiva.

Palabras clave: Comportamiento del consumidor, estrategia de negocios, estilos de vida, tipos de cliente, multicultural.

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The literature is replete with studies that identify associations between a firm's competitive strategy and its performance. Indeed, the measurement of both sides of the linkage has been an issue of great concern in recent years (Ketchen & Shook, 1996). Researchers have traditionally measured business-level strategy by examining factors directly associated with the organization, such as accounting measures and top executive perceptions (Chattopadhyay, Glick, Miller, & Huber, 1999; Dess & Davis, 1984; Hillman & Klein, 2001; Spanos & Lioukas, 2001). At its core, business strategy research has been concerned with the relationship between the competitive strategy adopted by an organization and its performance. As such, a focus on the organization appears to be appropriate within the field.

Defining an organization's strategy by analyzing its characteristics has its shortcomings, however. Using accounting measures as strategy surrogates assumes that strategic thinking necessarily translates into financial data. Research utilizing executive perceptions as measures of strategy and/or performance has also been criticized on validity and reliability grounds. Many of these studies surveyed only the chief executive officer of an organization and ignored other members of the top management team and middle- and lower-level managers. Although these studies *assumed* that CEO accounts of strategy were accurate, recent research has seriously challenged the over-reliance on CEO perceptions. Golden (1992) found that 58 percent of CEO's he surveyed did not agree with the previously validated accounts of their organizations' past strategies.

Every successful business transaction must have a seller and a buyer, however. In general, the strategy literature has been content to focus on the seller, relegating the analysis of buyers to other disciplines and approaches. However, we argue that the integration of buyer perceptions and attributes can lead to a richer understanding of the strategy-performance relationship, particularly in the global arena.

This paper represents an attempt to lay the foundation for such a perspective by exploring alternative conceptualizations of competitive strategy through the eyes of the buyer. Toward this goal, the remainder of this paper is organized as follows: First, a brief overview of the business-strategy performance literature is outlined. Second, an overview of the four locales represented in the sample is provided. Third, research methods and data analysis are addressed,

and results of the analysis are presented. Fourth, conclusions and directions for future research are elaborated.

REVIEW OF THE LITERATURE

Placing this study into context necessitates brief discussions of three literature streams. First, it is important to understand how research on business strategies has evolved over the past few decades and the assumptions on which this stream is based. Second, to consider strategy from the perspective of the consumer, an outline of developments in consumer lifestyle research is germane. Finally, an overview of economic societies assessed in this paper is appropriate.

Business Strategy

The current state of the business strategy-performance literature can be traced to Bain (1956) and Mason's (1939) seminal work in industrial organization (IO) economics. Inherent in the IO approach is the assumption that buyers will inevitably behave in a rational manner, and organizations should make strategic decisions accordingly. Within the IO framework, industry-level factors have the greatest influence on this relationship.

Early strategy researchers noted the inability of the IO framework to explain large performance variances within a single industry. Case studies highlighted firm-level behaviors associated with performance that were not readily addressed in IO models. As a result, the strategic group level of analysis was proposed as a compromise between IO's deterministic, industry level of analysis and the organization level of analysis inherent to the strategic management discipline (Hergert, 1983; Porter, 1981).

Strategic groups describe apparent clusters of firms that exhibit similar or homogeneous behavior within a somewhat heterogeneous industry environment (Fiegenbaum, McGee, & Thomas, 1988). This perspective maintained a focus on groups of organizations, but acknowledged the existence of multiple groups within a single industry due to differences in factors such as organizational goals, strategies, and collections of resources. Early research identified relationships between strategic group membership and performance in a number of industries (Dess & Davis, 1984; Hambrick, 1984; Hunt, 1972; Hatten & Schendel, 1977; Hatten, Schendel,

and Cooper, 1978; Newman, 1973; Porter 1973).

