

**A CONSUMER BEHAVIOUR PROFILE OF OLIVE OIL CONSUMERS
IN KWA ZULU NATAL**

ADHESTRA MUNIAN

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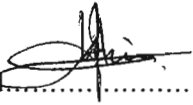
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DECLARATION

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree.

Signed.....

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a vertical line and a horizontal stroke.

Date.....

10/09/2003

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I wish to acknowledge the assistance, motivation and help of my friends Colin Moonsamy, Alan Govender and especially Neroshni Naidoo.

A special acknowledgement to Nirisha Naicker whose guidance and support made this study possible.

“Not that we are sufficient by ourselves to think anything as for ourselves; but our sufficiency is from God.”

2 Corinthians 3:5

DEDICATION

This study is dedicated to my dad.

“We should consider every day lost
in which we do not dance at least once”

Nietzsche

ABSTRACT

Presently in South Africa there exists a rising demand for olive oil. Within the context of increased imports, increased distribution and the introduction of different product lines of olive oil by large retailers this exploratory study investigates the consumer profile of olive oil consumers in Durban, KwaZulu Natal. The demographic variables of age, gender, income and educational level amongst Durban consumers were considered. To properly understand the olive oil purchase decisions, the aspects of consumer psychology that were considered included exposure to olive oil, preferences for types of olive oil, perception and memory recall. These psychological aspects were considered in the context of the afore-mentioned socio-demographic variables.

A quantitative approach was used in this study. One hundred respondents were interviewed using the mall intercept method. Respondents answered a self-administered questionnaire which consisted of 18 questions that captured the objectives of the study. The generated data was analysed using statistical software and specifically the statistical techniques of cross tabulation and chi-square test of independence. The data attested to the fact that there was indeed a relationship between age, gender, income and educational levels amongst Durban consumers which answered the first research objective. The second research objective involved investigating the reasons for purchase and non-purchase of olive oil amongst Durban consumers. Sixty eight percent of the non-purchasers were reluctant to purchase the olive oil because of pricing issues with thirteen citing supply or availability issues. The most popular reason for purchasing olive oil was because of its health benefits followed by taste. The study also showed that the KZN market felt that insufficient exposure was given to olive oil. The typical olive oil consumer in Durban is likely to be aged between 45 to 54 years old, a female with a tertiary education and an income level between R7429 – R13 787. The study provided the broad parameters of a Durban olive oil consumer as well as his psychological purchase decision factors to enable olive oil marketers to better solidify the existing market whilst penetrating newer markets both within and beyond KwaZulu-Natal.

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CHAPTER 1 – INTRODUCTION

1.1 STATEMENT OF THE PROBLEM

As society becomes more health conscious, there is an increased focus on eating healthily to reduce the risk of heart disease and other related ailments. Increased scientific research into the Mediterranean diet has shown that their low levels of heart disease is due in no small measure from the regions culturally entrenched use of naturally derived products particularly virgin olive oil.

Over the past few years there has been increased imports of olive oil into South Africa with many of the major retail chains introducing their own brands of olive oil product lines ie extra virgin olive oil, virgin olive oil and olive oil. Essentially to many of olive oil importers, distributors and retailers there has not been a study to identify the demographic characteristics of age, gender, educational and income levels amongst Durban consumers and olive oil purchase decisions.

Once such a relationship is established (if existent) a consumer profile can be established. Many of the demographic variables are related to the consumers psychology including the consumers motivation, preferences, risk perceptions and influences.

1.2 OBJECTIVES OF THE STUDY

This research investigates perceptions, motivation as well as preferences of current and potential users of olive oil consumers in the Kwa-Zulu Natal, Durban region.

The objectives of the study can be defined as follows:

1. To determine the relationship between olive oil purchasing and the demographic variables of age, sex, income and educational level amongst Durban consumers.
2. To develop a broad consumer profile of olive oil consumer in Durban.
3. To investigate the reasons for the purchase and non-purchase of olive oil amongst Durban consumers.
4. To investigate the motivation, exposure, risk perceptions and influences to olive oil purchasing amongst Durban consumers.

1.3 MOTIVATION FOR THE STUDY

Olive oil imports into South Africa are on the increase for the past five years. More retail chains are also introducing their own brands of olive oil. By profiling the consumer base as well understanding the psyche behind their purchase the targeting of advertising and promotional campaigns can be better achieved.

1.4 BACKGROUND TO THE STUDY

Olive oil was called “liquid gold” by the Greek author Homer. And not without good reason. It has influenced, inspired, nourished, healed and helped maintain some of the power of the most potent empires of the ancient world.

A completely natural product, olive oil is quite literally the juice of the olive oil. Canola, peanut and sunflower oil are all extracted using chemical solvents. Oil is an essential part of our diet. Olive oil naturally yields high levels of monounsaturated fatty acids, vitamin E and antioxidants, all of which make the product the best option for the kitchen. Most importantly olive oil lowers bad cholesterol (low density lipoproteins) and makes you less susceptible to high blood pressure, heart disease and cancer. Olive oils aid the body in other ways too. For instance, the presence of the vitamin D and K improves the

appearance of hair and skin whilst facilitating digestion and improves bone development (www.tertuliaonline.com)

South Africa's burgeoning olive oil industry is burning ever brighter on the international stage: two estates have already won acclaim. Striking gold last year, the Paarl based Vesuvio Estates, the country's largest producer of olive oil for the local market, won first prize in the "medium-fruity" category at the L'Orciolo D'Oro competition in Italy. In 2000 the estate walked off with a quality award in the "new world" category in the same competition (Gold, 2002).

Besides the fact that the locally produced olive oil is of a very good quality there also exists a rising demand for olive oil in the South African marketplace. In non-traditional markets (such as South Africa) in the decade from 1987/88 to 1997/1998 consumption increased almost exponentially. (Mili & Zuniga, 2001). South Africa produces less than 1000t/year of olive oil while global production exceeds 2m t/year and the annual shortfall is about 200 000t/year. The rising demand for olive oils is largely due to the growing popularity of pizza houses and other restaurants. South Africans are increasingly experimenting with different especially Mediterranean countries popular dishes in their kitchens at home. South Africans are also becoming increasingly health conscious and the products healthy properties are becoming widely known and its beginning to replace other oils in food preparation (Van Zyl, 2000).

Considering the above factors an exploratory study using quantitative methods for data collection will be conducted to investigate the relationship between olive oil purchasing and the demographic variables of age, sex, income and educational levels amongst Durban consumers. These demographic variables will help to develop a profile of consumers and non-consumers of olive oil in the Durban region. However the demographic profile of the consumer will only provide part of the understanding of the olive oil consumer and it therefore is necessary to probe the psyche of the Durban consumers and non-consumers to ensure that the advertising and promotion campaigns can be better focused.

1.5 STRUCTURE OF THE DISSERTATION

Having provided the introduction, background and objectives of the study in chapter 1, chapter 2 will review some of the literature pertaining to this study to provide a frame of reference. Chapter 3 will provide the research methodology. Chapter 4 entails the data analysis and findings using tables and figures to discuss research objectives. Chapter 5 presents the research conclusions and recommendations.

1.6 LIMITATIONS OF THE STUDY

Due to the time and financial constraints the research was confined to use:

- a survey for the Kwa-Zulu Natal province only and
- a convenience sample.

CHAPTER 2 – LITERATURE REVIEW

There remains an inherent need to understand the decision processes that consumers undergo during an actual purchase or consumption. Why? Quite simply to ensure a repeat purchase or consumption and to reduce buyer dissonance. The usage of a product or service can influence other behaviours. Dissatisfied and negative consumers may communicate their negative experiences to others and sometimes with devastating results (Hoyer & MacInnis, 2001). Fortunately, however, the converse also holds true and a fantastic product and service can generate positive word of mouth which can be the best form of advertising that a company could possibly ask for.

The entire study of consumer behaviour suggests that acquisition, consumption and disposition can occur over time in a dynamic sequence. To illustrate the sequence, a family can acquire a bottle of olive oil. Usage of the olive oil can provide the family with information- such as its taste, acidity, colour and health benefits. However it may sometimes be the case that that the majority of the family may not like the taste of the oil or its colour and in such an instance it may be necessary to dispose of that particular bottle of oil or worse still to not consider another similar purchase.

What was alluded to in the preceding paragraph is the fact that consumer behaviour itself can involve many people and does not necessarily reflect the action of a single individual. In the purchase of a particular brand of cooking oil it might sometimes be the case that a family friend may assume the role of information gatherer by collecting information about potential oils. They may take the role of influencer and influence the mother of the household to purchase the new type of oil. The father of the family may at times take the role of paying for the actual consumption whilst the entire family engages in its consumption. Thus it can be seen that sometimes a seemingly casual purchase may in fact be the cumulative sum of a number of influencing factors stemming from a variety of sources.

Thus according to Hoyer and MacInnis, 2001, the real study of consumer behaviour involves understanding whether, why, when, where, how, how much and how long consumers will buy, use or dispose of an offering. The insightful understanding of these probing words lie at the heart of a marketer's ability to promote a product to a consumer at the right place to derive a profitable price. In addition to understanding how consumers acquire products and services, marketers may also be interested in how consumers use an offering. For example, marketers have found that in certain Mediterranean households that olive oil has been used as a hair nourishing ointment and also as a salad dressing which is gradually extending beyond just homes with Mediterranean ties (Robinson: 2001). By better understanding the different uses of olive oil marketers are better able to position the product in a way that makes purchase the most likely outcome.

However in positioning the olive oil to the consumer there remains several factors which influence the consumer's decision making process. The marketer's task is to understand what happens in the buyer's consciousness between the arrival of external stimuli and the buyer's purchase decision factors (Kotler, 2000).

MacInnis and Hoyer (2001) suggest that consumer behaviour encompasses four main domains: (1) the psychological core (2) the process of making decisions (3) the consumer's culture and (4) consumer behaviour outcomes. Each domain is related to all the others. For example for consumers to make decisions to use olive oil consumers must first engage in processes described in their psychological core. They need to be motivated, able and have the opportunity to be exposed to, perceive and attend to information about olive oil. The consumer will need time to think about the various aspects of olive oil e.g. acidity, colour, health benefits etc to form attitudes about the olive oil and to then form memories.

The cultural environment will affect what motivates consumers, how they process information and the kinds of decisions that they make. Age, gender, social class, ethnicity, families, friends and other groups affect values and lifestyles and hence influence the decisions consumers make and how and why they are made. The outcome of the buying decision will depend on many influencing variables both individual and

environmental. Environmental variables of specific importance to marketers include economic demand factors, and economic and business influences. Economic demand factors refer to potential purchasing power based on availability of money, whereas business and marketing influences refer to the direct contact that the firm has with the customer, through advertising and for example taste tests of the olive oil (Du Plessis & Rosseau, 1999). More specifically marketing influences or stimuli can be described as elements of the marketing mix or the four P's: price, product, place and promotion and relates to how consumers respond to changes in these elements of the marketing mix (Kotler *et al*, 1996).

2.1 THE SOUTH AFRICAN MARKETING ENVIRONMENT

In order to understand the external stimuli that impact on socio-cultural factors of consumer purchase behaviour it is necessary to consider the broader South African marketing environment. Marketing planning and the execution of a marketing strategy are at the best of times demanding assignments. Doing so in a turbulent environment is a challenge, to say the least.

South Africa has faced tremendous political changes over the past ten years and its business sector and marketers in particular have not been insulated from these changes. Variables such as unemployment, inflation, interest rates, exchange rates and the economic growth rate can be seen as indicators of the state of affairs in the South African economic environment. Willingness to spend or save depends to a large extent on levels of consumer confidence (or lack thereof). These environmental factors will thus exert an influence on consumer behaviour, attitude and perception.

The past political policies of South Africa have had a direct impact on present day consumers exposure, awareness and more importantly opportunities to purchase particularly what is perceived to be high end commodities such as olive oil. Therefore any discussion of consumer opportunities and behaviour patterns involving these perceptive high end commodities must be seen in the context of past policies particularly

for South Africa's previously disadvantaged communities. However a full racial analysis of the purchase patterns of olive oil by race is at this stage beyond the scope of this study and could well be a topic for further investigation.

Besides the broader South African political and marketing environment the other factors which will play a role in influencing an olive oil consumers purchase decisions include the consumers cultural factors of ethnic and religious influences, social class influences, age, gender and household influences, social influences as well as psychographical factors. Each of these consumer cultural factors will in itself play an important role in influencing the purchase decision of olive oil but for the purposes of this study the emphasis will be placed on the influence of gender, age, income and educational levels on the purchase of olive oil.

