

A STUDY OF THE ATTITUDINAL
AND BEHAVIOURAL DIMENSIONS OF
INDIAN CONSUMERS TO BRAND
LOYALTY

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1993

**A STUDY OF THE ATTITUDINAL AND
BEHAVIOURAL DIMENSIONS OF
INDIAN CONSUMERS TO BRAND
LOYALTY**

by

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submitted in fulfilment of the requirements for

the degree of

MASTER OF ADMINISTRATION

(INDUSTRIAL PSYCHOLOGY)

in the Department of Industrial Psychology

in the Faculty of Commerce and Administration

at the University of Durban-Westville

SUPERVISOR : PROFESSOR ELZA THOMSON

DATE SUBMITTED : 1993

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to the following people who made this research possible:-

- Professor E. Thomson, of the Department of Industrial Psychology (UDW), for her guidance, constructive criticism and encouragement during the planning and preparation of the study;
- Mr K. Bhowan, of the University of Natal, for his guidance in the use of statistical techniques;
- Indirani Naidoo for her assistance in the processing of statistical results;
- Mr Johnston, of the Town Planning Department (Research Section), for the provision of population data and other statistics;
- The individuals who dedicatedly devoted their time and effort in administering the questionnaires as well as the subjects who so willingly responded to them;
- The HSRC and DAAD for their financial support;
- Colleagues in the Department of Industrial Psychology (UDW) for their advice and encouragement, particularly Mr J.M. Naidoo for his guidance and insight in the research methodology and statistical analysis of data;
- Nabendra Parumasur, of the Department of Mathematics and Applied Mathematics (UDW), for his dedicated support and invaluable assistance, especially with regards to computer related issues and the printing and presentation of the thesis;
- My parents, brother-in-law, Dr R.B.Bharath, and sister, Nisika, for their continuous moral support, motivation and assistance, much needed when undertaking a study of this nature;
- Gurudev, Sri Swami Sivananda, for His guidance and inspiration, acquired through His divine teachings.

ABSTRACT

This study examines the attitudinal and behavioural dimensions of Indian consumers, in the Chatsworth area, to brand loyalty. A survey was undertaken in the designated area and data for the investigation was obtained from a sample of 237 households, drawn by means of the stratified random sampling technique. The data was qualitatively and quantitatively analysed using numerous descriptive and inferential statistical techniques.

The findings indicate that Indian consumers are more brand loyal to food than to non-food products. This result reflects that the type of merchandise involved and the relative strength of brands have an important influence on brand loyalty. Furthermore, Indians are rational buyers, who evaluate the cost and benefits of products, and increasingly consider the purchases of house brands as opposed to branded products. The determinants of brand loyalty for products in general was found to be quality, whilst the main product evaluation criteria for food items is freshness, followed by nutritional value. The majority of consumers do not base their judgement of quality on price. Finally, non-brand loyal buyers assign higher ratings to product attributes on most of the specific products studied, than brand loyal consumers.

OPSOMMING

In hierdie verhandeling word die houding van Indiër verbruikers van die Chatsworth area jeens sekere handelsmerke van produkte bestudeer. Data is ingesamel in 'n opname waarby 237 huishoudings in the area betrokke was. Die steekproef van huishoudings is gekies deur middel van die ewekansige gestratifiseerde tegniek. Die data is kwalitatief en kwantitatief geanaliseer met behulp van verskeie beskrywende en inferensiële statistiese tegnieke.

Hierdie ondersoek dui daarop dat Indiër verbruikers meer lojaal staan teenoor die handelsmerke waar voedselsoorte betrokke is as teenoor die handelsmerke van ander tipes produkte. Die tipe produk en relatiewe bekendheid van 'n handelsmerk het dus albei 'n invloed op die loyaliteit jeens 'n handelsmerk. Verder blyk dit dat Indiërs rasonale kopers is, wat die prys en relatiewe voordele van produkte in ag neem en dat al hoe meer die aankoop van geen-naam handelsmerke oorweeg. Die bepalende faktor van loyaliteit ten opsigte van handelsmerke was kwaliteit georiënteerd. Ten opsigte van voedsel produkte is bevind dat dit eerstens beoordeel word vir versheid en tweedens vir voeding waarde. Die meerderheid van verbruikers het nie hulle beoordeling van kwaliteit op pryse gebaseer nie.

Ten slotte blyk dit dat vir die verbruikers wat nie handelsmerk georiënteerd is nie produk attribute hoër aanslaan vir die oorgrote meerderheid van produkte waardeur die studie gekenmerk is as handelsmerk lojale verbruikers.

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CHAPTER 1

INTRODUCTION AND AN OVERVIEW OF THE STUDY

1.1 INTRODUCTION

The emergence of the marketing concept has diverted the focus from the product to the consumer. The aim is to study consumer behaviour as 'sales of a product depends on the people buying it' - how many purchase it, in what quantities they purchase, what proportion buy it repeatedly and the size of the sector consuming something else instead. Since sales depends on individual buyers, analysing their behaviour helps in identifying the nature of marketing problems.

Consumer research is being extensively utilised to identify consumer needs, preferences and motivations so as to attain an effective and efficient marketing strategy based on research conclusions. Research has frequently been done to study the effectiveness of various marketing variables like packaging, pricing and advertising, which constitute the marketing mix. Advertising and product development costs are exorbitant to warrant aiming only for one-shot use by consumers. Thus, most marketing efforts are aimed at developing a group of people who will repeatedly purchase and even search for a specific brand.

Brand loyalty is the likelihood that consumers will continue to buy a brand they have tried. Information regarding brand loyalty is needed for management decisions, which include whether to redevelop products or packages and how much to spend to enhance favourable

attitudes among current consumers. Undoubtedly, marketing success is equal to the escalating value of the brand. However, branding as an element or variable of the marketing mix seems to have received very little attention from marketers. In addition, much of the literature that has purported to measure brand loyalty has in fact measured repeat purchase behaviour. What we need to consider is some degree of psychological commitment to the brand.

1.2 **FOCUS OF THE STUDY**

Consumers buy values other than the pure physical attributes of a product. They also buy extrinsic, psychological values that add dimensions to their satisfaction which relate to status, security and self-image. A product is the physical thing we all buy and consume but brands are far more than physical products. They represent unique totalities and from the consumer viewpoint takes on aspects of personality and character. Purchasing is thus, the output of a dynamic, decision-making system involving numerous psychological variables, and since brand loyalty is one of these variables, it should be placed in the context of the individual's process of cognitive and behavioural activities. Therefore, proper research on brand loyalty demands that both the attitudinal and behavioural aspects to brand loyalty be taken into account in research.

Furthermore, numerous difficulties are experienced in the total marketing effort in South Africa. A source of such problems in the South African consumer market is the heterogeneity of demand and consumer needs, which is the consequence of the multiplicity of cultural groups in this country. Since cultural values are a determinant variable in the consumer

decision-making process, we can no longer reach the non-White market in the same way as the white market. Marketers need to be sensitive to the needs of each culture in order to serve the interests of the various consumer segments. Therefore, this study analyses the attitudinal and behavioural dimensions of Indians to brand loyalty. The expanding educational level and consequent economic potential of this ethnic market has escalated the interest of marketers in them, the efforts of whom are directed towards the development of appropriate marketing strategies.

1.3 DEFINED OBJECTIVES

The **main objectives** of the study are:-

- * To investigate the determinants of brand loyalty amongst Indian consumers.
- * To establish whether the type of merchandise involved and the relative strength of brands have an important influence on brand loyalty amongst Indian consumers.
- * To determine the extent of purchasing house brands as compared to nationally advertised brands, among Indian consumers who shop at supermarkets.
- * To investigate whether the attitudes of Indian consumers towards brands always predict behaviour or the purchase of those brands.

The **sub-objectives** of the study are:-

- * To determine whether there is a significant difference in the store patronage of Indian consumers in the Chatsworth area.

- * To establish whether there is a significant difference in the price-quality perception of Indian consumers for grocery products in the Chatsworth area.
- * To determine whether a significant relationship exists between the price-quality perception of Indian consumers for grocery products and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.
- * To investigate the importance that Indian consumers attach to the various product attributes (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) when engaging in the purchases of grocery products.
- * To establish whether a significant relationship exists between the median level of importance attached to each product attribute (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) and each biographical variable (gender, marital status) respectively.
- * To determine whether a significant relationship exists between the mean level of importance attached to the product attributes (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.
- * To investigate whether there is a significant difference in the reaction of Indian consumers to an out-of-stock condition of a preferred brand of food product.
- * To determine whether there is a significant difference in the reaction of Indian consumers to an out-of-stock condition of a preferred brand of non-food product.

- * To determine whether a significant relationship exists between the reaction of Indian consumers to an out-of-stock condition and each biographical variable (socio- economic status, gender, age) respectively.
- * To determine whether there is a difference in the shopping behaviour of Indian consumers based on usage rate and out-of-stock conditions.
- * To investigate the reaction of Indian consumers under conditions of price change of the preferred brand.
- * To determine whether an association exists between the reaction of Indian consumers to price changes of the preferred brand and each biographical variable (socio- economic status, gender, age) respectively.
- * To investigate the possibility of brand switching tendencies of Indian consumers in the future.
- * To determine whether a significant relationship exists between the brand switching tendencies of Indian consumers in the future and each biographical variable (socio- economic status, gender) respectively.
- * To determine whether the reasons for brand switching for food products differ from the reasons for brand switching for non-food products.
- * To investigate whether there is a difference between the price perception of Indian consumers for house brand products as compared to branded products.
- * To determine whether an association exists between the price perception of Indian consumers for house brand products as compared to branded products and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.

- * To investigate whether there is a difference between the quality perception of Indian consumer for house brand products as compared to branded products.
- * To determine whether an association exists between the quality perception of Indian consumers for house brand products as compared to branded products and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.
- * To establish whether there is a significant correlation between the price and quality perception of Indian consumers of house brand products as compared to branded products.
- * To examine the usage rate of house brand products as compared to branded products among consumers who shop at supermarkets.
- * To investigate whether a significant relationship exists between the usage rate of house brand products as compared to branded products and each biographical variable (socio-economic status, gender, age) respectively.
- * To determine whether an association exists between the attitude of Indian consumers towards house brand products and the usage rate of these products.
- * To establish whether there is a significant difference in the purchasing pattern (brand loyalty) of Indian consumers between food and non-food products.
- * To determine whether a significant relationship exists between the purchasing pattern (brand loyalty) of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for food products.
- * To determine whether a significant relationship exists between the purchasing pattern (brand loyalty) of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for non-food products.

- * To investigate whether brand loyal and non-brand loyal consumers differ in their rating of the importance of the product attributes (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) for food products.
- * To determine whether brand loyal and non-brand loyal consumers differ in their rating of the importance of the product attributes (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) for non-food products.
- * To determine whether brand loyal and non-brand loyal consumers differ in their rating of the attributes of each product (margarine/butter, breakfast cereal, tea/coffee, rice, cooking oil, toothpaste, washing powder, 'toilet' bath soap, toilet paper, 'underarm' deodorant).
- * To investigate whether there is a difference in the perception of price and quality of house brand products as compared to branded products between brand loyal and non-brand loyal consumers.
- * To determine whether Indian consumers are more brand loyal to food products than non-food products.
- * To determine which brand is the most frequently purchased by Indian consumers for each product.
- * To determine which is the leading brand for each product.

The objectives of the study will be achieved through the use of descriptive statistics, which will enable a qualitative analysis of the data as well as inferential statistical techniques, which serve as useful tools in testing hypotheses.

1.4 HYPOTHESES

- * There is a significant difference in the store patronage of Indian consumers in the Chatsworth area.
- * There is a significant difference in the price-quality perception of Indian consumers for grocery products in the Chatsworth area.
- * There is a significant relationship between the price-quality perception of Indian consumers for grocery products and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.
- * There is a significant relationship between the median level of importance attached to each product attribute (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) and each biographical variable (gender, marital status) respectively.
- * There is a significant relationship between the mean level of importance attached to the product attributes (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.
- * There is a significant difference in the reaction of Indian consumers to an out-of-stock condition of a preferred brand of food product.
- * There is a significant difference in the reaction of Indian consumers to an out-of-stock condition of a preferred brand of non-food product.

- * There is a significant relationship between the reaction of Indian consumers to an out-of- stock condition and each biographical variable (socio- economic status, gender, age) respectively.
- * There is a a significant relationship between the brand switching tendencies of Indian consumers in the future and each biographical variable (socio-economic status, gender) respectively.
- * There is a significant correlation between the price and quality perception of Indian consumers of house brand products as compared to branded products.
- * There is a significant relationship between the usage rate of house brand products as compared to branded products and each biographical variable (socio-economic status, gender, age) respectively.
- * There is a significant difference in the purchasing pattern (brand loyalty) of Indian consumers between food and non-food products.
- * There is a significant relationship between the purchasing pattern (brand loyalty) of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for food products.
- * There is a significant relationship between the purchasing pattern (brand loyalty) of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for non-food products.

1.5 LIMITATIONS OF THE STUDY

Although the results of the study are generally consistent with the theory and literature, the conclusions are tentative, given the limitations that are typical of such econometric studies. The interpretation and discussion of the findings are therefore, tempered by the following limitations of the study:-

1.5.1 LENGTH OF THE QUESTIONNAIRE

The length of the questionnaire invited an immediate negative response from the subjects. However, the problem was eliminated by persuasion, convincing subjects that only the relevant parts of the questionnaire had to be completed and assuring them that the majority of the questions in the document demanded only an X response in the appropriate block. The nature and objectives of the study and the empirical perspective demanded an instrument of some length so that the problem could not really be avoided.

1.5.2 THE QUALITY OF SUBJECTS

Many of the subjects in the sample, drawn from the Chatsworth area, (particularly those from the lower socio-economic classes), are poorly educated. In addition, many subjects are illiterate. This necessitated a verbal amplification of the instructions and demanded that the interviewer noted the responses personally. However, despite this problem a contamination of results was prevented since the interviewers used standardised procedures that eliminated

the chances of biasness or 'shaping' the response of the subject. Despite the lack of education, the majority of subjects (literate and illiterate) made every effort to substantiate their purchasing patterns, which contributed largely to the study.

1.5.3 **BIOGRAPHICAL VARIABLES**

The questionnaire enabled a distinction between single, married and divorced subjects. In many areas, the data analysis included only the two former categories since the divorced sector made up a very small category that would have made conclusions suspect had it been included in analysis. Socio-economic status was based solely on geographic area and the index of income determined by Johnston (1986). A more elaborate classification would have emerged had occupation and actual income been taken into account. However, this was eliminated due to the reluctance of subjects to reveal exact incomes. Furthermore, Johnston's study did not include an index of income for particular suburbs (Burlington Heights, Shallcross and Harinagar), especially the newly developed ones. However, these suburbs were later classified by Johnston for the purpose of this study.

1.5.4 **STATISTICAL ANALYSIS**

Since the data that emerged from the study were predominantly nominal in nature, the statistical analysis of the data generated mostly the use of nonparametric statistical techniques. However, the questionnaire as a whole enabled the use of both descriptive and inferential statistics as well as multivariate techniques.

1.5.5 DURATION OF THE STUDY

The domain of the data is limited as it covers only the response of subjects regarding their purchasing patterns and behaviour during one interviewing session. A longitudinal study, which however, extends beyond the scope of this study, would have provided a more detailed analysis regarding brand loyalty and repeat purchase behaviour and would have generated more concrete results and marketing implications.

1.5.6 GEOGRAPHIC AND RACIAL GROUP

Since the research sample only incorporated the study of Indian consumers in the Chatsworth area, care should be taken against generalising the results of the study to Indians living in other geographic areas as well as the other racial groups. The generality of the results to Indians living in other areas is limited mainly due to the location of stores in the selected geographical area (Chatsworth). For example, the research conclusion that Checkers is a widely patronised store by Indian consumers may be due to the fact that this store is centrally situated in the Chatsworth area and eliminates the problem of transport and is thus, largely patronised as a result of convenience. This may not be the case for Indians living in other areas.

1.5.7 ELIMINATION OF THE MULTI-BRAND BUYER

The study eliminates the possibility that buyers may be loyal to more than one brand. Analysis of consumers who are loyal to a repertoire of brands may help to identify other significant subgroups within the multi-brand buying category. However, such an analysis extends beyond the jurisdiction of this study.

1.5.8 PRODUCT CHOICE

For reasons specified, only the purchasing pattern of particular food (margarine/butter, breakfast cereal, tea/coffee, rice, cooking oil) and non-food (toothpaste, washing powder, 'toilet' bath soap, toilet paper, 'underarm' deodorant) products were included in the study. The results of the study are therefore, applicable to these product classes only, and to generalise to other products, excluded in this study, would not be appropriate.

1.6 STRUCTURE OF THE STUDY

A basic orientation of the study as well as the objectives of the research are presented in this chapter. Chapter 2 is devoted to consumer decision-making and the literature survey focuses on the various stages of the process. It examines the effect of the level of involvement and psychological dimensions of consumer decision-making. This chapter concludes with a cognitive processing model of consumer decision-making and reflects on the marketing implications. It is found that decision-making cannot be analysed in isolation since numerous

variables influence the consumer. This necessitates a detailed analysis of the psychological dimensions of consumer behaviour. Chapter 3 therefore, incorporates an exposition of motivation as a inner state that directs behaviour towards predetermined goals; perception as the selection, organisation and reaction to environmental stimuli in a meaningful way; personality as the dynamic organisation within the person that determines behavioural tendencies and thought processes and self-concept as the image individuals have of themselves. This chapter also expounds the concepts of learning, memory, attitudes and the attitude change processes that play a significant role in consumer decision-making.

Numerous environmental variables emerge to impact on consumers' cognition, affect and behaviour. Chapter 4 analyses these external influences by addressing the impact of culture, subculture, social class, social groups, family and personal influence on consumer decisions and behaviour.

Since cultural values pose as a determinant variable in consumer decision-making, an investigation into the environmental variables would be incomplete without a review of the multiplicity of the cultural groups in South Africa, their divergent lifestyles and the challenges that the South African marketers confront. A reflection on the South African consumer incorporates an outline of the consumer market and the compensation, patterns and structure of the South African population. Chapter 4 incorporates a descriptive perspective of the history, cultural backgrounds and population development of Indians in South Africa and concludes by reviewing the distinct lifestyles and consumption patterns of this unique ethnic group.

Brand loyalty emerges as a variable of significance and is related to the changing purchasing habits of Indian consumers in Chapter 5, which presents a theoretical perspective of the concept. Since the success of the product and the size of the market share depends on the prominence of the brand, the logical conclusion is to investigate the concept of brand loyalty amongst the members of the Indian community whose purchasing potential is steadily increasing.

The first 5 chapters therefore, provide a conceptual basis for the consequent empirical analysis. Chapter 6 outlines the methodology of the study and the research design. The results of the field study are reported in Chapter 7. Chapter 8 incorporates the analysis and interpretation of results whilst Chapter 9 concludes the theoretical and empirical perspectives with a presentation of recommended marketing strategies based on the research findings.

1.7 CONCLUSION

Underlying all purchasing behaviour is the process of consumer decision-making, an analysis of which can only be justified when cognisance is given to the numerous environmental and psychological or individual influencing variables that impact on it.

CHAPTER 2

THE CONSUMER DECISION-MAKING PROCESS

2.1 INTRODUCTION

The transition from self-sufficiency to the free market system has undoubtedly enlarged man's sphere of needs. The latter was further intensified by improved communication networks, human being's insatiable desire to progress and live better lifestyles, as well as the effective marketing strategies of promotions and advertising. Unfortunately, individuals' disposable income do not increase at the same rate as their demand for goods and services. Consequently, the consumer can no longer always engage in simple purchases of products but is forced to weigh the pros and cons of available alternatives in order to obtain maximum utility from scarce resources. Consumers do not only aim to satisfy their physiological needs but are motivated by the quest for optimum returns. Undoubtedly, the evaluation, purchasing and use of economic goods and services involves the accumulation of complex activities. The latter includes not only physical but also mental activities. Consumer behaviour can be analysed as a decision-making process whereby the former is viewed as problem-solving behaviour. Consumer decision-making is a task in problem-solving and goal striving behaviour. The decision-making process implies that consumers constantly seek goals and solutions to problems. Furthermore, this process is not just a single activity or step. Instead, consumers must identify and evaluate choices, explore the results of particular actions, and analyse the consequences of their behaviour within a post-purchase time period. Consumer decision processes involve "a search for significant structure within the problem environment,

much trial-and-error behaviour, and in some cases a degree of systematic calculation" (Markin 1974: 488 - 490).

It is obvious that decision-making is a broad aspect which deserves an indepth exploration of the process. In order to do justice to and cover the spectrum of activities involved in consumer decision-making it is necessary to analyse the nature of this process, to outline the influencing variables and to examine the different stages. A thorough explanation on the consumer decision-making process necessitates a discussion on the types of relevant decisions and the extent of product involvement. Furthermore, an investigation into and explanation of the psychological activity in consumer decision-making is necessary. This ultimately leads to an illustration and exploration into the cognitive processing model of consumer decision-making.

2.2 THE CONSUMER DECISION-MAKING PROCESS

The consumer is continuously making decisions regarding what products and services to consume. There are two basic reasons why individuals must make decisions. Firstly, they have to satisfy their needs and desires. Secondly, in certain instances more than one choice or alternative will satisfy the individual's needs. Decisions have to be made and consumer decision-making determines what goods and services people will want, purchase, own and consume.

It is evident that consumer behaviour is triggered by needs. Consumer decision-making directs needs "by evaluating and selecting the actions that will satisfy them" (McNeal 1982: 161). The process of consumer decision-making, unlike consumer actions, is unobservable. Consumer decision-making is a cognitive process, "it consists of those mental activities that determine what is actually done to remove a tension state caused by a need" (McNeal 1982: 161).

Primarily, consumer decision-making is analogous to problem-solving. A problem arises when the individual seeks a goal or end state and when uncertainty prevails with regards to the best solution to the existing problem. The unsatisfied want is the problem and the solution is the act of purchase. Consequently, "a decision or a solution is an effective response or course of action that provides a desired result to a currently perceived behavioural state of the organism" (Markin 1974: 491). This implies that problem-solving is associated with the perceptual state of the consumer. Perception is "the entire process by which an individual becomes aware of the environment and interprets it so that it will fit into his or her own frame of reference" (Walters & Bergiel 1989: 333). A problem occurs only when the consumer perceives a difference between his current state of affairs and his desired state of affairs. The consumer chooses a course of action that will achieve this desired state. However, this is not a simple cause-and-effect process but can become rather complex.

The consumer decision-making process "is a sequential and reiterative series of psychological and physical activities" ranging from problem recognition to post-purchase behaviour (Markin 1974: 503). Since the stages in the process are not necessarily linear, the consumer

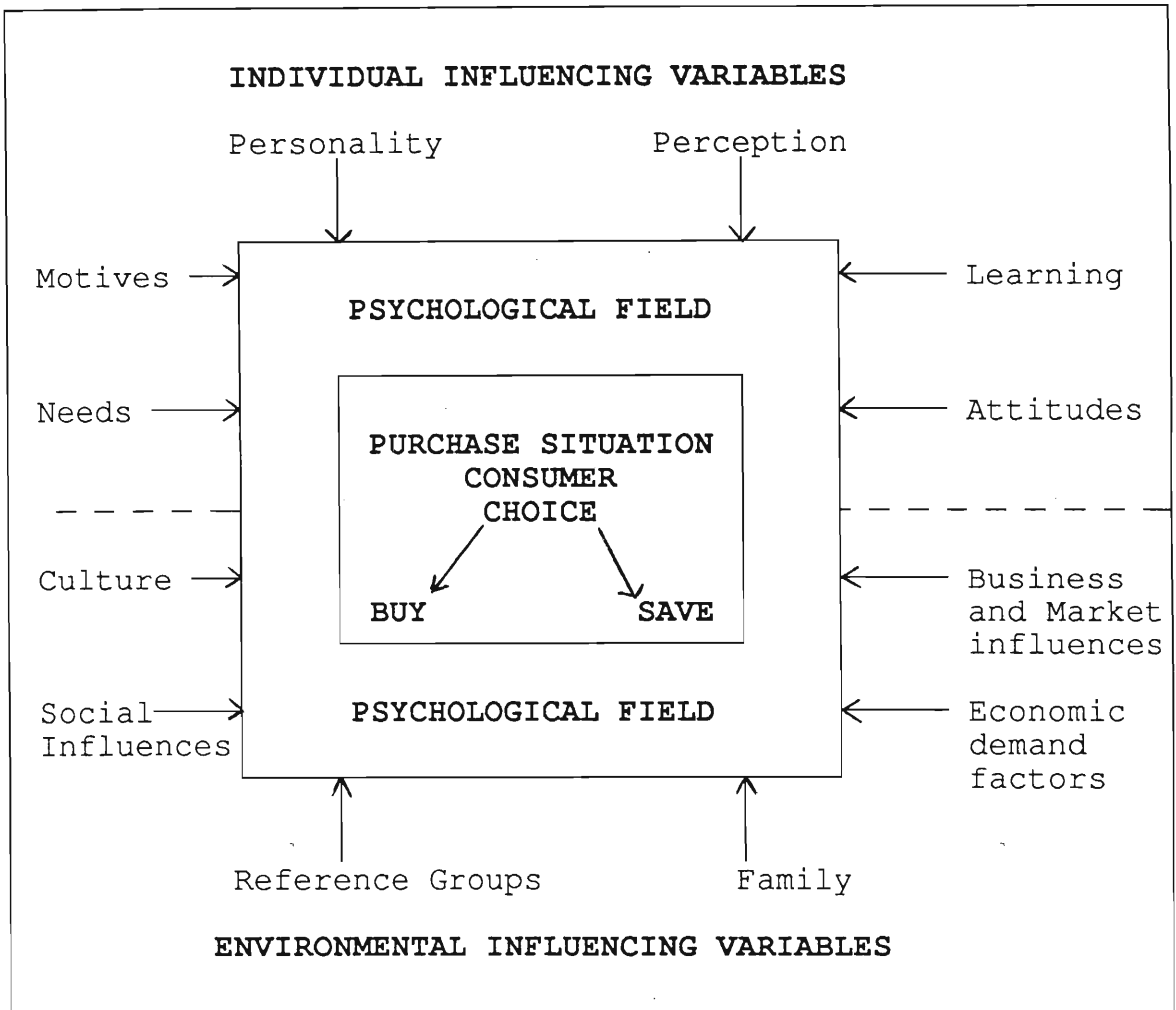
can launch into any stage or activity in the process and follow any order or even skip certain activities. However, the decision of the consumer is dependent upon various influencing variables that are operative at each of of the conceptualized stages.

2.2.1. CONSUMER DECISION-MAKING: INFLUENCING VARIABLES

When focusing on the decision-making process of individual consumers, it is apparent that the basic decision made by the individual is whether to spend or to save. The outcome of the consumer's decision will depend on numerous influencing variables. This can be divided into two broad categories, namely, internal or individual influencing variables and external or environmental influencing variables (Figure 2.1).

FIGURE 2.1

CONSUMER DECISION-MAKING: INFLUENCING VARIABLES



(du Plessis, P.J., Rousseau, G.G. & Blem, N.H. 1990. Consumer Behaviour: A South African Perspective. Halfway House: Southern Book Publishers (Pty) Ltd. p. 44).

2.2.1.1 INDIVIDUAL INFLUENCING VARIABLES

The following individual influencing variables control internal thought processes:

Needs are "forces directed to specific goals that can be achieved by purchase behaviour" (du Plessis et al. 1990: 43). McNeal (1982: 26) defines a need as "a lack of something required

for optimum life conditions". A distinction can be made between functional, symbolic and experiential needs. **Functional needs** motivate the quest for items that resolve problems related to consumption. **Symbolic needs** are desires for products that satisfy inner needs for enhancement of self, role position, group membership or ego-identification. **Experiential needs** are "desires for products that provide sensory pleasure, variety and/or cognitive stimulation" (Park, Jaworski & MacInnis 1986: 136).

Motives are inner states "that energize, direct and shape a particular pattern of purchase and consumption behaviour" (Hawkins, Best & Coney 1986: 32). Motives are important in influencing various aspects of consumer behaviour since it "is a construct representing an unobservable inner force that stimulates and compels a behavioural response and provides specific direction to that response" (Hawkins, Best & Coney 1986: 179).

Personality is a "combination of unique individual characteristics or traits which reflect consistent and enduring patterns of behaviour" (du Plessis et al. 1990: 43). Whilst motives direct the individual's behaviour towards his objectives, personality relates to characteristic patterns of behaviour. Personality can be referred to as the "consistent responses to environmental stimuli" (Engel, Blackwell & Miniard 1990: 327). The personality of an individual provides for orderly and logically related experiences and behaviour. It also relates to the specific patterns of organization that makes the person unique and different from other people. The consistency of responses is derived from the understanding that "personality is based upon rather enduring, inner psychological characteristics" (Engel, Blackwell & Miniard 1990: 328).

Perception is the process by which "sensory input" is selected, organized and interpreted into a meaningful and logical picture (McNeal 1982: 141). According to Park, Gardner & Thukral (1988: 401) "the level of perceived knowledge affects the comprehension and use of interrelationship among new pieces of information in subjects' choice-decision task". It also influences the consumers assessment of the importance of old and new information.

Learning is "any change in the context or organization of long-term memory" and is thus, the outcome of information processing (Hawkins, Best & Coney 1986: 342). It is the process by which "experience leads to changes in knowledge, attitude and/or behaviour" (Engel, Blackwell & Miniard 1990: 50).

Attitude can be defined as "an overall evaluation that enables one to respond in a consistently favourable or unfavourable manner with respect to a given object or alternative" (Engel, Blackwell & Miniard 1990: 46 - 47). Alternatively, it can be stated that an attitude is "the amount of affect for or against some object" (Lastovicka & Bonfield 1982: 59). They are composed of "cognitive (beliefs), affective (feelings), and behavioural (response tendencies) components which tend to be consistent with one another" (Hawkins, Best & Coney 1986: 33). Attitudes are often considered to be "relatively stable and enduring predispositions to behave" (Mitchell & Olson 1981: 318).

2.2.1.2 ENVIRONMENTAL INFLUENCES

There are basically six environmental influences that direct internal thought processes.

In consumer behaviour **culture** refers to "the values, ideas, artifacts and other meaningful symbols that help individuals communicate, interpret, and evaluate as members of society" (Engel, Blackwell & Miniard 1990: 40). Culture is one of the most fundamental determinants of consumer cognitions and behaviours. Within each culture, there is a **subculture** and this refers to "a segment of a culture which has its own distinguishing modes of behaviour" (McNeal 1982: 193). The influence of culture on consumer behaviour occurs mainly through social influence.

Social influences include the impact of culture, subculture, social class, reference groups and family influences. Much of a consumer's knowledge in general, "as well as specific opinions about products, services, stores, prices, and even advertising are strongly affected by the opinions of other people, such as family members and peer groups" (Peter & Olson 1987: 384). "People tend to internalize the criteria employed by others," and use them to justify their decisions to themselves (Simonson 1989: 159). A **reference group** is a person or group of people "that significantly influences an individual's behaviour" (Bearden & Etzel 1982: 184). Reference groups can be classified into primary and secondary groups. Whilst the former includes close friends, neighbours and family, the latter refers to student bodies, religious groups, professional associations and guilds.

The **family** is the primary decision-making unit "with a complex and varying pattern of roles and functions" (Engel, Blackwell & Miniard 1990: 42). Various family members may assume different roles in the purchase-consumption process. The actual purchaser of an item may not be the ultimate user or the person who made the decision to purchase.

Economic demand factors refer to the consumer's level of purchasing power which is determined by the availability of money or by obstacles faced by the consumer as a result of the lack of funds or ability to obtain credit. Prices, financial risk and opportunities for investment also have an impact on household income.

The **marketing environment** includes "all stimuli and situations that affect consumer cognitions and behaviour, either directly or indirectly" (Peter & Olson 1987: 391). It includes elements from the social environment which involve consumer interactions with salespersons, as well as those from the physical environment, namely, products, stores, advertisements. Marketing "is not only a very important part of the fabric of society, but also plays a significant role in shaping its values, activities, and landscape" (Peter & Olson 1987: 391). Marketing strategies are not only adapted to the changing conditions in the environment, but also play a crucial role in creating it.

2.2.1.3 PURCHASE SITUATIONS

Consumers do not function in isolation but are influenced by numerous individual and environmental factors which can collectively be referred to as the "psychological field" (Engel,

Blackwell & Kollat 1978: 17). These variables constantly and simultaneously interact and play a leading role in the final outcome of the consumer's choice.