As strategic group assessments identified clusters of businesses employing similar strategies, researchers began to categorize similarities within the strategic groups across studies. Business strategy typologies—also referred to as *gestalts*, frameworks, and archetypes—identified several generic strategic approaches and were developed and utilized as a theoretical basis for identifying strategic groups in industries. Although strategic groups are an industry-specific phenomenon, many researchers began to utilize approaches believed to be generalizable across industries. Porter's (1985) generic strategy typology is most notable. According to Porter, a business can maximize performance either by striving to be the *low cost* producer in an industry or by *differentiating* its line of products or services from those of other businesses; either of these two approaches can be accompanied by a *focus* of organizational efforts on a given segment of the market.

The discussion of generic strategies is based on the activities of and alignment within the organization. As with the pure IO approach, buyers are presumed to act in a rational manner. This reality can be illustrated by examining Porter's perspective on combining low cost and differentiation strategies. According to Porter, a business attempting to combine the two approaches will invariably end up "stuck in the middle" (Porter, 1980, p. 41). This notion received considerable early support (Dess & Davis, 1984; Hambrick, 1981, 1982; Hawes & Crittendon, 1984), but was later challenged by a number of studies (Buzzell & Gale, 1987; Buzzell & Wiersema, 1981; Hall, 1983; Hill, 1988; Murray, 1988; Parnell, 1997; Parnell & Wright, 1993; Phillips, Chang, & Buzzell, 1983; Proff, 2000; White, 1986; Wright, 1987)¹. Whereas Porter contends that the assumptions associated with low costs and differentiation are incompatible because the two approaches create trade-offs within the organization. Most of Porter's opponents—those in the "combination strategy school"—have argued that businesses successfully combining low costs and differentiation may create synergies within the firm that overcome any tradeoffs that may be associated with the combination. Hence, conceptual pillars on both sides of the issue were based on factors associated with how organizations formulate and execute strategies, not how these strategies are viewed by prospective customers.

Dissatisfaction with the limited emphasis placed on the role of organization-specific factors in strategic

group analysis and typology extensions may have been the primary impetus for a renewed interest in firm resources, not strategic group membership, as the foundation for firm strategy (Barney, 1986, 1991; Camerer & Vepsalainen, 1988; Collis, 1991; Grant, 1991; Hatch & Dyer, 2004; Lawless, Bergh, & Wilstead, 1989). The resulting paradigm, resource-based theory, drew from the earlier work of Penrose (1959) and Wernerfelt (1984) and emphasizes unique firm capabilities, competencies, and resources in strategy formulation, implementation, and performance (Dutta, Narasimhan, & Rajiv, 2005; Kor & Mahoney, 2005). A growing body of empirical literature supports link between firm-specific resources and firm performance (Ray, Barney, & Muhanna, 2004).

Although the three major streams of competitive strategy-performance research—IO economics, strategic groups, and resource-based theory—differ markedly in their assumptions concerning organizational performance, they agree that firm performance is primarily a function of firm behaviors, either individually or collectively. Throughout the evolution of the field, however, the presumption that buyers behave in a rational manner remains.

Consumer Lifestyle

Examining competitive strategies from the perspective of the consumer suggests that a number of buyer-level attributes be examined. These not only include important factors in weighing purchase decisions, but "softer" lifestyle variables. Lifestyle has been defined simply as "how one lives" and includes the products one buys, how one uses them, how one thinks about them and how one feels about them. Lifestyles are an expression of an individual's self-concept and values (Wind and Green, 1974) and are reflected in their choices and consumption behavior. It is the total image one has of him or her self that is a result of how one was socialized in his or her culture. In essence, it is the culmination of a person's past decisions and future plans (Gonzalez & Bello, 2002; Hawkins, Best, & Coney, 2004). Individuals and families exhibit unique lifestyles. Frequently these lifestyles are labeled as "career oriented individuals" or "family oriented". These orientations are generally determined by conscious and unconscious decisions. Sooner or later the lifestyle produce needs and desires that ultimately affect the decision making of each consumer. The feelings and emotions are very important in consumer purchase decisions and have an effect on the analysis of product attributes.

