

## Research Article

# Marketing Strategy for Food Enterprise Based on Consumer's Behavior

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**Abstract:** This study takes the definition of consumer's behavior as the key point, with the interpretation of the influencing factors of consumer's behavior as well as the effect of consumer's behavior on food enterprise's marketing strategy, combined with the analysis of influencing factors of affecting customer's food purchasing channels, discussing the choice of food enterprise's marketing strategy. With the improvement of economy and living standard, the consumption demands of public on food are increased largely. Food enterprises should pay attention to the analysis of the consumer's behavior towards food, so as to formulate the marketing strategy in accordance with the enterprise.

**Keywords:** Consumer behavior, food enterprise, marketing strategy

## INTRODUCTION

With the gradual improvement of people's living standard, the consumer's demands on food are increased growingly, therefore, food processing enterprises has entered into a rapid development period (Hirschman, and Holbrook, 1982). However, after decades years of rapid development, the pace of development of food market has started to slow down, the profit margins of entire industry is declining, at the same time, the competition is becoming increasingly fierce (Dimitri, 2010). Moreover, a lot of food processing enterprises occurred some problems such as lack of marketing ethics, which made consumer rights infringed. Therefore, we must accelerate the transformation of food industry's development mode, making study on enterprise marketing strategy from the perspective of consumer's behavior (Sean, 2012; Fuller *et al.*, 2006).

## MATERIALS AND METHODS

**The interpretation of consumer's behavior:** Research on consumer's behavior refers to the process that individuals or groups behaved in order to meet their needs and desires, which can be including the process of selection and purchasing, using or disposing the products plus services and concept or experience (Campo, 2011). In this case, the consumer's behavior is an ongoing process, which not only is the payment of money or credit cards, nor the short moment that consumers get their goods or services; consumer's behavior is a kind of exchanging behavior that two or more than two persons or organizations provide and get valuable commodities for each other, which is a very indispensable part of marketing activities.

**Factors of affecting consumer's behavior:** As a social animal, factors such as economy, culture and psychology and so on will have an impact on the consumer's purchasing behavior, the specific analysis is shown in Table 1.

### Social factors:

**Social class:** Social class is a group of people who has similar social status. To a certain extent, the consumption behaviors of members in a social class are similar, they have similar consumption concept, value orientation and logical thinking.

**Family:** People's consuming behaviors, consumption patterns and consuming habits are almost learned from family firstly. The social status and economic condition of the family not only can determine the household purchasing power, but also can determine the demands and consumption abilities as well as the consumption structure of family members.

**The related groups:** The related groups refer to the individuals or groups that can affect the consumer's purchasing decision directly or indirectly. The related groups can play a reference role for consumers, the consumer's behavior can be consistent with the behaviors and beliefs of the related group.

**Cultural factors:** People can be affected by the environment of custom and culture to a great extent, which can be including the influence of enterprise, family, school and other social institutions. From the marketing point of view, it can divide a culture group into a number of different sub-cultures. Sub-culture refer to the small scope of culture under a big cultural background, during to the formation of regional, ethnic, racial, religious and the different culture. It can be

Table 1: Factors of affecting consumer's behavior

Social factors	Cultural factors	Personal factors	Psychological factors
Social class	Native culture	Attitude and personality	Demand
Family	Sub-culture	The economic situation	Cognition
The related groups		The physiological condition	Study



Fig. 1: Five-stage model of consumer's purchasing process

divided into national sub-culture group, regional sub-culture group, racial sub-culture group and geographical sub-culture group.

**Psychological factor:** The psychological activities of people can dominate and control their behaviors. The process of demands and purchasing behavior of consumer is actually the entire consumer activities with the process of mental activities. The psychological activities of consumers are prone to be affected by factors such as cognition, demand and attitude, etc. (Fig. 1).

**Personal factors:**

**Attitude and personality:** The attitude and personality of consumers play a very important role in the consumer's purchasing behavior. Attitude is evaluation that people held towards people, things, ideas and feelings, etc., the economic status. Since the ratio of the performance of commodity and price can have influence on consumer's purchasing decisions, therefore, only the demands that have ability to purchase can become real demand. Secondly, because consumers are always in the pursuit of the maximization of their own utilities, with the increase of the amount of consumption, the demands for commodities will be reduced.

**Physiological conditions:** Among the physiological factors that can affect consumer's behavior, physiological needs are the most direct factors that have impact on consumer's behavior.

**Impact of consumer's behavior on marketing strategy of food enterprise:** The aim of formulating marketing strategy for food enterprise is to be able to have influence on consumer's behavior to a certain extent. The essence of making marketing strategy is to use marketing strategy flexibility, so as to create or

change the consumer's behavior, which can have a positive impact on business and enterprise. The base of making marketing strategies is based on analyzing consumer's behavior, as well as the reaction of consumer to the product, which can explain whether the strategy is successful or not. Generally speaking, marketing strategy can affect consumer's internal psychological behavior as well as external behavior.

**Influencing factors for consumer's behavior of choosing purchasing channels:**

It can divide the channels of consumer's purchasing food products into supermarkets, convenience stores, stalls in community and so on, among which the first two can be classified as modern channels, while the last two can be classified as the traditional channels. Therefore, among the selection of variables, this study will be 1; when consumers choose the traditional channels, it can be defined as 0. The channel selection for consumers to purchase food can be regarded as the dependent variable ( $Y$ ), when consumers choose the modern channels to buy food, it can be defined as 1; when consumers choose the traditional channels, it can be defined as 0.