In any purchasing situation individuals absorb information from their external environment and integrate or combine it with their inner needs, motives, perceptions and attitudes. The choice outcome may also be influenced by the past, the act of recalling and personality factors. The past may operate through "learned patterns of behaviour and ways of thinking, many of which are largely unconscious" (Engel, Blackwell & Kollat 1978: 17 - 18). In addition to past product experiences, anticipating future consequences of behaviour may also influence the choice outcome in a current act of purchase. A purchase situation may be defined "as a typical pattern of choice possibilities within a given context" (du Plessis et al. 1990: 45).

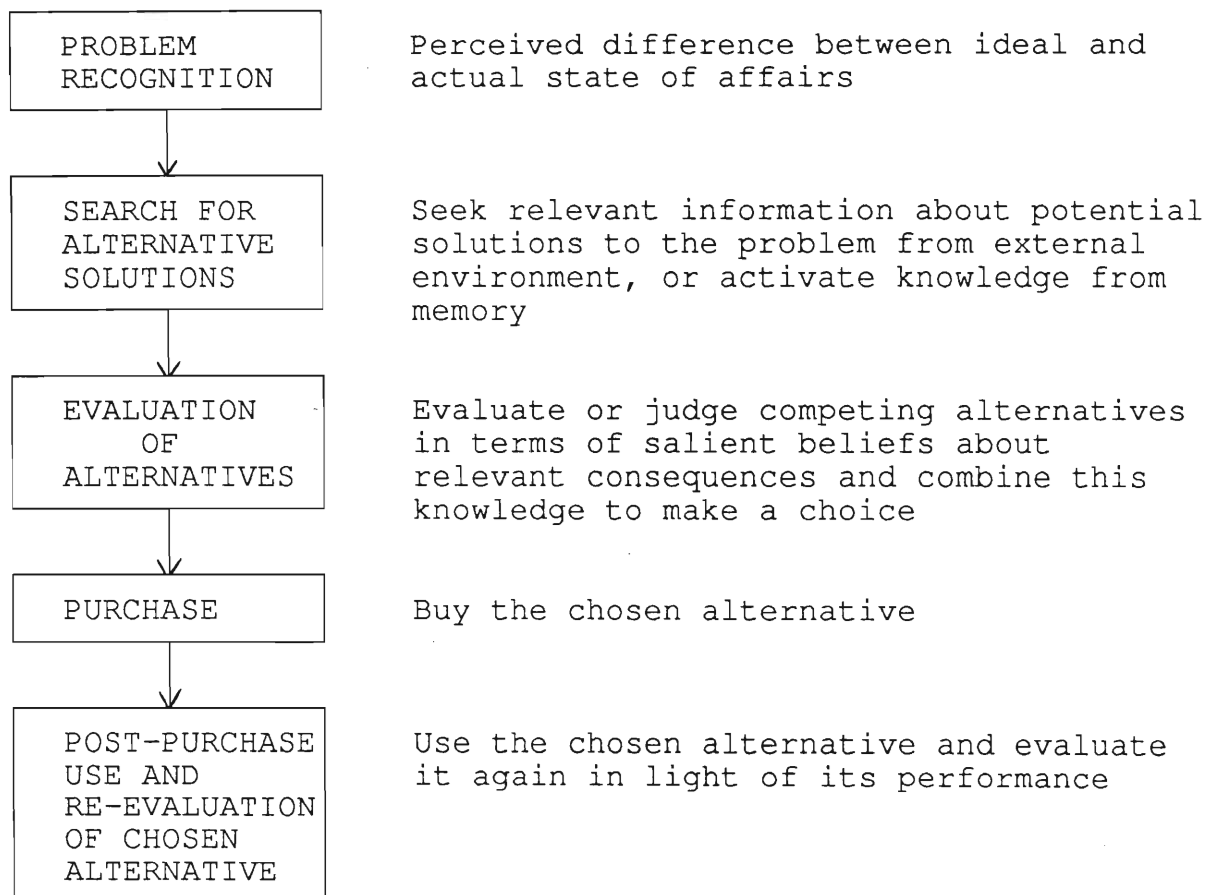
A person is also profoundly influenced by his surrounding environment. The consumer often faces family and cultural influences, peer group pressure, reference groups, economic demands and persuasive advertising. However, despite these and marketing pressures, the decision whether to buy or not in the final purchase situation "is an individual one and a key decision consumers have to make" (du Plessis et al. 1990: 46). By analysing the internal thought process of consumers as they undergo the process of decision-making, marketers can determine the criteria consumers use in purchase decisions, the dominant influencing variables as well as be able to predict future behaviour.

2.2.2 THE STAGES IN THE DECISION-MAKING PROCESS

Five stages in the consumer decision-making process can be conceptualised. They are problem recognition, information search and processing, response/purchase, evaluation of alternatives and post-purchase response (Figure 2.2).

FIGURE 2.2

THE STAGES IN THE DECISION-MAKING PROCESS



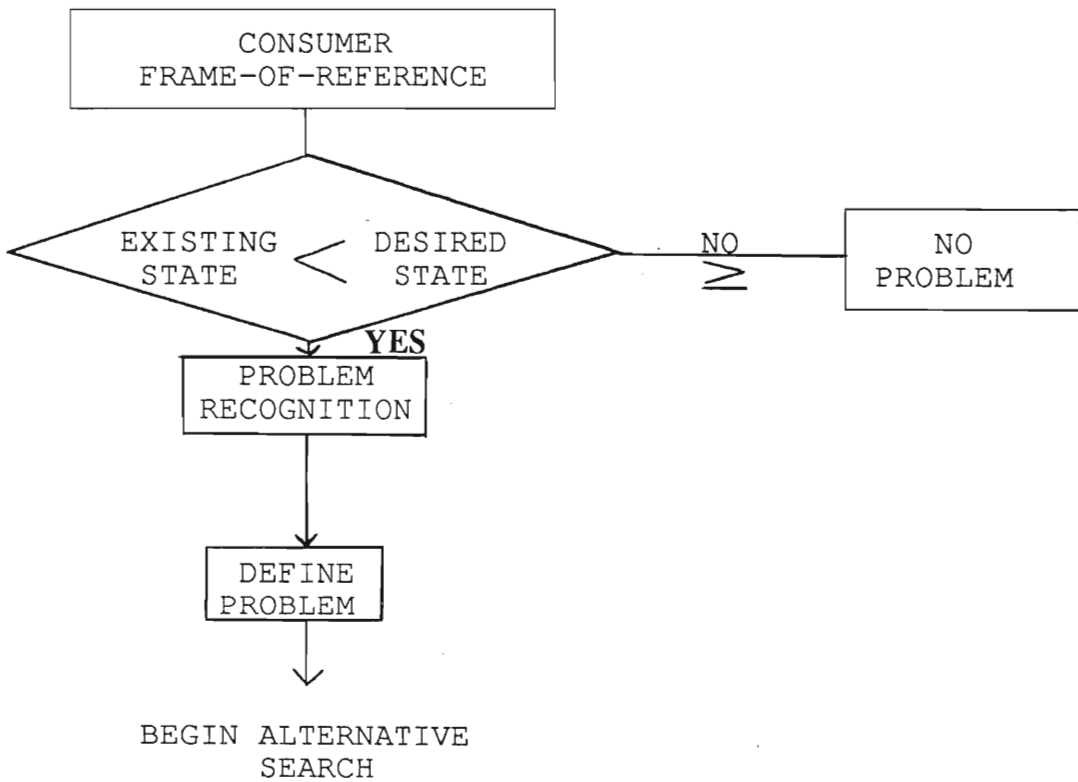
(Peter, J.P. & Olson, J.C. 1987. Consumer Behaviour: Marketing Strategy Perspectives. Homewood: Illinois, IRWIN. p. 235).

2.2.2.1 PROBLEM RECOGNITION

The first stage in consumer decision-making is the recognition of a problem. A problem only occurs when two or more alternatives exist. A problem arises when the consumers recognise a difference between what they perceive as the current or actual state of affairs and the desired state of affairs (Figure 2.3).

FIGURE 2.3

PROBLEM RECOGNITION BY CONSUMERS



(Walters, C.G. & Bergiel, B.J. 1989. Consumer Behaviour: A Decision-Making Approach. Cincinnati" South Western Publishing Company. p. 35).

From Figure 2.3 it is evident that consumer problem recognition is "an awareness of wanting to change the existing market to conform to the desired state" (Walters & Bergiel 1989: 34). Problem recognition is predominantly a perceptual phenomenon. The incongruity between the prevailing and the desired state of affairs "triggers the onset of a state of motivated behaviour" (Markin 1974: 509). Problem recognition implies that the consumer develops some felt need or desire where "a tensional state or some disturbance in the consumer's psychological field thus develops, and there arises motives or reasons that impel the consumer to respond" (Markin 1974: 509). With the result, a spectrum of mental activities and attitudinal reactions, which are termed cognitive processes, develop.

Problem recognition can be related to all the stages in the decision-making process, for example, problems associated with whether a product is needed (problem recognition), what product to buy or which brand to select (information search and processing), whether to buy on cash or credit or how to postpone the act of purchase (response), and whether or not to be satisfied with the selection (post-purchase behaviour). Problem recognition "is understanding that there is uncertainty about the goal, its achievement, or the outcome" (Walters & Bergiel 1989: 19).

Problem recognition may also differ, depending on the effect of the numerous influencing factors. Three determinants of need or problem recognition are information stored in memory, individual differences and environmental influences. In addition, "normative social influences can become relevant in those buying situations in which the response of others assumes importance" (Engel, Blackwell & Miniard 1990: 475). Need or problem recognition,

especially in complex decision-making, is likely to be multifaceted and complex. Problem recognition is inevitable since the consumer continuously aims to satisfy the demands of his hierarchy of needs.

a) **SOURCES OF CONSUMER PROBLEMS**

Most consumer problems arise as a result of internal and external barriers. Du Plessis et al. (1990: 48) refer to these problems as "blocking mechanisms", which implies "the principle objection to entering into the buying process". Of the individual influences, "distorted perceptions and negative attitudes probably have the most direct effect as blocking mechanisms" (du Plessis et al 1990: 48). Apart from these internal barriers, blocking mechanisms can also arise from external barriers. The latter includes the lack of funds and of credit facilities, the unavailability of a product, the need for more information, uncertainty about the expected outcome due to unforeseen circumstances, the inability to make a decision and the lack of criteria on which to base post-purchase assessment. Most consumer problems arise as a result of assortment inadequacies, new information, expanded desires and expanded or reduced means.

Assortment inadequacies implies that the consumer's stock of goods is being depleted and to ensure existence in the future, action is directed towards repurchasing and restocking. Hence, numerous consumer problems are perceived by the recognition of the need for additional goods as a result of normal depletion.

The perception of consumer problems also occurs when **new information** is captured by the psychological field of the consumer. This information "creates cognitions and states of awareness" (Markin 1974: 509). These cognitions make consumers feel the need for products and services and view them as solutions to their problems.

Human beings are continuously driven by their **desire to progress** and improve their standard of living. Individuals' soaring level of aspirations and anticipations propel their desire for new goods and services. The consumer's constantly changing roles, lifestyles, views and images are coupled with the generation of new consumer problems or needs.

Consumer problems also arise as a result of **changes in financial status and/or changes in financial expectations**. "A generally rising standard of living or state of affluence means also an expanded package of desired goods and services" (Markin 1974: 510). An increase in income, a substantial tax return, an inheritance or the expectation of any of these can stimulate the consumer to change their wants and conclude that the current state is less gratifying. The upward trend in income is therefore, likely to be accompanied by an increase in consumer expenditure. Alternatively, a financial loss can also change the needs and expectations of consumers and lead to problem recognition. "In periods of rapid inflation or declining earnings, many households are forced to cut back on extras, such as entertainment, and to purchase lower quality levels of other products, such as food" (Hawkins, Best & Coney 1986: 545). The consumer's available resources is a factor in determining how much and what goods and services should be consumed.

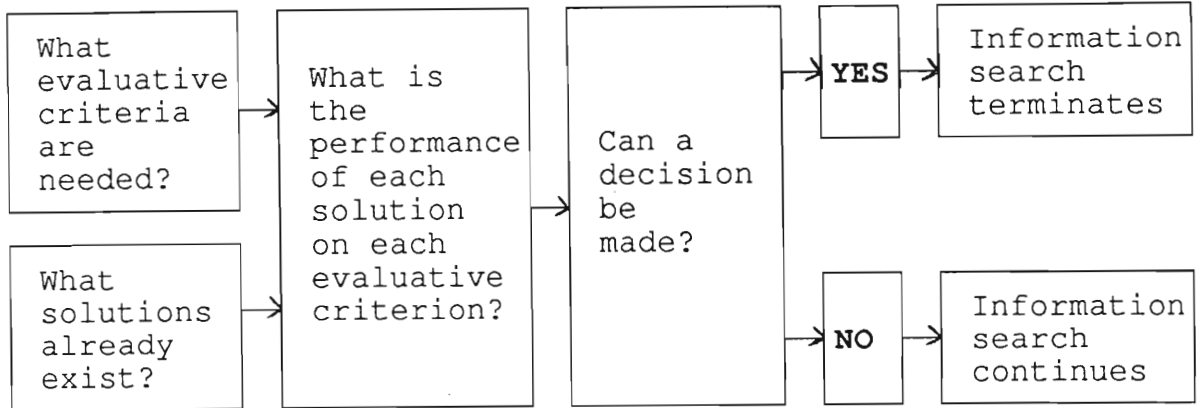
The development of consumer problems that surface primarily as a result of the four aforementioned sources require the acquisition of information in order for the consumer to make the correct choice.

2.2.2.2 THE SEARCH AND PROCESSING OF INFORMATION

The second stage in the consumer decision-making process is the search and processing of information. In many buying situations when the problem is perceived, the consumer begins to seek information. Consumer search is "the mental and physical activities undertaken by consumers to provide information on recognized problems" (Walters & Bergiel 1989: 21). It is basically a learning process by which the consumer becomes aware of alternative products or brands, specific stores, specific trading centres, prices of products, terms of sale and consumer services. This search process provides information that is necessary when evaluating alternatives in order to arrive at the choice which derives maximal benefits at minimum cost. It is selective since consumers choose data that is most in keeping with their wants and which is most likely to correspond with their views, beliefs, personality and attitudes (Figure 2.4).

FIGURE 2.4

INFORMATION SEARCH IN CONSUMER DECISION MAKING



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. Consumer Behaviour and Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 569).

During information search the processing of information "involves exposure to various sources, paying attention to the content and being able to comprehend and retain the essence of what has been learnt in the memory" (du Plessis et al 1990: 51).

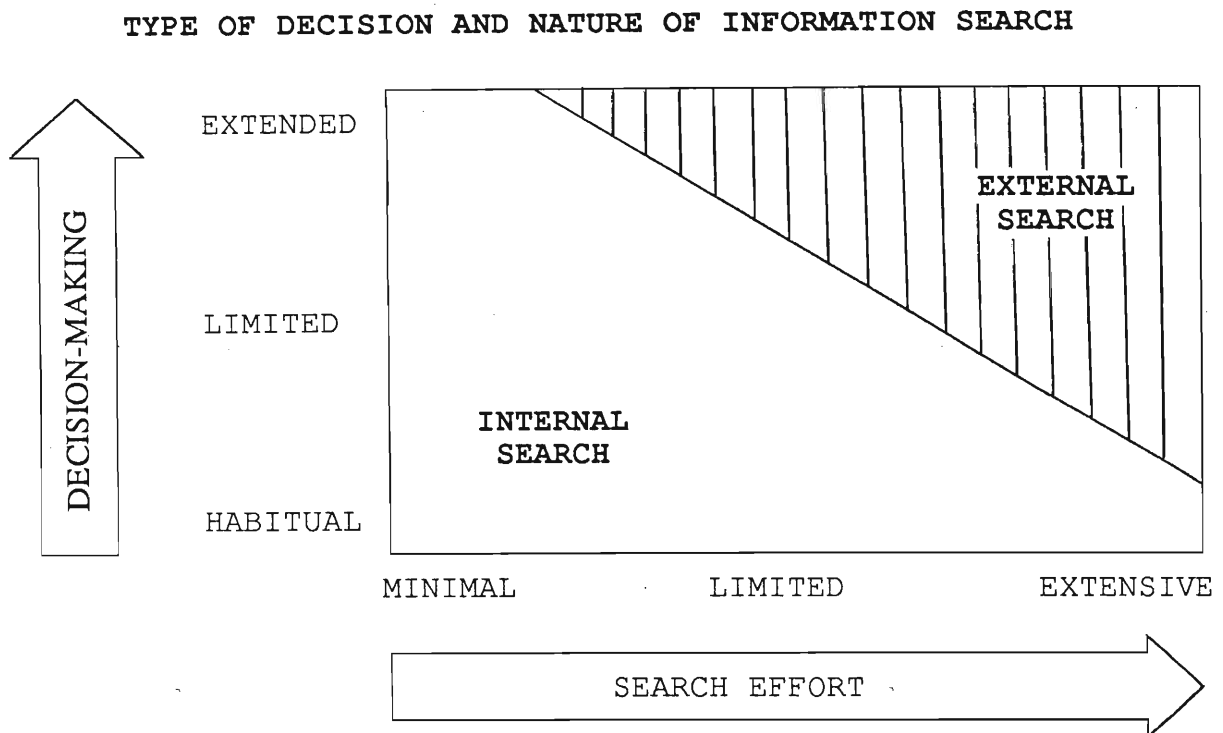
The search consumers engage in may be internal or external. The former concerns information from the consumer's experience that is reserved in memory. "Much information is literally stored in the cognitive structure of consumers, and this reservoir of knowledge may be used to shorten what might otherwise be a necessarily long and extended search process" (Markin 1974: 511). This kind of information is the outcome of the learning process. In addition to the recall of previous experiences with a product, internal search based on the process of learning includes treatment by a salesman, consumer advisory services, parking

facilities, store layout, availability of items, prices paid for items and store shopping service. Consumers do consult sources outside their own experience in order to acquire information that is imperative for decision-making. When the individual engages in external search, it "is affected by individual differences and environmental influences" (Engel, Blackwell & Miniard 1990: 477). The former includes consumer resources, motivation and involvement, knowledge, attitudes, personality, lifestyle and demographics. Environmental influences include personal information sources, business and marketing forces, neutral sources, economic, social and cultural influences. Personal information sources are represented by family, friends, neighbours and peer groups, for example, when analysing the pros and cons of known brands or store location. Business and marketing sources are depicted by advertising, in-store promotions and personal selling or sales staff. Neutral information sources such as booklets, pamphlets and brochures may also be consulted by consumers. "Expert financial advice from consultants or bank managers may also provide important information on economic demand factors" (du Plessis et al 1990: 51). Consumers who value their cultural heritage and who are concerned over the implications of their buying decisions on society, often consult cultural organisations and social groups when acquiring information.

Consequently, the concepts of internal and external search implies that the type of decision-making determines the extent of search effort. A distinction can be made between habitual, limited and extended decision-making. **Habitual decision-making** occurs when the consumer purchases an item without considering alternatives. **Limited decision-making** takes place when the consumer engages in little alternative evaluation. The individual thoroughly evaluates multiple alternatives in **extended decision-making**. Habitual, limited and extended

decision-making are respectively associated with minimal, limited and extensive search effort (Figure 2.5).

FIGURE 2.5



Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. *Consumer Behaviour: Implications for Marketing Strategy*. 3rd Edition. Texas: Business Publications, Inc. p. 568).

2.2.2.3 EVALUATION OF ALTERNATIVES

The evaluation of alternative resolutions to a problem is the third step in the consumer decision-making process. Consumer evaluation is "the activity of identifying alternative solutions to a problem and determining the relative merits of each" (Walters & Bergiel 1989: 23). When evaluating alternatives, consumers make a comparison among product features and store characteristics and pre-established criteria for evaluation. Evaluation criteria

are the limits which consumers declare as being acceptable when searching for a solution to their problems. The criteria for evaluation are "the standards and specifications used by consumers to compare different products and brands" (Engel, Blackwell & Miniard 1990: 479). The evaluation criteria differ when evaluating products and stores and can change in response to the situation or prevailing environment.

Evaluative criteria are moulded and influenced by individual and environmental variables. Individual influences such as personality and attitudes have an impact on expected outcomes. This is due to the fact that consumers purchase those products towards which they hold favourable and positive attitudes and which are in keeping with their personalities. Furthermore, the individual is also influenced by family viewpoints and group pressures like cultural and social institutions. In addition, economic demand factors and business and marketing influences shape purchasing intentions. If the consumer "can negotiate an affordable price or conclude an acceptable sales contract, the expected outcome will be more attractive for purchasing" (du Plessis et al. 1990: 52). Consequently, "evaluation brings the consumer right to the point of making a decision on a given course of action" (Markin 1974: 513).

2.2.2.4 **RESPONSE/THE PURCHASE DECISION**

The fourth step in the decision-making process is the consumer's response or decision. Consumer decision is the outcome of evaluation and relates to "the mental process of choosing the most desirable alternative" (Walters & Bergiel 1989: 23). The most suitable choice is the

one that comes closest to the evaluation criteria formulated by the consumer. It is the data obtained as a result of search activity and effort that lays the foundation for evaluation and decision. The appropriate decision is dependent upon adequate information.

Primarily, the consumer has two choices, namely, to buy and not to buy. The latter incorporates the postponement of purchases. Consumer evaluation and decision is predominantly determined by personality and attitudes. However, other internal and external variables also have an effect on the consumer's evaluation and response and their effect is felt via attitudes and personality. Needs, perceptions, learning and motives are important factors in shaping attitudes and personalities. The environmental influences also affect personality and attitudes because new and/or different information affect our needs, perceptions, learning and motives. Thus, "the external determinants provide the impetus for change in our attitudes and personality over time" (Walters & Bergiel 1989: 24). Hence, in this context, attitude and personality encompass the other variables.

The consumer's decision is also influenced by business and marketing variables. Store selection is considered an instrumental response needed to make a purchase, especially for durable goods. A great deal of alternative evaluation and choice occurs in-store. "The result is that the impact of the store environment, sales personnel, service and other in-store influences have a great bearing both on how we evaluate alternatives and where we decide to make our purchases" (Hawkins, Best & Coney 1986: 639). In the purchase of convenience or packaged products the actual act of purchasing is more important than where to purchase since the decision and purchases are almost simultaneous actions. It is evident that business

and marketing variables like store-image, staff positioning and in-store promotions play a leading role in the responses of consumers. The decision can be influenced by economic demand factors such as the volume of the deposit, the period of payment and monthly instalments.

Undoubtedly, the reason for entering into the consumer decision-making process, in the first instance, was the perception of an incongruance between the desired and the existing state of affairs. The consumer therefore, engages in purchases in order to seek greater satisfaction. Hence, a crucial question from a marketing point of view, is whether the consumer is satisfied after the purchases is made.

2.2.2.5 POST-PURCHASE RESPONSE

Post-purchase response is the final stage in the consumer decision-making process. Post-purchase assessment involves the consumer's evaluation of the performance of the product or service, in relation to the criteria, once it has been purchased. It is "the consumer's perception of the outcome of the purchase process" (Walters & Bergiel 1989: 24). Whilst it is maintained (Walters & Bergiel 1989; Engel, Blackwell & Miniard 1990) that the result of purchasing can either be satisfaction or dissatisfaction, du Plessis et al. (1990) include another possible outcome in the form of a neutral assessment. A positive assessment of the purchase decision results in post-purchase satisfaction. Satisfaction occurs when the outcome, which may be a product, brand or store, and the conditions surrounding its purchase, are matched with the consumer's expectations. Conversely, a negative assessment results in

post-purchase dissatisfaction. Consumers experience dissatisfaction when the outcome does not match their expectations or "when the alternative is perceived as falling short in significant ways" (Engel, Blackwell & Kollat 1990: 481) and "a neutral assessment results in postpurchase indifference" (du Plessis et al. 1990: 53).

Consumer responses to a dissatisfying purchase may be verbal or behavioural. Whilst a positive verbal response may cognitively reinforce purchase decisions, negative ones may result in rumours. Equally dangerous to the latter, is indifferent verbal responses or responses which can evoke suspicion among other potential consumers. The cognitive dimension recognizes that "satisfaction is part of the dynamic purchase process and influences repurchase intentions" (LaBarbera & Mazursky 1983: 393).

Positive behavioural responses usually involve repeat purchase behaviour or brand loyalty in the case of satisfaction. **Repeat purchase behaviour** occurs when a consumer continually purchases the same brand, probably because it is the only brand in stock or it is the cheapest one. **Brand loyalty** is the psychological commitment to a particular brand which results in continuous purchases of that brand.

A negative behavioural response may involve complaint behaviour or brand switching in the case of dissatisfaction. **Complaint behaviour** can be private in nature such as warning friends or switching products. In addition to private actions, consumers may take public actions such as "demanding redress from the firm involved, complaining to the firm or some other organization, or taking legal action against the firm" (Hawkins, Best & Coney 1986:

691). Management, however, generally either discourage and suppress complaints to their departments or encourage them in order to resolve dissatisfaction. Research conducted in the field of complaint behaviour showed that "increasing consumer complaint proportions leads to organizational suppression of the unit receiving the complaints, which subsequently contributes to further increase in complaints due to inaction by marketing management" (Hawkins, Best & Coney 1986: 693). Complaint management is significant since "consumers' perception of how their complaint was handled is important for repurchase behaviour" (Cohen & Chakravarti 1990: 274). "**Brand switching** is one of the ways in which consumers having problems with a product or service may express their grievances" (Kasper 1988: 387). Dissatisfaction with products consumed is one of the reasons why consumers change or switch brands. In the case of dissatisfaction, the object of the switching is specifically "to alleviate or eliminate the problems with the previous purchase" (Raju 1984: 201). Brand switching can also be caused by some inner desire for novelty, change or variety. Whilst the former can be called "instrumental brand switching" the latter refers to "exploratory brand switching" (Raju 1984: 201 - 202).

A neutral behavioural response incorporates inertia or impulse buying in the case of indifference. **Inertia** means that the consumer is purchasing the same brand because "it is not worth the time and trouble to search for an alternative" (Assael 1987: 14).

Impulse buying is a consumer purchasing pattern that is unplanned. In impulse purchases, the consumer engages in little or no deliberation and virtually no external search activity is undertaken.

Sometimes consumers undergo postpurchase conflict and question whether they made the correct decision or should have selected another alternative. The consumer may experience doubt or anxiety, especially after making a difficult, important and rather permanent decision. This type of anxiety is called "**postpurchase dissonance**" (Hawkins, Best & Coney 1986: 678). Dissonance occurs because "making a relatively permanent commitment to a chosen alternative requires one to give up the attractive features of the unchosen alternatives" (Hawkins, Best & Coney 1986: 678). In some cases consumers may try to reduce such dissonance via changes in cognition and attitudes. "They will find a balance in their psychological field by seeking supportive information or distorting information regarding the product or service" (Du Plessis et al. 1990: 53 - 54). This response is termed "**cognitive dissonance**" (du Plessis et al. 1990: 54).

During the process of post-purchase evaluation, consumers encounter new information that results in learning and change in attitudes with regards to the products consumed. Post-purchase responses are crucial to marketers and business firms in order to determine whether consumer attitudes towards their product or service changes negatively or positively. Undoubtedly, successful marketing strategies are confirmed in the case of positive responses. However, in the case of negative responses, "they provide guidelines for corrective action" (du Plessis et al. 1990: 54). The most significant result of post-purchase responses is the reflection of the consumer's degree of involvement with the purchase. High involvement decision-making indicates commitment to a brand, product or service and thus, creates the potential for brand, product or service loyalty. Post-purchase responses are also affected by economic demand factors. This is due to the fact that the higher the price of the item, the

larger will be the economic risk involved and the more intensive will be the degree of positive post-purchase response in the form of satisfaction, or negative post-purchase response indicating dissatisfaction.

Although post-purchase assessment is the final stage in the consumer decision-making process it is not necessarily the end. The information gained as a result of purchasing and post-purchase evaluation is stored in the individual's memory as part of his experience. The consumer would recall this information when entering into another purchase decision-making process. "Thus, the purchase is, in one sense, a continual process. The end of one purchase decision is the beginning of another" (Walters & Bergiel 1989: 27).

After analysing the various stages of the consumer decision-making process, it is evident that purchases of consumer goods and major durable products are much alike. In both instances, the decision process involves problem recognition, search and processing of information, evaluation of alternatives, response and post-purchase behaviour. Irrespective of the situation, "consumer buying decisions are the consequence of rational considerations in the fitting of alternative goods and services to consumption goals" (Wiley 1981: 1). The only variation is in the emphasis the individual places on the various stages in the decision-making process. The importance attached by the consumer to each stage will differ in response to "the subjective preference of each consumer" (Markin 1974: 516). Furthermore, the extent of consumer decision-making will depend on the level of involvement.

2.2.3 THE EFFECT OF THE LEVEL OF INVOLVEMENT ON THE CONSUMER DECISION-MAKING PROCESS

Product involvement "is a recognition that certain product classes may be more or less central to an individual's life, his attitudes about himself, his sense of identity and his relationship to the rest of the world" (Traylor 1981: 51). Therefore, product involvement implies that the product is of importance to the consumer's self-identity and it can surface strong attitudes and preferences. A further implication is that "there are sufficient differences between brands in the product category to warrant self identity and strong preferences" (du Plessis et al. 1990: 57).

Involvement can be defined as "the degree of personal relevance, which is a function of the extent to which the product or brand is perceived to help achieve consequences and values of importance to the consumer" (Peter & Olson 1987: 127). The more important and central these desired consequences and values are to the consumer, the higher is the level of personal involvement.

Assael (1987) categorises the distinction between high and low levels of involvement in terms of beliefs, preferences and attitudes (Figure 2.6).

FIGURE 2.6

THE DISTINCTION BETWEEN HIGH AND LOW INVOLVEMENT DECISIONS

	BELIEFS	PREFERENCES	ACTION TENDENCY
HIGH INVOLVE-MENT	Self-involvement	Strong commitment	Expend time and effort
LOW INVOLVE-MENT	Little identification	No commitment	Little expenditure of time and effort

(Adapted from du Plessis, P.J, Rousseau, G.G. & Blem, N.H. 1990. Consumer Behaviour: A South African Perspective. Halfway House: Southern Book Publishers (Pty) Ltd. p. 57).

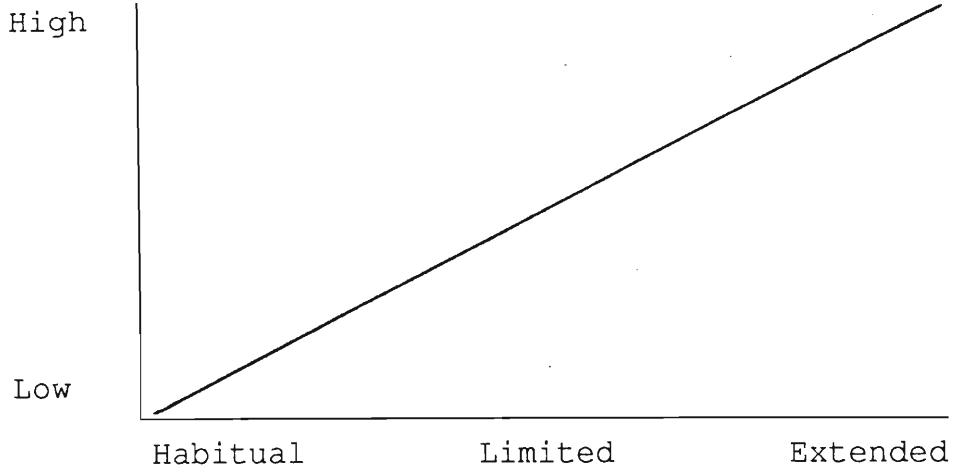
From Figure 2.6 it is evident that a low involvement purchase is one where "the consumer does not consider the product as sufficiently important to his belief system and does not strongly identify with the product" (du Plessis et al. 1990: 57). Low involvement decision-making implies the consumer may act without thinking. In low involvement product categories "buyers do not seem to care too particularly about brand differences" (Winter & Rossiter 1989: 561). Conversely, high involvement decision-making suggests that the individual will engage in extensive thought processes.

It is evident that a relationship exists between the level of involvement and the degree of decision-making (Figure 2.7).

FIGURE 2.7

LEVEL OF PURCHASE INVOLVEMENT AND DEGREE OF DECISION-MAKING

LEVEL OF PURCHASE INVOLVEMENT



DEGREE OF DECISION-MAKING

(Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 35).