A popular approach to lifestyle measurements has been activities, interests, and opinions (AIO) rating statements (Wells & Tigert, 1977). For example, Aggarwal, Muthukumar and Sharma (1990) studied the Indian youth market using AIO as a guiding framework. The focus of marketers and consumer researchers has generally been on identifying the broad trends that influence how consumers live, work, and play. It allows a population to be viewed as distinct individuals with feeling and tendencies, addressed in compatible groups (segments) to make more efficient use of mass media. In general, researchers tend to equate psychographics with the study of lifestyles. Psychographic research is used by market researchers to describe a consumer segment so as to help an organization better reach and understand its customers. Hence, lifestyle patterns provide broader, more three-dimensional views of consumers so that marketers can think about them more intelligently. The basic premise of lifestyle research is that the more marketers know and understand about their customers, the more effectively they can communicate with and serve them (Kaynak and Kara, 1996).

Lifestyles are manifestations or actual patterns, of behaviors, and are represented by consumer activities, interests, and opinions. What people do in their spare time is often a good indicator of their lifestyle. One consumer might like outdoor activities such as skiing or diving while the other my like movie going or card playing. Consumer who engage in different activities and have differing opinions and interests may in fact represent distinct lifestyle segments for marketers (Hoyer & McInnis, 2004).

Consumers in different countries may have characteristics lifestyles. Consider as an example a recent study examining buyer behaviors among women from several nations. Compared to their counterparts in other countries, Japanese women were more home focused, less likely to visit restaurants, less price sensitive and less likely to drive or go to the movies. This lifestyle would imply that Japanese women would probably spend more time than American women preparing meals at home and would there for pay more for goods/products that enhanced meal quality. In contrast, the typical Russian consumer often enjoys going to the movies and theater or participating in sports such as soccer, ice hockey, and figure skating (Hoyer & McInnis, 2004).

Much of the research on consumer lifestyles has been published in marketing journals. In general, these

studies conclude that consumer marketing success hinges on the ability to dissect markets of consumers into lifestyle groups, each of which ostensibly requires a different marketing mix, especially when consumer groups in different nations are considered. These lifestyle variables are far more than just demographic and socioeconomic characteristics (Westfall, 1962). Demographic dimensions have received broader acceptance and have lent themselves easily to quantification and easy consumer classification. However, the usage of demographics, for instance, has been questioned, and it has been argued that demographic profiles have not been deemed sufficient because demographics lack richness and often need to be supplemented with additional data (Wells, 1975). Social class adds more depth to demographics, but it, too, often needs to be supplemented in order to obtain meaningful insights into audience characteristics. Indeed, "lifestyle segmentation" has been a widely useful concept for marketing and advertising planning purposes (Wells and Tigert, 1977; Kaynak and Kara, 1996).

Economic Societies: Puerto Rico, Guatemala, Peru, and India

The extent to which buyer perspectives can augment strategy-performance research can be investigated by examining disparate global markets. Four such markets—Puerto Rico, Guatemala, Peru, and India—are considered in the present study. The type of lifestyle depends in many ways on the culture, political and economic characteristics of the society. Because each society has unique dimensions, it is important to provide a general outline of its characteristics, geography and economic situations that are determinants of lifestyles.

Puerto Rico is an economy that has many Latin American lifestyle characteristics with a clear United States influence. Puerto Rico is a Spanish speaking island, 100 miles long by 40 miles wide located to the east of Hispaniola in the Caribbean. With a population of about four million people, Puerto Rico has been a U.S. possession since the Spanish-American War of 1898. Puerto Ricans were granted U.S. citizenship in 1917 and as U.S. citizens and can travel between the Puerto Rico and the U.S. without requiring a passport or visa. Traveling outside the U.S. requires Puerto Ricans as does all U.S. citizens, to obtain a U.S. passport through the U.S. State Dept. Products entering the U.S. from Puerto Rico have free access to the U.S. market and the official currency is the U.S. dollar (Welcome to Puerto Rico).

Puerto Rico is a lucrative market for U.S., European and Asian manufacturers who have targeted Puerto Ricans' high standard of living in comparison to its less affluent Caribbean neighbors. Fast-food restaurants such as McDonald's, Burger King, Pizza Hut and Kentucky Fried Chicken flourish in Puerto Rico as do retail giants such as Wal-Mart, K-Mart, Sears, JC Penney, Home Depot and Macy's who have all been operating in Puerto Rico for many years (Puerto Rico –The World Factbook).