2.2 THE CONSUMERS CULTURE

2.2.1 ETHNIC AND RELIGIOUS INFLUENCES

People of Mediterranean descent have had an intimate association with olive oil for almost 6000 years where the characteristics of the olive tree and oil have been a recurring symbol. There are many analogies from both the Old and New Testament of the Holy Bible which relate to the olive tree. Infact this has been so much of a theme that Christ's ascent into heaven took place from the Mount of Olives. In contrast to many of the Mediterranean cultures the introduction of olives to South Africa has been relatively recent, with the first commercially grown olives occurring in the early twenties in the Western Cape (van Zyl, 2000). Most of the commercially available olive oils on the South African supermarket shelves are imported from many Mediterranean countries and thus at this point in time the writer decided to exclude the influence of ethnic and regional influences on olive oil purchase decisions. However it should be noted that within a South African context there is bound to be different associations between white and black consumers when viewing a product such as olive oil, mostly due to the previously alluded to factors regarding product exposure to Black consumers.

2.2.2 SOCIAL CLASS INFLUENCES

The concept of social class implies that some people have more power, wealth and opportunity than others do. Most societies have a social class hierarchy that confers higher status to some classes of people than to others. Members of a social class tend to share similar values and behaviour patterns. However these social classes are not formal groups with a strong identity but rather loose collections of individuals with similar life experiences (Hoyer & MacInnis, 2001).

The influence of olive oil consumption and social class status was perhaps never more pronounced than during the Roman Empire when it was stated that “You eat what you are” (www2.carthage.edu). From the basic diet of the soldier to a small landowner or tenant farmer the social class of the Roman people was strongly influenced by their diet. During the Augustan era only the most wealthy consumed meat and fish and indulged in one of the most prominent crops of the time namely olives. The olives were eaten but more importantly their oil was used extensively in cooking and for other purposes such as fuel for lamps, perfume and body oils (www2.carthage.edu). Such luxuries of having perfumed olive oil as a body oil was well outside the reach of most of the less fortunate in Rome.

Within the South African context the Living Standard Measures (LSMs) are utilised by marketers to understand the various segments within South Africa. LSMs range from 1 to 10. Factors determining the LSM group to which a particular consumer belongs include demographics (age, educational levels, income, gender), exposure to media (radio, TV, cinema and newspapers) and general categories which include access to services, ownership of durables including computers and satellite dishes, and participation in community and sporting activities. LSM groups 1 to 6 represent poor and middle class communities with incomes between R 748 and R3731 a month. LSM groups 7 to 10 have incomes between R 5495 to R13 406 per month. They represent approximately fifteen percent of the population (www.saarf.co.za)

The consumption patterns of olive oil specifically within a South African context related to LSMs is part of the exploratory work that will be addressed in this study. However considering the high price of the olive oil at retail outlets it would be a safe assumption to make that currently this product is being targeted to the high end of the market or to individuals that are from the higher LSM groups viz. LSM 7 to 10.

2.2.3. AGE

Marketers often segment consumers by age. The basic logic is that people of the same age are going through similar life experiences and therefore share common needs, symbols and memories which in turn may lead to similar consumption patterns (MacInnis & Hoyer, 2001)

The four major age groups identified by marketers are: (1) Teens (2) Generation X (3) Baby Boomers and (4) the 50 and older market

2.2.3.1 TEENS

Teenagers have an influence on household purchasers and also have their own discretionary power. Never before has so much of advertising been pitched to so many who are so young. The Y Generation (born between 1980 and 1995) have become a powerful consumer segment and essentially are the Web generation who will do more of their shopping online than their parents (Clark & Deziel, 1999). However their influence on the purchasing of groceries within households in South Africa will be briefly elaborated on in this study.

2.2.3.2 GENERATION X'ERS

Generation X'ers were born between 1965 to 1976. Born and bred on TV, X'ers may become cynical about obvious marketing techniques. However, X'ers may react positively to efforts that are seen to be in tune with their values and motives. Healthy eating habits and a healthy lifestyle is becoming of increasing importance to this particular age group and are an important segment for the purchase of products that promote this healthier lifestyle such as olive oil. Generation X'ers represent approximately 16 % of the South African population (www.satssa.gov.za)

2.2.3.3 BABY BOOMER

Baby Boomers are those born between 1946 and 1962. This group is now between early 40's and late 50's – the prime earning and spending years. Because the baby boomers are the segment with the greatest economic impact they are the target for many products and services. This particular age segment is an important segment for the purchase of health products and products relating to anti-ageing such as skin moisturisers and creams.

However this very large group is getting older and marketers therefore need to modify their product offering. A fast-ageing population is the new reality in the United States and in other industrialised nations such as Japan, Germany, Italy and Britain (Parmar, 2003).

2.2.3.4 THE 50 AND OLDER MARKET

The Southern Africa region has the continents highest percentage of older inhabitants; 6.2 percent of the population in 1997 was estimated to be 60 years of age or older. South Africa has the highest proportion of older population with more than 1 in 8 persons aged 50 and over and nearly 7 percent aged 60 and above. As more person live to older ages,

the growth rate of the 60 and over population has come to exceed that of the total population. After the turn of the century, the fastest growing population segment is likely to be persons aged 70 and over. There is a growing number of older persons and current projections between 1997 and 2010 are projected to be an absolute growth in excess of 1 million persons. Considering the older age groups by race, more than one fourth of all White are now aged 50 or above, with nearly 14 percent in the 60 and over category. Corresponding figures for Blacks are 11 and 6 percent respectively and slightly less for Asians and Coloureds (www.census.gov).

In terms of consumer behaviour, information processing skills tend to deteriorate with age. Therefore, older and more mature consumers are less likely to search for information and to have difficulty in remembering and making more complex decisions, especially with large amounts of information. Thus they tend to engage in simpler more schematic processing. Further, poor recognition memory makes them susceptible to the “truth effect” (believing that often repeated statements are true). Mature consumers will also tend to shop more often at discount stores (MacInnis & Hoyer, 2001).

In a South African context this is an age segment which is one of the most important purchasers of medicinal products and those relating to health care. According to the South African Advertising and Research Foundation LSM groupings list, the 50+ age groups falls under LSM 1, representing a group that received a primary education only. As discussed earlier the dynamics of the South African marketplace are such that this particular age segment experienced the majority of their lives under repressive political laws that directly affected their purchasing power today. Marketing to the Black market in this age segment will therefore have to be cognisant of some of the many nuances of the past.

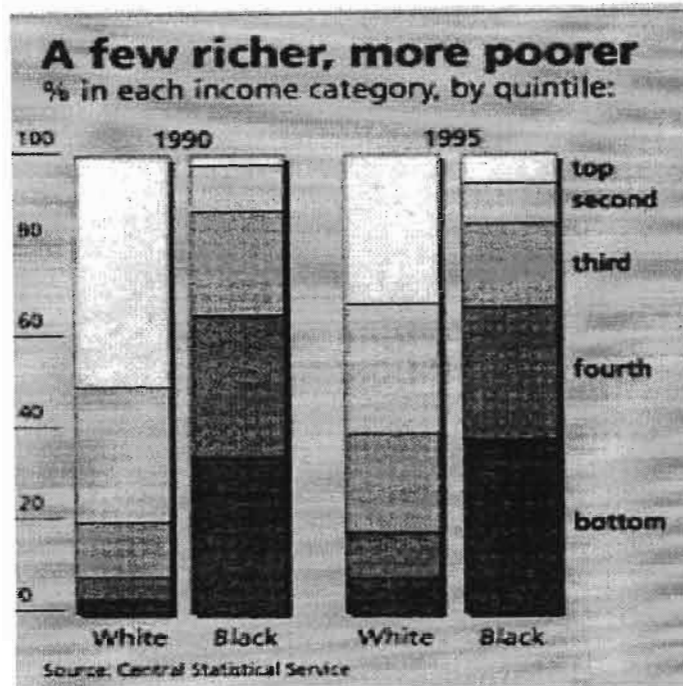
2.2.4 INCOME DISTRIBUTION

The gulf between the have and have nots in South Africa have widened since 1994. “Winners and Losers: South Africa’s Changing Income Distribution in the 1990s,” a study of income distribution from 1991 to 1996 by South African researchers at Wharton Economic Forecasting Associates have found that while the rich continued to become richer whilst the poorest of the poor, especially in the black community became worse off.

While the Wharton Associates report confirms that racial inequalities of income persist, it also shows there has been a significant redistribution of income towards previously disadvantaged population groups. That is the country’s economic elite is becoming significantly more black and economic class divisions now bear markedly less correlation to race.(Whiteford, 2001)

Figure 1.1 below confirms what many have suspected that the gap between the poor and rich blacks have widened dramatically. The Gini coefficient measures this: it measures from zero, where income is evenly spread across a population to one, where it is entirely skewed. For blacks the Gini coefficient shot up from 0.35 in 1990, to 0.51 in 1995 (Economist, 1997)

FIGURE 1.1: PERCENTAGE OF BLACKS AND WHITES IN EACH INCOME CATEGORY BY QUINTILE



Despite the widening wealth gap amongst Blacks, South Africa as a whole is becoming less unequal. The Gini coefficient for the whole population in 1995 had dropped to 0.55.

The marketing implication of this is that there could well be a greater potential purchasing power out there amongst South African and particularly amongst the elite Black consumers. These newly found rich segment will tend to engage more in conspicuous consumption purchase patterns which will bode well for luxury good marketers.

2.2.5 EDUCATION

South Africa has experienced major and social economic reform during the last two decades. Further reforms are expected as the country emerges from a long period of economic turmoil. These reforms will most likely include changes in the allocation of

resources to education. Marais (1994) shows that spending on education is very unevenly distributed and that some equalisation of the distribution of resources is occurring. If the South African labour market operates in a similar manner to that in industrial countries, changes to the distribution of educational expenditures will have a major impact on income distribution. The obvious implication is that any reforms which introduce a more equal distribution of education might result in a distribution of income that is less unequal in the longer term (Marais, 1994).

Marais (1994) conducted an empirical study that provided evidence that an investment in education has been directly related to earnings across racial groups, an increase in the average level of education has been associated with a narrower dispersion of earnings, and a more equal distribution of education has been associated with a more equal distribution of earnings. One policy implication is that a reforming government that distributes resources in education more equally might simultaneously address in part another issue that is at the heart of much social and political discontent in the country, namely, the unequal distribution of income. The implication of this to consumer purchase behaviour is that one could anticipate that with a more even distribution of education that the somewhat resulting income distribution will result in the purchase of goods that reflect more of the buyers status and 'arrival' rather than survival and security need based products.

2.2.6 GENDER

Males and females can differ in traits, attitudes and activities that can affect consumer behavior. Over time, however, both male and female roles have been evolving. In particular, many more women are delaying both marriage and starting a family in favour of building a career, and an increased proportion of women are entering occupations that were formerly the domain of men, such as management, engineering and law. More women are also rejecting traditional roles related to submissiveness, homemaking and

sexual inhibition (MacInnis & Hoyer, 2001). Men and women also tend to exhibit different eating patterns. In particular, women are more likely to engage in compensatory eating – making up for deficiencies such as a lack of social contact or depression by eating (Barone *et al*, 1996).

Female consumers also tend to be make more feeling based purchase decisions and are more concerned as to how people will be affected by their choice. These feeling based decisions are generally based on personal and group values. Male shoppers generally tend to be more analytical and prefer to decide based on logic, deciding impersonally based on cause and effect (Labarbera, 1998). The marketing implication of these differences with regards to olive oil purchase could possibly mean that much of the advertising and promotion of the product should be based on branding that makes both head and heart sense. The head sense aspect of advertising could possibly emphasise the health benefits of using olive oil in reducing heart disease to appeal to male consumers.

2.2.7 PSYCHOGRAPHICS: VALUES, PERSONALITY AND LIFESTYLE

Psychographics basically relates to the description of consumers on the basis of their psychological and behavioural characteristics. Traditionally, psychographics measured consumer lifestyles, but more modern applications have broadened the approach to include other concepts such as the psychological makeup of consumers, their values and personality, and the way they behave with respect to specific products.

