EFFECT OF MARKETING MIX AND NATIONAL CULTURE ON CONSUMER BUYING INTENTION FOR MUSIC PRODUCTS: A CASE STUDY OF INDONESIAN AND INDIAN CONSUMERS

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ABSTRACT

Manuscript type: Research articles.
Research Aims: To determine the effect of marketing mix and culture on consumer buying intention on music product.
Design/methodology/approach: The research conducted a different test to determine whether or not differences in consumer behavior in Indonesia and in India.
Research Findings: The results of this study can provide information to music industry about the factors that can attract consumer buying intention of music products, so the music industry can determine the right product marketing strategy.
Theoretical Contribution/Originality: This research was conducted by analyzing the perceptions of consumers from Indonesia and India by paying attention to internal and external factors such as the culture of Indonesia and India.
Practitioner/Policy Implication: Reducing piracy of music works, with the implementation of laws that can ensnare piracy that occurs.
Research limitation/Implications: The research is only seen from consumer perceptions, while the perceptions of company or music industry are still not done.

Keywords: Buying Intention, Consumer Behavior, Culture, Marketing Mix, Music Product.
INTRODUCTION

The era of globalization has changed the way companies sell their products, companies today promote and sell their products through conventional methods and by taking advantage of technological developments using the Internet. The emergence of a free market from the era of globalization has a significant effect on business people because this era has resulted in increasing competition in industries. This increased competition has driven business people to identify the right marketing strategy to win the competition to obtain a large market share. Strategies taken by business people should lead to the creation of highly loyal consumers for products offered by their companies.

The era of globalization has also changed consumer behavior with respect to consuming music products. Consumers have gone from using records, tapes, and compact discs (CD) to listening to music online or simply storing music in files. Previous research suggested that consumers prefer online music products to CDs for practical reason (Kusumawati et al., 2015). Open competition from the influence of technological developments enables the music industry to sell its products globally, with the right marketing strategy and realize that consumer behavior must be understood to enhance the company's sales goal.

When adopting a marketing strategy, the company must be able to understand consumers from different backgrounds and cultures, to ensure that is offers products that are attractive to them, enabling the company to win the competition. Entrepreneurs must understand consumers’ varying needs, enabling them to formulate effective plans to sell their products (Khan, 2007). Thus, organizations around the world must be prepared to run their businesses effectively in globally competitive markets through appropriate marketing strategies (Rudd & Lawson, 2007).

A marketing strategy in a global market that is developed by marketers is not free from the influence of the marketing mix internal factors influence consumer behavior (Kusumawati et al., 2014), as does culture as an external factor, because culture determines how people choose to buy and consume various products and services (Rudd & Lawson, 2007; Kotler and Armstrong, 2008). A good understanding by entrepreneurs of the different national cultures of consumers can increase a company's sales in international. An understanding of consumers’ cultures becomes a necessity at this point, because culture is believed to have a powerful influence on consumer behavior (Jung & Kau; 2004, Haffar et al., 2016).

LITERATURE REVIEW

Marketing activities are carried out to attention for company’s business, because business continuity is determined by the success or failure of selling products or services offered by the company. Marketing is a social and managerial process in which individuals and groups get what they need and want by creating, offering and exchanging valuable products with others (Kotler and Armstrong, 2008). In this era of globalization, marketing activities are becoming more complex because they must meet consumers’ changing needs, preferences and desires.

Marketing activities undertaken by market participants should make consumers interested in buying a company's products. Interest is a psychological aspects that has a considerable influence on one's behavior; and is also a source of motivation that directs people to do what they do. Buying intention is aspects of consumer behavior that is related to the attitude of consuming, or the tendency of a person to act before the buying decision is actually executed (Kinnear & Taylor, 1995).