Puerto Rican behavior and buying behavior in particular are influenced by two cultures. The Spanish, whose influence extends for four hundred years over Puerto Rico, and the American which has existed for over one hundred years. The mix of both of these cultures makes Puerto Rico a unique market for products and services. Puerto Ricans' love for American foods such as hamburgers and pizza is matched but could never surpass their love for the traditional accompanying plate of rice and beans.

The dual cultural influences—Spanish and American—seem to be most pervasive among young buyers. Internet connectivity, MTV, VH1, are available to young consumers who like their American or European counterparts relate to global brands such as Nike, Coca-Cola, and McDonalds to a greater extent than older consumers. This phenomenon notwithstanding, there remains a dearth of research on buyer behaviors of your Puerto Ricans. It is hoped that this study will be the first of many that will assist marketing and communications managers in designing more effective marketing and communications strategies for this developing and intriguing market.

In contrast to Puerto Rico, Guatemala is much poorer and has deep roots in its indigenous heritage. Guatemala is the largest and most densely populated country in Central America. Of its almost 13 million people, however, 62 percent live in the rural areas (Mahler, 1999). People in rural areas must endure incredible inconveniences because of the lack of running water and electricity. Low wages and poor quality of life are clearly visible. Guatemala is considered the fifth poorest country in Latin America and is plagued by educational challenges. Fifty-two percent of its population above the age of 15 is illiterate. Among the total population, approximately 37 percent of the men and 53 percent of the women are in the same situation (Mahler, 1999).

More than half of all Guatemalans are indigenous and

descendants of Mayan Indians. Many of the "indigenous people of Guatemala" live in the rural areas, but migration to the cities has been accelerating in recent years (Background Note - Guatemala). While illiteracy reaches 72 percent in the rural areas, indigenous women have a higher illiteracy reaching 74 percent. Four out of 10 children do not attend school, and for those who do, only 30 percent complete primary school (Mahler, 1999). This major weakness in education levels has had a direct impact on Guatemala's economic progress. An illustration of the economic disparity is that just over two percent of the landowners cultivate 65 percent of the land. Moreover, 10 percent of the people earn 44 percent of the income (Mahler, 1999).

Guatemala's economy is built on two major economic sectors: agriculture and retail. Both of these segments provide the engine for economic development. While the agricultural sector is significant because of its export capabilities, the retail sector is broad and deep in the Guatemalan economy. Additionally, the nation enjoys significant factors of endowment and is rich in mineral, oil, and other natural resources. This, together with low cost labor, means Guatemala now has a fast growing light industry sector. It has the largest industrial base in Central America, being an important manufacturer of pharmaceuticals, chemicals, clothing, wood, and food products, (Mahler, 1999).

Peru, like Guatemala is has deep linkages to its history and indigenous culture. Peru is South America's third largest country. It has a diverse geography divided into three distinct regions, the central high sierra of the Andes, the lowland coastal region which extends to the northern Atacama Desert, and the dense forest that surrounds the headwaters of the Amazon beneath the slopes of the Andes.

A striking feature of contemporary Peruvian society is the massive scale of the informal economy. The decay of the national economy has led to an abundance of traditional market street trade and bartering at market stalls as an integral part of daily life. *Ambulantes* (street vendors) can be found on every corner selling a huge variety of goods (Peru, People and Preserved Culture).

Despite decades of political upheaval and social unrest, Peru can now be seen to be entering a more stable phase in its history. An increasing level of governmental consistency and growing economic strength has led to growing confidence from within. Of its 23 million people, 7 million live in the capital city

of Lima. The Peruvian population is mainly mixed with an important native minority living mainly in the Andean south and the Amazon (GOLATIN-Peru).

Peru has a dual economy. There is a relatively modern sector on the coastal plains and a subsistence sector in the mountains of the interior that is isolated by poor transportation and communication. Services account for 65 percent of the gross domestic product, while industry including mining, accounts for 26 percent and agriculture for 9 percent. Mining is important for the balance of payments providing 48.6 percent of Peru's merchandise export earnings in 2002. Manufacturing industry is fairly diverse, with food, fishmeal, metals, steel, textiles and petroleum-refining being the largest sectors (Peru - Country Briefings).