Psychographics provides marketers with a more detailed understanding of consumer behaviour than demographic variables like ethnicity, social class, age, gender and religion. For example, Generation X'ers can be divided into several psychographic groups. So called Yup & Comers (28 percent of Generation Xers) have the highest levels of income and education and are comfortable about themselves and their future. Bystanders (37 percent) are predominantly practical, hardworking females. Playboys (19 percent) are self absorbed, fun loving, impulsive types who live on the edge; and Drifters

(16 percent) fit the Xer stereotype of being frustrated, are the least educated members of their generation and are looking for status (MacInnis and Hoyer, 2001).

Because the study of personality, values and lifestyle of consumers is extensive in itself it will not be covered in depth within this study. However it should be noted that this brief introduction to psychographics in no way detracts from its relevance to the influence that it will have on the purchase of olive oil. For example an individual who values a healthy diet as an important part of his/her lifestyle, will be more likely to engage in the various purchase decision factors involved in purchasing olive oil. This individual is more likely to seek out more information about olive oil to possibly reinforce his various purchase decisions. He will also tend to be more of a spokesperson for the product and could well be a strong social influencer in increased purchase of olive oil.

Besides many of the broader consumer cultural aspects which affect the consumers decision to purchase olive oil there are various psychological factors which also play an important role. Although the focus of this study will primarily revolve around the influence of age, gender, income and educational levels in the purchase decisions of olive oil amongst Durban consumers it is necessary to acknowledge that these factors do not occur in isolation but rather impact upon various psychological decision making factors resulting in the desired outcome of the actual purchase of olive oil.

2.3. THE PSYCHOLOGICAL CORE

Because of the nature of olive oil itself in terms of the variety of choice (extra virgin olive oil, virgin, light, extra light), the varying extraction processes involved, its acidity variation, aroma differences, taste and flavour differences the purchase of the oil itself can be regarded as a higher involvement purchase than many other types of groceries.

According to recent major surveys of consumer research (Cohen & Charavarti, 1990; Jacoby, Johar and Morrin, 1998) the major emphasis is on purchase decisions with a

dominant cognitive approach to understanding how they are made. The cognitive approach takes two main forms, social cognition and behavioural decision theory. These major approaches propose consciously made, deliberate choices and decisions. The social cognition models are mainly concerned with the conditions under which people do, versus do not, engage in careful, effortful processing of the information contained in persuasive messages. In this type of research even when the experimental participant is not processing effortfully but is instead relying on simplifying shortcuts, she is still focusing her efforts on the message, intentionally processing it, and then reporting a consciously formed attitude or opinion.

Since 1980 however there have been two major developments in social cognition research that will appear relevant to consumer research. These are the substantial role played by nonconscious processes (and the minimal role played by deliberate, effortful processes) in psychological and behavioural phenomena and the central and modifying role of needs and goal pursuits. Because of the continued reliance of consumer research on the 1980 – era models, these new developments have not yet made much impact. However to the extent that consumers are behaving without conscious awareness and guidance, models that assume the consumers deliberate and effortful scrutiny of the choice or behaviour will likely miss much of the character and flavour of the consumer behaviour in situ. (Bargh, 2002).

Consumers' normal food purchases are viewed as low-involvement decision activities. A supermarket trip rarely involves long and complicated decision processes. Food purchasing is often an unconscious, instantaneous act that is accompanied by consistent and habitual purchasing behaviour. However, even with purchases of low involvement food products, consumers generally go through a decision-making process before selection is made. There does exist an argument that olive oil purchase might differ from the purchase of other oils in that considerable information is required prior to purchase and thus it can be considered to be a more involved purchase commodity.

Research studies have discovered certain personality attributes are strongly correlated with food selection. In one study, undertaken in Germany, food purchase criteria were measured in four different dimensions:

- Egoistic and hedonistic orientation using criteria of freshness, flavour, and appearance;
- Egoistic and health orientation using as criteria healthiness, non genetically produced foods, no preservatives and organically produced;
- Altruistic orientation using criteria such as environmental packaging, non genetically produced goods, organically produced, regionally produced and with a known producer;
- Marketing orientation using criteria of price, country-of-origin, quality mark, and brand. (Wirthgen *et al*, 2002)

In comparison, the conceptual model of food choice developed by Furst (cited in Roininen, 2001) highlights three factors:

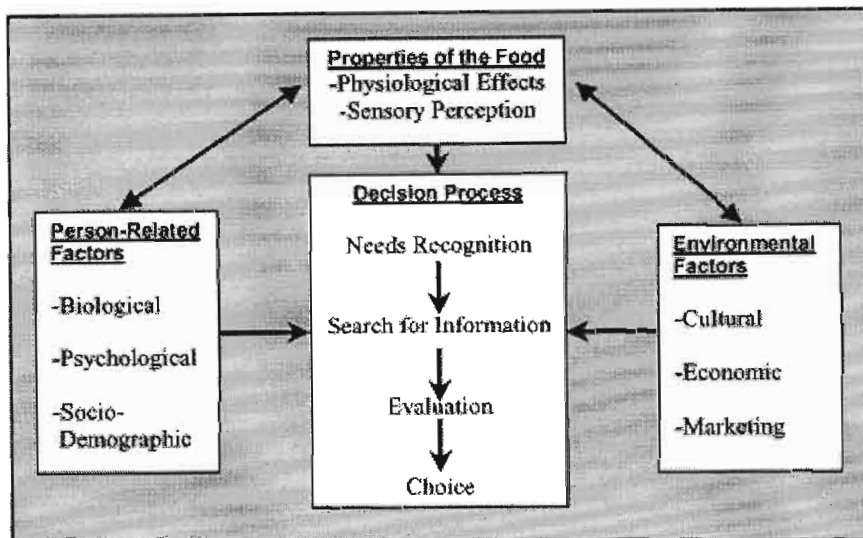
- Life course such as a person's experience;
- Influences including ideals, personal factors, resources, social framework, and food context;
- Personal systems and strategies for making choices and value negotiations such as sensory perceptions, monetary considerations, convenience, health, nutrition, management of relationship and quality.

While common attributes and criteria for food selection and purchase are noted across studies, cultural or geographical differences are also evident. For example, American consumers ranked in order of importance, taste, cost, nutrition, convenience and weight control expectations. Taste was considered to be a minimum standard of food acceptance except for fruit and vegetables. (Glantz *et al*, 1998)

2.3.1 UNIVERSAL FOOD CHOICE MODEL

One model which groups together various internal and external factors is the Modified conceptual model for food purchasing amongst different disciplines is illustrated in **Figure 2.1** below.

FIGURE 2.1: MODIFIED CONCEPTUAL MODEL FOR FOOD PURCHASING
(ADAPTED FROM TRAIL, 1999)



The model highlights three simplified dimensions that influence consumers' food choice decision process: person-related factors, properties of the food and purchasing environmental factors. These dimensions influence consumers' decision process in combination or interaction with each other. For example, a certain culturally determined diet pattern may affect consumer taste perceptions. Or, previous satisfactory product experience and immature market infrastructure may make a consumer tolerant toward negative product attributes.

2.3.2 PROPERTIES OF THE FOOD

Physiological properties of food such as nutritional effects, food safety and sensory properties such as taste, smell and appearance affect individual's food choice decision processes (Traill, 1999). As suggested above, there is an interactive effect between the major factors, as examined in the following sections.

2.3.3 PERSON-RELATED FACTORS

Traill (1999) describes person-related factors that include lifestyles, value systems, quality perceptions and environmental consciousness. In addition, biological factors are included such as specific health conditions or dietary needs. Examples of these include weight, cholesterol and food allergies concerns. Also, psychological concerns are included such as ethics and attitudes to the food production method such as animal husbandry. Other issues are addressed which include socio-demographics such as education level and family composition.

Individual factors provide the key to purchase decisions when environmental or food property factors were perceived to be the same (Traill, 1999). When a product of universal attributes is sold under a similar price range and market conditions, personal and individual factors often become the most influential. Termed another way, individual factors become the final gatekeeper for food choice and purchase decision.

2.3.3.1 PROPERTIES OF FOOD IN PERSON-RELATED FACTORS

Physical product characteristics are the most important factors for guiding food choice. Some attributes are more generic such as taste and price. Other attributes are more

product-specific such as meat fat content (Traill, 1999). **Appendix A** illustrates the relative importance consumers place across different countries on various product attributes.

However, consumers don't purchase foods for single item attributes per se but for personal or environmental consequences (Traill, 1999). For example, eating non-fattening foods may assist in weight loss or a ready-to-cook food may save time. These consequences were found to notably influence product selection. The contributing components may include security, family values, fun, enjoyment and social recognition (Traill, 1999). The weight of these values varies across personal factors and environmental background

Consumers' quality perception also influences food selection process. The majority of Australian consumers have a preference for high quality household goods and services and this is also true of food products (Zeitner, 2000). Since the focal point of many foods, especially organic, is on quality, this consideration is an imperative for consumer decision-making. However, the inference of quality is subjective and prone to distortion by personal variables. These variables include product experiences, education levels, perceived quality risks and quality consciousness in addition to situational aspects such as usage goals, physical surroundings and time pressures (Kyriakopoulos & Ophuis, 1997). Quality perception alone may not trigger consumers' purchase behaviour. Perceived value may play a more important role in consumer purchase decision as it combines with quality perception the factors of cost, income constraints, and other personal traits such as attitudes (Stokes cited in Kyriakopoulos & Ophuis, 1997).

2.3.3.2 SENSORY PERCEPTION WITH PERSON RELATED AND ENVIRONMENTAL FACTORS

Sensory perception of food attributes is susceptible to personal differences resulting from the various psychological and marketing factors. Sensory elements may be linked to

factors such as brand names, labels, texture and colour. These elements can influence and trigger purchasing behaviour if viewed positively. Positive sensory appearance may trigger an elevated evaluation of the product, leading to a higher quality perception and this may ultimately make the product more desirable for purchase.

2.3.4 DEMOGRAPHICS IN INTERACTION WITH FOOD ATTRIBUTES

Among many demographic elements, income-related factors such as budget constraint may strongly influence and moderate purchase intentions. The moderation process happens in that once a food's quality is perceived the perception is justified against the price before purchasing. For example, someone who thinks a certain brand offers only supreme quality food products may consider paying high price premiums attached to the brand lines.

Further, because customers rarely remember prices, they encode them as 'expensive' or 'cheap' (Kyriakopoulos & Ophuis, 1997). Thus the price factor would moderate purchase intention through simplified encoding into a bimodal perceived price. External cues such as coupons, private labels, brand name and cents-off offer creates information to simplify a consumer's cognitive evaluation of value (Kyriakopoulos & Ophuis, 1997).

2.3.5 PERSONAL HEIRACHY OF NEEDS IN INTERACTION WITH ECONOMIC AND CULTURAL FACTORS

In a study undertaken in USA, it was found that food-related price and convenience concerns were highest among younger consumers and people with lower incomes (Glantz *et al*, 1998). Nevertheless, populations in affluent western cultures are more likely to be driven by higher order needs having means to make more intelligent food choices.

Maslow's hierarchy of needs attempts to explain that individuals have needs that are satisfied in a sequential way. The lower order physiological needs of meeting hunger and

thirst have to be initially satisfied. Once satisfied, safety needs are addressed which includes factors such as security and protection. The process continues through the hierarchy to higher order needs till a person reaches the self-actualisation stage. The implications for marketers, from a consumer perspective, are that lower order needs must be met before higher order needs are considered. Further, as consumers advance through the hierarchy higher order needs need to be taken into account. In general, in Australia and other western countries, lower order needs are seen to be largely met and thus the focus is on attending to higher order needs. For example, someone trying to make ends meet in developing countries may not spend more money to support environmental causes. However, those who wish to satisfy a self-actualisation need through supporting a cause such as animal welfare in affluent western countries may be willing to pay more in order to fulfil their ideological ethical needs.

Food producers should not neglect the fact that the satisfaction of some of the lower hierarchy needs is often the prerequisite for achieving higher order needs fulfilment. Adding ingredients or attributes which satisfy higher order needs to the types of food that conventionally satisfy lower hierarchy needs is likely to attract increased purchases.

Having placed this study with the context of some of the available literature the subsequent chapter will consider the research methodology used.

CHAPTER 3 – RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter outlines the research approach used in this study. It includes a full account on the choice of research techniques and the data collection method employed. The data analysis techniques used are also described. A systematic approach to researching the demographic variables of olive oil consumers will help ensure that the results are reliable and valid. The importance of reliable and valid results will also be briefly elucidated.