Buying intentions can be identified through the following indicators: (1) transactional intentions, a person’s propensity to buy products; (2) referential intentions, a person’s tendency to refer products to others; (3) preferential intentions, or intentions that describe the behavior of a person who has a primary preference for the
product; and (4) explorative intention, which represent the behavior of people who is always seeking information about the product in which they are interested and that supports a product’s positive characteristics (Ferdinand, 2002). In this digital era, pirated music products are more in demand by young consumers who no longer pay attention to product quality provided they can listen to music (Coyle et al., 2009). This finding contrasts with other studies that found that song content influences consumers buying intentions more than price and brand despite the option to bundle with other products (Lee et al., 2011).

Culture become a consideration of business people who have a growing interest in consumer buying behavior. Culture is the most fundamental determinant of desire and behavior for the purpose of gaining value, perception, preferences, and behavior (Kotler & Armstrong, 2008). Culture represent the overall interaction of the common characteristics that affect a group's response to its environment (Hofstede et al., 2010). Changes in cultural values are possible in patterns of consumer behavior and how these patterns take place.

The cultural dimension is divided into four parts: (1) collectivism versus individualism; individualism prioritizes individual interests over group interests, and the opposite holds for collectivism, (2) power distance, defined as the level of inequality among people in a population, describe the place where the power of individuals within an organization resides and, to a greater extent the extent of power inequalities in society, (3) uncertainty avoidance, the degree to which people prefer regular or structured situations rather than unstructured situations to avoid uncertainty, and (4) masculinity versus femininity, where masculinity is the degree to which values, such as assertiveness, performance, success, and competition, that in almost all societies relate to the role of men. These values take precedence over values that relate to the role of woman (femininity) in almost all societies, such as quality of life, nurturing intimate relationships, service, concern for the weak and solidarity (Hofstede, 1984).

Prior research suggested that situational factors exert a powerful influence in determining the choice of a person's music that depicts themselves in their social environments (Larsen et al., 2009). Previous research on the impact of culture on consumer buying intentions for online purchases stated that culture must be viewed individually and not based on one’s home country; because, individually, culture does not moderate a persons buying intention. However, if viewed as a whole based on the country of origin, then culture can moderate one’s buying intention (Ganguli, 2010; Lai et al., 2010; Haffar et al., 2016). Previous research on people habits related to consuming music stated that the majority of individuals consume music as a lifestyle choice; however, for some people consuming music has become an addiction to music (Cockrill et al., 2011).

**RESEARCH METHOD**

To achieve the aims and objectives of this research, we used quantitative data from a survey (questionnaire-based), and a five-point Likert scale for measurement. The populations in this study includes music products consumers from Indonesia and India, the samples include 106 respondents from each country who have used Internet to access the songs that they want. Hypothesis testing was done using multiple regression analysis techniques.

In this study, the theory of planned behavioral (Ajzen, 1991) postulates three concepts that determine intention: attitudes, norms, and behavior control. Another theory of this research is consumer behavior model (Kotler, 1997), that explains that consumer behavior when purchasing goods or services is affected by marketing stimuli, other stimuli, and consumer characteristics. The research model used is a modification of a model from a previous study that discussed culture; and consumer buying intention (Larsen, 2009; Ganguli, 2010; Cockrill, 2011; Kusumawati et al., 2014).
RESULT AND DISCUSSION

This study aims to examine the effect of marketing mix (product, price, promotion, place, service, physical evidence, process) and national culture on buying intention using 106 respondents consumers of music products originating from Indonesia and India. A test of differences is then performed to determine whether or not differences exist in Indonesian and Indian consumer behavior related to music products. Validity test were performed on the items used in the questionnaire, and the results for marketing mix, culture, and buying intention show significant values (p <0.05) that were greater than the \( t \) table value of 0.197. This result indicates that all questions on the questionnaires were valid and could be used in the research. The reliability test had a value higher than 0.60, indicating that the data used in the questionnaire can be trusted.

The results of the simultaneous test (F-test), the partial test result (t-test), and the R-square test for the marketing mix variables; of culture; and buying intention in Indonesia for music products are presented in Table 1.