The workforce is largely a land of peasant farmers and underemployed shantytown dwellers. Unemployment has hovered around 8-9 percent annually. The service sector employs about half of the economically active population in Lima. This figure conceals the fact that most of those included in this figure eke out a precarious existence selling low-value consumer items in the informal economy or driving unlicensed taxis. Primary products represent the bulk of Peru's export earnings with mining and fisheries production the two major export categories (Peru - Country Briefings).

While India is much different than the Latin American societies of Puerto Rico, Guatemala and Peru, it is also very similar in that it has retained its culture and has very deep roots to its history and heritage. It is a country with unique lifestyle dimensions, located in Southern Asia bordering the Arabian Sea, between Burma and Pakistan. Its huge geography displays a large rural area with 28 states and 7 territories (India - The World Fact book). Its population (over a billion people) has a median age of 24.66 years and a per capita GDP of \$3,100. Its economy is comprised of 60 percent agriculture, 17 percent industry, and 23 percent services, with the service sector the fastest area of economic growth. The economy has posted significant growth with an average of 6.8 percent.

India has been capitalizing on its large number of well-educated people skilled in the English language to become a major exporter of software services and software workers (India - The World Fact book). Segmentation of Indian consumer market is primarily seen based on income level and the market is divided into high income upper class, the middle class, the lower middle class and the lower class. According

to Kumar (2003), based on income levels the Indian households can be divided into destitute, climbing, aspiring, consuming and rich. To most people falling in destitute and climbing class price is the most important variable in product choice. The consuming class and the rich class is more brand conscious. Indian society is also a hierarchical society where people are presumed to be born to a particular class or "caste" based on a natural law, and thus the society has the famous "caste-system" where in the society is divided into high class intellectuals, middle class traders and low class unskilled laborers (Singh, Zhao, and Hu 2005). Thus, with a very large and heterogeneous population India is facing significant social, economic and environmental challenges. As one of the most populated countries in the world, India offers an incredibly large consumer market. Its ancient culture intertwined with four major religions dominates the society and has a significant impact on the cultural values and lifestyles of the Indian population (India - The World Fact book).

METHODS

A total of 768 individuals were surveyed, 239 from Puerto Rico, 200 from Guatemala, 253 from Peru, and 76 from India. These were chosen because they were readily available. A convenience, non-probabilistic approach was employed whereby surveys were left with respondents on the first visit and collected on a subsequent visit (Stover & Stone 1978; Imperia, O'Guinn, & MacAdams 1985). Given the exploratory nature of the study, specific propositions were not developed.

The majority of the respondents were female (67.6%) and married (60.7%). Occupations were diverse, led by professional (38.0%) and followed by full time students (11.6%), service positions (11.0%), and those not currently employed (10.0%). The sample was well educated overall, with 49.6 percent having graduated from college and another 26.0 percent having completed some college. Respondents represented age categories predominantly between 20 and 59, with 28.5 percent in their twenties, 13.3 percent in their thirties, 28.9 percent in their forties, and 19.9 percent in their fifties.

Respondents were asked to evaluate the importance of seven factors in making purchase decisions along a three-point scale. Initially, a score of 1 represented "very important," 2 represented "important," and 3 represented "not important." These scores were reverse coded for consistency purposes, however, so

that a higher score represents greater importance. An initial single-factor analysis demonstrated that one factor accounted for 51.8 percent of the variance, with the second factor adding 14.7%. The eigenvalues for

the first three factors were 3.628, 1.029, and 0.638, suggesting the existence of two factors. A varimax rotation was applied to the two-factor solution, the results of which are presented in **table 1**.

Table 1. Factor analyses of purchase decision importance items

Item	Single-factor Loading	Two-factor Solution		Loadings on Single Scales*
Price	.544	.712	.191	.730
Quality	.743	.844	.177	.854
Workmanship	.563	.684	.307	.768
Performance	.740	.825	.241	.857
Advertised Brand	.719	.200	.824	.827
Prestige of Brand	.772	.177	.860	.858
Choice of Model/Service	.577	.400	.646	.785

*Cronbach's alpha for the "Product" scale containing the first four items was .812, and for the "Marketing" scale containing the last three items was .764.