In this particular study information regarding the influence of age, gender, income and educational levels on the purchase of olive oil within the Durban region was investigated. Essentially the dilemma facing the researcher concerned the establishment of these various demographic variables and their influence on the actual purchase decision of olive oil. In order to be researchable the problem had to be either subject to observation or to empirical data collection. This study took the approach of collecting primary data which will be discussed in further detail within this chapter whilst the analysis of the data will be done in chapter 4.

The exploration of the problem is accomplished through familiarisation with the available literature, interviews with experts, focus groups or so some combination. The previous chapter of this study attempted to provide more insight into the broader socio-economic factors as well as the more detailed psychological consumer background that forms the context of this particular research methodology and approach.

This particular study also undertook a sampling approach and a brief discussion in the construction of the research technique used will also be done. Most researchers undertake sampling studies because of an interest in estimating population values or testing a statistical hypothesis. Carefully constructed delimitation's are essential for specifying an appropriate probability sample (Cooper & Schindler, 2001). These issues will be

discussed in this chapter in order to provide a contextual understanding of the methodology of this study.

3.2 SECONDARY DATA

Research for this study, began with the exploration of secondary data. Marketing managers often use secondary data because previously collected information can benefit marketing managers and researchers in a number of ways such as availability of data from a wider variety of sources, lower costs in gathering the information and the fact that it can be gathered in a short period of time. Having reviewed the existing information in the context of its ability to address the objectives of the study, it was evident that the literature available provided broad parameters that were able to guide the theory of the investigative questions yet did not fully address the questions itself within the geographical region of Durban. Thus it became necessary that primary data had to be used for this particular study.

3.3 SAMPLING

The sampling process can make the sampling experience less complex. The first step is to define the target population. The second step is to identify the sampling frame followed by choosing the sampling method, determining the sample size and finally gathering the data from the proper sample.

3.3.1 POPULATION

A population is the aggregate of all elements. A population is defined in terms of elements, sample units, time and size. In this study the population refers to both current edible oil consumers and potential edible oil consumers within the Durban area. The survey was conducted between the 19th of May 2003 and the 30th June 2003.

3.3.2 SAMPLING DESIGN

There are two major categories in which all methods of sampling may be included. They are probability and non-probability sampling. In probability sampling every member of the target population has a known and non-zero chance of being included in the sample. Each sample element was chosen by chance and the chance was known for each element being selected. The chance for each sample to be selected is not necessarily equal. Non-probability sampling is when the researchers personal judgement dominates selecting the sample elements. With a subjective approach like nonprobability sampling, the probability of selecting population elements is unknown.

Although preference would have been given to utilising the somewhat technically superior statistical techniques such as probability sampling methods of cluster samples, ^{simple random sampling} ~~cluster samples~~, ^{stratified random sampling} ~~cluster samples~~, this would have proven beyond the time and resource constraints of the researcher. In cognizance of these constraints, ^{simple random sampling} a convenience sampling was conducted.

Justify use of simple random sampling

In the light of either time and resource constraints researchers often conduct convenience sampling with sample items that are either close at hand or otherwise easy to obtain. The disadvantage is that it is the least reliable design. Researchers or field workers have the freedom to choose whomever they find, thus the name convenience. Examples include informal pools of friends and neighbours, using employees to evaluate the taste of a new snack or “man-on-the street” intercept interviews. While a convenience sample has no precision, it may still be a useful procedure. In the early stages of exploratory research, when you are seeking guidance, you might use this approach. Because this study is the first exploratory study with these particular objectives it was an added reason to consider using convenience sampling to essentially form the foundation for more a more detailed subsequent study. It is possible that the results from a convenience sampling method may present evidence that is so overwhelming that a more sophisticated sampling procedure may be unnecessary.

3.3.3 SAMPLE SIZE

The determination of the correct sample size from a population is an important and practical problem in a sampling study. If the sample size is too large, more money and time will be spent than is really necessary, but the result obtained from the large sample may not necessarily be more accurate than that from a smaller sample. On the other hand if the sample size is too small the study may not reach a valid conclusion. It is therefore important to realise that the more elements that are properly sampled from the population the less the sampling error (Shao, 2002). In this study 100 consumers from various shopping malls were approached and asked to fill in a self administered questionnaire.

3.3.4 DATA COLLECTION

With data collection who generates the data is not as important as what is gathered. Mechanical data collection can be performed through a variety of devices such as video recorders, scanners and turnstiles. The bulk of mechanical data collection will be performed through either computer technology and telephone lines. Because data collection can be costly, tedious and time consuming this particular study chose a less resource demanding approach of the mall intercept method. Other methods of primary data collection that were considered included personal interviews; telephone surveys and mail surveys. However having weighed the pros and cons of each of these methods and matching them to the resources at the researchers disposal it was evident that the most appropriate method that will adequately address the research investigative questions was the use of the mall intercept survey method where the survey is self administered.

3.3.4.1 MALL INTERCEPT METHOD

Large shopping malls are ideal places to interview people. The considerable traffic flow of malls with many different types of consumers can help facilitate the capturing of a large sample. In this study young, energetic individuals were positioned in various malls across Durban. The shoppers were intercepted and asked to answer a self-administered

survey at a nearby desk that was set up. In concept the mall intercept method can make a lot of sense. However, in practice, there are major shortcomings to this method.

- **Low response rates.** People typically come to malls to shop, not to answer questions that they view as time consuming and an intrusion on their privacy. However, in this particular study a response rate of 100 % was obtained.
- **Suspect data.** Malls tend to draw from a relatively small area and thus may not be representative of the target population. The sample is also influenced by the stores immediately surrounding the location of the interviewer. Upscale stores typically draw high income people and discount stores a higher percentage of lower income people, both of which can bias the sample. Thus since the intention of the surveys was to sample consumers from a wide variety of income levels, interviewers roamed the mall to increase the likelihood of obtaining a more representative mix of consumers.
- **Possible respondent selection bias.** Respondents were chosen by the interviewers who may have been less qualified to make this important decision.
- **Crowded, loud place.** This can make malls somewhat less than optimum places to conduct serious marketing research.

3.3.5 QUESTIONNAIRE DESIGN

In designing the questionnaire it was important to ensure that it answered the research objectives. When the questionnaire was designed, several goals were kept in mind:

1. Questions should be user-friendly. The easier the questionnaire is to understand the more likely it is that respondents will complete it.
2. The questionnaire should look professional.
3. It should be valid. The questionnaire should answer what it is supposed to measure.
4. It should be attractive and motivational in nature.
5. The questionnaire should encourage respondents to answer honestly and accurately.
6. The questionnaire should be short and simple. Considering that the participants in this study were shopping this aspect was critical in the design of the questionnaire.

3.3.6 QUESTIONNAIRE CONSTRUCTION

The questionnaire consisted of 18 questions in four sections pertaining to consumer demographics, perceptions, attitudes and motives underlying the purchase of olive oil.

The questionnaire utilized in this study is available in **Appendix A**. Two types of measurement scales were used namely Multiple Choice Multiple Response Scale (Sections A,B,C) and Likert Scale (Section D).

The questionnaire consists of four sections. Section A comprises of questions 1-6.

Questions 1, 2 : Considers the awareness of the consumer to determine the level of exposure to the different types of edible oils.

Questions 3-6: Deals with demographic characteristics of both buyers and non-buyers of olive oil

Section B comprises **question 7 and 8** which investigate the reasons for non-purchase of olive oil as well as the major influencing factor that would effect a purchase of olive oil. By understanding the reasons for non-purchase as well as the factors that influence a purchase will effectively mean that olive oil can be positioned in a way that will draw this market from non purchaser to trial purchasers to regular consumers.

Section C comprises **question 9 to 11** which investigates the types of olive oil purchased, the motives for purchase and possible negative aspects of olive oil purchase. An understanding of these factors will help understand which consumers (in terms of demographic profiles) are more likely to purchase which types of olive oil and their motives for that purchase. An understanding of these factors will have practical relevance in the distribution and promotion strategies of olive oil in the Durban area.

Section D comprises **questions 12 to 18** which analysed the consumers motivation, risk perceptions, exposure, memory recall, attention and availability. The measurement scale that was used was the Likert Scale.

Question 12: Availability of olive oil – affects the opportunity to purchase and has implications for the distribution network of olive oil.

Question 13: Evaluates the amount of information that the consumer perceives is necessary before he/she engages in a purchase. When a consumer makes an effort to understand the types of olive oil etc it indicates that that consumer is more motivated to make the purchase.

Question 14: Risk perception: Marketers need to ensure that the consumers risk perception of olive oil purchase is reduced or eliminated.

Question 15: Advert exposure: it become necessary to increase exposure of olive oil benefits to increase its purchase.

Question 16: Memory recall and attention: tests the effectiveness of olive oil adverts.

Question 17: Motivation and personal Relevance: the personal relevance of the health benefits of olive oil will affect its purchase. For example it may provide some indication of how much emphasis should be placed on the health aspects of olive oil.

Question 18: Olive oil colour: Perception through vision – may indicate the role that the colour of the product has on its purchase. Has implications for the packaging of the olive oil.

3.3.7 PRE-TEST QUESTIONNAIRE

Regardless of the experience and the expertise of the questionnaire's designer, individuals who were not involved in its design should test that it communicates clearly and correctly. The designers can become too familiar with the questionnaire; that they may not see the forest from the trees. Pretesting involves a trial run of the questionnaire using a small sample from the target population to detect any problems. The goal would be to affirm that the questionnaire will capture the information required by the researcher. The pre-test helps refine the instrument and identifies errors that may be apparent only to the targeted population. Sometimes pre-testing can be a very humbling experience, because weaknesses previously overlooked become glaringly apparent. Unfortunately, though, while the pre-test questionnaire often identifies fundamental problems in a questionnaire, it is the stage most likely to be squeezed out because of cost and time constraints (Shao, 2002).

In this study the questionnaire was pre-tested with 10 participants before the actual study took place. During this phase certain 'problem' questions were identified. Most of these were either double –barreled, ambiguous questions or leading questions. For example

during the pretest, question 16 was initially worded as “It is easy to recall olive oil” and this was interpreted by some of the pretest sample as meaning that it is easy for distributors to recall olive oil products from the supermarket shelves. Therefore to rectify the ambiguity of the question it was reworded as “It is easy to recall from memory olive oil adverts”. This process of refinement was conducted for all identified ambiguous, double barreled questions and appropriately reworded to address the research objectives.

3.3.8 RELIABILITY AND VALIDITY

When measuring something researchers must use a reliable scale. Reliability refers to the ability of a scale to produce consistent results if repeated measurements are taken. Reliability is the extent to which scales are free of random error and thus produce consistent results. In most marketing situations reliability is not absolute. Reliability can be assessed by the test-retest method where subjects are measured at two different times and under similar conditions to determine the reliability of the scores. The results indicate the extent to which the scores are reliable. The smaller the difference between scores the higher the reliability (Shao, 2002). The method used in this study was the Cronbach coefficient alpha method which basically averages the possible ways of splitting the test items and determines the degree of correlation. The Cronbach coefficient alpha method was used for multi-item scales at the internal level of measurement. The Cronbach coefficient alpha method was used to assess internal consistency for Section A, B and C of the survey. The Reliability Coefficient Alpha obtained for all three sections indicated a high degree of internal consistency amongst the items in each section.

- **Section A – Questions 1 to 6** – produced a high reliability of 0.7509
- **Section B – Question 7 to 8** – produced a high reliability of 0.9510
- **Section C – Questions 9 to 11** – produced a high reliability of 0.8621

As for validity, a face validity referring to professional agreement that confirms a scale’s content logically appears to accurately reflect what, was intended to be measured was implemented.

CHAPTER 4: EVALUATION OF DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

After collecting the data it was necessary to edit each piece of information received. Editing involves carefully checking survey data for completeness, legibility, consistency and accuracy. The most important purpose of editing is to eliminate or at least reduce the number of errors in the raw survey data. Two forms of data can exist in raw survey data: interviewer error and respondent error. Both of these types of errors were checked for in the raw data and the necessary amendments effected.

After editing the data it was then coded so that it could be analysed by a PC-based statistical analysis programme, Statistical Package for the Social Sciences (SPSS) Release 11.5. Coding is the process of systematically and consistently assigning each response a numerical score. In coding the data it was necessary to ensure that the coding categories were mutually exclusive and collectively exhaustive.