The selection of independent variables: it can divide the influenced factors into 14, namely gender, age, education, income, occupation, marital status, quality of product, types of product, price of product, freshness of product, promotional activities, the convenience of purchasing, ideas of groups and consumption habits. These 14 factors are the selection independent variables. In this study, these variables use two binary Logistic regression model to make analysis, so as to make further study on the effect of different variables, moreover, it can analyze the impact of 14 factors on the consumer's behavior of choosing purchasing channels.

Assuming  $Y = 0$ , it can represent that consumers choose the traditional channels to buy food, while  $y = 1$ , it can represent that consumers choose modern channels to buy food, putting the independent variables into  $X_i$ . The model can be expressed as follows:

$$\ln\left(\frac{Y_i}{1-Y_i}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_{14} X_{14}$$

Among them:

- $Y_1$  = The probability that consumers choose food with modern channel
- $1-Y_1$  = The probability that consumers choose food with traditional channel
- $\beta_0$  = Constant
- $X_1$  = The consumer's gender

Table 2: Analysis of factors that affect consumer's food purchasing

Name of variable	B	S.E.	Wald	df	Sig.	Exp (B)
Gender	3.536***	1.362	8.580	1	0.003	25.658
Age	0.628	0.501	2.193	1	0.142	9.324
Diploma	2.871***	1.116	6.607	1	0.004	36.452
Income	2.413***	0.768	8.592	1	0.002	17.047
Occupation	0.253	0.248	1.042	1	0.281	1.171
Marital status	-0.394	0.522	2.462	1	0.144	9.412
Quality of product	3.849***	1.437	9.436	1	0.002	12.092
Type of product	1.572*	0.641	4.101	1	0.082	4.502
Price of product	-1.502**	0.693	4.134	1	0.045	4.052
Freshness degree of product	2.875**	1.351	4.811	1	0.022	9.906
Convenience of purchasing	0.805	0.741	1.181	1	0.253	5.331
Sales promotion	1.547*	0.871	3.673	1	0.082	0.205
Consumption habits	0.505	0.642	0.898	1	0.431	0.794
Ideas of group	4.321***	1.258	9.077	1	0.003	0.018
Constant	-1.481	2.525	0.856	1	0.601	0.363

\*: Significance at 10% level; \*\*: Significance at 5% level; \*\*\*: Significance at 1% level; S.E.: Standard error

- $X_2$  = Consumer's age
- $X_3$  = Consumer's diploma degree
- $X_4$  = Consumer's income
- $X_5$  = Consumer's occupation
- $X_6$  = Consumer's marital status
- $X_7$  = The quality of products
- $X_8$  = Type of product
- $X_9$  = Price of product
- $X_{10}$  = Freshness of product
- $X_{11}$  = The convenience of purchasing
- $X_{12}$  = Promotion activities
- $X_{13}$  = Consumption habits
- $X_{14}$  = Ideas of group

**Test of model's applicability:** In the result of Model's Hosmer and Lemeshow, it can be calculated according to data that sig. = 0.497 > 0.05, therefore, the model well fitted the observed data.

Table 2 can show the result of Logistic model, by analyzing the results, we can know that factors such as the consumer's gender, diploma, income, quality of product type of product, price of product, freshness degree of product, purchasing environment as well as ideas of group can have significant effect on choosing dairy products purchasing channels. Among them, the price of product has significantly negative effect on consumer's purchasing behavior.

## RESULTS AND DISCUSSION

**Adopting combination of different products:** Food market is not immutable and frozen, which will make changes following the market demands. Therefore, food enterprises only through regular market research and timely consumer's question are can it understand the changes of food products, as well as the changes of consumer's demands in the market that are varying from minute to minute. According to the different target markets, offering the supply of products, finally, it can upgrade the company's market share with adopting combination of different products.

**Improving the existed technology and introducing the advanced technology:** Through the improvement of the production line with low cost, it can improve the existed technology, which also can change the attributes and characteristics of some products in a certain extent. Through the changes of flavor and taste, it can send out a kind of new feeling, at the same time, the loyal consumers of food enterprises can accept this kind of change. The improvement of the existed technology can keep up with the developed pace of food industry to a certain extent, if enterprises want to get some achievements in food industry, or want to become a famous regional brand, the enterprises must have prospective thinking, by introducing foreign advanced technology, the enterprises can upgrade and advance their products.

**Ensuring food safety:** When food enterprises produce foods, they must guard good quality and safety of the products. Enterprise should actively introduce advanced testing equipment, establish ISO9001 quality management as well as safety and health management system. At the same time, food companies can also invite experts to carry out supervision, through the form of regular consumers' representatives visiting production line, or through the presentation of clean production environment, as well as the uniformity of production process, so as to improve consumer's confidence for the safety of product, which also can make consumers have the most intuitive and real feelings for the food production process.

**Providing convenience for consumers:** As for the combination of 4C marketing, the third C is to provide convenience for consumers, its focus is to pay attention to the convenience of consumer's purchasing within the channel management, form this level to consider, it proposed that food companies should take the customer's demand as the guidance to choose the retailing terminals, as well as considering market coverage, so as to allow customers to enjoy the convenience of buying food.

## **CONCLUSION**

In recent years, food industry has got rapid development, therefore, in quite a long period of time, food companies will face the inevitable market competition. With the increasingly competitive market circumstances, if food enterprises want to realize the goal of continuous consolidation and development, they need to change constantly according to marketing environment, combined with their own growing stage, so as to develop effective marketing strategies. Since effective marketing strategy is the key to win market share for enterprises, while how to win consumers is the core to develop effective marketing strategies. Therefore, the enterprises' marketing strategies based on consumer's behavior have practical value.

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