Because the first four items demonstrated high loadings on the first factor and the remaining three items demonstrated high loadings on the second factor, they were factor analyzed as a single four-item and three-item scales. Loadings on these scales range from .730 to .858 and also appear in table 1. Coefficient alphas of .812 and .764 were calculated for these scales, demonstrating high levels of internal consistency. Factor scores (regression method) were also calculated for each scale to serve as composite measures for the two factors in subsequent analysis.

A clear distinction can be made concerning the separation of the seven items into four-item and three-item scales. The first four items are *directly* associated

with the product or service itself, and include price, quality, workmanship, and performance. The remaining three items are *indirectly* associated with the product or service, are related to various aspects of marketing, and include advertising, prestige, and choice of model or service. Hence, the first scale is labeled as the "purchase decision—product" scale, whereas the second scale is labeled as the "purchase decision—marketing" scale.

Respondents also responded to three sets of four lifestyle items, each along a five-point Likert scale. Each set of items was factor analyzed, with factor scores computed as measures for subsequent analysis. Loadings and scale reliabilities were acceptable for further analysis, as depicted in **table 2**.

Table 2. Factor analyses of lifestyle items

<u>Item</u>	<u>Loading</u>
<u>Price Consciousness (alpha = .632)</u>	
I shop for specials	.713
I find myself checking the prices in the grocery store even for small items.	.636
I usually watch the advertisements for announcements of sales.	.757
A person can save a lot of money by shopping around for bargains.	.656
<u>Independence & Leadership (alpha = .744)</u>	
I think I have more self-confidence than most people.	.740
I am more independent than most people.	.804
I think I have a lot of personal ability.	.791
I like to be considered a leader.	.679
<u>Influence & Brand Awareness (alpha = .633)</u>	
My friends or neighbors often come to me for advice.	.605
I sometimes influence what my friends buy.	.768
People come to me more often than I go to them for information on brands.	.748
I often seek out the advice of many friends regarding which brand to buy.	.569

Nations were compared along the two purchase decision factors (product and marketing) and the three lifestyle factors (price, independence/leadership, and influence/brand awareness). The results of these comparisons appear in **table 3**. Significant differences were found among all five factors when the low scoring nation was compared to the high scoring nation. Table 3 provides the mean factor scores for each of the 5 purchase decision and lifestyle factors according to each of the 4 nations. «Significance» refers to whether or not a t-test comparing the nation with the highest score vs. the nation with the lowest score produced a t-value significant at .05 or less. It does not suggest that all differences between all nations are significant; rather it indicates that the differences between the highest scoring nation and the lowest scoring nation for each factor are significantly different.

In this study we have investigated a variety of consumers from across three Latin American cultures and one Indian. The three Latin cultures are quite similar in language, traditions and consumer behavior. Because of their language, foods, music, etc. they have many of the same purchasing behaviors. Puerto Ricans, Peruvians and Guatemalan consumers are influenced by brand names and pricing issues. This

is evident from the broad array of product brands that exist in each country's market place. Consumers in these countries are influenced by television, newspapers and store displays that promote products. Because these countries have been part of the globalization process in Latin America, they have become acutely aware of the global brands and have the same opportunities for similar product consumption as exists in developed countries. Besides economic growth, other forces such as economic integration, income distribution and consumer attitudes towards globalization and global brands are interacting in the Latin American consumer market (Sichel, 2004). When reviewing the Latin American countries it reveals that the factors have a mix of relationships with each other. One may be closer than the other two but in all cases there is a significant difference.