The next step was to tabulate the data. The primary use of tabulation was to determine the empirical distribution of the variables in question and to calculate the descriptive statistics. A frequency distribution simply reports the number of responses that each question received.

Frequency distribution tables are used in subsection 4.2 to illustrate the demographic aspects of the respondents participating in this particular study.

4.2 RESPONDENTS DEMOGRAPHICS

Before a detailed analysis of the respondents is conducted in the context of the actual purchase decision of olive oil or not it is necessary to first consider the broader demographic overview of the respondents that participated in this study. The demographics aspects that will be considered will be determined by the research

objectives of the study and therefore will involve specifically the gender, age, educational and income levels of the respondents

Figure 4.1 – Gender of the respondents (n = 100)

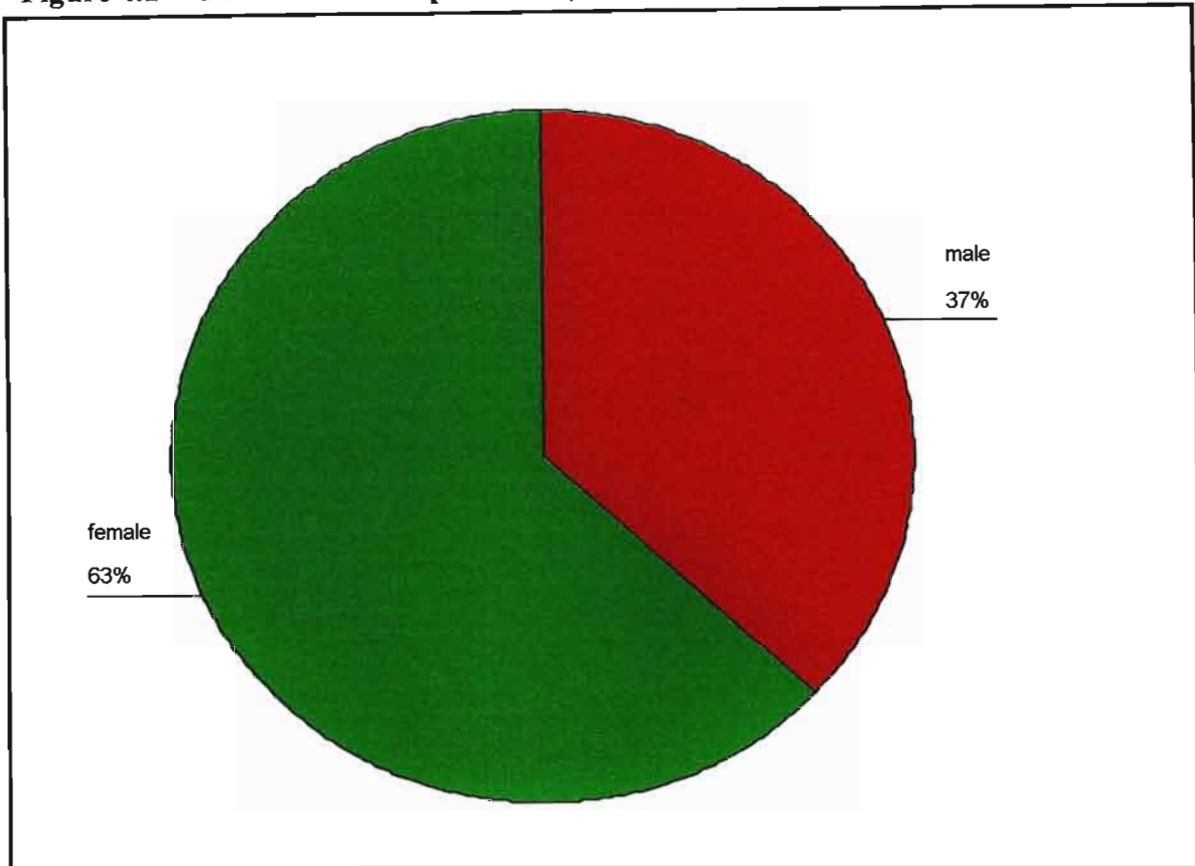


Figure 4.1 above illustrates that 63% of the respondents were female and 37% were male. The reason for this study having more female respondents is due mainly to the fact that male respondents were reluctant to participate in the study. Also bearing in mind that respondents were mostly intercepted at shopping malls, and specifically grocery departments – more females were intercepted and thus a higher participating proportion of the study. Thereafter the age of the respondents was analysed.

Figure 4.2 – Age of respondents (n=100)

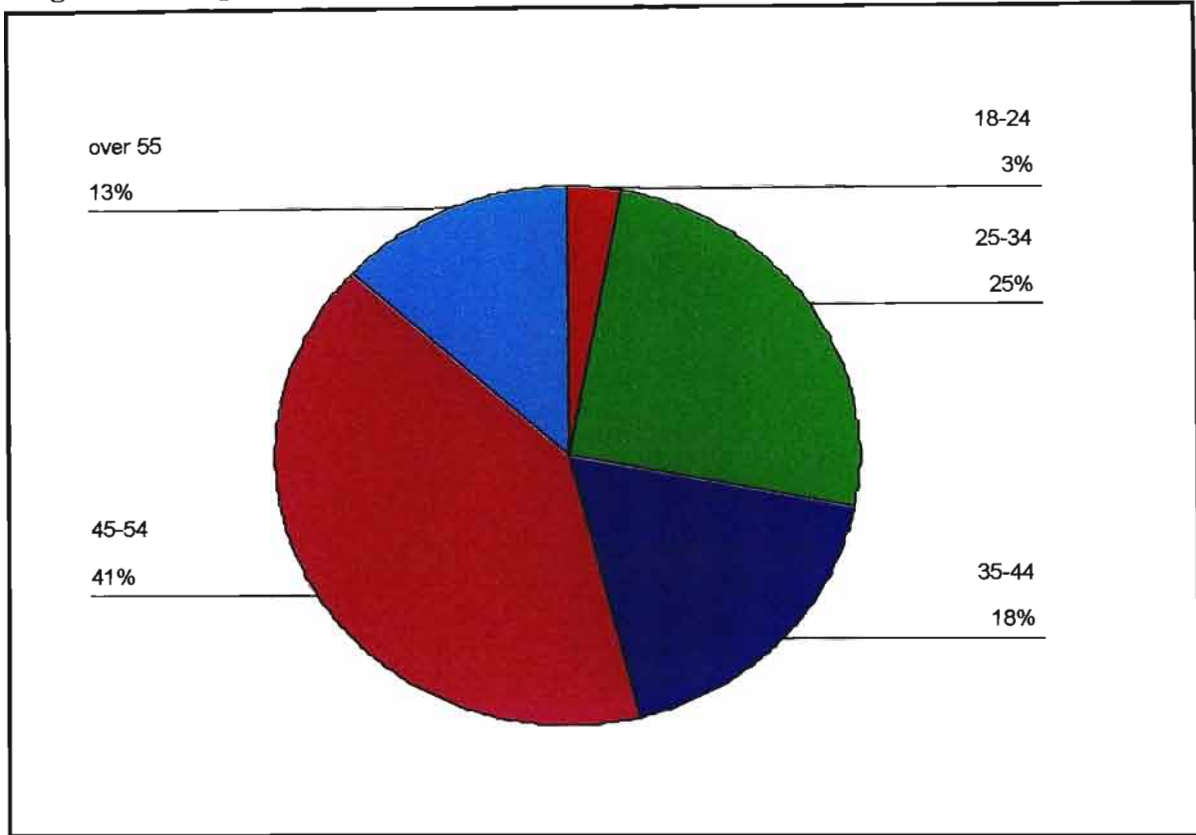


Figure 4.2 above illustrates that 41% of the respondents were in the age group between 45 to 54. Considering that consumers younger than 24 generally are not responsible for the household grocery purchases a low response rate of 3 % was evident in this study.

Figure 4.3 below illustrates the educational levels of the respondents.

Figure 4.3 Educational levels of the respondents (n=100)

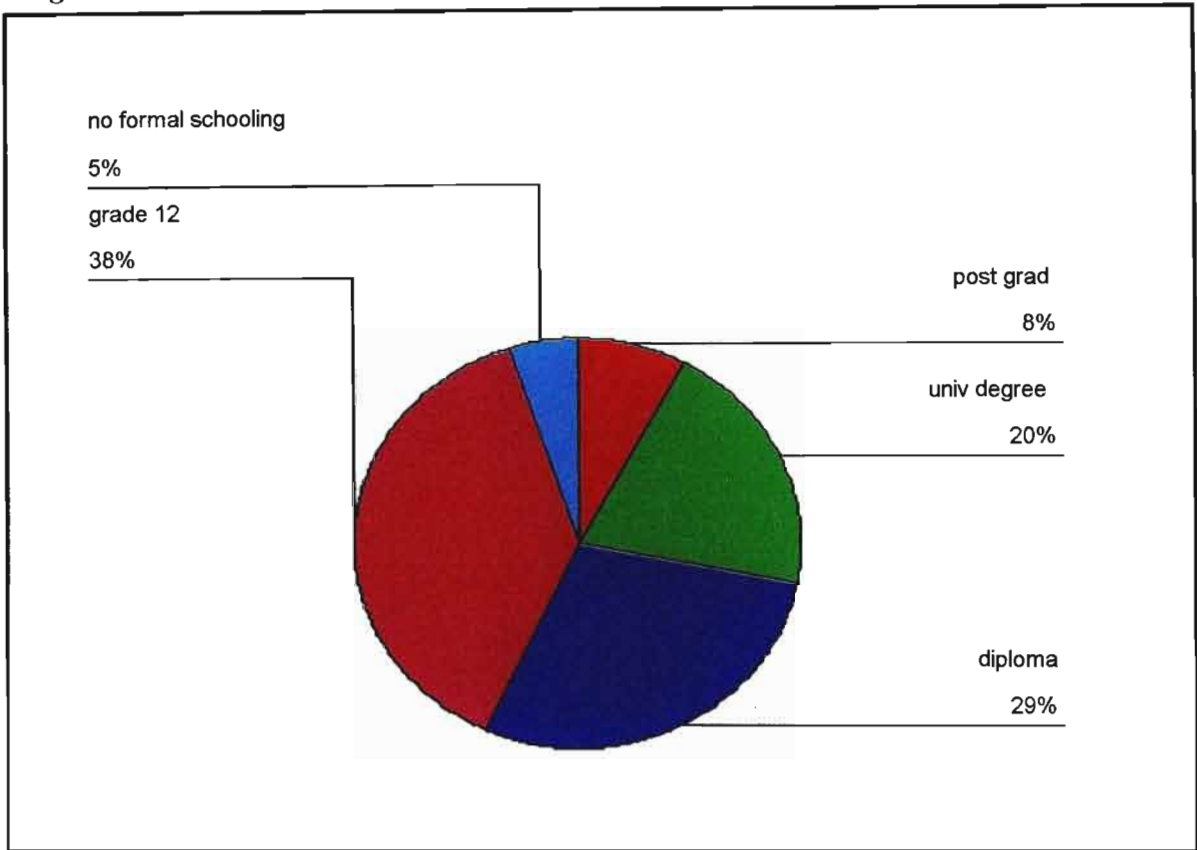


Figure 4.3 above illustrates that 38% of the respondents had a grade 12 educational level with approximately 20% of consumers having a university degree. It should be noted that 57 % of the respondents in this study had some form of tertiary education. This in itself is a figure which is higher than the national average and indicates that the sample were comparatively well educated.

Figure 4.4 evaluates the income levels of the respondents.