Figure 2.7 indicates that the higher the level of purchase involvement, the more intensive or the greater the degree of decision-making. Increasing levels of purchase involvement is accompanied by accelerating degrees of decision-making ranging from habitual decision-making to limited decision-making to extended decision-making.

2.2.4 TYPES OF CONSUMER DECISIONS

Numerous types of consumer decision processes can be recognised on the purchase involvement continuum. Purchase involvement is "the level of concern for, or interest in, the

purchase process triggered by the need to consider a particular purchase" and it is "a temporary state of an individual, family, or household unit" (Hawkins, Best & Coney 1986: 536). It is influenced by the interaction of individual traits, product and situation characteristics.

Three distinct types of consumer decision-making that can be recognised on the continuum are habitual, limited and extended decision-making. As the consumer moves from a very low level of purchase involvement, the decision-making process becomes increasingly complex. However, the types of decision processes cannot be distinctly delineated but instead they blend into each other and the purchasing process changes as purchase involvement increases.

2.2.4.1 **HABITUAL DECISION-MAKING**

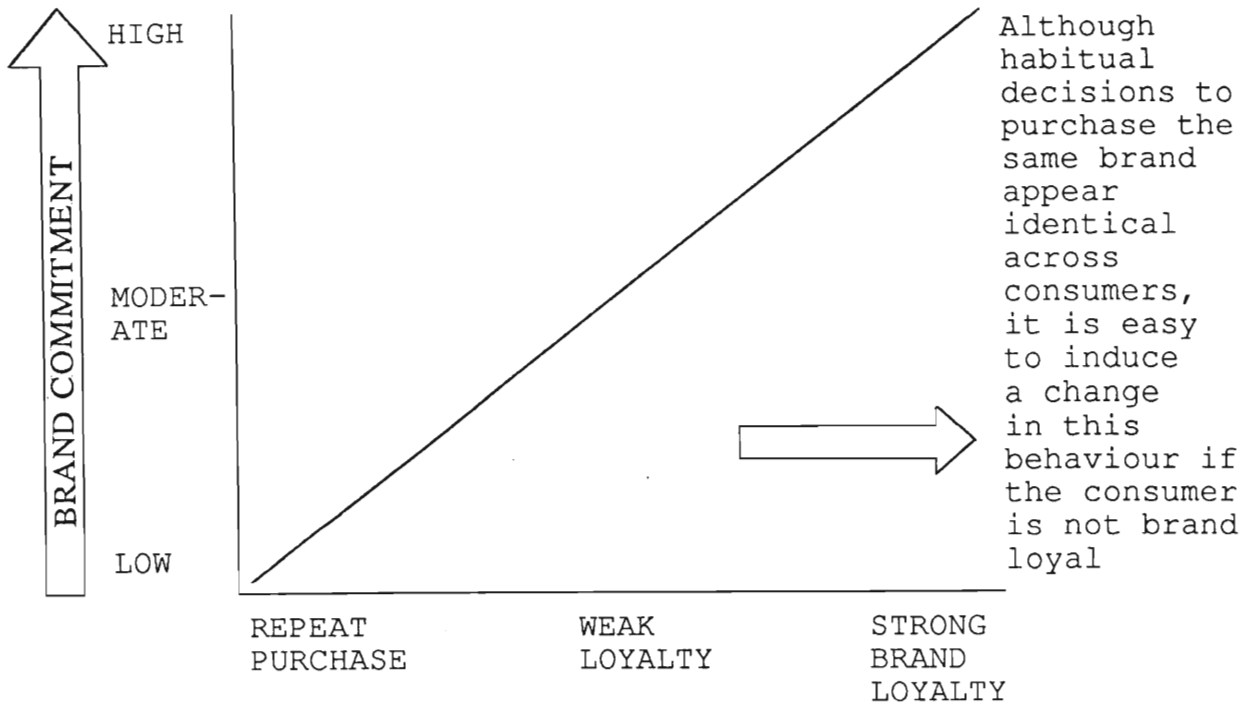
Consumer satisfaction with a product or service acquired may lead to repeat purchases and gradually to purchases based on habit. In habitual decision-making "a problem is recognised, internal search (long-term memory) provides a single preferred solution (brand), that brand is purchased, and an evaluation occurs only if the brand fails to perform as expected" (Hawkins, Best & Coney 1986: 536). Habitual buyer behaviour is a method of securing consumer satisfaction based on previous experience and of simplifying the process of decision-making by decreasing the need for information search and evaluation of brands. Habitual decision-making exists when there is very low involvement with the purchase, and it results in repeat purchasing behaviour. Habitual decisions can be categorised into brand loyalty and repeat purchase behaviour.

Initially the consumer engages in a high degree of purchase involvement in choosing a product and in response uses an extensive decision-making approach. Having selected a brand or type of the product on the basis of complex decision-making, the consumer continues purchasing it without further consideration. Individuals become committed to the brand because they perceive that a brand meets their overall needs; the consumer becomes brand loyal. However, for a true state of **brand loyalty** to exist "there must be some degree of psychological commitment to the brand" (Horton 1984: 89).

Repeat purchase behaviour is often misinterpreted as being brand loyalty. However, whilst the latter implies a psychological commitment to the brand, the former simply involves the frequent repurchase of the same brand. "Brand loyalty is treated as a one-point-in-time (that is, micro) psychological disposition toward a given brand, whereas repeat purchase behaviour takes a macro perspective of brand choice" (Sirgy 1983: 176). It is therefore evident that repeat purchase behaviour simply refers to the pattern of brand choice over time (Figure 2.8).

FIGURE 2.8

HABITUAL PURCHASE DECISIONS



Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 539).

2.2.4.2 LIMITED DECISION-MAKING

Limited decision-making covers the middle area between habitual decision-making and extended decision-making (Figure 2.7). In its simplest form limited decision-making is very similar to habitual decision-making. This is due to the fact that in limited decision-making the consumer is not highly involved with the alternatives. The available alternatives are similar in essential features and there is less need for low involvement and evaluative buying. Under low involvement conditions most consumers "are less motivated to search extensively

and engage in rigorous alternative evaluation" (Engel, Blackwell & Miniard 1990: 483).

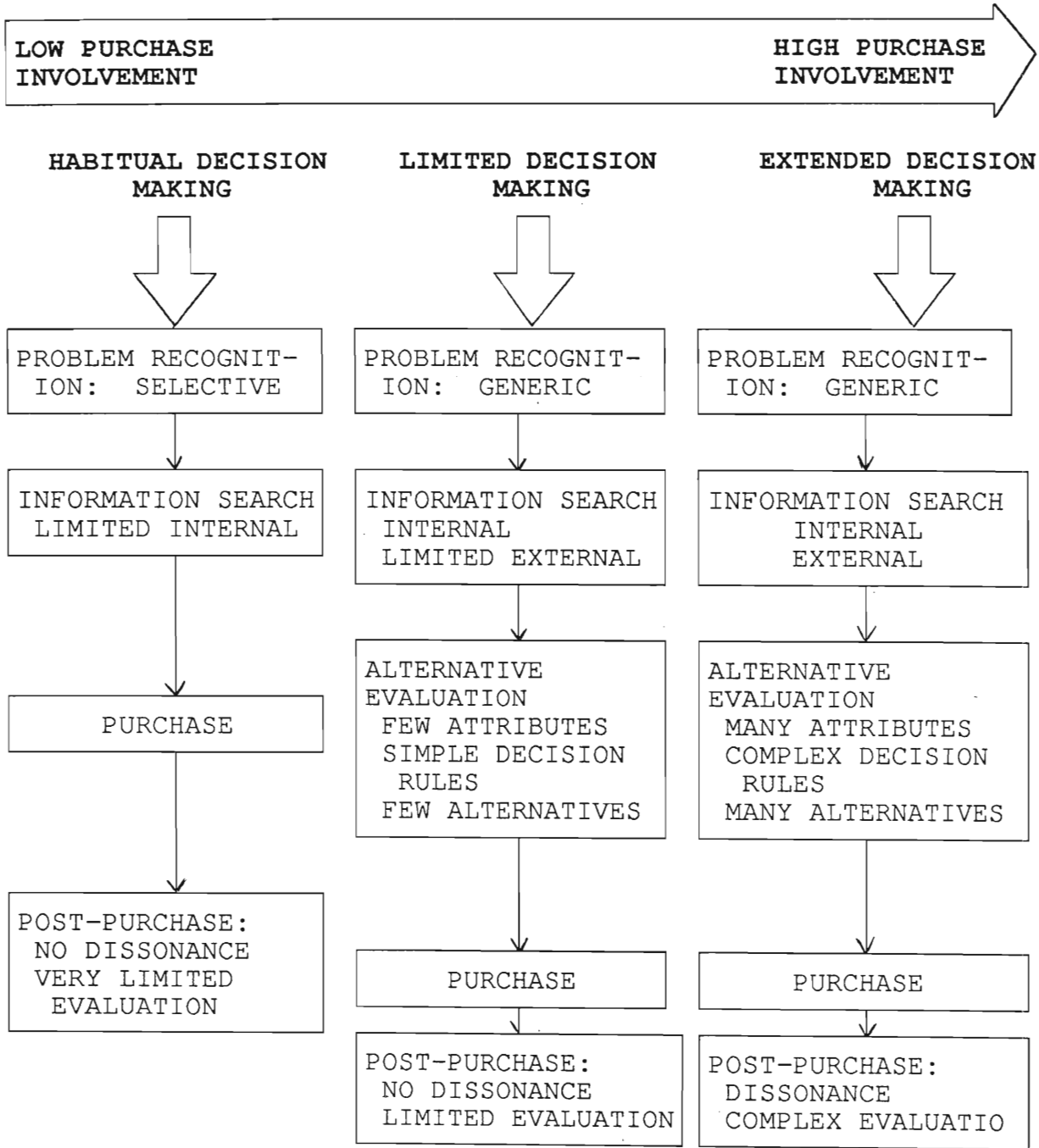
2.2.4.3 EXTENDED DECISION-MAKING

Extended decision-making is the response to a very high level of purchase involvement where "internal and external information search is followed by a complex evaluation of multiple alternatives" (Hawkins, Best & Coney 1986: 538). After the act of purchase, cognitive dissonance is likely to occur and a detailed evaluation of the purchase is undertaken. Relatively few consumer decisions reach such an extreme level of complexity. However, extended decision-making is encountered for the purchases of houses, personal computers, complex recreational items and for other high involvement purchase situations.

The relationship between the various types of consumer decision processes and the levels of purchase involvement depicts the various stages of the consumer decision process in each type of decision (Figure 2.9).

FIGURE 2.9

INVOLVEMENT AND TYPES OF DECISION-MAKING



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 537).

Figure 2.9 depicts the similarities and differences between the three recognised types of consumer decision-making. Habitual decision-making differs from limited and extended decision-making in that the former, unlike the latter two, excludes the alternative evaluation activity. However, the extended decision-making process and the limited decision-making process involves the same stages, ranging from need or problem recognition to post-purchase dissonance. "The differences between the two extremes on the decision-process continuum do not lie in the stages of the process per se" (Engel, Blackwell & Miniard 1990: 475). Rather, the limited and extended decision-making processes vary in "the extent and rigor to which each stage is observed and followed" (Engel, Blackwell & Miniard 1990: 475). In limited decision-making less time and effort are devoted to external information search and alternative evaluation than in extended decision-making.

In all three types of decision-making, as individuals pass through the physical stages of activity they simultaneously experience some degree of psychological activity.

2.2.5 PSYCHOLOGICAL ACTIVITY IN CONSUMER DECISION-MAKING

A feature of consumer decision-making is that the separate stages of cognition in the process are combined over time. Potential buyers presumably undergo these stages in a loose but specified order as they prepare themselves to make a decision concerning some act of consumption. The consumer decision processes are affected by three types of psychological activity. This is evident in Lavidge and Steiner's (1961: 59 - 62) cognitive-affective-conative sequence of psychological states (Figure 2.10).

"Cognitive activity relates to a knowledge and awareness dimension of consumer behaviour" (Markin 1974: 504). Behaviour is the outcome of knowledge, values, attitudes, ideas and images. Marketers need to provide information that enhances awareness and knowledge in order to facilitate and affect consumer decision processes.

Affective activity refers to the individual's emotional states. It implies that consumers must be taught to prefer one product or brand over another. When the consumer decision-making process is to be influenced "much information of an affective sort must be disseminated" (Markin 1974: 504). Consumers learn, through information processing and communication, to identify, prefer one product or brand over another and in some cases even insist on purchasing a given product, brand or service.

"Conative activity relates to the striving state or the motivational state of the individual" and emphasizes the tendency of consumers to treat goods and services as positive or negative goals or end states (Markin 1974: 504 - 505). The goal-striving and problem-solving features of consumer behaviour are emphasized in conative activity. Conative or motivational states encourage consumers to purchase specific products or brands or to shop at particular stores since they are forced to buy goods and services in order to satisfy their physiological and higher-order needs.

The Lavidge-Steiner hypothesis maintains that a typical consumer is expected to experience various internal psychological processes from the perception of an advertisement, personal selling, in-store promotions or some other "internalized problem recognition process" (Markin

1974: 505). Internal psychological processes include "attention, interest, desire and action; awareness, acceptance, preference, intention to buy, and provocation of sale; awareness, comprehension, conviction and action" (Markin 1974: 505).

FIGURE 2.10

CONCEPTIONS OF CONSUMER DECISION PROCESSES

PSYCHOLOGICAL	CONCEPTION			
	PROBLEM-SOLVING MODEL	"AIDA" MODEL	HIERARCHY OF EFFECTS MODEL	INNOVATION ADOPTION MODEL
Cognitive Activity	Problem recognition	Attention	Awareness Knowledge	Awareness Knowledge
Affective Activity	Search and processing of information	Interest Desire	Liking Preference	Evaluation Legitimation
	Evaluation of alternatives			
Conative (motivational) Activity	Decision Post-purchase behaviour	Action	Conviction Purchase	Trial Adoption

(Adapted from Markin, R.J. 1974. Consumer Behaviour: A Cognitive Orientation. New York: Macmillan Publishing Co., Inc. p. 505).

Column 2 (Figure 2.10) shows the stages of the consumer decision-making process. Problem recognition is a cognitive process. The search and processing of information and the evaluation of alternatives are affective activities whilst the consumer decision and

post-purchase behaviour are conative activities.

Column 3 refers to the Attention-Interest-Desire-Action or AIDA model. AIDA represents attention, interest, desire and action. Attention is a cognitive activity. Whilst interest and desire are affective processes, action is classified as being conative or motivational.

Column 4 highlights the hierarchy of effects model of consumer decision-making since it stipulates the sequence of cognitive stages the consumer undergoes in reaching a decision to act. The psychological set incorporates two components, namely, need criteria and brand attitudes. The latter is represented by three factors which comprises of beliefs about brands, evaluation of brands and the tendency to act. "The assumption is that these components operate in sequence: needs are formulated, beliefs are formed about the brand, attitudes are developed toward the brand, and the consumer finally forms an intention to buy (or not to buy)" (Assael 1987: 33). Consumers form brand beliefs (cognitive component), evaluate brands (affective component), and make a purchase decision (behavioural or conative component). This sequence is referred to as a hierarchy of effects model of consumer decision-making since it stipulates the sequence of cognitive stages the consumer goes through. The hierarchy of effects describes "the mental processes that lead to a purchase" (Loudon & Della Bitta 1988: 390).

The innovation-adoption model requires that an individual or a group of consumers make a decision regarding a new product and is depicted in column 5. During the awareness stage the consumer becomes aware of the existence of a product but has very little information and

no definite attitudes about it. The second stage depicts the consumer's knowledge and understanding of what the product is and what it can do. These first two stages, namely, awareness and knowledge, represent the recognition of a need for the product and the search for information and are cognitive activities.

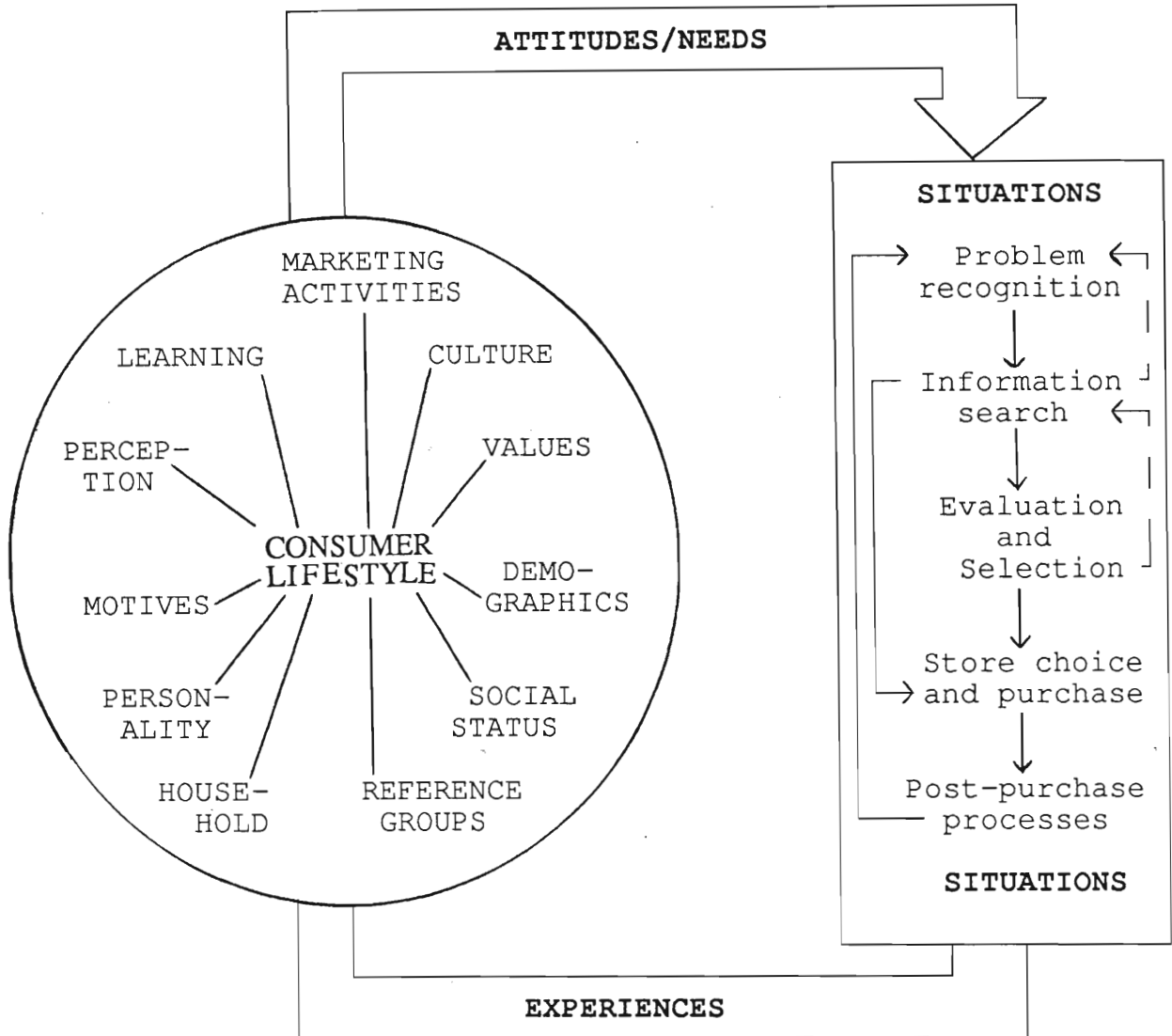
During the evaluation stage the consumer formulates an attitude or favourable or unfavourable behavioural predisposition towards the product. If attitudes are not favourable towards a product, the innovation-adoption process may end. Legitimation is a stage in which the consumer becomes convinced that the product should be adopted, and is thus based on a favourable attitude towards the product. Evaluation and legitimation are affective activities.

Conative or motivational activities include trial and adoption. In the trial stage the consumer tries the product, if possible, in order to test or determine its performance. During the adoption stage "the consumer determines whether or not to use the product in a full-scale way. Continued purchase and/or use of the item fulfills the adoption process" (Loudon & Della Bitta 1988: 333). The AIDA model, the hierarchy of effects model and the innovation-adoption model shows the consumer undergoing numerous psychological and physical sequences of activity. The most significant dimension of the entire figure is its implication that the various stages of activity "are subject to a persuasive process and that this total process is comprised of cognitive, affective and conative or motivational dimensions" (Markin 1974: 506).

The psychological activity involved in consumer decision-making implies that consumer attitudes and needs, which are influenced by marketing activities, culture, values, demographics, social status, reference groups, household, personality, motives, perception and learning, determines and shapes the consumer decision-making process. These internal and external influences are, in turn, influenced by the consumer's experience and learning, which occurs as a result of the consumer decision-making process. The cycle of influence continues and it is this cycle that depicts the model of consumer behaviour and consumer decision-making (Figure 2.11).

FIGURE 2.11

OVERALL MODEL OF CONSUMER BEHAVIOUR



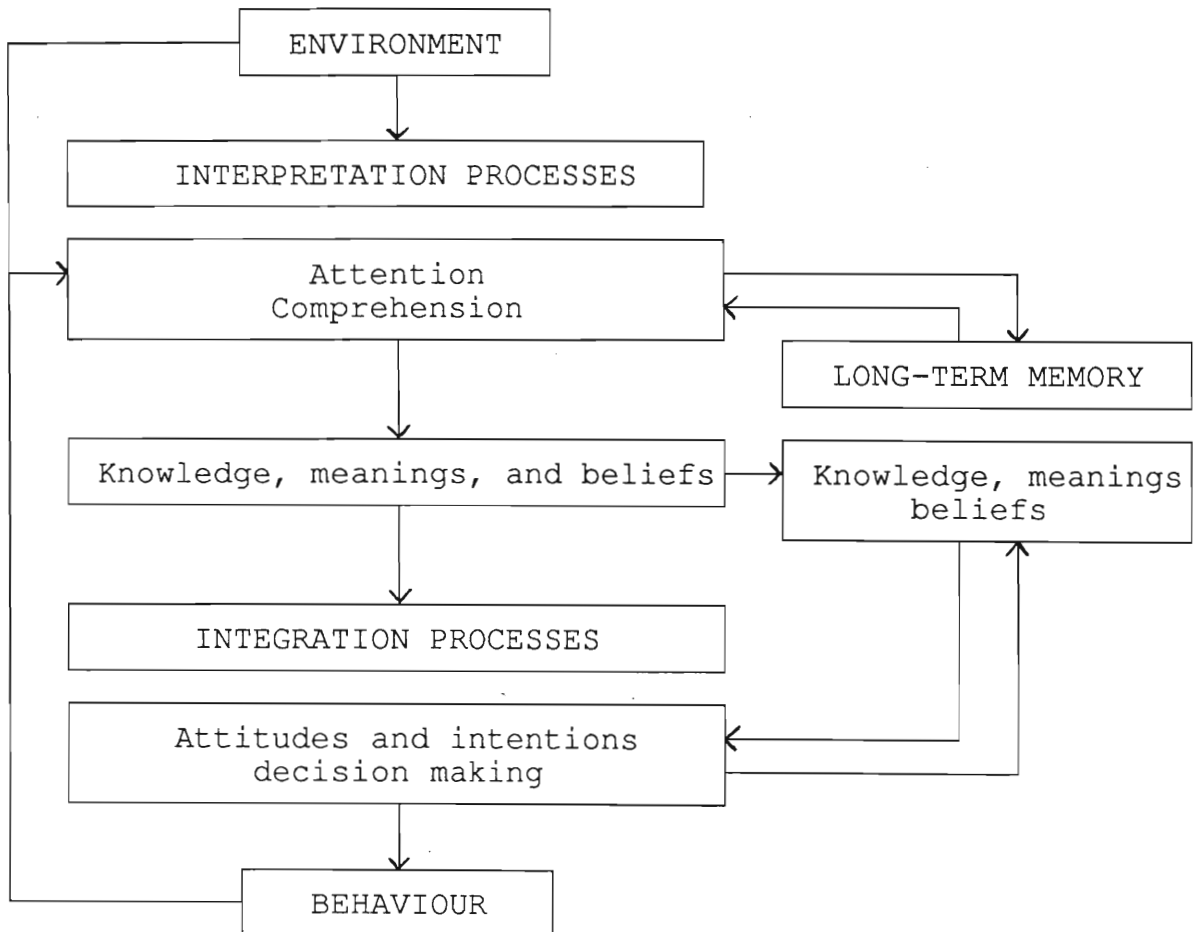
(Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 37).

Figure 2.11 illustrates that consumer decision-making is a cognitive activity.

2.2.6 A COGNITIVE PROCESSING MODEL OF CONSUMER DECISION-MAKING

FIGURE 2.12

A COGNITIVE PROCESSING MODEL OF CONSUMER DECISION-MAKING



(Peter, J.P. & Olson, J.C. 1987. Consumer Behaviour: Marketing Strategy Perspectives. Homewood: Illinois, IRWIN. p. 51).

The cognitive processing model incorporates two fundamental processes that correspond to the two main functions of the system of human cognition (Figure 2.12). Interpretation processes concern how consumers translate the information they face in their physical and social environments. These processes produce "a set of subjective meaning, also called

knowledge or beliefs" (Peter & Olson 1987: 51). Integration processes concern "how consumers integrate relevant knowledge, meanings, and beliefs to evaluate objects in the environment (form attitudes) or to decide among alternative behaviours (decision-making/intention formation)" (Peter & Olson 1987: 51).

Both types of cognitive processes are tremendously influenced by knowledge, meanings and beliefs. "Interpretive processes draw on the knowledge activated from memory to recognize and perceive environmental stimuli and to create new knowledge, meanings and beliefs. Integration processes combine knowledge, meanings and beliefs from memory with new knowledge derived from the immediate environment" (Peter & Olson 1987: 51).

It is vital to analyse the interactions between the interpretation and the integration processes and activated knowledge, meanings and beliefs in order to give sufficient attention to the effects of knowledge consumers have acquired through their previous experiences.

2.2.6.1 EXPOSURE TO ENVIRONMENTAL INFORMATION

Cognitive processing of information begins "when the consumer is exposed to information in the environment" (Peter & Olson 1987: 52). Since consumers are continuously exposed to such information, cognitive processes constantly occur. However, when marketers consider the effects of an actual marketing strategy, for example, an in-store product promotion, they begin their analysis of consumer cognition only when the consumer is exposed to that particular stimulus.

2.2.6.2 KNOWLEDGE, MEANINGS AND BELIEFS

Consumers' cognitive systems create knowledge, meaning and beliefs that are representative of stimuli or influence in the social and physical environment and this knowledge may be retrieved or activated from memory and used in interpretive and/or integration processes" (Peter & Olson 1987: 53).

2.2.6.3 INTERPRETIVE PROCESSES

When consumers are exposed to information in the environment they must interpret its meanings or implications with regards to personal interests, values and experiences. Interpretation involves two closely connected cognitive processes which include attention and comprehension. "Initial exposure to the incoming information 'automatically' activates relevant knowledge, meanings, and beliefs in memory which then affect further attention processes" (Peter & Olson 1987: 54). As interpretive processing becomes increasingly focused on the stimulus or influence, comprehension processes arise. Hence, deeper and more conceptualised and formulated interpretations are made which results in meanings being assigned to the information obtained from the environment. The knowledge, meanings and beliefs that are activated from memory again, strongly determine and influence how the new information is interpreted or comprehended. It can be maintained that "the activated knowledge structures 'drive' the comprehension processes" (Peter & Olson 1987: 54). The knowledge, meanings and beliefs produced by the comprehension process are stored in long-term memory.

2.2.6.4 INTEGRATION PROCESSES

Knowledge, meanings and beliefs may be activated from memory at some future time and are integrated with new information obtained from the immediate environment. As a result of the existence of new and old information "the cognitive system engages in knowledge integration to accomplish some objective" (Peter & Olson 1987: 54). Two types of integration processes that are of concern include attitude formation and decision-making. Knowledge may be combined or integrated to produce an overall evaluation of a product or brand. An individual may develop a positive, negative or neutral attitude towards a product or a specific brand. Integration processes are also involved in decision-making whereby consumers integrate knowledge about the features of products or specific brands in selecting a suitable alternative such that the outcome is a choice of a product or brand. It has become recognised that yet another variable intervenes between attitudes and behaviour which refers to intentions. An intention represents "the subjective probability that a specified action will be undertaken", for example, a specific product or brand may be selected (Engel, Blackwell & Kollat 1978: 29). The outcomes of the integration processes which incorporate attitudes and intentions/decisions, are stored in long-term memory.

2.2.6.5 BEHAVIOUR

The intentions of consumers produce behaviours irrespective of whether they were formulated instantly or activated from memory. A changed intention thus, is followed by different behaviours if one considers certain environmental influences.

The cognitive processing approach to consumer decision-making implies that any single cognitive process cannot be studied or analysed in isolation. "To understand how activated knowledge affects integration processes, it would be useful to know how knowledge is activated, as well as something about the original comprehension processes that created the knowledge in the first place" (Peter & Olson 1987: 55). It must be noted that the components of the cognitive processing model are interacting, mutually inclusive and interrelated parts in a "functioning cognitive system" (Peter & Olson 1987: 55).

2.3 MARKETING IMPLICATIONS AND CONCLUSION

Consumers have limited resources which can be used to satisfy unlimited wants and desired state of affairs. As a result of scarce means, they are forced to make a purchase decision that would enable them to derive optimum benefits and utility. Consequently, the consumer passes through the various stages of the decision-making process before arriving at an ultimate choice. The extent to which the buyer engages in each stage depends on the degree of product involvement. Furthermore, various individual and environmental variables affect the consumer decision-making process. These variables provide an integrated framework, which is evident in the overall model on consumer behaviour. They affect the behavioural process and can determine the outcome of each of the stages in consumer decision-making. A basic understanding and awareness of all the possible influencing variables and a knowledge of the main stages in the decision-making process enables marketers to develop their own decision-making model for a specific item or service.

The model of consumer behaviour and consumer decision-making outlines the major influences that marketers should have a knowledge of, in order to develop marketing strategy to resolve problems and capitalise on prevailing opportunities. Marketers exert energy and effort to influence consumer decision-making but they lack a knowledge of the precise intricacies of the consumer decision process. Although they are aware of their influence on consumers' decisions, they do not totally understand the details and complexity of this influence. In the five conceptualised stages of the decision-making process, marketers cannot influence the problem or need recognition activity although they can arouse these needs.

The marketers' main priority is to identify wants and needs of consumers and to satisfy them by means of providing goods and services. They use numerous marketing tools to constantly provide the individuals with the means of satisfying needs and attempt to influence consumer selection. Marketers have to ensure that their products are incorporated amongst the consumer's alternatives when a decision is to be made and that their offerings are "included in a consumers' evoked set" (McNeal 1982: 173). Consumers are continuously bombarded with advertising, free offers and promotions. Once the marketer's product is included in the individual's evoked set, the former occupies the most advantageous position. This is due to the fact that when the consumer is considering possible alternatives, the marketer's product will also be evaluated. The marketer has then succeeded because once consumers have selected those products in the evoked set as comprising the criteria for satisfaction, they will not readily change them. The marketer exercises great effort in getting his product into the consumer's evoked set. The implication is that marketers are always aware of consumers' predetermined criteria and are alert of opportunities to influence the consumer decision-

making process.

The problem recognition stage of consumer decision-making has significant implications for marketers. The process of need recognition may be effectively measured and can be utilised to develop and evaluate marketing techniques. Furthermore, marketers are able to activate problem recognition among potential consumers by focusing on the consumer's desired state of affairs and/or perceptions of the current state of affairs. Since consumers have a constant desire to progress, when influencing the desired state marketers develop advertisements and direct personal selling efforts such that they reflect the positive attributes of the product or service. They may also influence consumers' perception of actual states by interrupting consumers' automatic or habitual purchases and encouraging them to consider other choices.

Consumers rationally make their choice among alternatives on the basis of evaluative criteria as a result of the search and processing of information. This implies that the marketer needs to understand what criteria are utilised by individuals in arriving at a purchase decision, as well as determine the importance of criterion used by them and how they rate each brand on the various criteria. "The criteria consumers use in choosing brands should provide management with guidelines in developing strategies" (Assael 1987: 23). Such information is imperative for the marketer to formulate an efficacious and effective marketing mix.

