TOWARDS A DEMAND AGGREGATION THEORY OF MARKETING IN EMERGING MARKETS: AN EMPIRICAL EVALUATION OF THE PROMOTION OF FINANCIAL SERVICES IN GHANA

Charlene Dadzie, University of North Texas, U.S.A
Charles Blankson, University of North Texas, U.S.A
Kofi Dadzie, Georgia State University, U.S.A

ABSTRACT

Recent conceptualizations of marketing in emerging market contexts posit that demand aggregation is more appropriate for enhancing firm performance than conventional demand differentiation strategies commonly practiced in highly advanced economies (Sheth 2011). To contribute to the advancement of research in this area, we empirically test this proposition in Ghana's rural bank savings mobilization programs. We follow the theoretical proposition in consumer cultural theory that consumers reinterpret objects of non-local origin within their local consumption norms. Results suggest that although all four demand aggregation activities (i.e., accessibility, acceptability, awareness and affordability) were directly associated with preference (i.e., demand aggregation advantage) for bank savings, only affordability is positively linked to demand aggregation advantage. Moreover, the effect of demand aggregation activities on bank lending practices was mediated by demand advantage among existing consumers but not new consumers. These findings have significant implication for the advancement of Sheth's (2011) classic demand aggregation advantage theory.

References available upon request.