Compared to the other countries consumers, India showed less lifestyle preference for price consciousness and to some degree for independence and leadership. This could be because the Indian sample was from middle class well educated individuals. According to Chandra and Ryans (2002) to in the Indian market place price-value perception

is important not just price. Indians lower degree of preference for Independence and Leadership variable can be explained on the relatively collectivistic orientation of the Indian society where group-consciousness and family orientation is high. Finally, compared to other countries consumers from India

showed high degree of preference for personal influence and brand awareness. The high degree of interdependence and in-group consciousness (Gannon, 1994) may explain why Indians seek market information from friends and family and rely less on self-motivated means of information gathering.

Table 3. Purchase decision & lifestyle factors across locales

Factor	P. Rico	Guatemala	Peru	India	t-value	Sig. level
Purchase Decision-Product	<u>.093</u>	<u>-.104</u>	-.005	-.017	2.175	.030
Purchase Decision-Marketing	<u>.112</u>	.013	<u>-.099</u>	-.091	2.642	.009
Lifestyle-Price Cons.	<u>.140</u>	-.063	-.044	<u>-.141</u>	2.316	.022
Lifestyle-Indep. & Leader.	-.052	<u>-.348</u>	<u>.356</u>	-.039	7.360	.000
Lifestyle-Brand	<u>-.139</u>	-.066	<u>.184</u>	.058	3.299	.001

Table 4 presents the correlations among purchase decision and lifestyle factors for the entire sample. Each of the purchase decision factors were significantly correlated with each of the lifestyle factors

except for the correlation between the “product” purchase decision factor and the lifestyle factor of brand consciousness.

Factor	Pur. Decision Product	Pur. Decision Marketing	Lifestyle Price Cons.	Lifestyle Indep. /Lead.	Lifestyle Brand
Purchase Decision-Product	1.00	.588**	.121**	.129**	.053
Purchase Decision-Marketing		1.00	.079*	.078*	.074*
Lifestyle-Price Cons.			1.00	.148**	.162**
Lifestyle-Indep. /Lead.				1.00	.380**
Lifestyle-Brand					1.00

* Significant at the .05 level.
 ** Significant at the .01 level.

FINDINGS & DISCUSSION

The analysis presented in the previous section suggests that a conceptual link between consumer purchase decisions factors and organizational strategies. Utilizing Porter’s low cost-differentiation framework as a base of comparison, the “product” purchase decision factor demonstrates an interest in price- and quality-related product attributes, factors that are generally incorporate into low cost and differentiation strategies. In contrast, the “marketing” purchase decision factor represents a distinct consideration of issues associated with a form of differentiation. Following this logic, one might suggest that competitive strategies could be measured not only by examining characteristics managers *intend* to incorporate into a firm’s competitive position, but also by examining how purchase decisions are based on the strategy actually *realized*.

The links between lifestyles and purchase decision factors are also noteworthy. If successful strategies

are linked to purchase behavior, and purchase behavior emanates from lifestyle, then one could argue that business performance—especially at the retail level—is inexorably linked to consumer lifestyles inherent in the various markets served by the organization.

Consumer lifestyles have a major impact on purchase and consumption behavior, and ultimately on organizational success of failure. At the functional level, marketers can use lifestyle analysis with respect to specific areas of consumers’ lives, such as fashions and outdoor activities. Lifestyle analyses can help marketers understand relationship of people’s lifestyles and the products and services they sell. In marketing, “lifestyle,” however, describes the behavior of individuals, a small group of interacting people, and large groups of people (e.g. market segments) acting as potential consumers (Gonzalez & Bello, 2002). Thus, the concept of the lifestyle represents a set of

ideas quite distinct from that of personality.

Lifestyle relates to the economic level at which people live, how they spend their money, and how they allocate their time (Anderson & Golden, 1984). Specifically, lifestyle segmentation research measures people's activities in terms of (1) their interests and the importance level placed on their immediate surroundings, (2) how they spend their time, (3) how they views themselves and their world, and (4) their core demographic characteristics. These factors are directly related to the organizational success and should be a part of the firm's competitive strategy development efforts.

CONCLUSIONS & FUTURE RESEARCH

The present study demonstrated significant differences between competitive strategy-related purchase decision factors and lifestyle factors across four emerging economies: Puerto Rico, Peru, Guatemala, and India. In addition, significant correlations were found between purchase decision factors and lifestyle factors. Significant differences and correlations were not found in all instances, however.