Consumer choice and purchase is the outcome and reflection of consumer attitudes. In order for marketing efforts to be fruitful marketers need to take cognisance of consumer attitudes when marketing strategy is being developed. The basic goal of marketing strategy may take

one or a diffusion of three forms. Firstly, the intention of promotional campaigns is to maintain present attitudes by providing information to target market consumers that will enable them to maintain their presently positive attitude. Since consumer loyalty can actively subside when it is taken for granted "the key to maintenance of market share is pervasive and continuing commitment to customer satisfaction" (Engel, Blackwell & Miniard 1990: 38). Secondly, the goal is to change attitudes from being negative to positive. Thirdly, the ambition is to create new attitudes "by introducing a new product or trying to attract consumers who are unfamiliar with an existing product" (Hawkins, Best & Coney 1986: 33). The various goals of the marketer may demand different marketing strategies. Whilst the first goal may require better after-sale service, the third may necessitate certain attractions such as price discounts. The second goal, however, may command an attractive advertising message, an attractive package or even a free sample. This implies that "the varying ranges of brand loyalty that the marketer faces points to different competitive actions" (Loudon & Della Bitta 1990: 655). The marketer needs to fully understand existing consumer attitudes in order to adopt the appropriate marketing strategy when attempting to increase brand loyalty and market share. Consequently, "a better understanding of the causal dynamics of attitude formation would not only aid marketing researchers in measuring the attitudinal impact of the marketing variables, but also help managers develop more effective marketing strategy" (Mitchell & Olson 1981: 318).

The occurrence of impulse buying is also significant to marketers since the unplanned nature of much purchasing behaviour suggests they can utilise various kinds of in-store merchandising and personal selling stimuli in order to activate purchases. An understanding

of the types and extent of occurrence of impulse buying will enable marketers to efficiently and effectively plan store layout, merchandise and display location. Market share can also increase as a result of impulse purchasing if marketers expediently determine the amount of in-store product information that should be attached to a product.

A determinant of both buyer behaviour and marketing strategy is the extent of consumer involvement with the product. Most stages of the process of consumption are affected by purchase involvement such that consumer decision-making varies depending on the type of product purchased. There is a distinction between the habitual, limited and extended decision-making processes which are respectively associated with low, moderate and high purchase involvement. Marketing strategies appropriate for extended decision-making "would be less than optimal for limited or habitual decisions" (Hawkins, Best & Coney 1986: 539). High and low involvement purchases have important marketing implications with regards to advertising media. "In high involvement purchases it is more effective to use printed media for advertising because consumers demand more detailed factual product information. In low involvement purchases, television may be more suitable for creating awareness levels through passive learning" (du Plessis et al. 1990: 58).

Consumers engage in post-purchase response which have some very crucial marketing implications. Marketers need to make the arrangement of payment as easy and efficient as possible, alleviate product set-up problems and consider the consumer's interest in related products and services. Buyers become interested in complementary items and need to be enlightened on the existence of potential products.

Due to post-purchase response cognitive dissonance may arise and have detrimental consequences for marketers leading to the failure to repeat purchases or unfavourable word-of-mouth communication. It is beneficial for the marketer to confirm expectations by designing products that will fulfill realistic consumer expectations. Also, marketers should develop promotions that are in keeping with what the product can satisfactorily provide.

Packaging should display a balanced reflection of the product's attributes. Marketers can prevent the emergence of cognitive dissonance by refraining from creating unrealistic expectations in the minds of consumers. Undoubtedly, consumer dissatisfaction and complaint behaviour is inevitable due to individual differences. Furthermore, marketers should encourage dissatisfied consumers to complain directly to the firm. This enables the latter to become aware of problems and provide the organisation with the advantage of making amends.

It is evident that the consumer decision-making process comprises of various related concepts. Furthermore, the relative importance of these related concepts vary among consumers, products and situations. The marketer needs to examine specific aspects of consumer behaviour to develop a strategy for a given situation.

Consumers are constantly evolving and undergoing transitions as they process new information with regards to their lifestyles and as a result of post-purchase decisions and outcomes. Underlying the entire consumer decision-making process is the assumption that information processing is a never ending activity. Marketers continually analyse consumer behaviour and changes in such behaviour in order to keep abreast of such transitions and effectively and appropriately develop and modify marketing strategies.

From a marketing perspective, it is evident that consumer analysis provides the basis for various strategies. This requires evaluating new market opportunities and applications, choosing market segments, product positioning, new product development, marketing mix decisions, improving retail performance and enhancing the efficiency of marketing strategy and techniques. Consequently, a knowledge of the consumer decision-making process assists marketing managers in arriving at improved decisions and designing more powerful and instrumental policies that improve the firm's share and profit position. Such strategic decision-making and policy-making will enable marketing managers to efficaciously achieve their ultimate aim, namely, consumer need satisfaction.

However, proper decision and policy-making cannot be attained without an understanding of the individual and environmental influencing variables. These influences have a profound effect on consumer decision-making and largely determines consumer choice. Marketers and consumer behaviour researchers need to investigate the effect of the individual and environmental determinants in order to be able to predict and understand the process of consumer choice. This knowledge can facilitate marketing action and ensures a complete comprehension of the process of consumer decision-making.

CHAPTER 3

CONSUMER DECISION-MAKING: INDIVIDUAL INFLUENCING

VARIABLES

3.1 INTRODUCTION

When individuals pass through the decision-making process, their ultimate choice is determined by various individual and environmental influences. Marketers are continuously trying to understand buyer behaviour so as to develop marketing programmes in order to influence consumer choice and satisfy consumer demands. Knowledge of the factors affecting consumer choice is necessary in order to ensure effective marketing effort and strategy.

Motivation and involvement, perception, learning and memory, personality and self-concept, attitudes and attitude change are the main individual influencing variables in consumer decision-making.

3.2 MOTIVATION

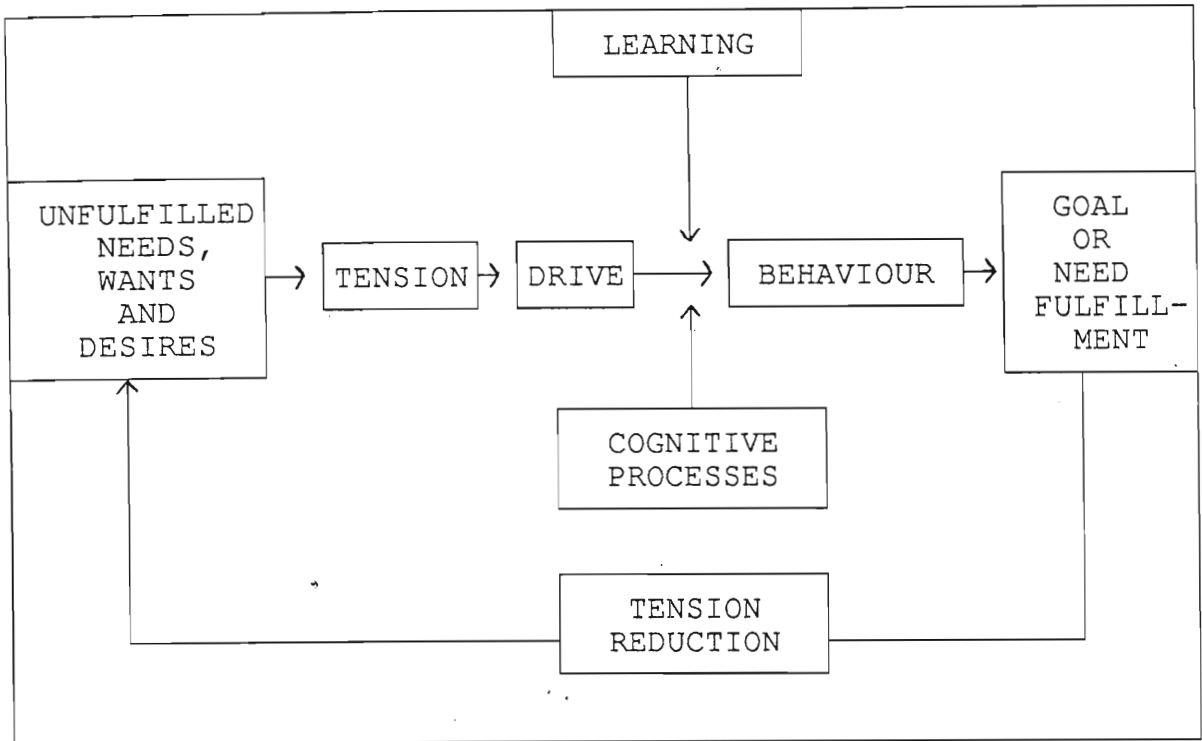
The recognition of a need sets the foundation for consumer decision-making. However, the existence of the deficit does not imply the consumer will approach the marketplace for the satisfaction of that want. Consumers must first be aroused or impelled to satisfy their requirements before they act. This desire to take action is called motivation.

3.2.1 THE DEFINITION OF MOTIVATION

Motivation is concerned with the reasons that impel individuals to behave in a specified manner. It can be defined as "an inner state that mobilizes bodily energy and directs it in selective fashion toward goals usually located in the external environment" (Loudon & Della Bitta 1988: 368). Motivation comprises of two elements. Firstly, it is an arousal or a tension state. Secondly, it gives direction to that state of tension or rather, it provides direction towards the goal (Figure 3.1).

FIGURE 3.1

A MODEL OF THE MOTIVATION PROCESS



(Palliam, R. 1989. The Significance to the Marketing Firm of Brand Loyalty amongst Zulu Consumers in Natal. University of Port Elizabeth, Faculty of Economic Sciences: Bookbinding Services. p. 74).

The arousal dimension triggers the tension state and is a general drive but does not direct the bodily energy. However, the directive component steers this aroused bodily energy towards a particular goal in the person's environment. This "cue function" therefore, guides behaviour towards a goal that will satisfy or reduce the tension state (Markin 1974: 167). Hence, motivation is an inner state that stimulates individual's action toward goals and that "results in purposive means/ends behaviour" (Markin 1974: 167). In terms of consumer buying behaviour "the motivation process commences when needs are aroused and continues

throughout the steps leading up to the purchase decisions" (Palliam 1989: 73).

3.2.2 THE ROLE OF MOTIVES

Motives function both to arouse behaviour initially and to direct it toward desired outcomes or end states. The arousal component "activates bodily energy so that it can be used for mental and physical activity" (Loudon & Della Bitta 1988: 369). The directive component of motivation has various significant roles for directing behaviour. They define fundamental strivings, identify goal objects, influence the criteria for choice and guide other influences.

Products and services are often viewed as a means of satisfying motives. In fact, more often than not goods and services are perceived by consumers as their actual goals rather than ways of achieving motives. This motivational force influences individuals to see products as goal objects and is of importance to marketers since it can be influenced. Undoubtedly, the product attributes can determine the extent to which individuals may accept it as a goal or as a means for satisfying a goal. It is evident that purposeful behaviour is motive-satisfying behaviour. Consumers develop criteria against which they evaluate products and services. Motives guide them in formulating these standards. Marketers are able to influence the choice criteria of consumers by emphasizing the importance of specific criteria and how well their product matches these criteria.

Motives affect the other individual determinants of perception, learning and memory, personality and self-concept, attitudes and attitude change and how people engage in information processing. This also gives rise to direct influence on consumer's attitude, which determines how they interpret and respond to a new brand of product on the market.

3.2.3 MOTIVATION AND ITS RELATED CONCEPTS

Needs, drives, incentives or goals are also forces that trigger action and have to be distinguished from motivation.

A **need** can be defined as "any requirement or ability upon which human performance, efficiency, and growth depends" (Walters & Bergiel 1989: 58). Needs set the foundation for human action. They propel behaviour but do not necessarily give specific direction to that action. The development of marketing strategy demands a knowledge of how an individual responds and what is the cause of it. It is **drive** that has the power to make consumers act. Drive can be conceptualised as "an inner state, initially generated by an external stimulus, but thereafter persisting as a result of being reinforced by internal energy as by activity itself - in fact, persisting in its own right even after the external stimulation has terminated" (Woods 1981: 151). Goals or incentives are the objectives or "external stimuli toward which or away from which" action or behaviour is directed in order to satisfy a need (Markin 1974: 168).

Needs, drives, and goals are particular elements of motivation and should not be interpreted in isolation. These concepts overlap and continuously interact and should be analysed in a

"whole dynamic configuration" (Markin 1974: 168). A better understanding of these concepts and their relationship to motivation necessitates an exploration into the classification of motives.

3.2.4 THE CLASSIFICATION OF MOTIVES

The diverse spectrum of human behaviour can be classified on the basis of particular unique characteristics in order to make them more manageable. Motives can be classified into simple and complex classification schemes.

3.2.4.1 SIMPLIFIED CLASSIFICATION SCHEMES

Various simple methods of classifying motives exist.

Physiological motives "are oriented toward directly satisfying biological needs of the individual" that are imperative for survival and for the maintenance of health, growth and reproduction (Loudon & Della Bitta 1988: 372). **Psychogenic wants** aim to satisfy psychological desires and represents the need for personal safety, self-confidence, status, aggression, power and prestige. Consumers often "can satisfy physiological needs at the same time they are satisfying psychogenic motives" (Loudon & Della Bitta 1988: 372).

Psychogenic needs are predominantly learned and secondary and do not directly satisfy physical wants. 'Learned' implies that "motives are not immutable but are, rather, constantly evolving through complex individual learning and social conditioning processes" (Horton

1984: 115). Physiological and biological urges, however, satisfy physical needs and are closely associated with social behaviour. Human activity that satisfy primary wants like, hunger and thirst, assume social and symbolic significance" (Markin 1974: 168). High income earners do not necessarily purchase goods and services for the satisfaction of biological requirements but rather, to satisfy their quest for psychogenic fulfillment. In economically advanced societies "psychogenic motives dominate over physiological ones in affecting consumer's goals and acquisition of products to attain or express these goals" (Loudon & Della Bitta 1988: 372). Hence, learned or secondary motives can exercise considerable influence on consumers.

Motives are often classified on the basis of whether they are primary or secondary. **Primary motives** are those that result directly from the physiological or biological needs of a person. Such motives are imperative for survival and include food, water, sleep, sex, pain reduction and avoidance. **Secondary motives** arise out of social and psychological urges such as safety, achievement, affiliation and esteem. The consumer can simultaneously satisfy both primary and secondary needs and more often than not, the former "tends to take precedence over the secondary motives" (Walters & Bergiel 1989: 86) which "acquire their ability to motivate or drive behaviour by being linked to primary drives" (Horton 1984: 118). However, a secondary need can become independent from the primary one from which it developed its drive power. Furthermore, the level of drive that a secondary motive has can be very strong. "Once a secondary motive has been well established it may become the basis for another secondary motive" (Loudon & Della Bitta 1984: 119).

Motives can also be distinguished on the basis of the degree to which they reach consumers' awareness. Drives can either be **conscious or unconscious**. The former type includes those of which consumers are aware of. Conversely, when the consumer is not aware of being influenced by a motive, we refer to it as being unconscious. More often than not motives "exist and manifest their influence as a determinant of behaviour at a level that is below the threshold of the average person's level of consciousness" (Markin 1974: 191). Consumers may be unconscious of certain motives either because they are unwilling to publicly admit the real reason for their purchases or they may simply not recognise the true reason behind their purchases. Both the conscious and the unconscious types of motives have an impact on consumer decision-making. However, a given decision may be dominated by either one type of motive.

Motives can exercise positive or negative influences on consumers. "A **positive motive** is a cause for action where a specific satisfaction or release is sought because of the resulting pleasure" (Walters & Bergiel 1989: 89). Such needs draw consumers towards desired goals. A **negative motive** "is a cause for action based on the avoidance of discomfort, pain or some adverse psychological tension" (Walters & Bergiel 1989: 89). These urges steer consumers away from undesirable end states. Most motivation is of the positive type. A negative influence exists where fear plays a crucial role in certain buying decisions such as the purchase of burglar alarms to protect loved ones.

Patronage and selective motives directly concern the act of consumer purchases. Selective drives explain why an individual buys a specific type of product or brand. The purchases may

be because the brand is seen to be one that reflects prestige or because it satisfies a fundamental need. Much advertising and personal selling strategies are directed at selective motives. Patronage needs explain the consumer's choice of a specific store. "The decision may be based on locational convenience, width of product line, services offered, or attention of store personnel" (Walters & Bergiel 1989: 89). All these variables are concerned with physical or emotional needs.

These methods of classifying motives are limited because the distinction is made on the basis of only one trait. A more comprehensive method is required to investigate the motivational influence on consumer behaviour.

3.2.4.2 A COMPREHENSIVE CLASSIFICATION SCHEME

McGuire (1976) developed a comprehensive technique of classifying motives, comprising of "four two-pole motive tendencies", which distinguish between cognitive and affective reactions, preservation and growth, active and passive tendencies and internal and external states (Loudon & Della Bitta 1988: 373). These means of categorization are mutually inclusive and when interrelated, enable an understanding of sixteen major motivational influences on consumer behaviour (Figure 3.2).

FIGURE 3.2

SIXTEEN MAJOR MOTIVATIONAL INFLUENCES IDENTIFIED BY MCGUIRE

Consistency: The need for internal equilibrium and balance.

Attribution: The need to determine who or what causes the things that happen to us.

Categorization: The need to establish categories or mental partitions that provide frames of reference.

Objectification: The need for observable cues or symbols which enable us to infer what we feel and know.

Autonomy: The need for feeling of self-governance or self-control.

Exploration: The need for variety and difference.

Matching: The need to develop mental images of ideal situations and regularly compare perceptions of actual situations to these ideals.

Utilitarian: The need to use the external environment as a source of information and skills in problem-solving.

Tension reduction: The need to reduce or avoid tension that arise from unfulfilled needs.

Self-expression: The need to express self-identity to others.

Ego-defensive: The need to protect our identities or egos.

Reinforcement: The need to react in such a way that others would reward us.

Assertion: The need to increase self-esteem.

Affiliation: The need to develop mutually satisfying relationships with others.

Identification: The need to develop new identities and roles to enhance one's self-concept.

Modelling: The need to base behaviours on those of others.

(Adapted from Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. *Consumer Behaviour: Implications for Marketing Strategy*. 3rd Edition. Texas: Business Publications, Inc. p. 74).

The classification and explanation of these internal psychological factors provides a useful basis for understanding consumer choice. However, motives alone do not determine behaviour. Instead, the latter is also influenced by the environment and other individual influencing variables such as consumer's attitudes and learning. Furthermore, a given behaviour can be influenced by various motives. It is difficult to determine which particular motive triggers a specific behaviour and to what extent. A comprehension of the structure and operational traits of motives necessitates an understanding of how motives are aroused.

3.2.5 MOTIVE AROUSAL

It is necessary to determine what activates consumer behaviour. Although motive arousal energizes consumers, it does not give much direction to consumer behaviour.

3.2.5.1 INITIATING AROUSAL

Various factors can induce the arousal of motives and cause consumers to act.

One mechanism that triggers arousal aims to satisfy consumers' **physiological** needs such as food, water and other needs that are essential for survival. Such an unfulfilled biological need gives rise to a tension state. When this state of discomfort strengthens, a state of arousal occurs and energizes the individual to satisfy the need. "Drive leads to a change in the level of activity which then is channeled by motive patterns toward goals that have satisfied the aroused state in the past" (Engel, Blackwell & Kollat 1978: 222). The individual's past experience in addition to their present situation strongly influences the direction of activity.

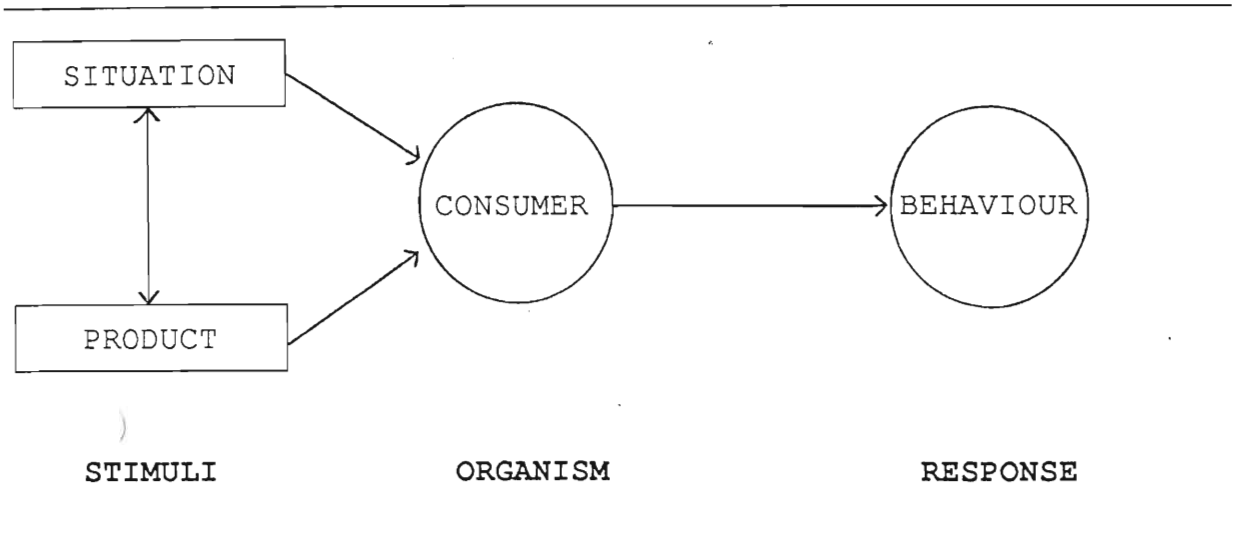
Individuals engage in **thinking and reasoning** even when the objects of their thought are not present at the immediate time. This cognitive activity is a source of motive arousal. Motives can be activated when individuals deliberate about unfulfilled needs and desires.

Arousal can also be triggered by the **situation** in which consumers find themselves in. Since all consumer behaviour occurs in some kind of physical, social and economic environments, it is subject to situational influences, which are "immediate forces that do not come from within the person, or from the product or brand being marketed" but from specific settings or conditions in which consumers find themselves, generally for short periods of time (Wilkie 1986: 272).

A motive can arise from information coming from the individual's **environment**. The sight of food in an advertisement can stimulate the consumer's hunger. Although the need for food may exist, it is not strong enough to induce motive arousal. However, viewing the advertisement attracts the consumer's attention to the physiological desire, activates the expectation that pleasure will occur and leads to activity. It is evident that "situations are influential in the formation of behavioural intentions" (Foxall 1987: 86) (Figure 3.3).

FIGURE 3.3

THE ROLE OF SITUATION IN CONSUMER BEHAVIOUR



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 501).

Motive arousal can also occur as a result of the effect of situational conditions alone. This is evident when the individual recognizes an incongruance between the desired and the actual state of affairs. An advertisement of a product emphasizing the achievement of the desired state can be responsible for activating motive arousal.

Certain traits of **environmental stimulation** also arouse motives. "These collative properties include the characteristics of novelty, surprisingness, ambiguity, and uncertainty" (Loudon & Della Bitta 1988: 377). Stimuli containing adequate quantities of such properties attract consumers' attention by arousing the latter's curiosity and represent a special kind of situational condition that can be intelligently utilized by marketers in promotions and

packaging to attract and direct the attention of individuals.

It is evident that motives develop out of some deficiency in the needs of consumers. When there is no deficiency the consumer experiences "cognitive consistency" or a state of equilibrium (Walters & Bergiel 1989: 82). Any deficiency sets the body in disequilibrium and gives rise to dissatisfaction or cognitive dissonance. Cognitive dissonance is motivating and "will give rise to activity oriented toward reducing or eliminating the dissonance" (McNeal 1982: 71). It can be maintained that "motivation arises out of the body's attempt to achieve or maintain equilibrium (cognitive consistency) by seeking satisfaction or avoiding dissatisfaction (cognitive dissonance) resulting from a need deficiency" (Walters & Bergiel 1989: 82).

Physiological and situational conditions, cognitive thinking, and stimulus properties may operate individually or simultaneously to activate consumer behaviour and motive arousal dictates the extent of consumer action.

3.2.5.2 **EFFECTS OF AROUSAL**

"Unless the consumer is motivated in some way to act on problems, there is no search or decision-making leading to a purchase" (Walters & Bergiel 1989: 81). Motives link needs to consumer behaviour. The amount of effort that the consumer will generate in satisfying a need is determined by the intensity of the arousal which can take numerous forms. Firstly, the amount of effort depends on the extent to which "attention mechanisms are sensitized to

receive information from the environment" (Loudon & Della Bitta 1988: 379). Greater degrees of arousal result in more attention to stimuli that may have previously been ignored. Since the individual's expanded attention is focused only on available stimuli, the process is passive. However, the process will be active if the effect of arousal expands the available information of consumers. Individuals can engage in active search by speaking to salesmen and friends and reading consumer reports. It is evident that active search incorporates the purposeful process of information acquisition as well as an expanded awareness of stimuli.

Motive arousal also determines the cognitive activity the consumer engages in during decision-making. Individuals regulate the amount of effort utilized when evaluating alternative goods, services and brands. Aroused energy is a significant variable in determining the extent of deliberation and conscious effort that must be adopted in consumer decision-making. Hence, motivation can be regarded as "one of the central issues in consumer decision-making" (Walters & Bergiel 1989: 80). However, not all consumer behaviour results in consumer decision-making.

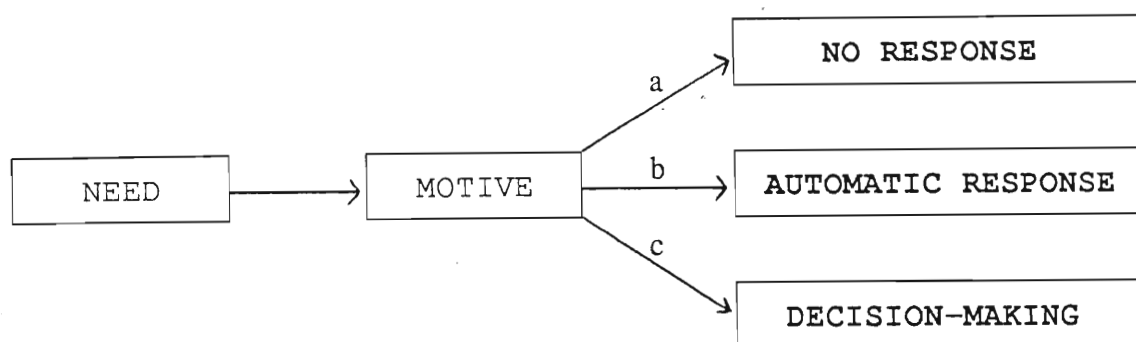
3.2.6 MOTIVATED CONSUMER BEHAVIOUR

Consumer motivation does not necessarily imply that purchases will occur. In fact, one of three possibilities can arise:

There may be **no response to motivation**. Although consumers may be motivated, they may choose not to react to the problems. This is called "nonbehaviour" (Walters & Bergiel 1989: 82) (Path a in Figure 3.4).

FIGURE 3.4

REACTIONS TO MOTIVATION



(Adapted from Walters, C.G. & Bergiel, B.J. 1989. Consumer Behaviour: A Decision-Making Approach. Cincinnati: South-Western Publishing Company. pp. 82 - 83).

The consumer may decide not to respond when the need:-

- i) cannot be satisfactorily satisfied,
- ii) is not strong enough to warrant action,
- iii) can be fulfilled without engaging in any activity.

A consumer may realize the need for a television but may not have the money to purchase it. With the result, the individual does not act on the motive.

Reflex response to motivation may occur since not all consumer behaviour is learned. In other words, consumer action can occur without any cognitive activity or past experience. Such action is referred to as "reflex behaviour" (Walters & Bergiel 1989: 82) (Path b in Figure 3.4). Reflex behaviour is instinctive. Two types of reflex consumer behaviour exists, which relate to habitual purchasing and impulse buying.

When the consumer engages in any thought process and problem-solving, motivation leads to a learned response (Path c in Figure 3.4). Most consumer behaviour is the result of **learned response to motivation**. Such a response is the most complex and occurs when a consumer selects one store over another, or one brand over another, or decides to pay by cash rather than with a credit card. Learned response to motivation does not imply a more successful purchases than the reflex response. The consumer may derive the same satisfaction out of a product purchased from path (b) as that of a product selected as a result of path (c).

Motivation is not a simple process but its result depends on numerous internal and external factors. It is necessary to analyse the motivation theories in order to understand the influence of individual and environmental factors on motivation.

3.2.7 THEORIES OF MOTIVATION

Motivation theories can be classified into individual needs, environmental and interactive theories. Whilst the first type concerns itself with internal factors, the second focuses on the effect of external variables on motivation. Interactive theories, is concerned with the interaction of internal and external influences.

3.2.7.1 INDIVIDUAL NEEDS THEORY OF MOTIVATION

Individual needs theories maintain it is necessary to understand consumers' needs in order to determine what motivates them. Many theorists attempted to categorize the needs that affect

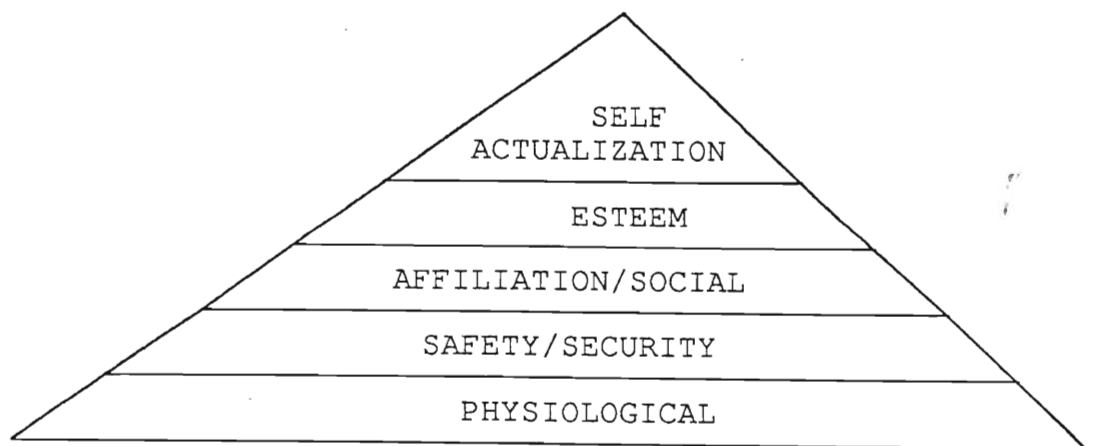
consumers. The most well known of these theories of motivation and needs is that of Maslow.

a) MASLOW'S THEORY OF THE HIERARCHY OF NEEDS

A.H. Maslow proposed the theory of motivation in the form of a hierarchy of needs. He maintained that all people have the same needs or motives and that they can be classified into five categories. The list included physiological needs and four psychological needs, namely, safety, affiliation, esteem and self-actualization needs. These motives are arranged in ascending order with physiological needs at the base of the pyramid and self-actualization at its peak (Figure 3.5).

FIGURE 3.5

MASLOW'S HIERARCHY OF NEEDS



(duPlessis, P.J., Rousseau, G.G. & Blem, N.H. 1990. Consumer Behaviour: A South African Perspective. Halfway House: Southern Book Publishers. p. 76).

In order to understand the extent to which each need is necessary for survival as well as the degree to which each influences behaviour, it is beneficial to expand on each motive.

Physiological needs "are associated with the body's physical performance" (du Plessis et al. 1990: 77). These motives incorporate the desire for food, water, sex, sleep, shelter, knowledge, relief from pain, blinking of eyes, the control of temperature and muscular movement. Although some physiological needs such as blinking, are automatic others can be controlled by the mind. In the latter case the marketer has a better opportunity to exercise influence over the consumer's purchases.

Once consumers have fulfilled their primary physical needs they direct their attention to ensuring that they are safe and secure. **Safety motives** represent the first psychological need. They are connected with personal security and includes both the need for physical safety and emotional security or the desire to feel safe from threatening occurrences or circumstances. Personal safety is concerned with freedom from physical pain, household security, order and stability in one's life and freedom from threat or domination. Products associated with safety needs include "hospital care, insurance, smoke detectors, safes, bank services, retirement plans, seat belts, burglar alarms, social security, government services, locks, indoor sprinkler systems, safety mats in bath tubs" and safety netting over swimming pools (Walters & Bergiel 1989: 63).

The **need for affiliation** refers to the desire to belong. This urge is a psychological one that is concerned with caring and peacefully relating with others. It is a need "to be part of a

social group, to interact with and be accepted by others in friendship, affiliation, interaction and love" (Zaltman & Wallendorf 1983: 370). Products associated with belongingness relate mainly to personal interaction and commitment and may take the form of jewelry, grooming of self, dining out, gift products, and greeting cards. Such products directly permit, promote and encourage interaction among people.