The result of the simultaneous test shows that the marketing mix and culture variables significantly influence consumer buying intention for music products in Indonesia, given a significance value of less than 0.05. However, the promotion, place, physical evidence, process, and culture variables only partially influence consumer buying intention in Indonesia for music products because the significance value was less than 0.05 and its \( t \) value greater than 1.985. The R-square had a value of 0.784, indicating that the contribution of the marketing mix and culture variables to consumer buying intention in Indonesia for music products is 78.4%.

The results show that process and culture have the strongest influence on consumer buying intention in Indonesia for music product, followed by place, physical evidence, and promotion. An attraction for consumers is an easy process to acquire music products because they only need an Internet connection to obtain these products. Indonesian culture is such that everyone enjoys listening to music, making culture one of the most influential factors in increasing the buying intention for music products. Regarding consumers in Indonesia, another consideration for increasing the buying for music products is the number of available sites that provide music products through an attractive website display, and the various promotions that provide information about the music products on offer.

The results of the simultaneous test (F-test), the partial test result (t-test), and the R-square test of marketing mix, culture, and purchase of musical products in India are presented in Table 2.

Table 1. Results of Consumer Testing in Indonesia

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>F</th>
<th>t</th>
<th>Sig.</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>44.074</td>
<td>- .598</td>
<td>.551</td>
<td>.784</td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td></td>
<td>.574</td>
<td>.567</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
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<td>-.995</td>
<td>.322</td>
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<td></td>
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<tr>
<td>Promotion</td>
<td></td>
<td>2.824</td>
<td>.006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Place</td>
<td></td>
<td>-3.054</td>
<td>.003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People</td>
<td></td>
<td>1.076</td>
<td>.285</td>
<td></td>
<td></td>
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<tr>
<td>Physical Evidence</td>
<td>2.970</td>
<td>0.04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process</td>
<td></td>
<td>3.902</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td></td>
<td>4.216</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Buying Intention
b. Predictors: (Constant), Culture, Price, Promotion, Product, Physical Evidence, Process, People, Place
The result of the simultaneous test shows that the marketing mix and culture variables significantly influence the consumer buying intention in India of music product, but that promotion, process, and culture variables only partially influence this intention. The R-square value of 0.666 that the contribution of the marketing mix and culture variables to consumer buying intention in India for music product is 66.6%.

The results show that process, culture, and promotion affect the buying intention in India of consumers of music products. Consumers in India of music products claim that the process of obtaining these products is favorable as long as an Internet connection is available. India which is well known in the field of information technology, allows everyone to access the Internet at a relatively low cost. The popularity of listening to music and dancing makes culture one of the influential factors in increasing buying intention in India for music products. Various promotions by the music industry in India for introducing their products make India the most preferred place for the music industry to offer music products and gain a significant market share.

The results of this research are in line with previous study that found that marketing mix influences consumer purchase intention for music products (Kusumawati et al., 2014; Lee et al., 2011; Ganguli et al., 2010), and culture influences to consumer intention (Jung and Kau, 2004; Haffar et al., 2016; Cockrill et al., 2011). However, some variables may have a partial or no effect on the buying intention for music products. Simultaneously, marketing mix variables and culture affect consumer purchase intention both Indonesia and India.

In this study, a test for differences was also conducted to determine whether or not differences in consumer behavior exist in Indonesia and India toward music products for the marketing mix variables; of culture; and buying intentions. The test results for each variable indicate a difference given that the t-value was greater than 1.985, or the significance was less than 0.05; the results are presented in Table 3.

The results for the product variables indicate that no difference exist in Indonesian and Indian consumers perceptions. Consumers have the opinion that the songs available on music website are of good quality and practically packed because they can be stored in a file format. Consumers also find it easy to select the type of song and the desired artists.