Figure 4.4 Income category of the respondent (n=100)

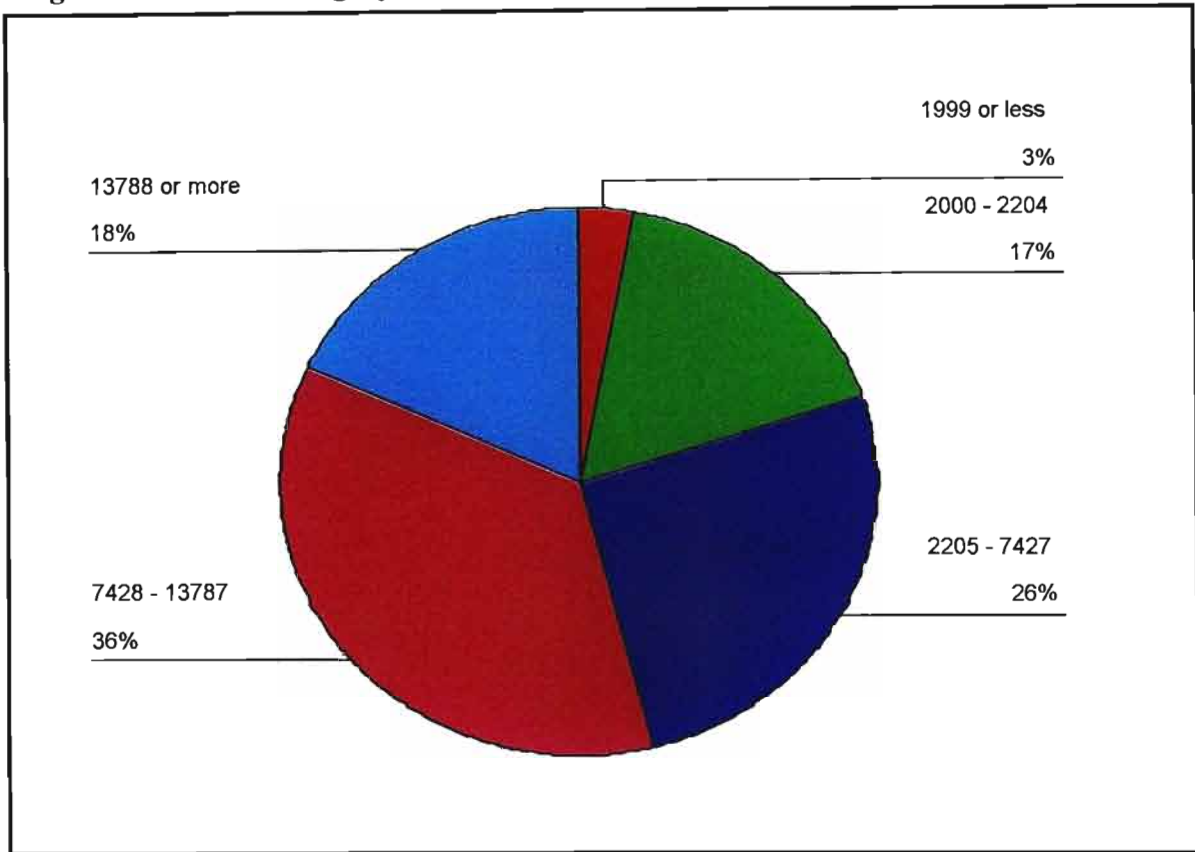


Figure 4.4 above illustrates that approximately 36% of the respondents were in the income category between R7428 – 13787. A possible reason for this higher proportion of relatively higher income respondents received could be that the location of the malls at which the respondents participated were located in middle to higher income areas.

Having considered the broader demographic aspects of the respondents that participated in the study it then became necessary to consider the demographics of the respondents in terms of the actual purchase of olive oil itself. Cross tabulation techniques were used to better illustrate the results of the study.

4.3 CROSS TABULATION RESULTS OF RESPONDENTS

Cross tabulations were used to inspect the relationships between nominally scaled demographic variables with regards to the purchase of olive oil. **Table 4.1** below illustrates the gender of respondents cross tabulated against the purchase of olive oil.

Table 4.1 Gender and Olive Oil Purchase Cross tabulation (n=100)

			Purchase		Total
			yes	no	
Gender	male	Count	23	14	37
		% of Total	23.0%	14.0%	37.0%
	female	Count	45	18	63
		% of Total	45.0%	18.0%	63.0%
Total		Count	68	32	100
		% of Total	68.0%	32.0%	100.0%

23 % of the male respondents in this study purchased olive oil compared to 45% of the females. Even though in this study 18% of the female respondents did not purchase olive oil compared to 14% of the male respondents this can be attributed to the fact that more females than males participated in this study rather than being indicative of females being less likely to purchase olive oil.

Table 4.2 below illustrates the age of respondents cross- tabulated against the purchase of olive oil.

Table 4.2 Age and Olive Oil Purchase Cross tabulation (n=100)

		Purchase		Total
		yes	no	
Age	18-24	Count	3	3
		% of Total	3.0%	3.0%
	25-34	Count	14	25
		% of Total	14.0%	25.0%
	35-44	Count	11	18
		% of Total	11.0%	18.0%
	45-54	Count	31	41
		% of Total	31.0%	41.0%
	over 55	Count	9	13
		% of Total	9.0%	13.0%
Total		Count	68	100
		% of Total	68.0%	100.0%

Of all the respondents who purchased olive oil approximately 46% of them were in the age group between 45 to 54. This age category also comprises approximately 31 % of the respondents who did not purchase olive oil. The implication of this is that this age group could be the target group for olive oil promotions.

Table 4.3 below illustrates the educational levels of consumers cross tabulated against olive oil purchased.

Table 4.3 Educational levels and Olive Oil Purchase Cross tabulation (n=100)

			Purchase		Total
			yes	no	
Education	post grad	Count	8		8
		% of Total	8.0%		8.0%
	univ degree	Count	19	1	20
		% of Total	19.0%	1.0%	20.0%
	diploma	Count	23	6	29
		% of Total	23.0%	6.0%	29.0%
	grade 12	Count	17	21	38
		% of Total	17.0%	21.0%	38.0%
	no formal schooling	Count	1	4	5
		% of Total	1.0%	4.0%	5.0%
Total		Count	68	32	100
		% of Total	68.0%	32.0%	100.0%

Table 4.3 above illustrates that of all the respondents that purchased olive oil 82% had a tertiary education. This is a very high percentage of well educated consumers who have engaged in the purchase of this product. The possible implication of this to marketers is that these consumers have a higher degree of motivation to make such a purchase and will more than likely be more involved in its purchase. There would also exist opportunities to promote this product by further emphasising some of the scientifically proven health benefits of olive oil purchase and consumption. .

Table 4.4 below illustrates the income levels of consumers cross-tabulated against olive oil purchased.

Table 4.4 Income levels and Olive Oil Purchase Cross tabulation (n=100)

			Purchase		Total
			yes	no	
Income Category	1999 or less	Count	1	2	3
		% of Total	1.0%	2.0%	3.0%
	2000 - 2204	Count	6	11	17
		% of Total	6.0%	11.0%	17.0%
	2205 - 7427	Count	15	11	26
		% of Total	15.0%	11.0%	26.0%
	7428 - 13787	Count	28	8	36
		% of Total	28.0%	8.0%	36.0%
	13788 or more	Count	18		18
		% of Total	18.0%		18.0%
Total		Count	68	32	100
		% of Total	68.0%	32.0%	100.0%

The highest percentage group that purchased olive oil was in the income category between R7428 to R13787. Of the non-consumers of olive oil only 8 % of this particular category was represented in the sample. Considering the relatively higher purchase price of olive oil compared to other edible oils it is not surprising that 46% of the consumers had incomes that exceeded R7428 or more per month. However what is encouraging is the fact that 7 % of consumers with incomes below R 2204 per month purchased olive oil. This indicates that the potential exists to penetrate into the lower income categories with an olive oil product that is lower priced than current market offerings.

Having used cross tabulation techniques to analyse the demographic characteristics of respondents with regards to olive oil purchase, one of the key objectives of the study was to then test the hypothesis that there was no relationship between the demographic variables of gender, age, educational and income levels and the purchase of olive oil amongst Durban consumers. Use was made of the **Chi-Square Test of Independence** to analyse the data.

4.3 CHI-SQUARE TEST OF INDEPENDENCE

The Chi-Square Test of Independence was used because the sampling distribution was not assumed to necessarily be normal and that non-metric (nominal and ordinal scaled) data was used.

H0 : There is no relationship between olive oil purchasing and the demographic variables of age, sex, income level and educational level amongst Durban consumers.

H1: There is a relationship between olive oil purchasing and the demographic variables of age, sex, income level and educational level amongst Durban consumers.

Table 4.5 : Chi Square Test of Independence (n=100)

	Gender	Age	Education	Income Category
Chi-Square ^{a,b}	6.760	40.400	38.700	29.700
df	1	4	4	4
Asymp. Sig.	.009	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 50.0.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

The information on the SPSS printout as illustrated in **Table 4.5** above does require some interpretation. Considering that the data was weighted by the purchase variable the Chi-square test statistic provides the best indication of the degree of independence that each variable has of each other. Since all of the Asymp. Sign. Statistic data are less than 0.05 for each of the variables analysed, the null hypothesis is rejected at the 5% level.

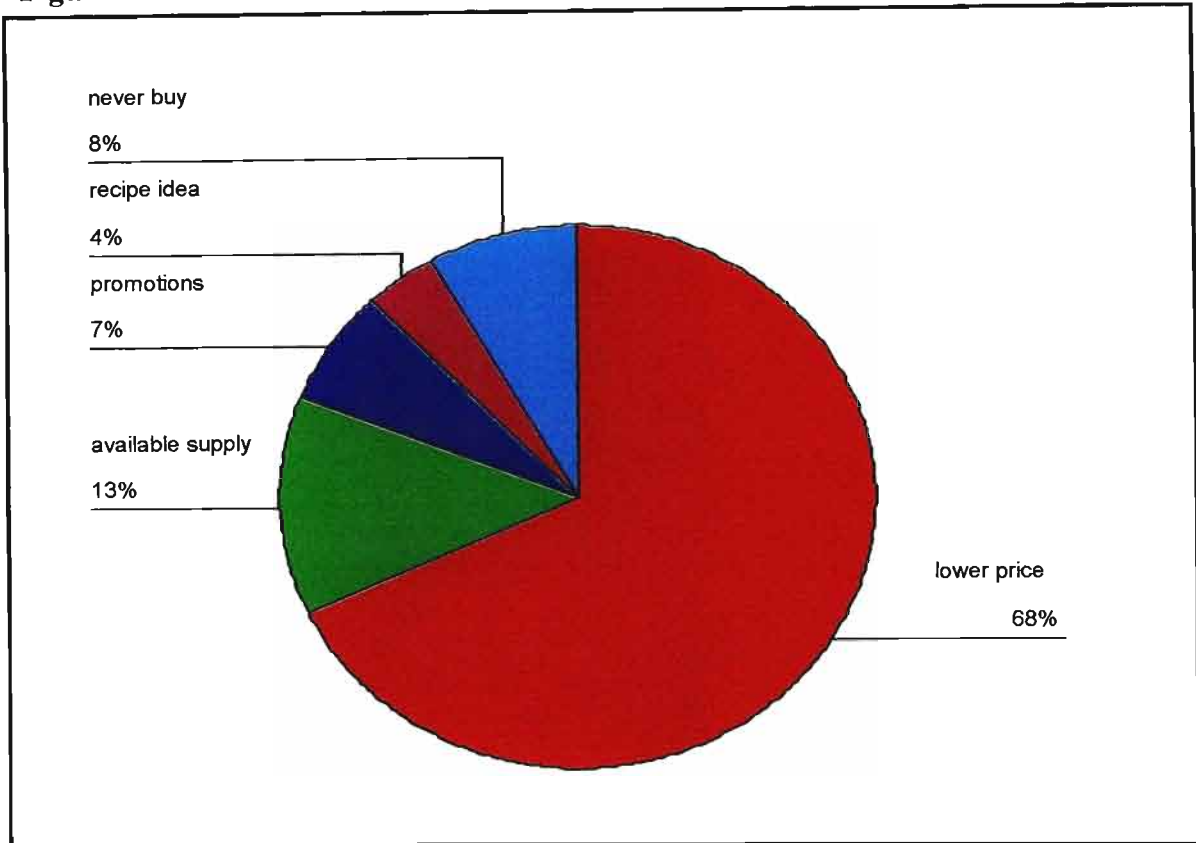
The data attests that there is indeed statistical significance to the hypothesis that there is a relationship between the demographic variables of gender, age, income and educational levels and olive oil purchasing amongst Durban consumers. The marketing importance of this statistical proof rests in the fact that once a relationship such as stated in the alternated hypothesis has not been rejected, then it would mean that a marketer would

then be in a position to profile the type of consumer that is likely to make a purchase of olive oil in the Durban area and target his advertising and promotion campaigns accordingly. The type of consumer profile that could be conclusively drawn from this type of data analysis will be presented in chapter 5 of this study.