Esteem needs represent the psychological urge to develop and maintain a favourable self-image. It refers to "the need to be valued both by the social group (peer recognition) and by one's self (self esteem)" (Zaltman & Wallendorf 1983: 370). Esteem is presented by others by means of prestige, respect, status, power and fame or recognition. Products that satisfy esteem needs include fashionable clothing, modern furniture, cars, membership in clubs, products for personal grooming, ownership of homes and a high standard of education. Only goods that are socially visible help individuals to gain prestige and respect from others. For a product to be socially visible, "others must be able to perceive the product or service or the results of using the goods" and the goods must be uncommon or rare so that very few, if any, people own or uses them (Settle & Alreck 1989: 18). Probably the greatest manifestation of esteem is 'Keeping up with the Joneses'.

The ultimate, "most far-reaching comprehensive motive in life is **self-fulfilment or self-actualization**" (Settle & Alreck 1989: 20). This is a psychological need that incorporates personal ambition, fulfillment and aesthetic needs or the need for beauty and order. Self-actualization is the need to satisfy oneself by optimizing the use of one's potential. It means enlargening and enhancing oneself, extending one's identity and developing one's

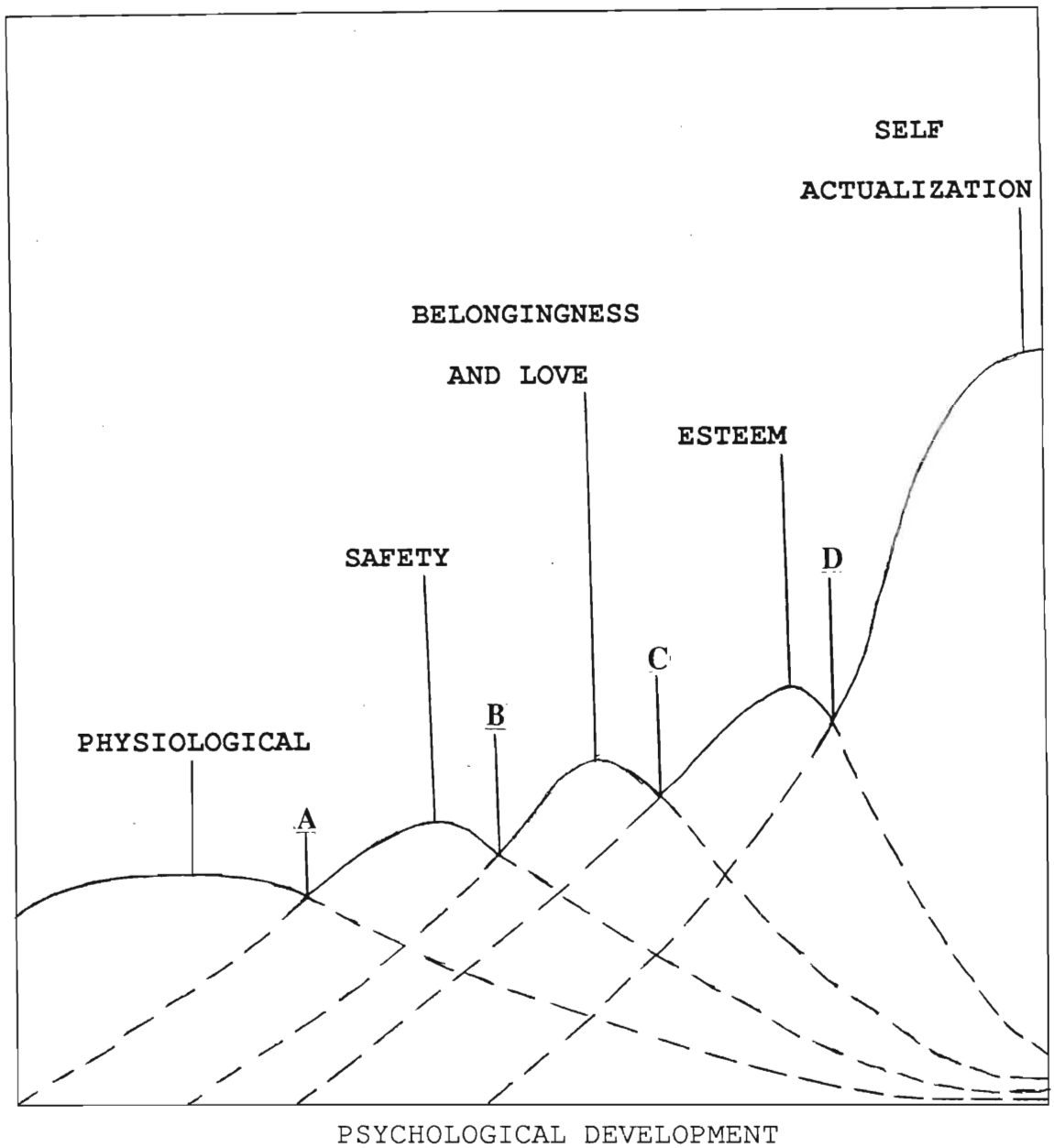
individuality and uniqueness. Products associated with the need for self-actualization relate to advanced academic qualifications, health clubs, sports cars and sports equipment. This need only emerges once the lower level needs have been reasonably satisfied.

These five categories of needs are related to consumer problems. But these motives "are not equally significant to individual consumers" (Walters & Bergiel 1989: 69). The more important needs determine the kind of consumer problems that are dealt with first by the consumers. The "prepotency or initial importance" of a need category is determined by the degree to which it is necessary for existence (Loudon & Della Bitta 1988: 380). Maslow maintained that some needs are more basic than others and these urges must be fulfilled first. The most prepotent motives are the physiological ones, which have the greatest influence on behavior until they are sufficiently met. At this point safety, the second most prepotent motive would start to dominate behaviour. It can be maintained that "once physical life is assured, and psychological development proceeds, the consumer recognizes a succession of psychological needs" (Walters & Bergiel 1989: 69).

As soon as a lower order need is satisfactorily satisfied the consumer perceives a more advanced motive. A higher order need must have reached optimum satisfaction before the next motive category on the hierarchy can become dominant (Figure 3.6).

FIGURE 3.6

MASLOW'S MOTIVE HIERARCHY



(Loudon, D. & Della Bitta, A.J. 1988. Consumer Behaviour: Concepts and Applications. New York: McGraw-Hill Book Company. p. 381).

Figure 3.6 depicts the pattern in which successive motive categories influence behaviour. Points A, B, C and D indicate the points at which high level needs begin to dominate more

prepotent motives once the latter have been adequately fulfilled. Even after a particular motive category is passed on the hierarchy it can still assume a temporary dominance over the individual's behaviour. This can occur if the motive is not adequately fulfilled. A motive can reassume dominance if a state of deprivation with regards to that motive exists.

In addition, Maslow proposed that "the higher the need in the overall hierarchy of needs, the more uncertain the person will be about the specific way in which it can be satisfied" (Zaltman & Wallendorf 1983: 371). When an item is intended to fulfill wants at the higher levels in the hierarchy, the relationship between the product and the need may not be absolutely clear to the consumer. This implies that marketers must ensure to specify the needs that their product can satisfy and how it can do so.

Maslow also suggested that as consumers successfully move from being dominated by physiological motives to self-actualization, they develop psychologically. They tend to have more needs and wants and seek more diverse ways of satisfying specific desires. Consumers in materialistic societies, whose behaviour is dominated by higher order needs of esteem and self-actualization, are interested in a greater variety of goods and services.

Furthermore, one product in the form of sport can be used to satisfy more than one need. Soccer can be played to fulfill the physiological need of muscular activity or it can be played to satisfy belongingness, affiliation and esteem needs.

Maslow proposed that the higher a need is in the hierarchy the less the chances are of it being satisfied. A higher order motive may be incompletely fulfilled when lower order ones are insufficiently met. With the result, resources are used to satisfy these basic needs and deprive the higher level needs from being adequately satisfied. Needs at any level on the hierarchy can be satisfied either simply or elaborately. For example, the physiological need for hunger can be fulfilled either by dining in an exquisite restaurant or having sandwiches. The more elaborately are the consumers' attempts to fulfill their needs, the more likely are they to attain total satisfaction.

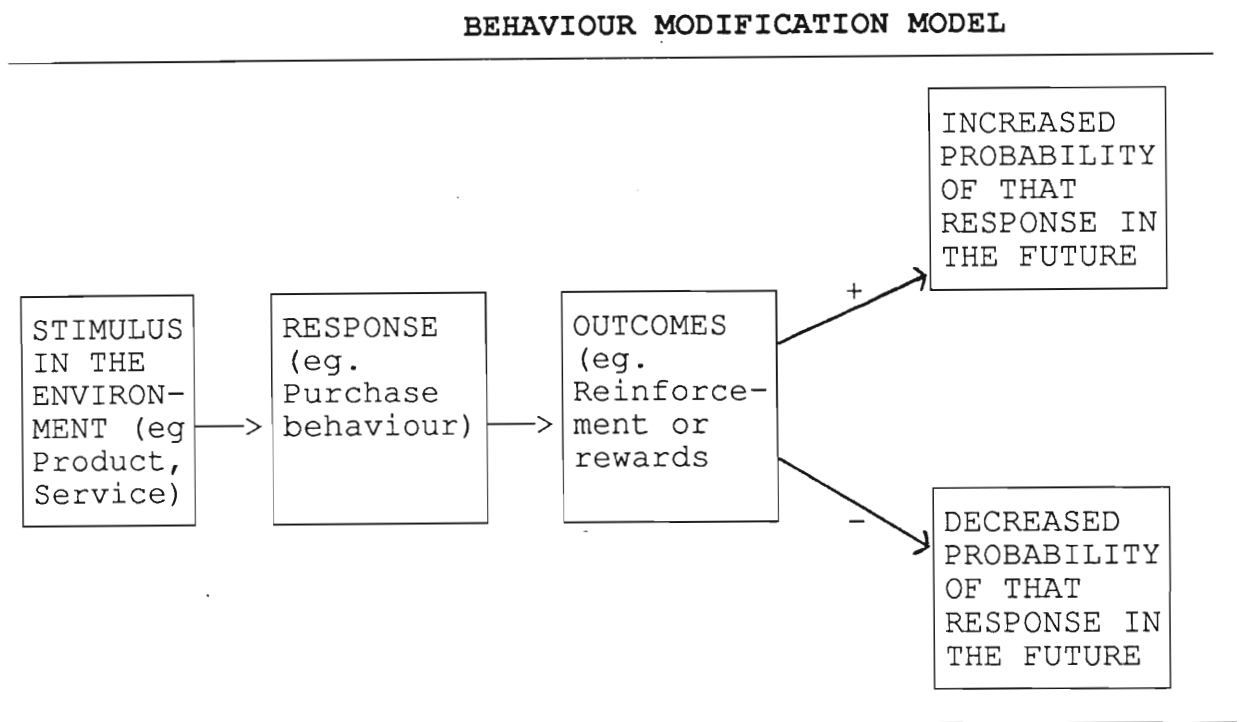
Although Maslow's hierarchy of needs makes a significant contribution to the understanding of motives, it is not sufficiently useful in predicting any particular behaviour. Even though the focus is on dominant motives, "the hierarchy still allows for the influence of other motives not in a dominant position" (Loudon & Della Bitta 1988: 382). Maslow's theory does not enable one to explain why consumer behaviour fluctuates under conditions of a stable hierarchy of needs. In addition, the hierarchy of needs emphasizes that motives do not lawlessly affect consumer behaviour but are structured in a unified and logical sequence that suggest the occurrence of a priority mechanism.

3.2.7.2 **THE ENVIRONMENTAL THEORY OF BEHAVIOUR MODIFICATION**

The environment in which consumers operate has considerable influence over their motivation. Environmental theorists maintain that fundamental to the understanding of what motivates consumers, is a knowledge of how their behaviour is rewarded in the environment. A typical theory dealing with reward is behaviour modification.

Behaviour modification has its roots in psychology. It is also recognized as instrumental or operant conditioning or behavioural learning theory where the major focus is that behaviour that is positively rewarded is more likely to be repeated than that which is not reinforced (Figure 3.7).

FIGURE 3.7



(Zaltman, G. & Wallendorf, M. 1983. Consumer Behaviour. New York: John Wiley & Sons. p. 374).

Figure 3.7 emphasizes that consumers who buy an item that adequately satisfies their needs will have a greater probability of buying that product in the future. The person is motivated to repurchase that product as a result of positive experience in consuming it. This implies that "among similar products, the product that successfully meets the most consumer needs will

have the greatest likelihood of purchase" (Zaltman & Wallendorf 1983: 374).

Figure 3.7 suggests that marketing managers can capitalise on the stimulus-response concept by enhancing the consumer's reward of a product via the suitable manipulation of the marketing mix. The success of marketing is closely related to repeat purchase behaviour. The strategy of providing positive reinforcement for desired consumer behaviour to occur is fundamental in the development of the marketing programme.

3.2.7.3 INTERACTIVE THEORIES OF MOTIVATION

Interactive theorists maintain that cognisance must be given to the needs of individuals and the environmental factors when attempting to understand motivation.

A well known interactive theory is the expectancy theory which stresses the interaction of individual needs and environmental factors. This theory maintains that motivation "is a function of the individual's expectation of the probability that an outcome can be attained and the individual's valence or utility for the outcome in question" (Zaltman & Wallendorf 1983: 377). Hence, $\text{motivation} = f(\text{Expectancy} \times \text{Valence})$.

The expectancy theory suggests that consumers are highly motivated when they expect a high probability of achieving an outcome they regard as being important. The greater the subjective value of the product to the individual and the easier it is to obtain it, the greater the chances that the consumer would buy the item. Marketers can organise information

campaigns to emphasize the positive attributes of products and services that consumers consider to be useful in order to enhance the individuals' perceptions of the value of these goods and services. Furthermore, marketers can stress the ease with which the desired outcomes, for example, product satisfaction, can be obtained.

The individual needs theory, the environmental theory of behaviour modification and the interactive theory explicitly describes the influence of internal, external and interactive factors upon motivation. In turn, motives do not influence consumers independently but often interact or combine.

3.2.8 MOTIVE COMBINATIONS

Since motives interact they can have a combined or conflicting influence on behaviour. Motives can differ in specificity and various ones can be linked together to exert a combined influence on the individual. This is termed **motive linking**. A given product can fulfill numerous motives at nearly the same level of influence. This results in the **motive bundling** or combination of influences on the decisions of consumers. Furthermore, **motive conflict** can occur. Since multiple motives frequently exist in a single purchase, an inevitable consequence is need conflict which occurs when an individual "is prompted simultaneously by incompatible tendencies to satisfy one or more operating needs" (Zaltman & Wallendorf 1983: 384). Motive conflict is commonly experienced by individuals who have limited time, money and effort resources and are forced to choose among unlimited desirable products and services that satisfy their needs. Three types of conflicts exists. **Approach-approach conflict**

is a situation in which conflict exists between two desirable needs that must be satisfied. The more equal the two needs are perceived by the individual, the greater is the conflict. In **avoidance-avoidance conflict** the consumer has to choose between two undesirable alternatives. Avoidance-avoidance conflict frequently results in tremendous information search but very seldom is there an outcome of commitment to purchase. **Approach-avoidance conflict** occurs when consumers face choices between a positive and negative alternative. "Buying decisions regarding many expensive, infrequently purchased, durable goods seem to put buyers into an approach-avoidance conflict" (Horton 1984: 131).

From these three types of conflicts it is evident that purchases is not a simple process and often leaves the consumer facing indecision between alternatives. Marketing managers can take the opportunity of studying the effects such conflicts may have and consequently, reduce indecision and encourage purchases. This emphasizes the need for the marketer to understand consumers so that they can design the most effective marketing mix. This knowledge is obtainable by means of motivation research.

3.2.9 MOTIVATION RESEARCH

Consumers are frequently unaware of the motives that influence their buying behaviour. To effectively resolve this problem the former engages in motivation research to "assess the unconscious 'hidden persuader' motivations that underlie many consumer purchases" (Markin 1974: 193).

Motivation research methods involve "disguised and indirect techniques in an attempt to probe consumers' inner motives without arousing defense mechanisms which can generate misleading results" (Loudon & Della Bitta 1988: 386). These studies have been valuable in providing data for marketing decisions. When properly conducted motivation research projects are combined with other useful information, they can supply valid and invaluable information concerning consumers and their behaviour in the marketplace. Undoubtedly, sound marketing decisions are not only based upon the predictions of consumer motivations but also a knowledge of the closely related concept of involvement.

3.2.10 **INVOLVEMENT**

In buying situations consumers are either actively involved or have little concern about their purchases and adopt a passive stance to stimuli in their environment. Such differences in the level of interest of consumers can be attributed to the level of involvement in the act of purchases. Involvement is related to consumer values and self-concept and thus, the personal importance of the product to the consumer. It is beneficial to "identify aspects of a consumer's relationship to a product category or brand that produce a heightened degree of personal importance, self-relevance and involvement" (Cohen & Chakravarti 1990: 269). Furthermore, involvement can differ across individuals and situations, and is also related to some form of arousal.

Low involvement purchases appear to evoke differing mental activity than high involvement ones. In the former case the consumers' brand attitudes may not have a strong influence on

their buying decisions.

3.2.10.1 INVOLVEMENT LEVELS

A highly involved consumer is one who is extremely concerned about the differences in brands of a product and engages in considerable information search and evaluation and decision-making. These evaluations result in consumers developing beliefs which influences the attitudes that the consumers form about specific brands. In low involvement situations consumers passively accept information or process information superficially. Very low levels of brand awareness and comprehension results and brand attitudes are not distinctly developed.

3.2.10.2 INVOLVEMENT TYPES

There are two factors that affect the intensity of the concept of involvement:

- * The significance of the product class to the consumer depends on the consumer's own values, self-concepts or past experiences. This type of involvement is called "enduring involvement since it defines the consumer's baseline or long-term level of interest in a given product" (Loudon & Della Bitta 1988: 389).
- * Consumers' involvement in a product depends on the situation that the individuals find themselves in. This type of involvement is called "temporary involvement" since it is the situation and not long-term interest in the item that determines the product's importance (Loudon & Della Bitta 1988: 389).

3.2.10.3 RESPONSE CHARACTERISTICS

Consumers in high and low involvement purchase situations have differing response characteristics.

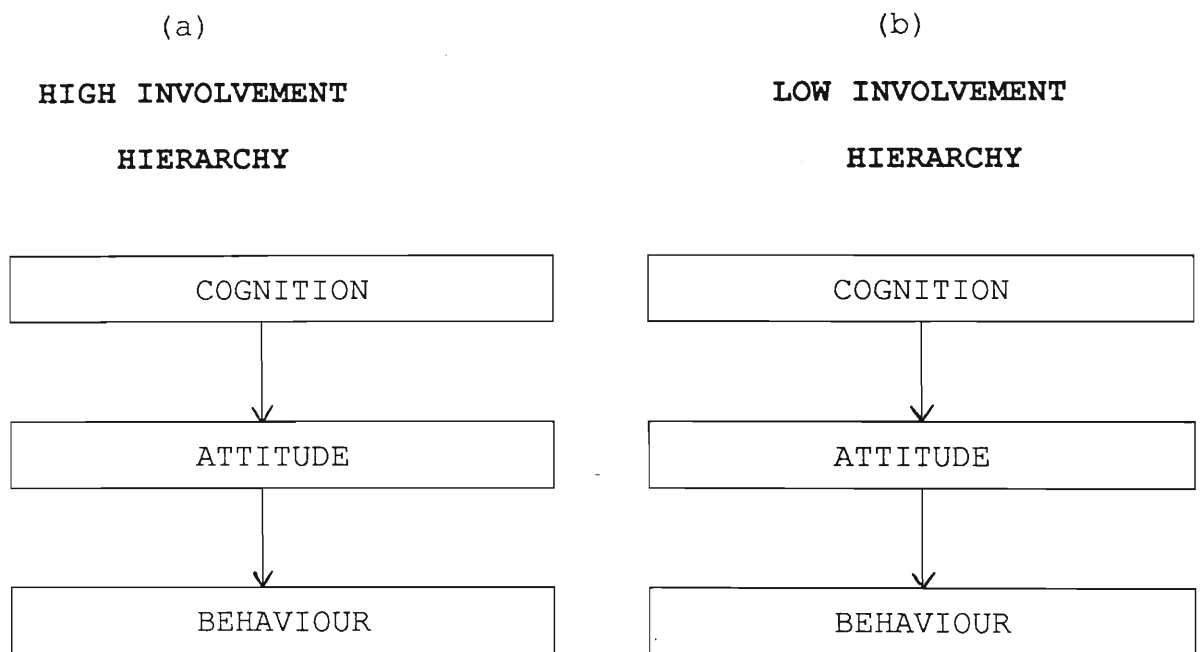
In high-involvement situations consumers engage in active search and attention to information which improves learning about commercials and products. The consumer also evaluates the information to determine the degree to which it corresponds with existing brand knowledge and beliefs. Whilst information that is inconsistent with existing beliefs is likely to be rejected, those that correspond with consumer beliefs generate strong supportive issues. With the result, new or modified beliefs about alternative brands may result. "Cognition in the high-involvement hierarchy refers to the knowledge and beliefs about brands that consumers derive from evaluating information" (Loudon & Della Bitta 1988: 390). The positive and negative evaluation of beliefs leads the individual to form attitudes about brands and their desirability. The ultimate behaviour of consumers is strongly influenced by the attitudes of the consumer (Path a in Figure 3.8).

Under low-involvement levels the consumer has little, if any, desire to process information in order to evaluate alternative brands. The brand attention levels of consumers is low and they may not even recognize the brand name. Brand beliefs are not well developed and will not have sufficient strength to support the development of brand attitudes. Alternatively, the consumer may recognise the brand name and purchase that brand prior to any brand attitudes being developed. After consumers buy and consume the product, they are likely to formulate

attitudes about it. However, strong attitudes may never develop due to the low importance of the product to the consumer. These response characteristics in the low-involvement situation are portrayed in (b) in Figure 3.8.

FIGURE 3.8

**THE HIERARCHY OF EFFECTS UNDER HIGH AND LOW INVOLVEMENT
CONDITIONS**



(Loudon, D. & Della Bitta, A.J. 1988. Consumer Behaviour: Concepts and Applications. New York: McGraw-Hill Book Company. p. 391).

It is evident that the patterns of information search and information acquisition, and the mental process of information processing to evaluate products and conclude decisions concerning them, as well as post-purchase behaviour differ under high and low involvement conditions. These patterns and processes in consumer behaviour must be thoroughly understood in order to ensure an effective marketing mix. An understanding of motivation is necessary to

marketers in the development of marketing strategies.

3.2.11 THE IMPORTANCE OF MOTIVATION IN MARKETING

Needs and motivations are the focus of the marketing concept. Consumers choose and repeatedly purchase those products that are sure to satisfy their urges. The way in which these desires are fulfilled depends upon the manner in which the individual is motivated. The marketing concept basically involves "the identification of consumer needs and the development of information campaigns that will motivate the consumer to satisfy these needs with specific products and services" (Zaltman & Wallendorf 1983: 360). In addition, motives are frequently in conflict and consumers may have to choose to satisfy one need instead of another. Also, particular buying behaviours may fulfill different urges. Marketers need to understand such consumer conflicts and indecision and adopt strategies to encourage consumers to make a choice rather than allowing them to ignore the situation and make no purchase. Promotional literature and campaigns and salesmen's comments can be very influential in the consumer's process of evaluating alternatives and making a decision.

Stimuli with the potential for arousing consumer motives are important to marketers since they can be used to attract and focus the attention of consumers. This provides the marketer with the chance of presenting influential information, facilitating consumers' information processing in this regard and increasing the degree of consumer involvement and interest in the product. Promotions and packaging should incorporate stimuli that are capable of arousing consumer motives. Marketing managers need to "discover the motives that their product and brand can

satisfy and develop their marketing mix around these motives" (Hawkins, Best & Coney 1986: 389). Products or services must be communicated in the most favourable light with regards to the motives that they are designed to fulfil.

Motivation theories are beneficial to marketing in providing significant insights into why consumers behave as they do. These theories provide the marketer with a more realistic and rational basis for developing effective and efficient marketing programmes. Undoubtedly, a knowledge of consumer motivation lies at the core of the modern marketing concept. This is undeniable since it is "by developing total marketing programmes that satisfy buyers more completely and efficiently" that the modern marketer optimizes company profits (Horton 1984: 135). However, effective marketing strategies also depend on consumer perceptions. An analysis and knowledge of consumer perceptions is necessary since perceptions affect the individual's actions, buying and leisure habits.

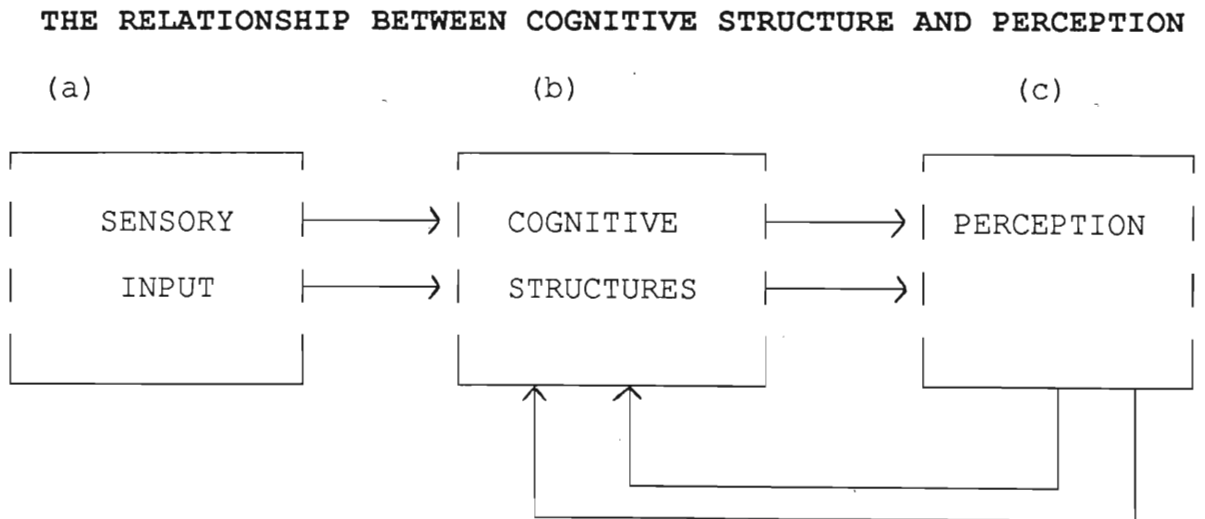
3.3 PERCEPTION

Consumers formulate impressions of goods, stores, services and objects in their environment. Since consumers react on the basis of their perceptions marketers need to know how perceptions are formulated as well as have a knowledge of its related concepts. This will enable them to determine what influences individuals to purchase and to construct effective, persuasive messages and advertisements.

3.3.1. THE DEFINITION AND NATURE OF PERCEPTION

Perception can be defined as a complex process by which an individual "selects, organizes and reacts to environmental stimuli in a meaningful way" (Schiffman & Kanuk 1978: 136). However, people select, organise and interpret sensory stimulation on the basis of what they know by means of witnessing or previous experience. Individuals' cognitions, namely, knowledge, beliefs, attitudes, images and opinions filter their perceptions. In turn, the new knowledge acquired by individuals via their perception causes them to modify their prevailing values, beliefs and knowledge (Figure 3.9).

FIGURE 3.9



(Markin, R.J. 1974. *Consumer Behaviour: A Cognitive Orientation*. New York: Macmillan Publishing Co., Inc. p. 199).

Cell (a) in Figure 3.9 refers to the sensory input, for example, heat, light, noise or colour, that the individual receives. This input does not correspond with perception immediately but is

channeled to the central nervous system, which is represented by cell (b). The latter stores the attitudes, values, opinions, beliefs, images, knowledge, past experience and prior awareness of the individual. The sensory input acts and interacts with these cognitive structures, which allow the individual to determine the nature of the sensory input, organise it and react to it in a meaningful manner. This interaction results in cell (c) which represents perception. Stimuli are more likely to be perceived when they correspond with individual's past experiences, conform with their current beliefs about a brand, are not too complex and do not trigger extreme fears and anxieties. Also, they must be believable and must "relate to a set of current needs" (Assael 1987: 37). This process of perception is rechanneled into and stored in the cognitive structure as feedback since this experience will filter and influence any further sensory experience. It is evident that perception is a person's "subjective way of interpreting and making sense of the stimuli to which he or she is exposed" (Zaltman & Wallendorf 1983: 302).

Furthermore, Figure 3.9 implies that a number of variables affect perception which emphasizes the need to view the process of perception as a result of the numerous influencing variables.

3.3.2 THE VARIABLES AFFECTING PERCEPTION

It is apparent that the perception and consequent reaction of consumers is the result of "a number of dynamic and changing factors, either singly or in combination, and either when the stimulus occurs or when reaction is required" (du Plessis et al. 1990: 67). Many variables affect the perceptual process (Figure 3.10).

FIGURE 3.10

PERCEPTION AS A PROCESS

IMPULSE	OBSERVATION	SELECTION	ORGANISATION	REACTION
Changes in Environment: advertising, hunger pains, noise and colours	The Human Senses: seeing, hearing, smelling, tasting and touching	(a) Characteristics of the Object such as: size, colour and appeal. (b) Characteristics of observer such as: needs, personal characteristics and previous experience	(a) Selected impulses are organised and grouped in terms of figure-ground, closeness, similarity, continuity, context and closure	Behaviour or Attitudes

(Adapted from du Plessis, P.J., Rousseau, G.G. & Blem, N.H. 1990. Consumer Behaviour: A South African Perspective. Halfway House: Southern Book Publishers. p. 69).

3.3.2.1 OBSERVATION

The first step in the process of perception is observation, that "is activated by some form of sensory input, which is directed at an individual's sensory receptors" (du Plessis et al. 1990: 68). Sensory inputs are formulated by stimuli that are directed to the human senses, namely, seeing, hearing, smelling, tasting and touching.

With regards to the perception of stimuli, two concepts warrant explanation. Firstly, **subliminal perception** refers to the perception of a stimulus at "the unconscious level, below

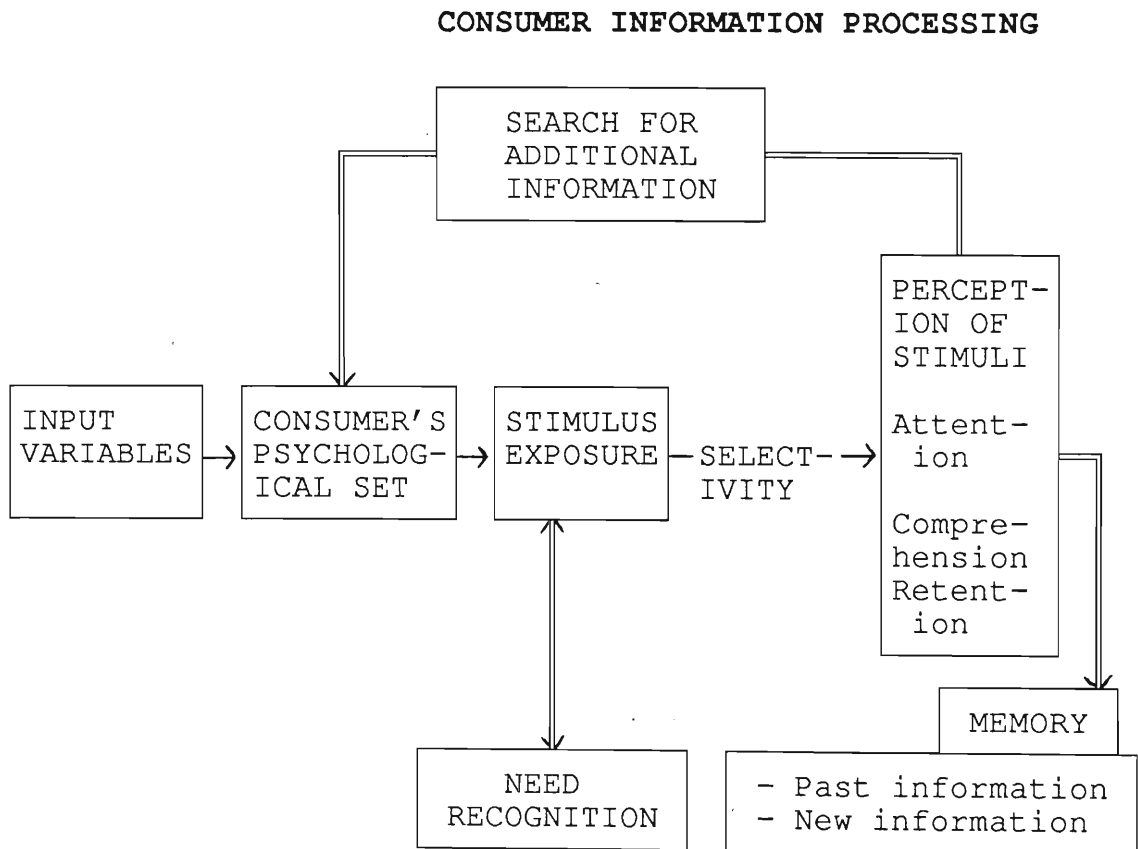
the level of awareness or consciousness" (McNeal 1982: 154). Since individuals are capable of perceiving stimuli above and below the level of awareness, it is beneficial to analyse these thresholds.