Given the nexus between the three consumer lifestyle factors examined in this paper and purchase behaviors associated with the strategy dimensions of product attributes and marketing, one can make a case for the inclusion of buyer-level factors in models that link competitive strategy and performance. Until now, these issues have generally been addressed in different streams of research, with buyer-related factors examined only in consumer behavior studies. This phenomenon may be due to complexities in research design or differences in expertise between streams. Nonetheless, integration can improve the quality and richness of strategy-performance models.

Several key challenges exist for future research, however. First, the scales presented in the present study were only preliminary. Further refinement and development of these scales, as well as the incorporation of scales that measure other factors associated with purchase decisions and lifestyles, is appropriate.

Second, there is a need to test for the moderating or mediating effects of purchase decision and lifestyle factors in the strategy-performance relationship. The present study did not provide empirical evidence to substantiate such relationships.

We believe the analytical approach proposed in this paper can help to increase the understanding about consumer and market places in different cultures, and ultimately how firms can formulate strategies to address these differences. International marketers should study differences in consumers buying roles, which may exist in other countries than the home country to which they are accustomed, especially those where vastly different social, behavioral, cultural and economic conditions exist. In the light of the pronounced similarities and differences, appropriate target marketing strategies need to be found. In cases of distinct similarities between the two countries, standardized marketing strategies may be used where identical advertising copy and thrust will be put in place. In addition, marketers of these products should possibly target most of their marketing and communications strategies on the partner who has most influence. However, as certain phases of the decision processes are characterized by more joint decision making than the others, it would be unwise to ignore the wife's input completely. Finally, marketing strategies and in particular communications strategies should reflect this effect on the buying decisions.

Despite the fact that the results of this study may substantially fit a pattern already articulated by scholars, societal and cultural factors are very important in consumer buying. This is a significant dimension that must be understood so that marketers can do a more effective job of marketing their goods and meeting company needs. Additionally it must be recognized that spousal decision influence as remaining constant over all product categories.

IMPLICATIONS, LIMITATIONS, & FUTURE RESEARCH

We believe the analytical approach proposed in this paper can help increase the understanding the relationship of consumer behavior and strategy development across four different cultures. Appropriate strategy development in global markets require managers to study differences in buying behaviors, which may exist in other countries than the home country to which they are accustomed, especially countries that possess vastly different social, behavioral, cultural and economic conditions. In the light of the pronounced similarities and differences, appropriate target marketing strategies are essential. Understanding the relative purchase decisions is important in determining to whom and how marketing

efforts should be directed. In cases of distinct similarities between the two countries, standardized marketing strategies may be used where identical advertising copy and thrust will be put in place. In addition, marketers of these products should possibly target most of their marketing and communications strategies on the partner who has most influence. Marketing strategies and in particular communications strategies should reflect this effect on the how different societies make purchase decisions.

Despite the fact that the results of this study may substantially fit a pattern already articulated by scholars, societal and cultural factors are very important in consumer buying. This is a significant dimension that must be understood so that marketers can do a better job of markets and company needs. Marketers have to evaluate the buying decisions at each stage so that they can direct energies towards developing the correct strategy that enhances the firms overall performance.

Three limitations of the study suggest caution when generalizing outside of the context of the present analysis. First, this study was exploratory in nature and specifically focused on how consumer-level factors can influence competitive strategy development. Second, because the levels of strategy development may be influenced by a number of additional variables, however, an integrated approach should be used to isolate the impact of consumer behavior. Finally, while the dataset used in this study was diverse in geography, a probabilistic rather than a convenience sample may be needed for more conclusive results.

Two avenues of future research are suggested based on above findings. First, the consumer scales could be tested across other societies and refined as appropriate. For instance, testing in the transitional economies of Eastern Europe or in other Asian countries that are not included in our sample would provide further evidence on the generalizability and robustness to the use of the overall scale or its individual components.

Second, the findings suggest that there is a need to identify a more appropriate method of measuring the long-term effects of consumer behavior on strategy development. Potential links between consumer factors and strategy formulation are clear, but additional work is required to specify the relationships.

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