A third research objective of this study was to investigate the reasons for the purchase and non-purchase decisions by consumers and non-consumers of olive oil. An understanding of the reasons that motivates, influences or reinforces a consumers purchase decisions helps a marketer to better reposition the olive oil in the mind of the consumer such that it is at the foremost of his consideration set when intending to purchase edible oils. By the same token an understanding of the reasons as to why a non-consumer of olive oil chooses not to do so will help a marketer to reposition the product in a way that reduces or eliminates his product risk perceptions and influences the consumer to at the very least experiment with the product.

Figure 4.5 below illustrates the factors which may influence or motivate or non-consumer of olive oil to consider a purchase.

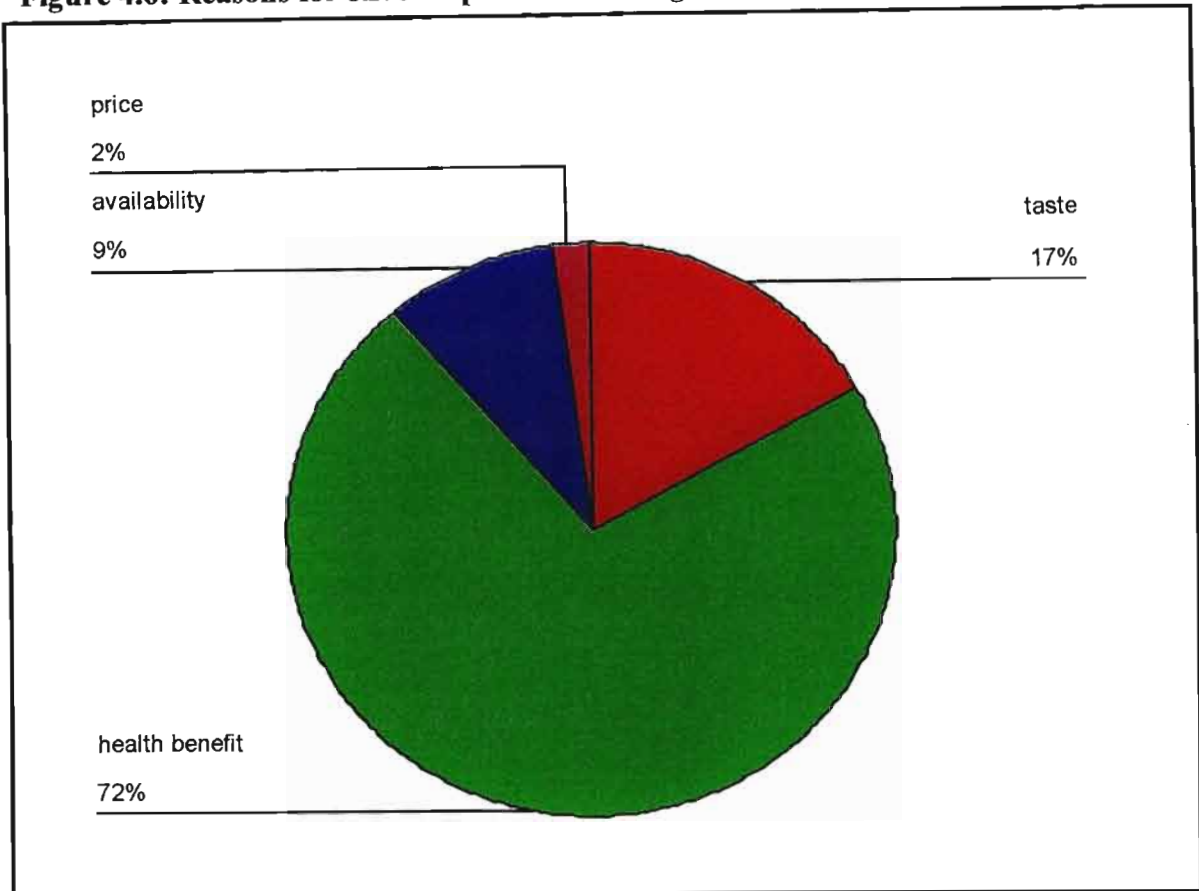
Figure 4.5 Factor that influence a non-buyer (n=100)



From **Figure 4.5** above it is evident that the price of olive oil products is the major limiting reason as to why more consumers do not purchase olive oil. This could possibly indicate that could potentially be a market for a medium priced olive oil in Durban. What is also interesting is that 13% of non-buyers, do not purchase olive oil because of the unavailability of the product itself. The implications of this is that it may be necessary for suppliers to better scrutinize their distribution networks to attempt to capture as much of this 13% of the market as possible.

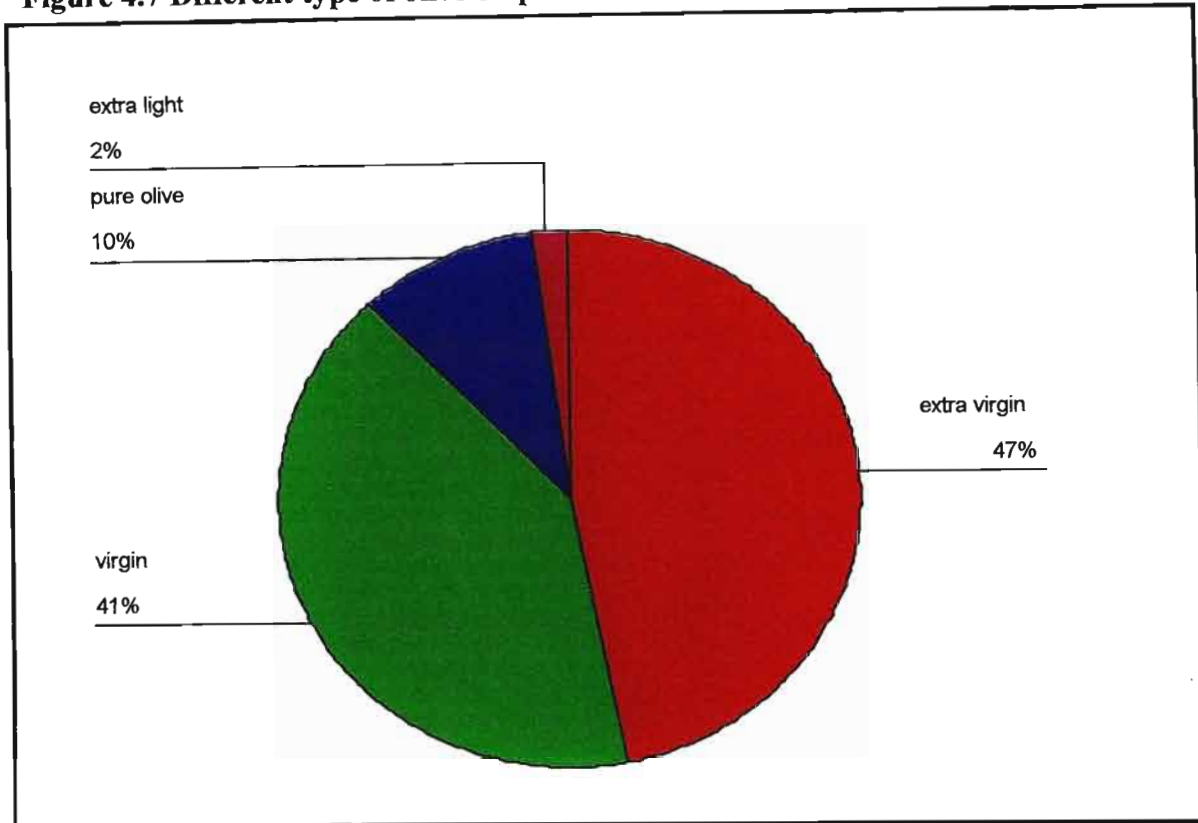
Having considered some of the main reasons as to why non-consumers do not purchase olive oil it is also necessary to investigate the reasons as to why the current consumer base purchases olive oil. This understanding can help to better reposition the product to them. **Figure 4.6** below indicates these reasons.

Figure 4.6: Reasons for olive oil purchase amongst Durban consumers (n=100)



The overwhelming majority of consumers in this study (72%) purchase olive oil because of its health benefit i.e. the reduction of low density lipoproteins which causes many types of heart disease. Considering that the Durban region has a significant South African Indian population who have higher levels of heart disease than other race groups, opportunities possibly exist to target this community with olive oil. As society in general becomes more health conscious the emphasis of the health aspects of olive oil particularly extra virgin olive oil needs to be emphasized in advertising and promotion campaigns. This preference to purchase extra virgin olive oil can be seen in **Figure 4.7** below.

Figure 4.7 Different type of olive oil purchased in Durban (n=100)



From **Figure 4.7** above it can be seen that 47 % of the olive oil consumers in Durban purchased extra virgin olive oil. All extra virgin olive oils have no more than one percent acidity and the very finest olive oils have half that amount. The taste of these oils varies from delicate to pronounced and is determined by which country and region is the producer and the type of olives used.

The second most popular olive oil type is virgin olive oil with 41% of the olive oil consumers purchasing it. As with extra virgin olive oil it needs no refining and is only filtered before being bottled. The usage of virgin olive oil for roasting or grilling foods may be attributable for its higher usage.

Having considered the reasons as to why non-consumers do not purchase olive oil as well as the reason why consumers do as well as the olive oil types, the questionnaire also looked at the broader aspects of exposure of olive oil adverts. Although this was not a stated objective of the study an understanding of the degree to which consumers had been exposed to olive oil adverts was evaluated. **Question 15** of the questionnaire in particular looked at this aspect. The question asked : “I’ve seen olive oil adverts” and consumers were requested to circle accordingly:

1=strongly agree

2=agree

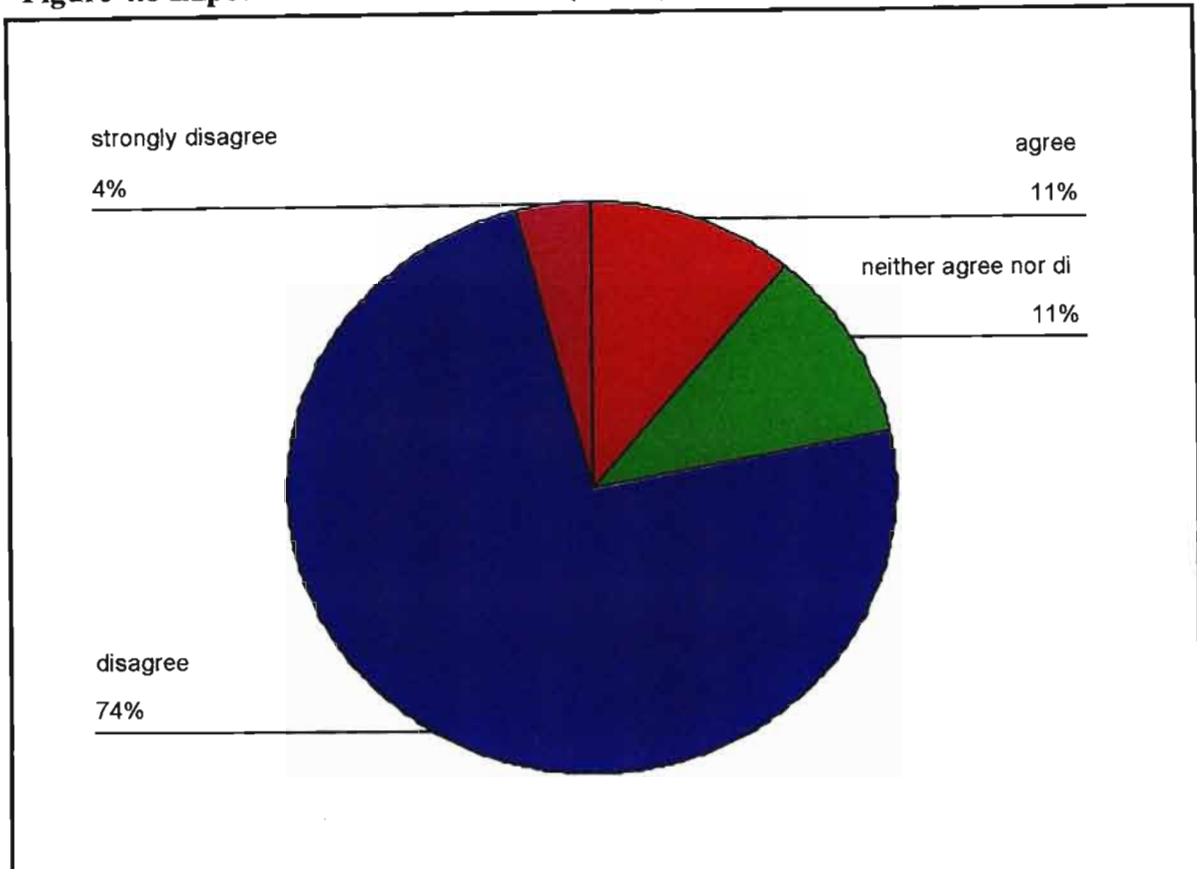
3=neither agree nor disagree

4=disagree

5=strongly disagree

Figure 4.8 below illustrates the results of consumers exposure to olive oil adverts.