The **absolute threshold** is "the minimum value of a stimulus capable of being consciously noticed" (Loudon & Della Bitta 1988: 403). "The longer the individual is exposed to slight changes or no change in sensory input, the lower the absolute threshold of a particular sense becomes, that is, sensitivity increases" and the the human being adapts to the sensory input (du Plessis et al. 1990: 70). The **differential threshold** is "the smallest difference in intensity" that one can tell between two stimuli (Papalia & Olds 1988: 111). The differential threshold represent the just noticeable difference (jnd). The latter is "the amount by which a stimulus must change before a perceiver can detect that a change has occurred" (Horton 1984: 255). Using the jnd, Assael (1987) concluded that price difference between the various product lines of a retailer need to be large enough for consumers to perceive a difference in quality. Of greatest concern to marketing strategy is "the need to differentiate a brand from competition so that it will be noticed" (Assael 1987: 141). In order to differentiate a specific brand the marketer has to develop product characteristics and advertising messages that are easily detectable, for example, differences in size, taste and colour. This is necessary because the consumer does not attend and react to all stimuli in their environment but chooses amongst them.

3.3.2.2 PERCEPTUAL SELECTION

Consumers perceive stimuli selectively because each person has a unique set of needs, attitudes, experiences, opinions and personal traits. Selective perception means that "the identical advertisement, package, or product may be perceived very differently by two consumers" (Assael 1987: 116). Four stages in the perceptual process can be identified. These include exposure, attention comprehension and retention (Figure 3.11).

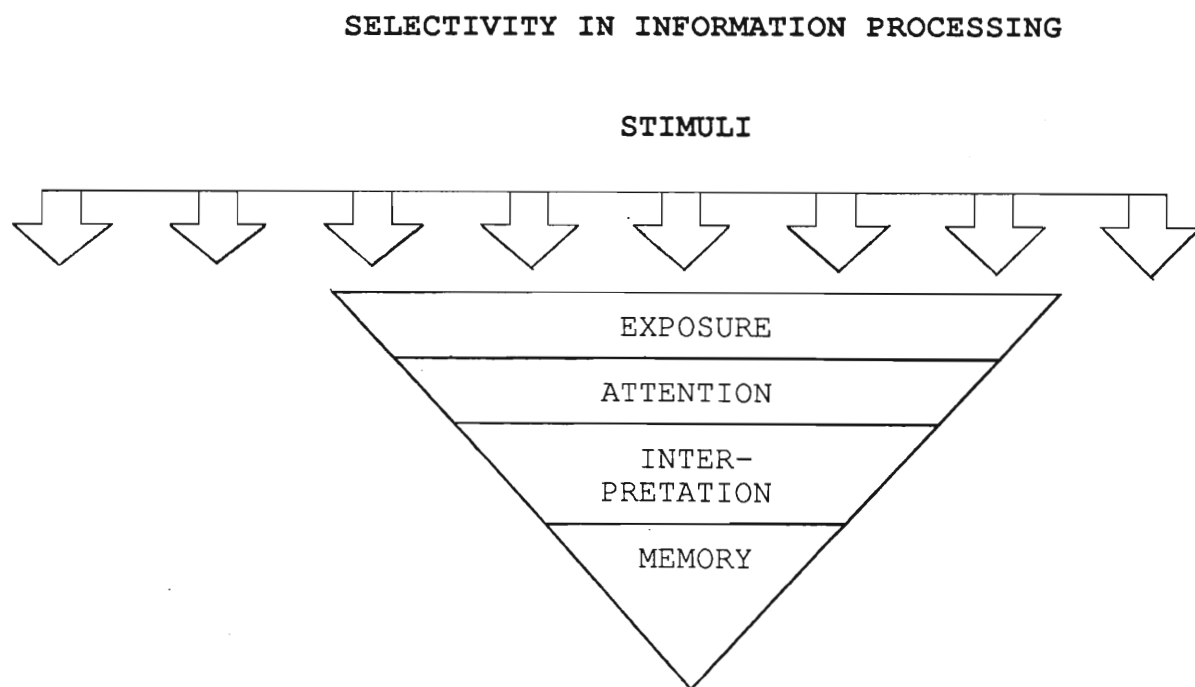
FIGURE 3.11



(Assael, H. 1987. Consumer Behaviour and Marketing Action. 3rd Edition. Boston, Massachusetts: Kent Publishing Company. p. 36).

Consumers' desire to detect information that corresponds with prior beliefs results in selectivity at each of these steps in the process of perception (Figure 3.12). Since personality filters sensory input, "it has the power to resist or keep out stimuli, to change or distort the meaning of stimuli, and to remember or forget the stimuli perceived" (McNeal 1982: 148).

FIGURE 3.12



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. *Consumer Behaviour: Implications for Marketing Strategy*. 3rd Edition. Texas: Business Publications, Inc. p. 305).

Selective exposure occurs "when a stimulus comes within range of our sensory receptor nerves" (Hawkins, Best & Coney 1986: 304). In order for an individual to be exposed to a stimulus, the latter must be located within the consumer's environment. An individual is only exposed to a small fraction of the available stimuli since most of the cause to which a person is exposed is selected by the person. This occurs because people seek only those information

that are perceived by them as being capable of assisting in achieving their goals.

Selective attention is the process of becoming aware of a stimulus or certain fractions of it. Selective attention is "the power of an individual to receive or reject, in whole or in part, any stimulus" (McNeal 1982: 148). Consumers are more likely to notice those causes that are relevant to their mental sets, consistent with their attitudes, knowledge and experience and conforms to their needs. "Perceivers attempt to extract the information that is required in order to consummate their search and satisfy their information needs" (Woods 1981: 185). Selective attention results "in greater awareness of supportive information and avoidance of contradictory information" (Assael 1987: 117). Since consumers will pay attention to the influences of their choice, marketers who wish to attract the attention of consumers need to use stimuli with wide appeal, relating to numerous needs and various styles of need expression.

Selective comprehension takes place after a stimulus is received. It is interpreted via the individual's cognitive structure and provides new information that is compared with the consumers existing attitudes, knowledge and needs. The interpretation of the cause is made from individual's cognitions and is biased. Consumers have the ability to represent information to match their personality. An implication is that marketers will have great difficulty in getting individuals to believe things that are inconsistent with their cognitions or getting them to buy goods and services that they do not need.

Selective retention is the power of the person "to retain at a conscious level any perceived information for any time period desired" (McNeal 1982: 151). In selective retention the consumer remembers information relevant to a particular decision that has to be made and corresponds with the consumer's existing beliefs and attitudes.

It is evident that consumers engage in **perceptual vigilance** whereby they selectively receive information most relevant to their needs and cognitive structures. Perceptual vigilance directs consumers to necessary information and thus, guides them in their attempts to ensure perceptual equilibrium. When consumers choose information that is consistent with former beliefs, or "interpret information to conform to these beliefs, they are processing information to ensure a perceptual equilibrium" (Assael 1987: 120).

Various factors which influence perceptual selection need to be understood in order to develop more efficient and effective promotional materials.

a) **THE INFLUENCE OF EXTERNAL FACTORS IN PERCEPTUAL SELECTION**

Several product traits and objects external to the individual will increase the chances of the message being selected and thus, perceived. External factors relate to the stimuli, environment, order effects, expectation and linguistics.

Nine characteristics of **stimuli** cause them to have differing effects on consumers' perception of them or cause the former to symbolise different things to different individuals.

- * The **nature of the stimuli** incorporates the size of the object or advertisement, the colour, the shape, the position, or a combination of these four variables. "The size which an object must be to be perceived is proportional to the initial size of the sensory input" (du Plessis et al. 1990: 72). Rademey (1989) found that 56,9 % of magazine advertisements are of a full-page dimension in South Africa. In addition, marketers effectively use colour in marketing since colourful advertisements attract a greater degree of attention than black and white ones. Colour is often symbolic of certain qualities and are used extensively in marketing. Van der Reis (1980: 6) found that "the violet-blue violet range of colours, red violets, grey", dark shades of blue (except those needed for men's clothing) and black (except for shoes, lettering and hair) are disliked by unsophisticated Blacks because they associate them with "death, old age, failure, loneliness and bad food". It is evident that consumers associate colours with feelings and may develop attitudes towards a product on the basis of the colours used to identify and advertise the product. Marketers are able to increase their sales by ensuring that their product includes colours that are positively viewed by consumers so that the latter may form positive attitudes and purchase the item. Furthermore, the shape of the product influences perception. "Angular objects are usually more masculine than circular ones" (McNeal 1982: 144). Perception of a stimulus is influenced by its position which refers to the placement of a stimulus. "Objects placed near the centre of a consumer's visual field are more likely to be noticed" (du Plessis et al. 1990: 72). This accounts for the tremendous competition that exists between producers of products for good shelf space, particularly for convenience and shopping goods.
- * The **intensity of stimuli** also affects perception. Individuals may not detect a stimulus if its intensity or energy level is low but may rapidly notice and interpret one with a high

level of intensity.

- * The **changing nature of the stimulus** may influence perception in varying degrees. A changing stimulus may be more attracting than a stationary one as the former may cause the individual to reinterpret the influence.
- * One's **perception of a cause** can be influenced by the frequency of it. A stimulus that is repeated continuously until individuals get accustomed to it, tends to be noticed more and stirs greater curiosity such that its repetitious presentation determines consumers' interpretation of it.
- * **Contrast** is an important influence in the perception of a stimulus. The principle of contrast is used in many ways to attract consumers' attention.
- * The **social value of a stimulus** may influence the meanings attached to it. A society "gives certain meanings to many objects, and these meanings or evaluations are generally shared by its members" (McNeal 1982: 144). The perception of certain objects are predetermined and it is doubtless that most consumers consider society's view of a stimulus before forming their own.
- * **Motion** also plays an important role in influencing perception. A typical form of movement that retailers use is the portable sign board that has sequential lighting which gives the impression of movement. Such a board may display specials or simply attract attention to the store.
- * **Novelty** is another means of attracting attention. Highly creative advertisements are very influential in the process of perception. Novel stimuli stand out against their background and attract attention "through unique images, shapes, sounds, and colours" (Loudon & Della Bitta 1988: 409).

* **Familiarity** of stimuli also has varying effects on our perception of them. Many South African advertisements use animals, familiar tunes and known faces to attract consumer attention.

The **environment** of the consumer and the stimulus will influence the individual's perception of that influence. The environment may be a physical or a social one. A stimulus is often viewed as being part of a physical environment. Consumers also analyse their own physical locality before comprehending a stimulus. This implies that two physical environments exist, namely, that of the stimulus and that of the consumer.

The social environment refers "to the people related in some way to the perceiver or the stimulus" (McNeal 1982: 145). The consumers' view of a product is likely to be influenced by their friends. They may even purchase the same products due to the desire to conform to group norms and identify with one's peers. In addition, the social environment of the stimuli influences the consumer's opinion of the stimuli.

The influence of stimuli in an advertisement will also depend on the **order effects**. Two major types of order effects are recency and primacy. Recency is one in which "stimuli appearing at the end of a sequence are given more weight in the resulting interpretation" (Engel, Blackwell & Miniard 1986: 221). In primacy, however, it is the stimuli that appear at the beginning that is given greater advantage. This effect reflects that the consumer's first impression is the lasting one. Unfortunately, it is difficult to predict with certainty which effect will arise in a specific situation.

Individuals' perception is frequently altered by their prior conceptions or **expectations** of what they are likely to view. For example, Engel, Blackwell & Miniard undertook a taste test of a soft drink where two cups filled with the same regular soft drink were marked 'diet' and 'regular'. Even though both cups contained the same drink, those labelled 'diet' were rated less favourably than those identified as 'regular'. "The expectation created by the label was powerful enough to alter substantially consumers' perceptions of the product" (Engel, Blackwell & Miniard 1986: 221).

Psycholinguistics is "the study of psychological factors involved in the perception of and response to linguistic phenomena" (Engel, Blackwell & Miniard 1986: 221). Psycholinguistics can enhance the comprehension of a message. Postman (1970) found that words used frequently in daily language are more easily understood and memorised. Furthermore, Gough (1966) concluded that negative words like 'not' and 'never' are less easily understood. Also, "the potential misunderstanding is greater for passive sentences (eg., 'The product was developed by Company X') than for active sentences (eg., 'Company X developed the product')" (Engel, Blackwell & Miniard 1986: 222).

b) **THE INFLUENCE OF INTERNAL FACTORS IN PERCEPTUAL SELECTION**

The individual's inner state of mind will also influence the attention and selection of stimuli. Of primary importance is the effect of the consumer's mental set, intelligence, personality, motivation and past experience.

Mental set refers to "the regulative and directive conditions of the mind world at a given time" (McNeal 1982: 147). The cognitive structure efficiently processes information in order to reduce tension states by fulfilling needs. It gives priority to the processing of information or stimuli relevant to an important need. The mental set of the person can influence perception.

The '**intelligence**' of people play a crucial role in their perceptive processes and it reflects a person's ability to learn and to comprehend. Since perception gives value and meaning to products and services, consumers with varying intelligence capacities are likely to perceive these differently.

Personality exercises an influence on a consumer's behavioural patterns. This is due considerably to the influence of personality on the consumer's perception of external and internal stimuli. Personality, which incorporates one's attitudes, knowledge, wants or needs, self-concept and the organisation of these components, determines whether the stimuli should be received, and if so, how it should be interpreted. As a result of varying personalities, people may respond differently to an identical stimulus. Also, since a person's personality components do change, it is likely that the individual may react differently to the same influence on different occasions.

The personality is "a filter for incoming stimuli" (McNeal 1982: 147). Attitudes and knowledge act in the best interests of one's needs and evaluate and interpret the stimuli that enter into consumers' minds. These components ensure that the interpretation made

corresponds with the individual's self-concept. This accounts for the occurrence of consumers associating themselves with products that have distinct personalities or images. "Cigarettes in South Africa are clearly associated with certain personality types and will be totally avoided by others, although the physical properties of the tobacco may not differ at all" (du Plessis et al. 1990: 75).

Consumers have a tendency to perceive objects they need or desire. The greater the need of consumers, the larger is their tendency to ignore stimuli in their environment that is unrelated to those specific needs. A person who wants to purchase a washing machine will scan his local newspaper for advertisements of this product whilst a consumer who does not need one is unlikely to notice advertisements of it. "There is heightened awareness of stimuli that are relevant to one's needs and interests, and decreased awareness of stimuli that are irrelevant to these needs" (du Plessis et al. 1990: 75).

The identification of consumers' perception of wants is essential in order to efficiently target goods and services to those perceived needs and to emphasize how products can satisfy these desires.

Consumer's expectations, brand loyalty and attitudes towards products are the outcome of **past experiences**. Individuals see only what they want to. Alternatively, it is undeniable that stimuli that are in drastic conflict with expectations can attract more attention than those that correspond with expectations. This confirms that novelty does promote perception. Having analysed the factors which influence the process of perception, it becomes necessary to

investigate the manner in which people combine stimuli in order to develop effective promotional campaigns.

3.3.2.3 PERCEPTUAL ORGANISATION

Consumers organise and integrate marketing information into a meaningful whole. Memory effects help consumers "assimilate, integrate, and retrieve information and may trigger affective and evaluative reactions towards stimuli" (Cohen & Chakravarti 1990: 246). However, two basic principles help consumers in such perceptual organisation. Firstly, consumers classify information logically and this process is called the principle of categorisation. The second principle of organisation is integration, which implies the consumer will perceive numerous stimuli as an organised whole.

3.3.2.3.1 PERCEPTUAL CATEGORISATION

Since consumers place information into logical categories, the process of categorisation helps them in processing familiar information efficiently and effectively. Furthermore, categorisation also assists the consumer in classifying new data.

Consumers use a variety of cues to infer product quality. These cues include "extrinsic cues that are not related directly to product performance", price, brand and store name, as well as "intrinsic cues that are derived directly from the physical product, and if changed, would change the product itself", for example, nutritional content (Rao & Monroe 1989: 352).

Undoubtedly, marketers are keen in knowing "what cues buyers use to infer brand characteristics and competitive categorisation" and engage in careful consumer research (Horton 1984: 259). Determining such information can enable marketers to put products on the market that contain cues that will efficiently and effectively communicate the intended message and attract repeat purchases and brand loyalty.

Marketers aim to facilitate the process of perceptual categorisation. This can be attained by means of correct product positioning which can ensure that the consumer recognizes a brand as part of a product class and achieves product categorisation. Furthermore, efficient product positioning can enable the marketer to attain product uniqueness. A viable product differentiation technique is message differentiation, which refers to the extent to which functional differences between brands of the same product are minimal. The strategy centers around "the effective use of advertising to assist the target market in making the desired interpretations of the brand and the management of the elements of the marketing mix to ensure that consistent messages about the brand are being communicated" (Swartz 1983: 63). The marketing plan must succeed in positioning the product as well as enable the product to be adequately distinguishable to enable a unique package of benefits for the consumer.

3.3.2.3.2 PERCEPTUAL INTEGRATION

Integration means that various stimuli are perceived as an organised whole. Such an organisation "simplifies information processing and provides an integrated meaning for the stimuli" (Assael 1987: 122). The principles of perceptual integration have been derived from

Gestalt psychology which emphasizes the idea of a total or whole pattern. The main principles of perceptual integration are closure, grouping and context.

Closure refers to individuals' tendency to "develop a complete picture or perception even when elements in the perceptual field are missing" (Engel, Blackwell & Miniard 1986: 224). Consumers have the ability to fill in the missing elements of an incomplete stimulus. The principle of closure is emphasized in a study undertaken by Heimbach & Jacoby (1972). They presented a complete commercial to one group of subjects and an incomplete one to another. They found that the latter version stimulated higher interest and recall amongst consumers.

Consumers generally perceive different sorts of information in groups instead of as separate parts. They integrate numerous elements of information into organised wholes. "Chunking or **grouping** information permits consumers to evaluate one brand over another using a variety of attributes and the overall image" (Assael 1987: 125).

Gestalt psychology has given rise to three principles of grouping:

* **Proximity** is an important principle of perception. "The tendency to group stimuli by proximity means that one object will be associated with another because of its closeness to that object" (du Plesses et al. 1990: 84). Marketers use the principle of proximity by associating the product with positive symbols and imagery that are in close proximity with the product. They reflect their products in desired or favoured circumstances, so that buyers will associate the item with these conditions. "Soft drinks and fast foods are usually shown being enjoyed in active, fun-oriented settings" (Loudon & Della Bitta 1988: 415).

- * Consumers group stimuli on the basis of **similarity**. "Stereotyping often reflects grouping by similarity" (Assael 1987: 125). Marketers often tend to group products together because of their similarity in name and substance.
- * Consumers group products into **continuous** forms rather than into disrupted, discontinuous ones. The principle of continuity suggests that " the basic flow of the sales message should be continuous, moving from brand identification to consumer benefits to a suggestion to purchase the brand" (du Plessis et al. 1990: 82).

Consumers tend to perceive objects on the basis of the **context** in which they are portrayed. The perception of a product depends on the setting of an advertisement. Furthermore, the perception of a product may depend on the media that carries the advertisement. Fuchs (1964) placed identical advertisements in a high prestige magazine and in a low one and found that consumers rated advertisements in the former type of magazine much higher than that in the latter one.

A common principle of context is **figure and ground**. People tend to organise their perceptions into these two major patterns. 'Figure' represents "those elements within a perceptual field that receive the most attention" (Engel, Blackwell & Miniard 1986: 223). Ground refers to the other less meaningful components that make up the background. Gestalt psychologists hypothesize that in integrating stimuli into wholes, people will differentiate between influences that are distinct, that is, the figure, from those that are less prominent which depict the ground.

Marketers use the figure-ground principle to attract attention to the main sections of the advertisement. However, it is essential to ensure that the product is the figure and the setting is the background. The implication is that marketers need to use devices to ensure that the intended portions of an advertisement becomes the figure and not the ground. For example, the marketer can adopt "a soft or fuzzy focus at the desired background" or emphasize the brand name or slogan (Horton 1984: 258).

Consumer purchases does not only depend on the manner in which they perceive, organise and integrate stimuli. It is also a function of consumers' perceptions of price, social norms, self and risks.

3.3.2.4. **PERCEPTIONS OF PRICE**

There exists substantial inconclusive results with regards to consumers' subjective perceptions of price. However, a study undertaken by Petroschius and Monroe (1987) suggests that price is used by individuals as an informational stimulus for judging the product. Also, "in a product line context, when the buyer is confronted with a line of products and their prices, the study indicates that the price characteristics of the product line influence consumer evaluations" (Petroschius & Monroe 1987: 518). Venkataraman (1981) indicates a positive relationship between price and perceptions of product quality with regards to some price ranges and for certain product categories. Consumers generally rely more on price as a reflection of quality when they see the purchase as being risky, when they have low self-confidence and lack product experience and when there are no criteria for judging the

performance, for example, a distinct brand image. Furthermore, consumers associate higher price with higher quality when they feel that there are ample quality differences between the brands, or they "perceive quality variations in a product category" (Assael 1987: 165). In addition, most individuals have a ceiling and floor limit on the prices they are willing to pay. Consumers tend to shop for products whose price falls within the absolute price thresholds.

Price perception also depends on consumers' differential thresholds since the change in price has to be greater than a specific amount in order to be noticed by the consumers. Monroe (1973) concluded that for some products an upward change in price is perceived more readily by consumers than an equally substantial but downward price change.

Furthermore, the price perceptions of consumers depend on the differences between the actual price and the price they use as a basis for comparison. Consumers may develop "a set of standard prices for different product categories and quality levels that serve as a frame of reference", when evaluating the price of a specific product (Engel, Blackwell & Miniard 1986: 305).

Equally significant to the perception of price is the context in which the price is perceived by the consumer. In addition to the consumers' price perception the marketer needs to consider context factors which relate to the type of store in which the product is being purchased, the nature of the occasion of purchase and the overall state of the economy.

3.3.2.5 SOCIAL NORMS AND PERCEPTION

Perception is also influenced by social norms and the extent to which individuals are governed by them. "The stronger the consumer's participation in or support of a social norm, the more important that norm will be in influencing the consumer's perception of alternative brands" (Engel, Blackwell & Miniard 1986: 307). It is necessary for marketers to determine what standards will influence perception of their class of products and to what degree these norms are held by the dominant market segments of their products. These factors must be considered by the marketer when designing and promoting these products that must be associated with the norm.

Furthermore, "the stronger the consumer's participation in a norm, the more similar will be his or her perception of alternative brands that are seen as compatible with the norm" (Zaltman & Wallendorf 1983: 307). The marketer needs to differentiate his brand from others in order to develop in consumers, a psychological commitment to their product or brand.

3.3.2.6 SELF-PERCEPTIONS

Consumers' selection of products are influenced by their self-perceptions. They tend to express their perceptions of self through the purchase of brands and products they perceive to reflect themselves. With the result, "consumption serves an expressive function for consumers" (Engel, Blackwell & Miniard 1986: 311).

The consideration of consumers' self-perceptions when designing products and formulating promotional material ensures a greater congruence between consumer' self-perceptions and perceptions of brands or products, as well as a greater likelihood of consumer purchases.

3.3.2.7 **PERCEPTIONS OF RISK**

Consumer perceptions of risk are influential in consumer behaviour. Perceived risk exists when the consumer is uncertain about the decision. It also incorporates the notion that "a consumer's choice may have unpleasant consequences that cannot be foreseen with certainty" (Bettman 1986: 261). In this regard, perceived risk can be defined as "the expected negative utility associated with the purchase of a particular marketing product or brand" (Dunn, Murphy & Skelly 1986: 205). Uncertainty regarding which alternatives will optimally fulfill purchase goals also influence the consumer's perception of risk.

Since a number of factors influence consumer perception it is advantageous for marketers to have a knowledge of the process of consumer perception together with the variables that influence it, in order to design products and brands appropriately and develop efficient and effective promotional strategy that will encourage brand loyalty.

3.3.3 **THE IMPORTANCE OF PERCEPTION IN MARKETING**

The success of a product is largely dependent upon the way in which consumers perceive and interpret the marketing stimuli designed to promote it. The two basic processes that underlie

consumer perceptions are selectivity and organisation. Consumers select and organise stimuli on the basis of the perceptions, which although may be unrealistic, is real to them.

Consumer perceptions are selective since they tend to perceive products and advertisements based on their "existing cognitive set" and on the basis of what fits their needs (Palliam 1989: 76). Marketers recognize the efficiency and effectiveness of directing their products to consumers' perceived wants. This strategy ensures that their products and services will be perceived by potential consumers. A knowledge of perceived consumer needs is advantageous to marketers because once they determine what attributes individuals seek in a specific category, they can segment the market on the basis of these desires into numerous smaller markets so that each strata will consist of people with similar perceptions of needs with regards to that product category. This strategy enables the marketer to develop different marketing strategies for each market segment, each of which will emphasize how the product can satisfy the perceived needs of those individuals in that category. Marketers can then modify their advertising to specific market segments so that individuals in each segment will perceive the product as fulfilling their own particular needs, desires and interests.

The organisation of marketing stimuli depends upon categorisation and integration. Categorisation simplifies the process of information processing "by permitting consumers to classify brands into product categories" (Assael 1984: 151). Marketers should ensure that their product contains the cues or features that consumers use to infer brand characteristics in order to attract attention and secure sales. Integration enables consumers "to perceive many different stimuli and organize them into a cohesive whole" (Assael 1984: 151). The principles of perceptual integration are significant to marketing strategies since they provide

a structure for interpreting advertising messages as an integrated whole, and for forming coherent images of stores, products, services and brands.

It is evident that a knowledge of the perceptual processes provides the marketing manager with numerous important insights. By understanding the processes through which consumers select and interpret stimuli the marketer is able to communicate efficiently and effectively with consumers, thereby securing fruitful marketing effort, influential and successful promotional materials and instrumental marketing strategy.

3.4 **LEARNING AND MEMORY**

Learning is fundamental to the process of consumption. Most consumer behaviour is learned. Learning is the source of most of our value, tastes, behaviours, attitudes, preferences, opinions, meanings and feelings. Furthermore, culture, social class, family and friends provide learning experiences that have a considerable influence on the lifestyles of consumers and the products and brands they purchase. Marketing managers exercise great effort to ensure consumers learn of the existence and features of their products. A knowledge of learning is fundamental to marketers in order to acquire a complete understanding of the behaviour of consumers.

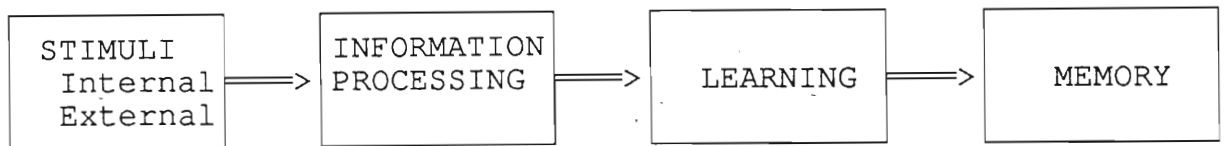
3.4.1 THE NATURE OF LEARNING

3.4.1.1 DEFINITION

Learning is a "more or less permanent acquisition of tendencies to behave in particular ways in response to particular situations or stimuli" (Zaltman & Wallendorf 1983: 271). Learning is caused by experience and practice and may be overt or unobservable. It is also the result of information processing and results in changes in memory, which is "the total accumulation of prior learning experiences" (Hawkins, Best & Coney 1986: 343) (Figure 3.13).

FIGURE 3.13

THE PROCESS OF LEARNING



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 343).

From Figure 3.13 it is evident that consumer learning is "the process by which individuals acquire the purchase and consumption knowledge and experience they apply to future related behaviour" (du Plessis et al. 1990: 95). It can be maintained that learning is "the effect of a combination of motivation, strongly perceived experiences and repetition upon behavioural tendencies in response to particular stimuli or situations" (Schiffman & Kanuk 1978: 114). Consumer learning is a constantly developing and changing process as a result of new

knowledge and experience. The newly acquired information serves as feedback to the consumer and thus, influences future behaviour. Consumer behaviour is not instinctive but learned. An analysis of the principal elements of learning is necessary since effective learning depends upon these conditions.

Four fundamental elements needed for effective learning are motives, cues, response and reinforcement.

Motives arouse consumers and stimulate cognitive activities that direct individuals to satisfy their needs and reduce their tension state. This arousal function triggers the energy that is needed in the learning process. Marketers need to know "what information to present in order to heighten the degree of consumer motivation and ensure a greater likelihood of purchase" because when motivation is high, learning from promotional materials will be high (McNeal 1982: 128). Furthermore, brands should be advertised when relevant consumer motives are aroused so consumers "can learn a connection between the product and motive" (Loudon & Della Bitta 1988: 440).

Cues are "stimuli that are distinctive enough to guide responses" (Feist 1985: 165). Various cues exist in the shopping environment in the form of product characteristics like packaging, prices and brand names as well as store designs and promotions. Consumers use these cues "to choose between various response options in a learning situation" such that they assume the role of guiding suggestions (Loudon & Della Bitta 1988: 440). Cues determine the timing of consumers' purchases, the store at which they will purchase and the product or brand they will select amongst alternatives. Since they are motivating forces that arouse interest and lead to

purchases, advertising and sales promotion should "project product and service cues to perceived market targets" (Markin 1974: 242).

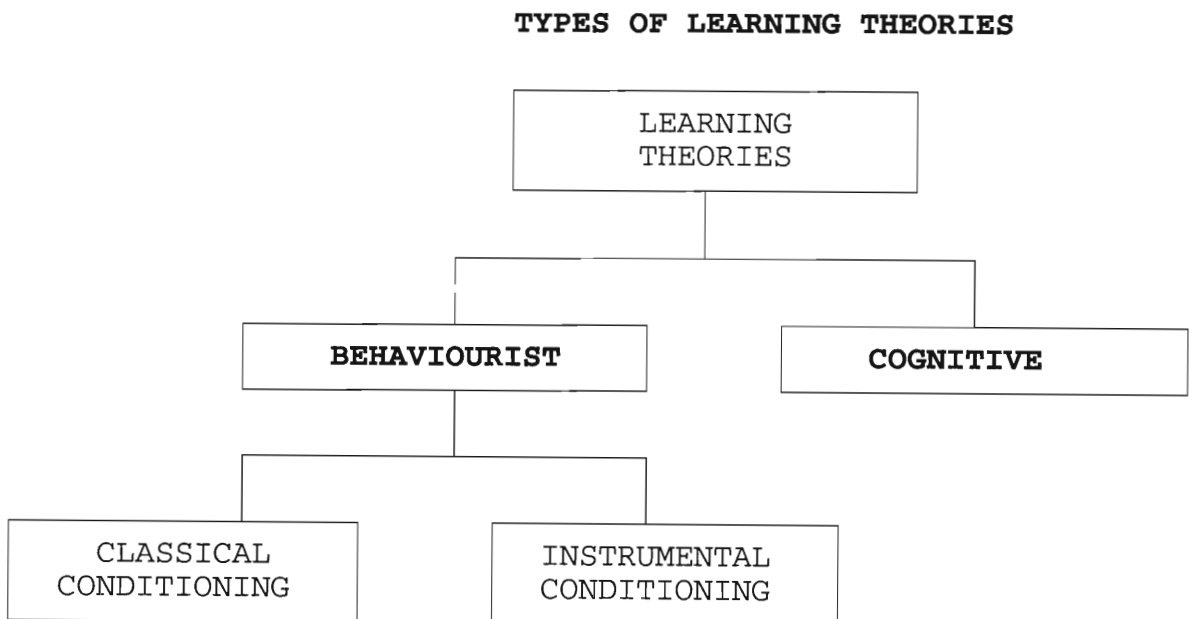
A **response** is "any behaviour elicited by a stimulus" (Horton 1984: 138). Responses that are suitable to a specific conditions are learned by means of previous experience in that circumstance. **Reinforcement** is "anything that follows a response and increases the tendency for the response to reoccur in a similar situation" (Loudon & Della Bitta 1988: 441). A negative reinforcer brings about discomfort whilst a positive one gives rise to pleasure. Since reinforced behaviour tends to be repeated, consumers can learn to formulate successful ways of satisfying their needs or changing situations.