The results for the price variables indicate that no difference exist in Indonesian and Indian consumers’ perception of price a tool for increasing consumer buying intention. Consumers argued that the prices for online web music are in accordance with the quality provided. Practical packaging in the form of files reduces the price of online music products and makes

<table>
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<th>F</th>
<th>t</th>
<th>Sig.</th>
<th>R Square</th>
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</thead>
<tbody>
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<td>Constant</td>
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<td>Promotion</td>
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<td></td>
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<tr>
<td>Place</td>
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<td>.636</td>
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<td>People</td>
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<td>.449</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Physical Evidence</td>
<td>5.150</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Process</td>
<td>2.815</td>
<td>.006</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Results of Consumer Testing in India

a. Dependent Variable: Buying Intention
b. Predictors: (Constant), Culture, Physical Evidence, Product, Price, Process, People, Promotion, Place
them affordable to consumers.

The results for the promotional variables were also the same, namely, that no differences existed in Indonesia and India consumer perceptions of the purchase intentions on online music products. Consumers of both countries are equally interested in a song because of advertising that they see on various social media platforms, except that sometimes other promotions are offered seeking desired songs, such as a ringtone offer at purchase. Consumers may also be interested in a song based on recommendations from others.

The results for place variables show that differences exist in Indonesian and Indian consumer perception. Differences can exist because of potential difference in the web music widely listened to by consumers of both countries and consumers’ perception of the ease of using music websites to obtain songs. In addition, opinions about the completeness of songs offered by online music websites can also differ.

The results for the people variable indicate that no differences exist between Indonesian and Indian consumer perceptions of increasing the intention to buy online music products. This result implies that consumers from both countries believe that online music websites provide complete information about songs and singers, and rapid services to address problems when accessing a desired song.

The results for physical evidence variable show that differences exist in Indonesian and Indian consumer perceptions of fostering the intention to buy online music products. This physical evidence variable is related to the appearance of an online music website and that consumers disagree over the design and ease of obtaining a desired song. Differences in music websites used as noted by consumers of each country led to differences in consumer perceptions about the physical evidence of a website.

The results for the process variables show that no differences exist in Indonesian and Indian consumer perceptions of increasing the intention to buy music products online. Consumers from both countries stated that online music websites make it easier than conventional methods to search for songs. Consumers also find it easy to pay for and download songs from music websites.

The results for the cultural variables show that
differences exist in Indonesian and Indian consumer perceptions of the intention to purchase music products online. The countries’ different cultures result in differences in song selection, types of songs preferred, habits when listening to songs, and lifestyles.

The results for the buying intention variable show that differences exist in Indonesian and Indian consumer perceptions of increasing the intention to buy music products online. Differences in lifestyle and consumer habits of each country can lead to differences in consumer’s desire for songs, or in collecting songs from a preferred singer. These differences can divide consumers into those who always want latest songs and those who do not care about the latest song and have no intention to buy music products.

The results of this study are in line with previous research conducted by Haffar et al. (2016), who studied consumers from Nigeria and the United Kingdom. Their research found that cultural differences led to differences in consumer purchase intentions. This result was also the same as that of Lai et al. (2010), who researched consumers from China and Malaysia. The results of their study indicate that cultural differences cause differences in consumer behavior.

The simultaneous test results for respondents in Indonesia and India indicate that marketing mix and culture variables affect consumer buying intention for music products. Partial test results for respondents in Indonesia indicate that the process, culture, distribution, physical evidence, and promotion variables affect buying intention. For respondents in India, the results indicate that the process, culture and promotion variables affect consumers’ buying intention for music products. The results of the differences test show that the product, price, promotion, service, and process variables do not differ for the two countries, whereas the distribution, physical evidence, culture and purchase intention variables indicate country differences.

The results of this study provide information to the music industry on the internal and external factors that increase consumers’ buying intention for music products, allowing the music industry to determine the right product marketing strategy. The results of this study also provide an overview of music lovers in Indonesia and India and allow them to better appreciate the work of musicians.

REFERENCES