Figure 4.8 Exposure to olive oil adverts (n=100)



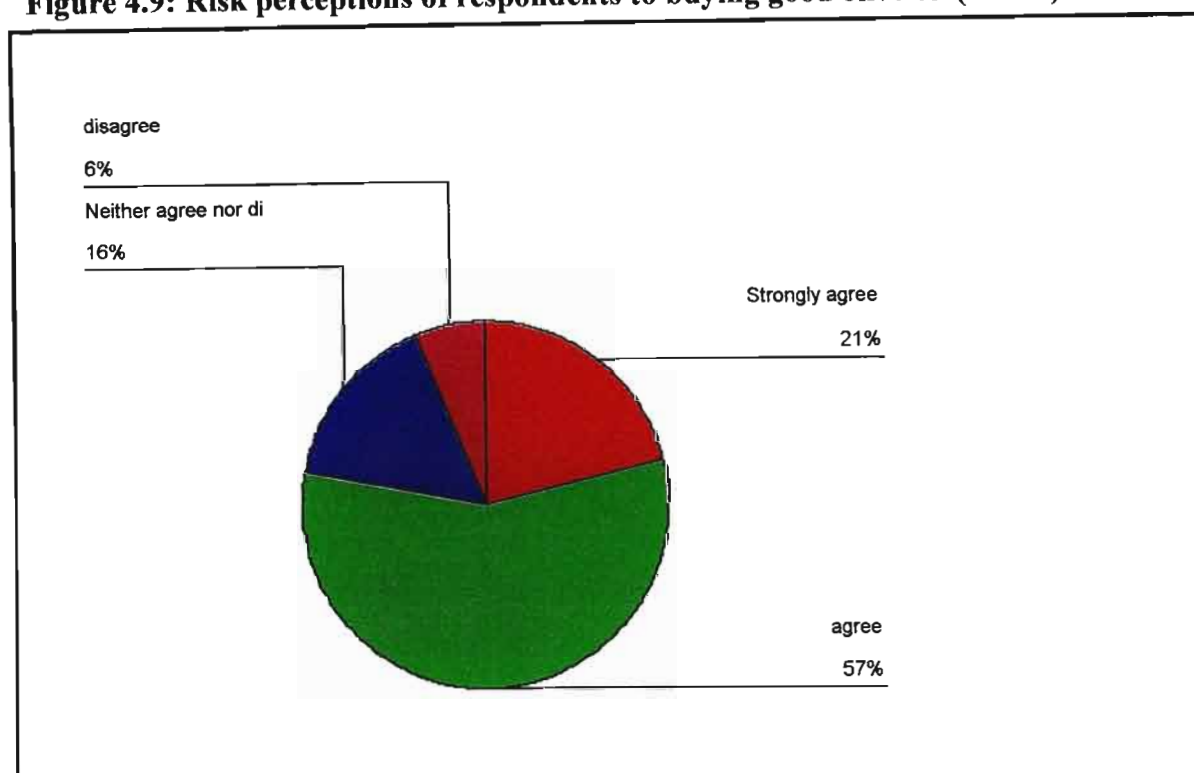
73 % of all respondents stated that they disagree with the statement relating to each of them having seen olive oil adverts. The possible implication of this is that not much awareness exists amongst Durban consumers regarding the potential benefits of olive oil use.

When one considers the psychological reasons as to why consumers purchase olive oil it is necessary to not only consider the consumers motivation and exposure but also the consumers risk perception of purchasing olive oil. **Question 14 of Appendix A** probed this aspect by questioning : “It is risky to buy good olive oil” with 5 options:

- 1 = Strongly agree
- 2 = agree
- 3 = neither agree nor disagree
- 4 = disagree
- 5 = strongly disagree

Figure 4.9 below illustrates the risk perceptions of respondents to buying good olive

Figure 4.9: Risk perceptions of respondents to buying good olive oil (n=100)



From **Figure 4.9** above it can be seen that 57% of olive oil consumers consider it risky to purchase good olive oil. What this indicates is that Durban consumers are somewhat less trusting of the olive oil packaging claims. In other words a large proportion of the consumer base may have certain reservations about their olive oil purchases. A possible reason for this could be due to the many “olive oil scams” that have originated in the Durban area, where ordinary vegetable oil had chlorophyll colorant added to it and sold as pure olive oil. However, it must be clarified that this speculation was not tested in this study. It is somewhat worrying to an olive oil distributor or marketer that such a large

proportion of the consumer base has this type of reservation because this could easily result in buyer dissonance and lessen the chance for a repeat purchase. A marketer would therefore reinforce to the consumer the quality aspects of the olive oil to position it as a high quality olive oil.

The various psychological aspects of motivation, perception, influences, and exposure all affect the consumers attitude towards olive oil which to a large degree affect certain aspects of the consumers culturally derived demographics influencing his propensity to purchase olive oil. **Chapter 5** provides the recommendations and conclusions to this study in the light of the data analysed and literature reviewed in previous chapters.

CHAPTER 5 – RECOMMENDATIONS AND CONCLUSIONS

5.1 RESEARCH CONCLUSIONS

This research explored 4 objectives:

5.1.1 The first aim was to determine if there was a relationship between olive oil purchasing and the demographic variables of age, gender, income and educational levels amongst Durban consumers. Chi-square test statistic provides the best indication of the degree of independence that each variable has of each other. Since all of the Asymp. Significance Statistic data was less than 0.05 for each of the variables analysed, the null hypothesis was rejected at the 5% level. Thus, a relationship does exist between olive oil purchasing and the demographic variables of age, gender, income and educational levels.

5.1.2 Having established that there a relationship exists (from 5.1.1) the next research objective was to develop a consumer profile for a Durban consumer of olive oil.

A typical olive oil consumer in the Durban region is likely to be:

- Sex : Male or Female though more likely to be a female
- Age : 45 – 54 years old.
The next most likely age category to purchase olive oil is the age group 25 – 34.
- Educational level : Highly educated with more than 50% of the olive oil consumers having a tertiary education, 19% holding a university degree and 8% a post graduate degree.
- Income level : Income between R7429 – R 13 787. Grocery buyers

with monthly incomes that exceed R 7429 are more likely than any other group to buy olive oil.

5.1.3 The third objective of the study was to investigate the reasons for olive oil purchase amongst consumers as well as the reason for non purchase amongst non consumers of olive oil. Amongst Durban consumers of olive oil the overwhelming reason for the purchase of olive oil was because of the exceptional health benefits that olive oil offered over other edible oil products on the market. Consumers preferred extra virgin olive oil. With 72 % of the olive oil consumers preferring to purchase olive oil for its health benefits only 17 % of the olive oil purchasers bought it for its taste.

5.1.4 The fourth objective of the study was to investigate the motivation, exposure, risk perceptions as well as the influences to olive oil purchasing amongst Durban consumers. Amongst the 68% of the respondents who purchased olive oil the strongest motivational factor was the consumers desire for a healthier lifestyle or diet. 72 % of the consumers indicated that their primary motivational reason for purchasing olive oil was for its health benefits with 17% purchasing it for taste. Durban consumers have not been exposed to much olive oil adverts with 74% of them not having been exposed to any adverts. This lack of exposure will have a direct bearing on the motives of the consumers to purchase olive oil. Amongst all Durban consumers, 57 % of the consumers felt that it was risky to purchase good olive oil. This underlying mistrust of the product is a concern for marketers and must be addressed in any advertising and promotional campaign.

The next section evaluates a few of the recommendations emanating from the conclusions that have been drawn in this study.

5.2 RECOMMENDATIONS

From the responses provided in this survey and from the quantitative research, a series of factors have been identified that would help to better target current and potential consumers of olive oil.

What was evident was that olive oil use has penetrated the domestic market, particularly in Durban, reaching approximately 68 percent of the households that were studied. These high levels of penetration suggest that a potential sizeable market of olive oil has been developed. The challenge for the olive oil importers, producers and distributors in the Durban region will be to capture this market. Part of capturing this share of the market is to understand the motivations, influences and risk perceptions of both the olive oil consumer and non-consumer.

This study has indicated that by emphasising the health benefits of olive oil will greatly increase the likelihood of purchase and decrease buyer dissonance. More than 72 per cent of consumers purchasing olive oil have a basic understanding of the health benefits of olive oil and more than 17 per cent of olive oil consumers have become accustomed to its taste. This suggests that olive oil can be easily differentiated from competing edible oils as consumers become more aware of its unique characteristics. It could also indicate that consumers can be educated into developing an appreciation of the flavour of olive oil.

Finally, the research has also provided a consumer profile that may help the olive oil industry to better target its promotional and advertising campaigns. Approximately 74 % of all consumers believe that insufficient olive oil advertisements have been communicated to them and this obviously limits the exposure of the product. Thus it is recommended that increased advertising and promotion be done to specifically increase the exposure of the beneficial health aspects of the products to ultimately motivate consumers to the point of re-purchase.

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APPENDIX A – QUESTIONNAIRE

SURVEY INSTRUMENT

DURBAN OLIVE OIL CONSUMER PURCHASING PROFILE

Name : _____ User/Non-user: _____
Date: _____ No: _____

The following pages comprises of 11 questions which should take you approximately 3-5 minutes to complete.

When considering these questions please:

- Answer ALL questions as honestly as possible whether you are a user or non-user of olive oil.
- All information will remain strictly confidential.

Your co-operation is highly appreciated.

Please remember that all information provided will remain **STRICTLY CONFIDENTIAL**. Please check the appropriate box.

Q1. What kind of edible oils are you aware of?

- None
- Sunflower Oil
- Canola oil
- Olive oil
- Sunflower, canola, olive oil

Q2. Do you purchase olive oil in your household?

- Yes
- No

Demographics

Q3. Record Gender

- Male
- Female

Q4. Which one of the following age brackets best indicates your age:

- 18 - 24
- 25 – 34
- 35 – 44
- 45 – 54
- over 55

Q5. Which of the following indicates your highest educational level:

- Post graduate degree
- University degree
- Diploma
- Grade 12
- No formal schooling

Q6. Your gross household income is:

- R1999 or less
- R2000 – R 2204
- R2205 – R R7427
- R7428 – R 13787
- R13788 or more

SECTION B – NON BUYER OF OLIVE OIL ANALYSIS

Q7. Please indicate why have never bought olive oil.

- The price of olive oil is too high
- I use other vegetable oils
- I don't like the taste of olive oil
- There is no South African olive oil in the market
- Olive oil is not readily available in the market
- I don't use much oil anyway

Q8. Which of the following factors may influence you to purchase olive oil?

- Lower price
- Available supply
- Promotions
- Recipe ideas
- I will never purchase olive oil

SECTION C – BUYER OF OLIVE OIL ANALYSIS

Q9. Which types of olive oils have you purchased?

- Extra virgin
- Virgin
- Pure olive
- Extra light
- Light

Q10. What is the MAIN reason why you have bought olive oil for your household?

- Taste
- Health benefits
- Availability in supermarkets
- Price
- Advertising

Q11 What don't you like about olive oil?

- Taste
- Flavor
- Quality
- Unavailability
- Price

SECTION D

PLEASE COMPLETE THIS SECTION BY CIRCLING THE MOST APPROPRIATE NUMBER ON THE SCALE WHERE:

1 = STRONGLY AGREE

2 = AGREE

3 = NEITHER AGREE NOR DISAGREE

4 = DISAGREE

5 = STRONGLY DISAGREE

Q12 Olive oil is readily available	1	2	3	4	5
Q13 To buy olive oil requires prior Information	1	2	3	4	5
Q14 It is risky to buy olive oil	1	2	3	4	5
Q15 I've seen many olive oil adverts	1	2	3	4	5
Q16 It is easy to recall from memory olive oil Adverts.	1	2	3	4	5
Q17 Olive oils health benefits motivates my Purchase	1	2	3	4	5
Q18 Olive oils colour influences my purchase	1	2	3	4	5