Reinforcement is achieved when the original drive is reduced. This arises when a negative reinforcer is removed or when a positive reinforcer is sought. Reinforcement also occurs when adequate satisfaction is attained with the achievement of a goal in goal-striving behaviour. The purchase response must be rewarded or reinforced "to provide the increased probability that the response will again be elicited when the cue conditions once again present themselves" (Markin 1974: 243). Apart from positive and negative reinforcers the learning process about products, is in itself a reinforcing experience to the consumer. Undoubtedly, reinforcement is a crucial element in marketing since repeat purchase behaviour is unlikely when the consumption of a product does not reinforce the consumer.

3.4.2 THE CLASSIFICATION OF LEARNING

Theories have been developed to explain various aspects of learning. These schools of thought can be classified as behaviourist and cognitive theories (Figure 3.14). Whilst the behaviourist argues that consumers learn connections or associations between stimuli and responses, the cognitivist views learning as problem-solving behaviour.

FIGURE 3.14



(Assael, H. 1987. Consumer Behaviour and Marketing Action. 3rd Edition. Boston, Massachusetts: Kent Publishing Company. p. 64).

3.4.2.1 BEHAVIOURIST THEORIES

Behavioural learning theories maintain that learning concerns the formulation of connections or associations between a stimulus and a response. Two major behavioural learning theories

that are of interest to marketing managers are classical and instrumental conditioning.

Classical conditioning is "the process of using an established relationship between a stimulus and response to bring about the learning of the same response to a different stimulus" (Hawkins, Best & Coney 1986: 347). A secondary stimulus is paired with a primary one that already triggers a specific response. After repeated trials the secondary stimulus will begin to cause the same response as the primary one.

Classical conditioning can be used in marketing in order to connect a product or brand with a positive stimulus. Consumers can form a link between advertising stimuli and products that could lead to product preferences. This can be beneficial to marketers since goals that have "no motivating abilities can become associated with reinforcing stimuli and take on motivating properties themselves" (Loudon & Della Bitta 1988: 443). However, "marketers need to be aware of those stimuli that lead to responses that are compatible with their objectives" (Engel, Blackwell & Miniard 1986: 172).

Instrumental conditioning also requires the development of a link between stimuli and responses. However, the process of instrumental conditioning differs from classical conditioning in several ways. Whilst classical conditioning relies on an established stimulus-response relationship, instrumental conditioning demands the learner discovers the correct response, that is, the one that is reinforcing or rewarding.

Reinforcement is a key variable for learning in instrumental conditioning. The implication is that reinforcement is a significant element in marketing since repeat purchasing is unlikely "when product consumption does not reinforce the consumer" (Engel, Blackwell & Miniard 1986: 177). Also, reinforcement can occur in many other forms such as rebates, discounts, trading stamps and coupons and premiums.

Apart from the principle of reinforcement, the theories of instrumental conditioning also assists the marketer to understand the events that may lead to extinction and forgetting. **Extinction** occurs when "a learned response is made to a stimulus but reinforcement does not occur" (Loudon & Della Bitta 1988: 455). If a product no longer brings satisfaction to the consumer, extinction will occur, whereby the consumer will disregard the link between the stimulus and the expected reward. Extinction will lead to a rapid decline in the probability that the same product or brand will be repurchased. Marketers can avoid extinction by ensuring that consumers receive sufficient reward by supplying a good product. "If the product can deliver sufficient benefits to a defined target segment" then reinforcement is assured (Assael 1987: 68). This will ensure consumer loyalty and long-term survival of the brand.

Forgetting may also cause the lack of repurchase. Forgetting results when the stimulus is no longer repeated. A product may be forgotten if it is not used, if its advertising is discontinued or when competitive advertising causes a disturbance in the retrieval of the message. Marketers can combat forgetting by means of repetition. The objective of all marketing strategy should be to reinforce the consumer via product satisfaction, so as to secure repeat purchases and a core of loyal consumers.

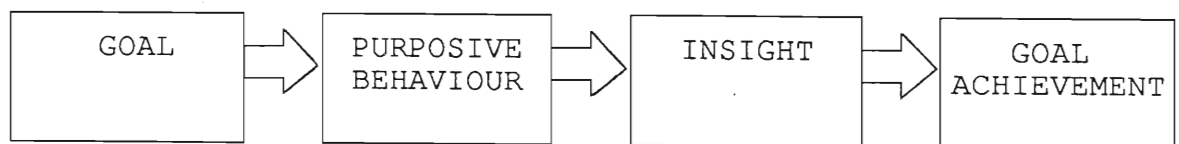
3.4.2.2 COGNITIVE LEARNING

Learning does not only occur as a result of recurring trials and positive or negative reinforcement. It is also a consequence of thinking, information processing and problem-solving and is thus, based on mental activity. Cognitive theorists view learning as a problem-solving process rather than the development of connections between stimuli and responses. Learning is "a cognitive process of perceiving stimuli, associating stimuli to needs, evaluating alternative brands, and assessing whether expectations have been met" (Assael 1987: 70).

The cognitive theorists analyse the learning situation "in terms of such factors as motivation, the perceived goals, the aspiration level, the overall nature of the situation, and the beliefs, values, and personality of the subject" (Markin 1974: 239). The cognitivist is not just concerned with the objective response to stimuli but the consumer's entire psychological field (Figure 3.15).

FIGURE 3.15

A REPRESENTATION OF THE COGNITIVE LEARNING THEORY



(Assael, H. 1987. Consumer behaviour and Marketing Action. 3rd Edition. Boston, Massachusetts: Kent Publishing Company. p. 65).

Figure 3.15 indicates that cognitive learning occurs when the consumer recognizes a goal, acts purposively to achieve it, seeks insight and understanding to arrive at a solution and attain goal achievement. When consumers recognize a need, they act purposively by evaluating alternatives to optimally satisfy that need. Reinforcement is also crucial in cognitive learning since the consumer must be aware of goal achievement in order for learning to occur. However, the nature of the goal is initially known and the reinforcement or reward is expected.

Marketers understand cognitive interpretations since cognitive learning is beneficial in understanding the consumer decision-making process. When considering a product or brand the consumer goes through various cognitive stages which relate to awareness, interest and evaluation before deciding whether or not to buy the item. The cognitive view is useful to marketers in understanding "how consumers learn which stores, methods of shopping, or products will best meet their needs" (Loudon & Della Bitta 1988: 446).

3.4.3 USEFUL CONCEPTS IN CONSUMER LEARNING

Various concepts reflect the importance of learning in the understanding of consumer behaviour:

Behaviour modification refers to a group of "intervention techniques" designed to influence the behaviour of consumers (Engel, Blackwell & Miniard 1986: 181). It stems from various learning theories that focus "on how the environment in which behaviour occurs affects that behaviour" (Horton 1984: 157). Environmental events which refer to stimuli and reinforcement

can be modified to bring about changes in the manner in which individuals behave. Classical conditioning, instrumental conditioning, modeling and ecological design are environmental influences that exist within the domain of behaviour modification. The implication is that marketers have additional techniques, other than those obtained from learning theories, at their disposal to modify or control the behaviour of consumers.

Different **reinforcement schedules** result in different behaviour patterns. Continuous or total reinforcement schedules, which is the reinforcement of every correct response, brings about rapid learning and changes in behaviour. However, partial reinforcement reinforces the desired response only part of the time and results in learning more lasting in nature. Although partial reinforcement schedules represents an economical strategy for marketers, they may not work "in the typical consumer choice setting" because the consumer may switch to another brand during the times when the reinforcement is absent (Engel, Blackwell & Miniard 1986: 179).

Shaping refers to "the reinforcement of successive approximations of a desired behaviour pattern or of behaviours that must be performed before the desired response can be emitted" (Engel, Blackwell & Miniard 1986: 179). The idea behind the process of shaping is that a complex change in consumers' behaviour that cannot be achieved in one step, is likely to be attained via a series of smaller changes resulting in the achievement of the same goal with much less difficulty.

Consumers need to discriminate between different objects or events in order to be able to adapt to their environment. **Discrimination** is learned gradually "when the same response to two similar but noticeably different stimuli leads to different consequences (discrimination)" (Loudon & Della Bitta 1988: 449). The process of learning to discriminate one stimulus from another similar one is called "stimulus discrimination" (Horton 1984: 153). Consumers constantly distinguish between new or different brands, varying models with the same brand and superior quality and inferior service and frequently utilize discrimination learning. Discrimination is advantageous to marketers since they aim to distinguish their products from those of competitors in the minds of their consumers by using various discriminative tools or stimuli such as brand names, trademarks, colours, packages and shapes.

Modeling refers to learning which occurs as a result of the consumer observing "both the behaviour of others and the consequences of that behaviour" (Loudon & Della Bitta 1988: 449 - 450). Such observation can result in the learning of new behaviour, a change in existing behaviour, the encouragement of existing behavioural tendencies or the reinforcement of previously learned responses. Undoubtedly, "people buy products used by celebrities, they shop where certain valued individuals shop, and they use same products with the exact movements exhibited by others" in their attempts to gain approval, improve their social standing and enhance their self-concept (McNeal 1982: 123).

Ecological design "involves the deliberate attempt to manipulate aspects of the environment to achieve changes in behaviour" (Loudon & Della Bitta 1988: 450). Various marketing efforts reflect this form of behaviour modification. Supermarkets are laid out in such a

manner that they expose the consumer to a wide variety of products. Ecological design is apparent in the fact that furniture stores are "typically located in more out-of-the-way locations, since people rarely pick up a chair or a sofa on the way home" (Horton 1984: 158). These examples emphasize the considerable potential of ecological design in affecting consumer behaviour.

Undoubtedly, further exploration into these forms and their marketing applications and greater exposure of them would provide considerable insight to marketing effort and would lead to more effective marketing tactics.

After a "stimulus-response relationship is developed, similar stimuli may elicit the same response" (McNeal 1982: 130). This process which is called **stimulus generalization** simplifies consumer decision-making and consumer choices since the individual need not learn a unique response for each stimulus. One response can be adopted for similar stimuli unless there is a need for the consumer to discriminate between them. Stimulus generalization is of utmost importance to marketing because the greater the similarity between a given stimulus and another that already elicits a response, the greater is the probability that the given stimulus will also cause the same response. Furthermore, stimulus generalization helps individuals to understand the marketing approach of introducing new products or brands that closely resemble previous ones as well as the family brand strategy.

The **rate and degree of learning** also influences behaviour. Learning does not take place all at once but is an "incremental process" in that, "that which we learn increases with the number

of experiences or trials" (Walters & Bergiel 1989: 188).

People have differing intelligence capacities and **varying abilities to learn**. Intelligence is normally distributed within the population with some individuals having an intelligence quotient that is much higher than average and others having one that is largely below average. "Highly intelligent consumers are capable of learning more quickly and are often interested in learning different types of information about products than consumers of lower intelligence. They tend to be more critical of unjustified advertising claims and often have different readership habits than do other consumers " (Loudon & Della Bitta 1988: 454).

A distinction can be made between distributed and massed **practice schedules**. The former refers to learning sessions that are separated by rest intervals. **Massed practice** refers to learning periods without rest periods.

Cognisance should be given to these factors when designing promotional materials and developing marketing strategies in order to optimize the degree of consumer learning and ensure successful marketing effort. The development of effective methods to minimize forgetting on the part of the consumer demands some knowledge of human memory.

3.4.4 **MEMORY**

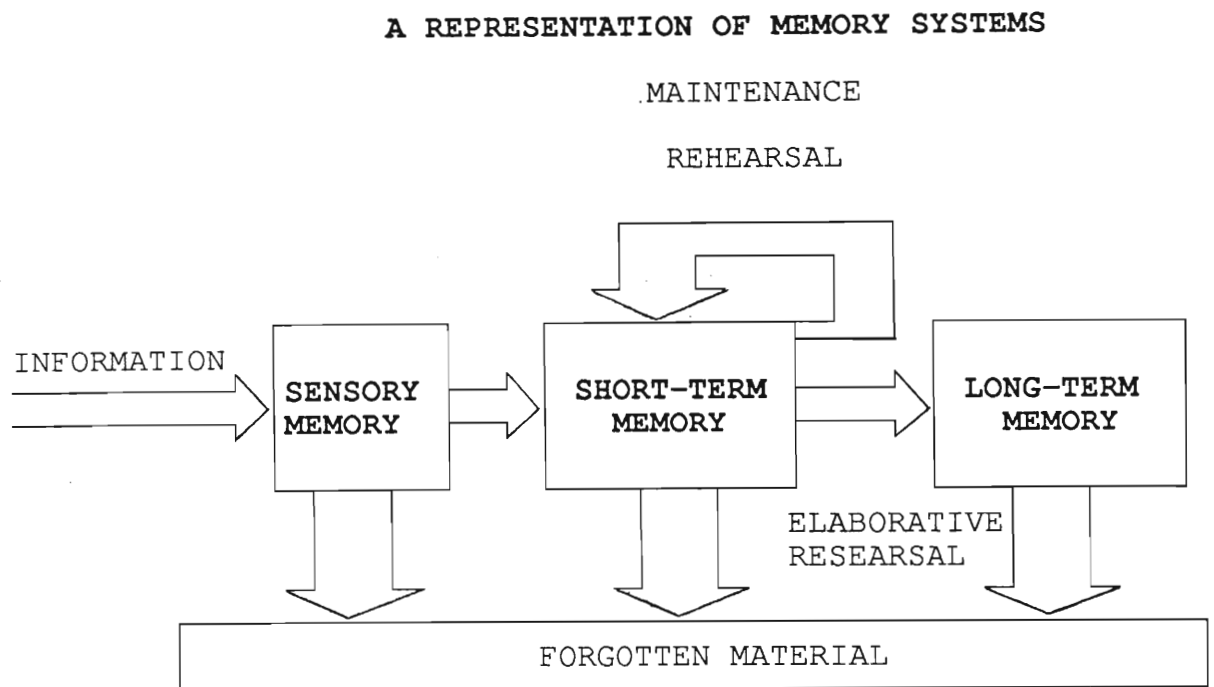
Learning is relatively permanent because memory provides the means for storing what has been learned. Memory consists of three interrelated components which refer to sensory

memory, short-term memory and long-term memory. Consumers' first response is to search for information relevant to a purchasing problem in their internal memory. Furthermore, "memory has major interactions with many other components of choice processes" such as perception, information acquisition and decision processes (Bettman 1986: 261). It is therefore evident that "memory and decision processes interact" (Simonson, Huber & Payne 1988: 574). A knowledge of the three components of memory is necessary in order for marketers to obtain an understanding of consumer learning and behaviour.

3.4.4.1 THE COMPONENTS OF MEMORY

Information is first received by **sensory memory** (Figure 3.16). Input is in the form of sensations that have been produced by the sensory receptors. Memory registers exist for sensations being produced via the sensory organs. Sensory memory process information on the basis of physical features such as, colour, size and shape. Information is stored for only a fraction of a second and will be lost as a result of decay "unless sufficient attention is allocated to it so that it can be analyzed and transferred to short-term memory for further processing" (Loudon & Della Bitta 1988: 458).

FIGURE 3.16



(Loudon, D. & Della Bitta, A.J. 1988. *Consumer Behaviour: Concepts and Applications*. New York: McGraw-Hill Book Company. p. 458).

Short-term memory is a portion of memory "activated to temporarily store and process information in order to interpret it and comprehend its meaning" (Loudon & Della Bitta 1988: 458). This is achieved by integrating the incoming information with that which is stored in long-term memory. Short-term memory is much longer than sensory memory but is still brief. Individuals can encode information by means of chunking, which is a "method of assembling information into a type of organised unit having a more understandable or familiar form to the individual" (Loudon & Della Bitta 1988: 458).

Rehearsal is needed to maintain information in short-term memory or to transfer it to long-term memory (Figure 3.16). If rehearsal does not take place, the data will be forgotten as a result of decay. Short-term memory can be described in terms of two kinds of information processing activities which relate to maintenance rehearsal and elaborative rehearsal. Maintenance rehearsal is "the continual repetition of a piece of information in order to hold it in current memory for use in problem solving or transferral to long-term memory" (Hawkins, Best & Coney 1986: 343). Elaborative activities are the use of stored experiences, values, beliefs, attitudes and feelings to interpret and evaluate information in short-term memory as well as to integrate the old and the new information. Elaborative activities redefine or add new components to memory.

Long-term memory is a rather permanent storage for information that has been sufficiently processed (Figure 3.16). In order for information to be stored in long-term memory the individual must attach meaning to it. By means of elaborate rehearsal, the individual uses his existing knowledge to analyse incoming information and store it "in a way that is consistent with his existing cognitive structure" (Loudon & Della Bitta 1988: 459).

The extent to which the consumer successfully integrates the information with existing knowledge will determine how well that information can be retained and made accessible for future use. Instead of just decaying over time, information may be forgotten from long-term memory as a result of other learning interfering with the stored data. The greater the resemblance between the different sets of information, the stronger will be the interference with each other. Information that is not forgotten remains in long-term memory until the

cycle begins again and it becomes necessary to retrieve the stored information.

3.4.4.2 RETRIEVAL OF INFORMATION

Retrieval of information is a means of transferring data from long-term memory to short-term memory in order to process it into an organised package of meaningful information. Several factors influence the process of retrieval:

- * The extent of original learning influences the ease of retrieval. The more thoroughly the material is learned, the easier it is to obtain the stored information.
- * The goal of learning influences the restoration of information. It would be easier to recall information if the consumer's initial goal was to commit the data into memory.
- * The acquisition of information depends on the context of the situation which provides stimuli which dictate which portion of long-term memory and what type of information should be assessed. When a context initiates a search of long-term memory, "activated concepts as well as material they are linked to are likely to be retrieved and reach conscious attention" (Loudon & Della Bitta 1988: 465). The integrated information may then be diffused with other data in short-term memory and be modified or enlarged for use in a variety of situations. Elaborative rehearsal in short-term memory formulates a meaningful pattern of information acquired from the environment, from inferences and cognitive structures and the acquisition of information from long-term memory.

Undoubtedly, the process, theories, elements and concepts of learning together with the components of memory have implications in marketing that must be considered in order to

ensure success in marketing effort, consumer satisfaction and learning and repeat purchases.

3.4.5 THE IMPORTANCE OF LEARNING AND MEMORY IN MARKETING

Learning and memory are meaningful in marketing because without these variables consumers will be ignorant of the existence and nature of products and all awareness effort will be in vain.

Knowledge of some of the learning theories could contribute towards a greater appreciation by marketing managers of the process consumers go through when becoming aware of a product or a service. As a result of the classical conditioning theory, marketers associate their products with specific positive stimuli. Such connections can have a substantial effect on the success of the product in the marketplace. The marketer has a powerful means "for creating an environment in which buyer's responses will lead to profits for the firm" (Horton 1984: 144).

Instrumental conditioning is beneficial in marketing because the theory stresses the principle of reinforcement. Consumers will only repurchase an item when they achieve satisfaction. The objective of all marketing strategy should be to determine consumers' needs, develop marketing strategies accordingly and "reinforce the consumer through product satisfaction" (Assael 1987: 70). Such a strategy will ensure repeat purchase behaviour and brand loyalty.

Furthermore, principles of instrumental conditioning can be applied to advertising and sales promotions. The function of advertisements is to increase the consumers' anticipation of reinforcement. This can be achieved by communicating the benefits of the product to the consumers and thereby convince them they would attain satisfaction by buying that product. The role of sales promotion "is to create an initial inducement to try the product" by means of providing free samples, coupons, discounts or a price deal as an incentive (Assael 1987: 70). Once the incentive is withdrawn, the consumer will continue to buy the product if it derives satisfaction. These strategies will only be successful if the product "is a source of satisfaction and reinforcement" because advertising and discounts cannot support a poor quality product for a long period of time (Assael 1987: 70).

The behaviourist approach to learning is concerned simply with the development of connections between stimuli and responses rather than cognitive structures. This approach is most relevant when the cognitive activity of the consumer is minimal or in low-involvement situations, for example, in the purchases of toothpaste or paper towels. The reasoning is when the individual is in a passive state, "it is easier to establish a link between a product and a positive stimulus" (Assael 1987: 72). Alternatively, the cognitive learning theory is more suitable for the purchase of involving products, for example, the purchases of cars and furniture. In such situations, problem-solving behaviour incorporates the processes of information search and brand evaluation.

The concepts or principles of consumer learning are useful in marketing since they reflect how learning takes place and how it can be optimized. The proper application of these learning

principles can be extremely useful to the marketer as it can serve as guidelines for developing effective marketing programmes.

The behaviour modification principle stems from the learning theories and provides an explicit structure that can be used by marketing managers, particularly in low-involvement purchase situations, to make their decisions more efficiently and effectively. Each time marketers implement "a product, price, promotion or distribution decision", they alter the environment in which consumer decision-making takes place (Horton 1984: 162). Marketers engage in such activities because they anticipate that a change in the surroundings will cause consumers to adjust their behaviour accordingly and in such a manner that would benefit the firm.

The aim of promotional messages is to place specific information in consumers' memories or to rearrange existing information. They provide material in such a way so as to maximise its receipt, processing and retention and make retrieval of information easier. A variety of memory concepts have significant implications for advertising. Marketers need to consider these generalizations when developing promotional materials since effective advertising is a source of repeat purchases and loyalty to brands. However, these are general guidelines regarding consumers' memory and do not apply in every situation. Effective advertising can be achieved when the marketer takes cognisance of the following eight guidelines:

- * "Advertising messages with unique aspects have a greater potential for being remembered" (Loudon & Della Bitta 1988: 467). Messages containing novel ideas prevent the information from being affected by the interference process of forgetting.

- * Information presented at the beginning and the end of a message has the greatest chance of being retained.
- * Messages should encourage immediate rehearsal of information since rehearsal stimulates its retention.
- * The amount of information an advertiser presents should "be tailored to the amount of time available for processing and the way the information can be packaged" (Loudon & Della Bitta 1988: 467).
- * Advertisers should adopt suitable techniques of chunking information for consumers so that they can provide these individuals with more information within the restricted time or space.
- * Packages and point-of-purchase displays should be designed in such a way that they contain the same cues used in advertisements for the product.
- * "Material retained in long-term memory can be quite different than the information presented in a learning situation" (Loudon & Della Bitta 1988: 467).
- * Material that is meaningful to the individual is learned quicker and has a greater chance of being retained than information that is not. Advertisements should be designed in such a way that they stimulate consumers' mental involvement and make the message more meaningful to them.

These guidelines can ensure effective marketing strategies when used appropriately and in due consideration of the potential target market. Furthermore, marketers may use the knowledge of how consumers learn attitudes, differentiate between brands, and develop consumption patterns to design marketing programmes that influence the development of positive consumer behaviour patterns. However, effective marketing techniques also depends on yet another

individual influencing variable, namely, personality and self- concept.

3.5 PERSONALITY AND SELF-CONCEPT

Consumer decision-making is influenced by the psychological make-up of the individual. The entire composition of a person's character can be attributed to two psychological variables which relate to personality and self-concept. These factors provide marketers with knowledge needed in order to understand consumer behaviour. Personality and self-concept assists marketers in understanding consumers' basic states, store preferences, media choice, reaction to advertising, packaging, product and brand choice and other aspects of consumer behaviour. These variables provide insight into the patterns and processes consumers undergo when making product and brand choices as well as in other facets of consumer behaviour.

3.5.1 THE DEFINITION AND NATURE OF PERSONALITY

Personality is "the dynamic organization within the individual of those psychophysical systems that determine his characteristic behaviour and thought" (Allport 1961: 28). This definition stresses the importance of the organisation of the person's traits, which is dynamic and variable. According to Schiffman and Kanuk (1983: 85) personality "comprises those inner psychological characteristics that both determine and reflect how a person responds to his or her environment". This definition includes a behavioural tendency to reflect how a person's personality "will tend to influence his or her actions and reactions to environmental situations" (Loudon & Della Bitta 1988: 477).

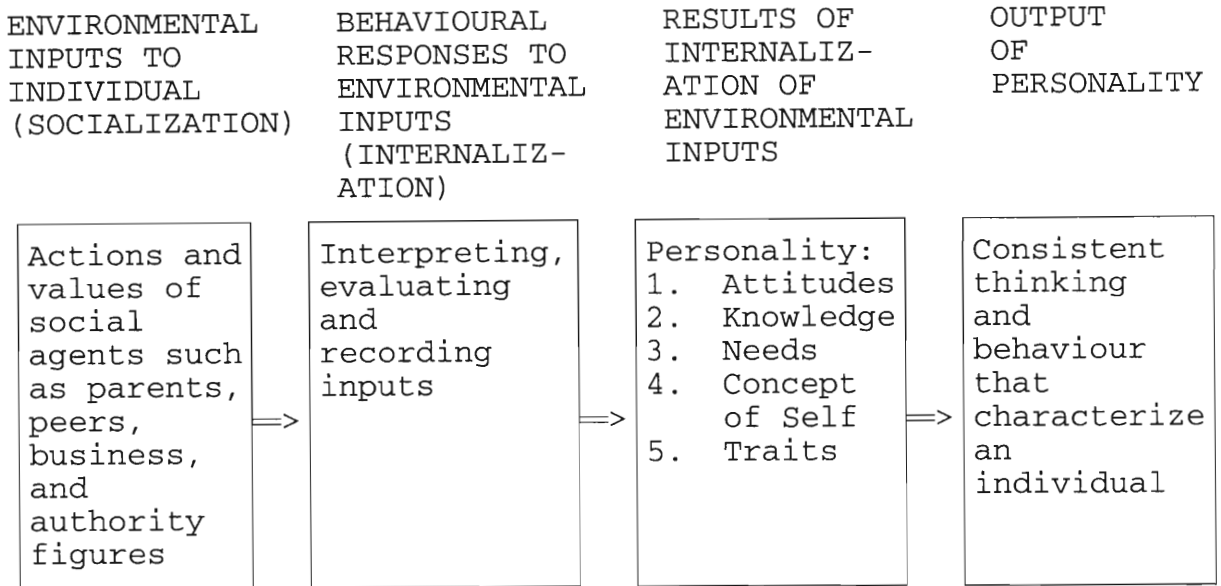
Byrne (1974: 26) defines personality as "the culmination of all relatively enduring dimensions of individual differences on which he (an individual) can be measured". This definition emphasizes the existence of individual differences and focuses on unique characteristics. Personality is integrative in nature since it comprises of "a complex of elements" that are mutually interactive (McNeal 1982: 83). Personality includes the interactions of numerous processes which incorporate an individual's moods, values, attitudes, motives, needs, knowledge and routine techniques of reacting to situations. Needs, attitudes and knowledge are the essential elements of personality. Having identified the sources of personality, it becomes necessary to analyse them together with the development of personality.

3.5.2 SOURCES AND DEVELOPMENT OF PERSONALITY

Attitudes, knowledge and needs that make up personality develops as the individual gets older. Figure 3.17 portrays the development of personality and its relationship to behaviour.

FIGURE 3.17

**DEVELOPMENT OF THE PERSONALITY AND ITS RELATIONSHIP TO
BEHAVIOUR**



(McNeal, J.U. 1982. Consumer Behaviour: An Integrative Approach. Canada: Little, Brown and Company (Canada) Limited. p. 85).

Figure 3.17 indicates that a person's personality develops as a result of socialization. "With the development of personality, the individual is able to use the accumulated information to perceive elements of his environment, to make decisions, and to take proper actions in order to achieve a variety of goals (need satisfaction)" (McNeal 1982: 84). As individuals socialize throughout life, their personalities develop and is modified accordingly.

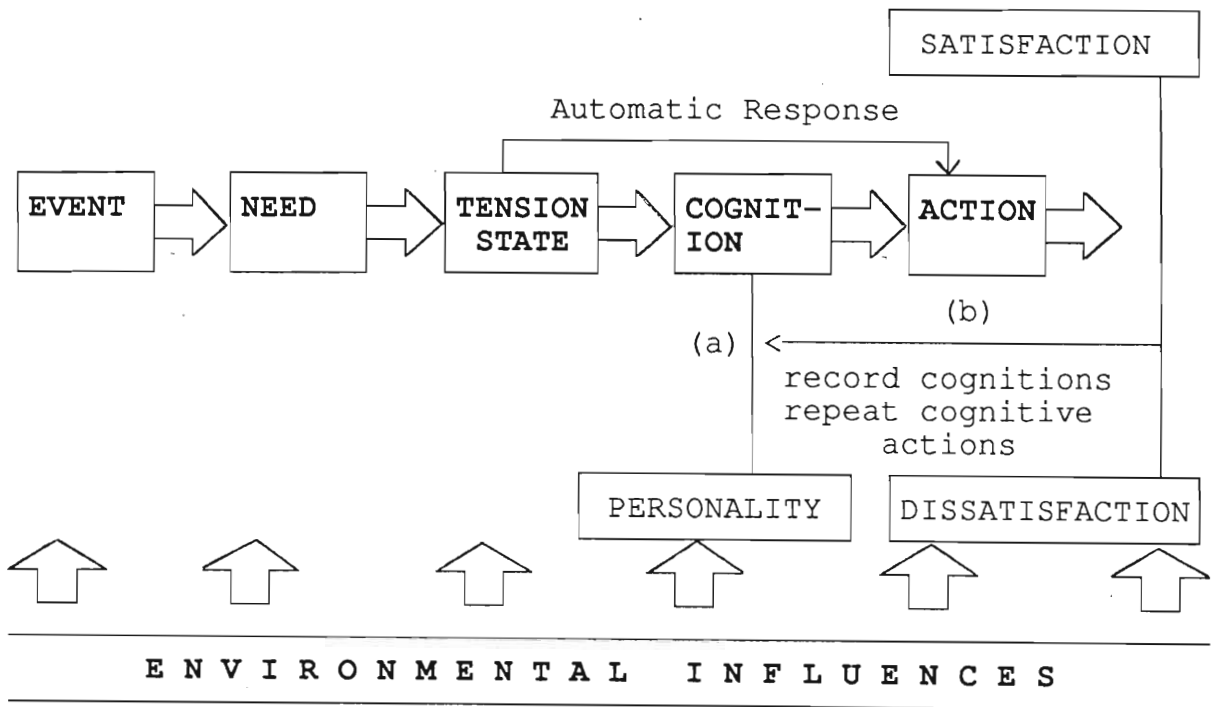
A person develops attitudes and knowledge about consumer behaviour at an early age. Parents teach their children the art of consumption and the use of money by the age of five. "By the time a youngster is ten or twelve, he is a fairly sophisticated consumer and has developed a

collection of attitudes and knowledge about consumer behaviour" (McNeal 1982: 85). These consumer-related attitudes and behaviour continues to grow and may change or remain forever and influence adult consumer buying patterns. In order for marketers to have a knowledge of consumer consumption patterns, it is beneficial for them to understand where and how personality fits into the model of consumer behaviour.

3.5.3 PERSONALITY AND THE BASIC MODEL OF CONSUMER BEHAVIOUR

FIGURE 3.18

GENERAL MODEL OF CONSUMER BEHAVIOUR



(Adapted from McNeal, J.U. 1982. Consumer Behaviour: An Integrative Approach. Canada: Little, Brown and Company (Canada) Limited. p. 24).

In Figure 3.18 line (a) attaches personality to cognition in order to indicate that all information used in the cognitive activities is eventually obtained from the personality. All environmental influences are initially internalized or stored in the personality before it is utilized. Furthermore, arrow (b) indicates that after an event of consumer or any other behaviour, "all new or modified attitudes and knowledge (cognitions) are recorded in the personality" (McNeal 1982: 90). Hence, it becomes necessary to analyse personality as a causal variable in consumer behaviour.

3.5.4 PERSONALITY AS A CAUSAL FACTOR IN CONSUMER BEHAVIOUR

Personality directs consumer behaviour and regulates it. The attitudes and knowledge that make up personality "are records of past experience and representative of the individual's needs" (McNeal 1982: 91). When consumers are exposed to products and stores, their personalities direct them in their reactions to these goods and stores. Furthermore, Woods (1960) found consumer choice is not only a product of the personality of the purchaser but also the "character of the product" itself (McNeal 1982: 90). Woods (1960) divided the personality of consumers into six types:

- * **A Habit-determined Group:** This refers to a group of brand-loyal consumers who have a tendency of being satisfied with the last product or brand purchased.
- * **A Cognitive Group:** Consumers are "sensitive to national claims" and are "only conditionally brand loyal" (McNeal 1982: 91).
- * **A Price-cognitive Group:** These consumers make their purchase decisions solely on the basis of price.

- * **An Impulse Group:** Purchases are made on the basis of the physical appeal of the product and are rather insensitive to brand names.
- * **A group of emotional reactors:** They tend to be "responsive to what products symbolize" and are heavily directed by "images" (McNeal 1982: 91).
- * **A Group of New Consumers:** This group is "not yet stabilized with respect to the psychological dimensions of consumer behaviour" (McNeal 1982: 91).

Woods based this classification on the consistencies in consumer behaviour. Marketers aim to define and understand the relationship between personality and various patterns of consumer behaviour. In their attempts to understand the concept of personality, they have developed numerous methods for measuring this individual influencing variable.

3.5.5 MEASURING PERSONALITY

Four approaches are used to measure the multi-dimensional character of personality:-

In the **rating method** one or more evaluators assess predetermined personality characteristics of a person on a number of standardized rating scales. The evaluation may be undertaken on the basis of an informal interview with the individual or an observation of the person's behaviour either in a controlled setting or in the subject's daily environment. The end results may be influenced by the type of scale used for evaluation, "the personality characteristics chosen for study, and the skills of evaluators" (Loudon & Della Bitta 1988: 477).

The **situational method** depicts a real-life situation. An artificially created situation is used "to elicit the behaviour which is to be rated" (Huysamen 1988: 109). A group of people

interact with each other on a given subject matter and the behaviours of the individuals are observed and measured.

Projective techniques are developed to get an individual "spontaneously to project his or her underlying needs, thoughts and feelings into stories that are written in response to ambiguous stimuli" (Zaltman & Wallendorf 1983: 391). The most popular projective techniques are the Rorschach Inkblot Test and the Thematic Apperception Test or the TAT.

A major limitation of the rating methods, situational tests and the projective techniques is that they involve subjectivity on the part of the evaluator in scoring. Furthermore, these methods demand a tremendous amount of time and effort to set up, administer and evaluate the tests. To alleviate these problems, inventory schemes have been developed.

The **personality inventory** exposes subjects to numerous standardized questions with prespecified answer options from which they can choose. The most widely used personality inventory is the Minnesota Multiphasic Personality Inventory or the MMPI. In such inventories, the same personality characteristics "are addressed through a variety of different statements" (Loudon & Della Bitta 1988: 479). This minimizes the chances of subjects manipulating the results of their tests, and enables one to evaluate aspects of personality from different perspectives.

These methods of measuring personality can be useful to marketers in attempting to understand consumer behaviour. When aiming to predict buyer behaviour, marketing

managers can also draw on the theories of personality.

3.5.6 PERSONALITY THEORIES

Personality measures have been based on four personality theories. These are the psychoanalytic theories, the social theories, the stimulus-response theories and the trait and factor theories.

According to Freud, the father of the **psychoanalytic theories**, the person's total personality develops and is defined by the interactions among the id, ego and superego. The dynamic interaction of these components gives rise to unconscious motivations that are disclosed in observed human behaviour. "A vast portion of our behaviour is unconsciously motivated or affected by subconscious factors that only occasionally reach the individual's conscious level of awareness" (Loudon & Della Bitta 1988: 480). In order to understand the causes of behaviour and the interactions of personality, it is necessary to interpret the factors that influence consumers at the unconscious and subconscious levels.

Freud's main contribution to consumer decisions is the idea that consumers are motivated by both conscious and unconscious forces. Consumers' decisions to purchase are based, at least to some degree, on unconscious motivations. When analysing product appeals the marketing manager not only takes cognisance of the conscious, rational elements of the product but also the consumer's unconscious intentions. "A product is much more than simply its physical attributes. It represents many things to the consumer, depending upon its shape, color, texture,

packaging, and promotional campaign" (Zaltman & Wallendorf 1983: 402).

Freud's theory maintains that sexuality pervades all of individual's thoughts and actions. The implication is that "the more a product appeals to unconscious sexual desires, the greater will be the consumer's interest in the product" (Zaltman & Wallendorf 1983: 402). If this stance is valid, it is necessary to include implicit sexual content in appeals, such as, the shape of a container. Not all Freudian applications to marketing are restricted to sex as "wish fulfillment, fantasy, aggression, and escape from life's pressures are Freudian theories upon which some appeals are based" (Loudon & Della Bitta 1988: 481).

Marketers need to be aware of the symbolic nature of their products and packaging. "The more aware a marketer is of the unconscious symbolic meaning of products, packages, logos and advertisements, the more likely these symbolic meanings will be used to make the product more attractive" (Zaltman & Wallendorf 1988: 402). The purchase of a product can lead to conflicts between the id, ego and superego components. A promotional strategy developed "to appeal to that aspect of the personality least likely to desire the product" should assist in minimizing the conflict (Zaltman & Wallendorf 1983: 405). The less a purchase triggers conflict within the personality, the greater the chances of the act of purchase.

An understanding of Freud's psychoanalytic theory highlights the choice consumers make together with the products they purchase that are in keeping with their conscious and unconscious motives and their personalities.

Social theories reject Freud's id-based theory of personality and maintain that a person develops a personality through numerous attempts to interact with others in a social setting. These theories differ from Freud's in two important ways. Firstly, they maintain that "social variables rather than biological drives are most important in personality development" (Assael 1987: 282). Secondly, conscious motives are more significant than unconscious ones and "behavioural motivation is directed to meet those needs" (Engel, Blackwell & Miniard 1986: 248).

The social theorists or neo-Freudians viewed individuals "as striving to overcome feelings of inferiority and searching for ways to obtain love, security and brotherhood" and to perfect themselves (Loudon & Della Bitta 1988: 483).

Horney (1967: 272) identified ten major needs that arise as a result of individual's search for solutions to problems and interaction with others in the social environment. Horney classified these ten needs into three major orientations:

- * **Complaint orientation** relates to the tendency to move towards people and stresses the need for love, approval and affection. "These individuals tend to exhibit large amounts of empathy and humility, and are unselfish" (Loudon & Della Bitta 1988: 483).
- * **Aggressive orientation** refers to those who move away from people. These individuals stress the desire for power, strength and the ability to manipulate other people.
- * **Detached orientation** refers to individuals who move away from people and stress the need for "independence, freedom, and self-reliance" in their interactions with others (Loudon & Della Bitta 1988: 483). A significant factor is that no strong emotional bond develops

between themselves and other people.

A complaint-aggressive-detached scale was developed to measure an individual's interpersonal orientations within a consumer context. The findings indicated that individuals having different personality types used different products and brands.

Stimulus-response theories maintain that personality results "from habitual responses to specific and generalized cues" (Loudon & Della Bitta 1988: 484). Theorists such as Pavlov and Skinner believe personality "is a set of structures and processes" that are learned from stimulus-response situations which are continuously reinforced, either positively or negatively (Markin 1974: 342). Personality is shaped as a consequence of learning experiences. Therefore, learning and personality development is viewed as "a complex cognitive process" incorporating, reasoning, problem-solving and goal-striving behaviour as well as "complex information-processing", involving motivation and perceptual processes (Markin 1974: 342). Personality development and determination are a product of the stimuli to which the individual is exposed.

The **trait and factor theory** postulates that a person's personality is composed of "definite predispositional attributes called traits" (Engel, Blackwell & Miniard 1990: 329). A personality trait is "any human characteristic, distinctive from other characteristics and consistent in effect, that distinguishes the behaviour of one individual from another" (Walters & Bergiel 1989: 405).

The trait and factor theory is based on three propositions:

- * Traits are common to many people and individuals differ in the degree to which they possess these tendencies.
- * Individuals possess "relatively stable behavioural tendencies" (Loudon & Della Bitta 1988: 484).
- * "Traits can be inferred from the measurement of behavioural indicators" (Engel, Blackwell & Miniard 1986: 249).

The trait and factor theory is a quantitative approach to the study of personality. Alpert (1972: 89) found that personality relates to specific attributes of product choice. Common traits that affect consumer behaviour include activity, masculinity, independence, achievement, anxiety, sociability, dominance, adaptability, aggressiveness, seriousness and emotional control (Walters & Bergiel 1983: 407). Ego-defensive mechanisms, taste, self-concept and guilt traits are crucial to consumer decision-making because they play a significant role in making each consumer's reaction to market variables unique. Personality traits also play a role in identifying consumer groups. By identifying a group of consumer displaying common personality traits, the marketer can determine which appeals will best suit this group and thereby be motivating.

Personality studies have often resulted in conflicting conclusions or even if a relationship is unanimously determined, it is too weak to be of any practical value to the marketer. This problem can be attributed "to inappropriate research methods and an inadequate understanding of the role of personality in influencing consumers" (Loudon & Della Bitta 1988: 485).

Future research needs to be continuously developed and must incorporate more relevant tests of consumers' personalities. A step in this direction is the use of psychographics for understanding consumers.

3.5.7 PSYCHOGRAPHICS

Psychographics is "the systematic use of relevant activity, interest, and opinion constructs to quantitatively explore and explain the communicating, purchasing, and consuming behaviours of persons for brands, products, and clusters of products" (Loudon & Della Bitta 1988: 118).

It provides an overall picture of individuals' lifestyles, including their purchase behaviour.

Psychographic research "is quantitative research intended to place consumers on psychological - as distinguished from solely demographic - dimensions" (Hawkins, Best & Coney 1989: 402). Such profiles provide marketers with "a characteristic and unique image of lifestyle" including the advantage of product-specific segmentation of the market, in that "the groups delineated during analysis are sharply defined in terms of their usage of a product or service" (du Plessis et al. 1990: 124).

Psychographics attempted to resolve two limitations that exist in personality inventories and motivational research. Firstly, "psychographics promise to be less abstract and more directly related to consumer situations than standardized personality testing" (Loudon & Della Bitta 1988: 487). Secondly, psychographic inventories enable more efficient and objective measures of consumers' desires than the lengthy interview techniques of motivational research.

Psychographics measure activities (A), interests (I) and opinions (O). AIO statements used in psychographic research may be general or specific. The specific approach focuses on statements "that are product-specific and that identify benefits associated with the product or brand" (Engel, Blackwell & Miniard 1990: 345). Since psychographics measure the basic determinants of consumer behaviour which refers to activities, interests and opinions, its contribution to the understanding of consumer behaviour is undeniable. The major areas of application of psychographics are the segmentation and development of profiles of target markets, positioning and repositioning of goods and services, devising promotional campaigns and designing marketing channels.

Psychographics may be used as a **basis for segmentation** where the marketing manager aims to categorize consumers into groups on the basis of general lifestyle traits so that they have similar lifestyles. By using psychographics, subjects respond to a questionnaire comprising of "AIO's, product usage, media consumption, and demographic items" (Loudon & Della Bitta 1988: 120). Thereafter, the marketer uses statistical measures such as clustering, to classify people into distinct groups. Each category depicts a different pattern of needs for the purchases and use of goods and services. By means of psychographics the marketers can direct their products to appeal to one or more segments.

Psychographics can also be used by marketers to successfully **develop and target the marketing mixes**. It is often used "as a spring-board to the development of new products based on the identification of unserved market segments" (Loudon & Della Bitta 1988: 124). Psychographics serve two functions in this regard. It assists marketers in highlighting

unsatisfied needs of consumers and aids in "strategic life-cycle planning" by indicating circumstances where marketing efforts should be redesigned to correspond with prevailing market conditions.

Psychographics is most extensively used in the area of **developing promotional campaigns**. An understanding of consumer lifestyle is beneficial to the marketer especially with regards to the use of media by consumers. "Personality characteristics provide a richness in describing segments of the consumer market that may assist copywriters and may guide advertising content" (Assael 1987: 286). Therefore, psychographics is most advantageous for the selection and scheduling of media since it can enlighten the marketer on the "appropriate vehicles to use in reaching target markets" (Loudon & Della Bitta 1988: 124).

Psychographics is also beneficial in **designing marketing channels** for goods and services. The aim of distribution systems is to best place the products and services that consumers demand for a profit. The best strategy and place is often difficult to attain due to changing lifestyles. Psychographics can provide useful information for the design of marketing channels. The importance of psychographic research in the study of consumer behaviour is evident when some specific influences of personality on consumer behaviour are analysed.

3.5.8 SPECIFIC INFLUENCES OF PERSONALITY ON CONSUMER BEHAVIOUR

Two specific influences of personality on consumer behaviour relate to shopping and product use.

3.5.8.1 SHOPPING AND PERSONALITY

People tend to patronize shops that correspond with their personalities and to select stores that enhance their self-images. "Any store has a larger personality, a total image of many more meanings in the consumer's mind than that of a place for day-to-day transactions. Prices and savings only represent one area of what the customer thinks and feels about the store. Far more than any bargain triggers, the overall store atmosphere (or personality or image) is the determinant of regular buying, of the preselection of the customer body" (McNeal 1982: 91). A person shops in the store that meets the prerequisites established in one's personality.

Stone (1954) identified four types of shoppers. The "**economic**" **shopper** is one who holds strong attitudes about the price-quality relationships as well as an assortment of products (McNeal 1982: 92). The "**personalizing**" **customer** prefers a personal and friendly relationship with the personnel of the store (McNeal 1982: 92). The "**ethical**" **shopper** possesses "favourable attitudes toward small independent businesses" and prefers "to help the little guy out" (McNeal 1982: 92). The "**apathetic**" **consumer** views shopping as a difficult and annoying task (McNeal 1982: 92). It is evident that personality influences consumers' selection of stores as well as their shopping behaviour.

3.5.8.2 PRODUCT USE AND PERSONALITY

Personality plays a significant role in the use of products. Consumers attach psychological meanings to products. Past experiences are crucial in product-consumer interactions because

consumers' "positive and negative reactions" to products are basically extensions of their "attitudes and knowledge" (McNeal 1982: 93). For example, Martineau (1954) undertook a study on the influence of personality on the ownership of automobiles. He found personality characteristics that influence car purchases are "self-assertiveness, competition, rivalry, desire for authority and self-importance, and the desire for power" (McNeal 1982: 93). This study emphasizes that personality influences consumers' choice of products and brands and has implications for consumer behaviour.

3.5.9 THE IMPORTANCE OF PERSONALITY IN MARKETING

Personality and its traits are determinants in consumer behaviour. As a result, personality theory has numerous applications for understanding and predicting the behaviours of consumers. Marketing managers use personality characteristics for "segmenting markets, positioning products, establishing media guidelines and introducing new products" (du Plessis et al. 1990: 122). By using personality factors marketers are able to define target markets and develop the goods and services that will appeal to particular types of personalities. In addition, personality variables enable marketers to design promotional strategies effectively so as to appeal to the personality traits of existing target markets.

Since personality influences store selection and shopping behaviour, marketers should design store environments in such a manner that it corresponds with particular types of consumer personality. Furthermore, "because personality is so basic to consumer behaviour, one can intuitively expect to find important relationships between personality and product use"

(McNeal 1982: 95). A knowledge of such relationships would enable marketers to produce more effective marketing of products and services as well as greater consumer satisfaction.

The consumer's personality does not remain constant over different situations. The individual must be perceived as a dynamic entity. Marketers recognise that "the entire personality and the entire situation forms a particular configuration who acts, not the individual personality trait" (Sparks & Tucker 1971: 68).

Marketers engaged in the study of personality and its relationship to consumer behaviour need to consider the use of psychographics. "Instead of being used alone, personality traits are combined with information on activities, interests, opinions, demographics and other measures to profile, not predict, consumers and their behaviour" (Loudon & Della Bitta 1988: 488). Marketers can benefit by using psychographics as it enables them to develop composite profiles of consumer types and to humanize the information collected from consumers. Undoubtedly, the personality of the product and store must be matched with the personality of the consumer. It is undeniable that a knowledge of personality will provide a better understanding of consumer behaviour and will also enable the occurrence of successful marketing. However, consumers' choice of stores and preference and purchase of products, brands and services, is not only influenced by customer personality but also by the individual's self-concept.

3.5.10 SELF-CONCEPT

Personality tests allocate consumer responses into predetermined classifications or traits. Descriptions of consumers are made by outside observers. However, in the theory of self-concept consumers provide descriptions of themselves. This technique is advantageous because the way in which consumers perceive themselves may differ significantly from the way in which others perceive them. The self-concept approach is beneficial when analysing possible relationships between how people perceive themselves and what behaviour they display as consumers.

3.5.10.1 THE DEFINITION AND NATURE OF SELF-CONCEPT

The self-concept may be defined as "the individual as perceived by that individual in a socially determined frame of reference" (Loudon & Della Bitta 1988: 488). It "is what one is aware of, one's attitudes and feelings, perceptions, and evaluations of oneself" (Markin 1974: 123). This individual influencing variable is cognitively developed as a result of one's social experience and evaluative interactions with others in society. Self-concepts emerge "as an adaptive consequence of environmental encounter" (Woods 1981: 296). The self-concept is an integral part of one's personality and "is of basic influence on behaviour" (McNeal 1982: 87). It is necessary to analyse how consumers' self-concepts can have an influence on their behaviour in the marketplace.

3.5.10.2 SELF-CONCEPT AND CONSUMER BEHAVIOUR

Individuals' self-concepts can have an influence on their behaviour as consumers. The image consumers have of themselves are influential in the way they perceive products and services. For example, consumers may prefer specific brands because they view them as reflecting their own image or one that they aspire to possess. Therefore, it is necessary to analyse the variety of dimensions of the self as well as its influence on consumer behaviour.

a) ALTERNATIVE DIMENSIONS OF SELF

Two perspectives of self can be identified in the field of consumer behaviour which refer to the **single-component theories** and the multiple-component theories. The former focuses on the actual self and is based on the assumption "that individuals have a concept of self, based on who they think they are" (du Plessis et al. 1990: 122). The **multiple-component theories** account for two or more dimensions of the self. The simplest model maintains that in addition to the actual self, there exists the ideal self which is based on what consumers think they would like to be. The **social self** is "the perception of oneself as one believes others actually perceive him to be" (Loudon & Della Bitta 1988: 491). Individuals see themselves "through the eyes of other persons" (Engel, Blackwell & Kollat 1978: 141). The **ideal self** is "the perception of one's image as he would like others to have of him" (Loudon & Della Bitta 1988: 491). The **expressive self** is "the ideal self or the social self, depending on situational and social factors" (Loudon & Della Bitta 1988: 491). There is a definite relationship between the actual and the ideal self-concept. A basic motivation, according to self-concept theory,

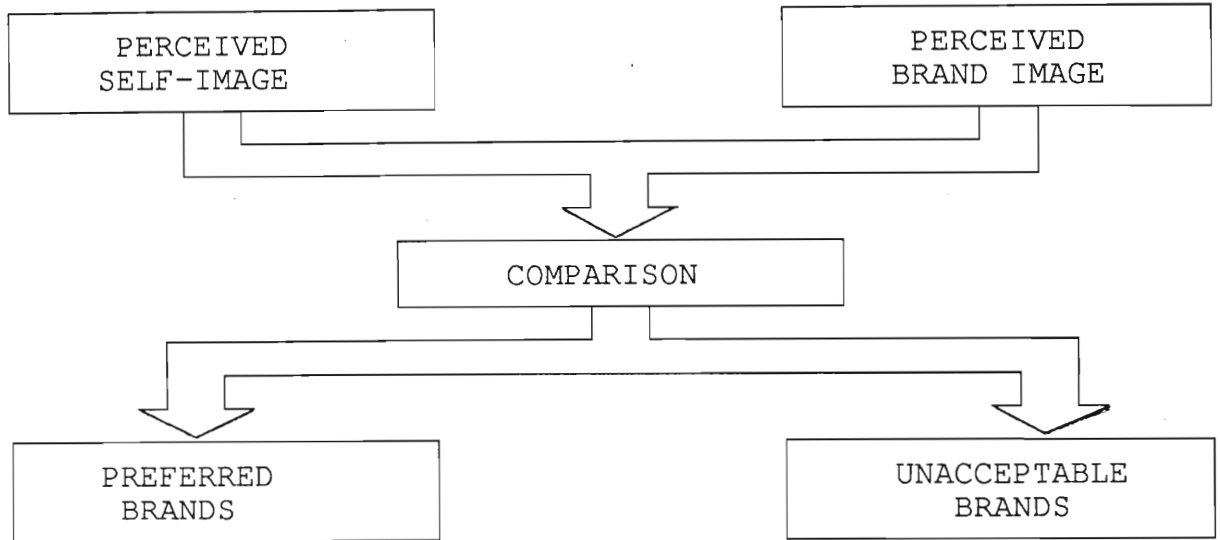
"is to achieve the ideal self-concept, or at least to move towards an ideal self- concept" (Hawkins, Best & Coney 1989: 397). Thus, consumers engage in behaviours, such as, product purchase, that they perceive will enhance the attainment of their ideal self-concept.

b) **CONSUMER BEHAVIOUR AND SELF-CONCEPT/PRODUCT IMAGE CONGRUENCE**

Consumers' self-concepts are the product of psychological development and social interaction. Since consumers value their self-concepts they "will act to define, protect, and further it" (Loudon & Della Bitta 1988: 493). Consumers perceive products and brands as having images of symbolic meanings. Consumer behaviour is motivated towards enhancing the self-concept by means of consuming goods that have symbolic meaning. It is evident that not only do consumers' self-concept influence the products they choose but the products they select frequently influences their self-image. The brands consumers prefer are those that they perceive as having images which are consistent with their self-concept (Figure 3.19).

FIGURE 3.19

A MODEL OF THE BRAND CHOICE PROCESS AS A FUNCTION OF
SELF-IMAGE AND BRAND IMAGE



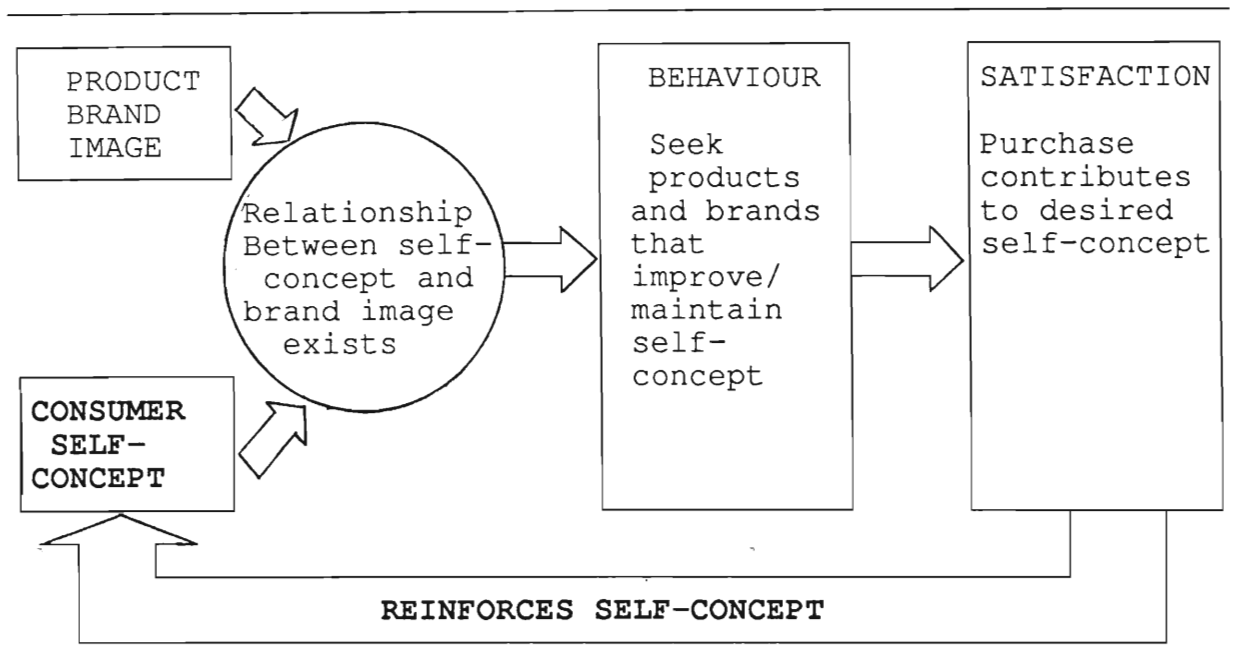
(Loudon, D. & Della Bitta, A.J. 1988. *Consumer Behaviour: Concepts and Applications*. New York: McGraw-Hill Book Company. p. 493).

It is evident that before self-concept can be a relevant marketing tool, there needs to be a relationship between self-concept and brand or product image. Furthermore, "for this to impact purchase and consumption there has to be both expected and actual satisfaction" (Hawkins, Best & Coney 1989: 400). The product or brand purchased must contribute to the actualization of the desired self-concept. While consumers prefer brands that are similar to their self-concepts, the extent to which they would be drawn to the products depends on the symbolism of the product class. In addition, the situation may influence the degree to which a product or store would further an individual's self-concept. Not all products are considered as being descriptive of self. "The strength of the relationship between preferences and congruency with self-concept may vary across product categories" (Malhotra 1988: 23).

Hence, consumers' self-concepts serve as a guide for many product and brand choices (Figure 3.20).

FIGURE 3.20

THE RELATIONSHIP BETWEEN SELF-CONCEPT AND BRAND-IMAGE
INFLUENCE



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 400).

Figure 3.20 indicates that much of the acquisition and use of goods is really related to the self-identity, self-enhancement, self-extension and self-esteem. "We buy goods to enhance or complement our own self-images, and therefore at the heart of consumer activity lies the urge to match our self-images with the image of a product, a brand, a store or a company" (Markin 1974: 124).

The implication is that the self-concept theory can strategically be used in designing the product, positioning product images and predicting the behaviour of consumers towards numerous brands. However, utilising self-concept requires that we be able to measure it. The most common measurement approach is the semantic differential. This approach can be used to ensure a match between "the self-concept (actual or ideal) of a target market, the product concept, and the characteristics of an advertising spokesperson" (Hawkins, Best & Coney 1989: 398). Since marketing managers strive to develop new products and new appeals for consumers, they need to take cognisance of the self-concept variable.

3.5.10.3 **THE IMPORTANCE OF SELF-CONCEPT IN MARKETING**

The self-concept is a powerful variable which has numerous implications and applications in the field of consumer behaviour. The notion of the self-concept has been utilised in segmenting markets, advertising, packaging, personal selling, product development and retailing.

Companies segment markets into more homogenous groups in terms of self-concept profiles. This assists marketers in designing total marketing programmes and is beneficial since "decisions based on markets segmented by consumer self-images operationalize the marketing concept by viewing the consumer from the consumer's own point of view" (Loudon & Della Bitta 1988: 497). "Messages about self are an important consideration in a variety of consumption choices" and the self-image concept can be used in a variety of aspects of promotion (Swartz 1983: 59).

Retailers have a knowledge of how consumers perceive their store. This is important since consumer segments with different self- images also exists within the trading area of any given store. It is possible that there exists an incongruence between the store's and the consumers' self-image. Marketers determine the market segment to which the store is appealing. "Decisions must then be made on the appropriate target segments. This could entail adjustments of the store's image in order to coincide better with the self-images of target patrons" (Loudon & Della Bitta 1988: 498).

Analysis of consumers' and brand images can also assist marketers in developing products. New brands can be introduced on the basis of consumer self-concept profiles for which there exists no corresponding brand images.

Although it is evident that personality and self-concept are influential variables in consumer choice, purchases and consumption, attitudes are a determinant of consumer behaviour.

3.6 ATTITUDES

Attitudes conceptualise consumers' evaluations of a particular product or service and can provide useful information to marketers. They are closely linked to the purchases of a brand and market share. By understanding the attitudes of consumers marketers are able to effectively develop new products and reposition existing ones, create advertising campaigns, predict consumer brand preference and consumer purchase behaviour. Furthermore, a knowledge of consumer attitudes enables the marketer to improve the marketing mix thereby

improving consumers' attitudes. The success of any marketing programme depends upon the understanding of how attitudes are developed and how they influence consumer behaviour.

3.6.1 THE DEFINITION AND NATURE OF ATTITUDES

3.6.1.1 THE DEFINITION OF ATTITUDES

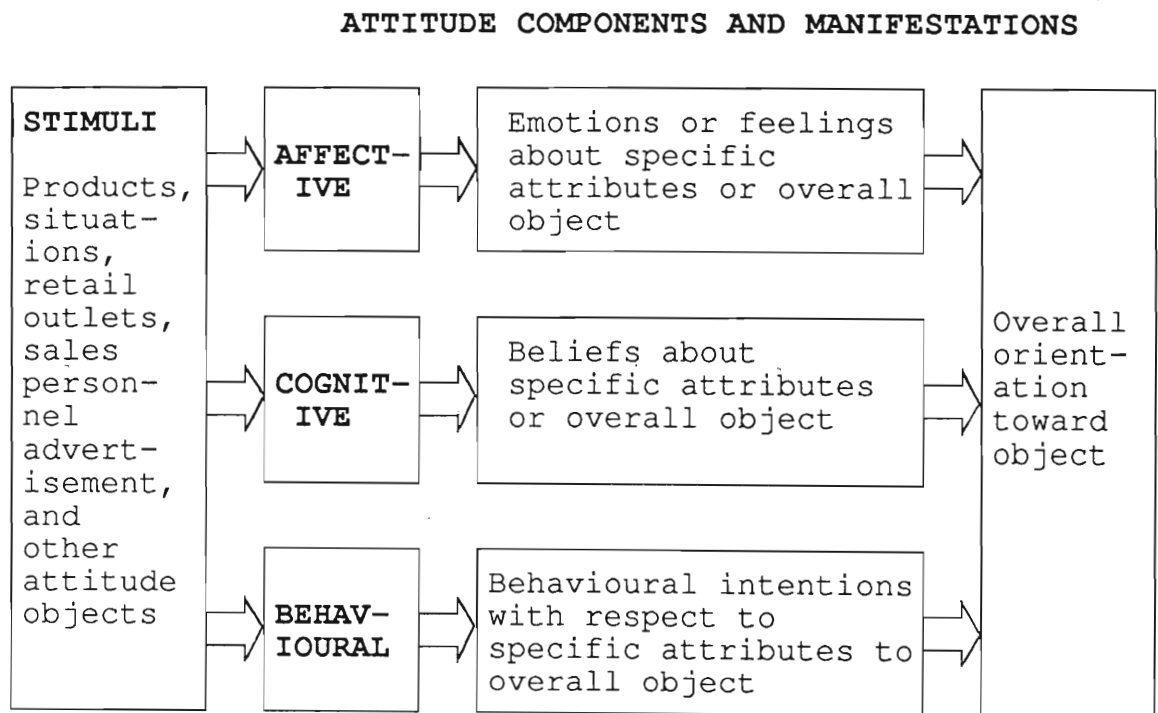
An attitude is "a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object, subject, idea or behaviour" (du Plessis et al. 1990: 104). The fact that attitudes are 'learned' indicates they will be the result of information received and the influences exerted upon consumers as well as consumer experiences. The notion of 'predispositions to respond' means attitudes are related to consumer's actual behaviours. Knowing a consumer's attitude towards a specific product would enable marketers to understand how that individual would react to that product in the future. Since people tend to hold particular attitudes for rather long periods of time, attitudes are consistent or relatively enduring. However, attitude change is possible.

It is therefore, evident that an attitude is more than "a person's overall evaluation of a concept" (Peter & Olson 1990: 137). It is "an enduring organization of motivational, emotional, perceptual and cognitive process with respect to some aspect of the individual's world" (Loudon & Della Bitta 1988: 504). Consumers' attitudes comprises of "what consumers know or believe, how they feel or evaluate something, and how likely they are to act on it" (Settle & Alreck 1989: 119). This definition emphasizes that attitudes are made up of components.

3.6.1.2 THE COMPONENTS OF ATTITUDES

Since behaviour is actually a combination of mental, emotional and physical dimensions, a three component view of attitudes exists. This "tripartite model assumes that attitudes have an affective, cognitive and behavioural component, with each varying on an evaluative dimension" (Chaiken & Stangor 1987: 577) (Figure 3.21).

FIGURE 3.21



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 434).

The **cognitive component** refers to "the knowledge, beliefs, and opinions the person has about the attitude object" (Wilkie 1986: 451). In order to hold an attitude toward some product or service, consumers must have some amount of information. In attempts to encourage

purchases, marketers ensure that potential buyers have enough information and the data is correct.

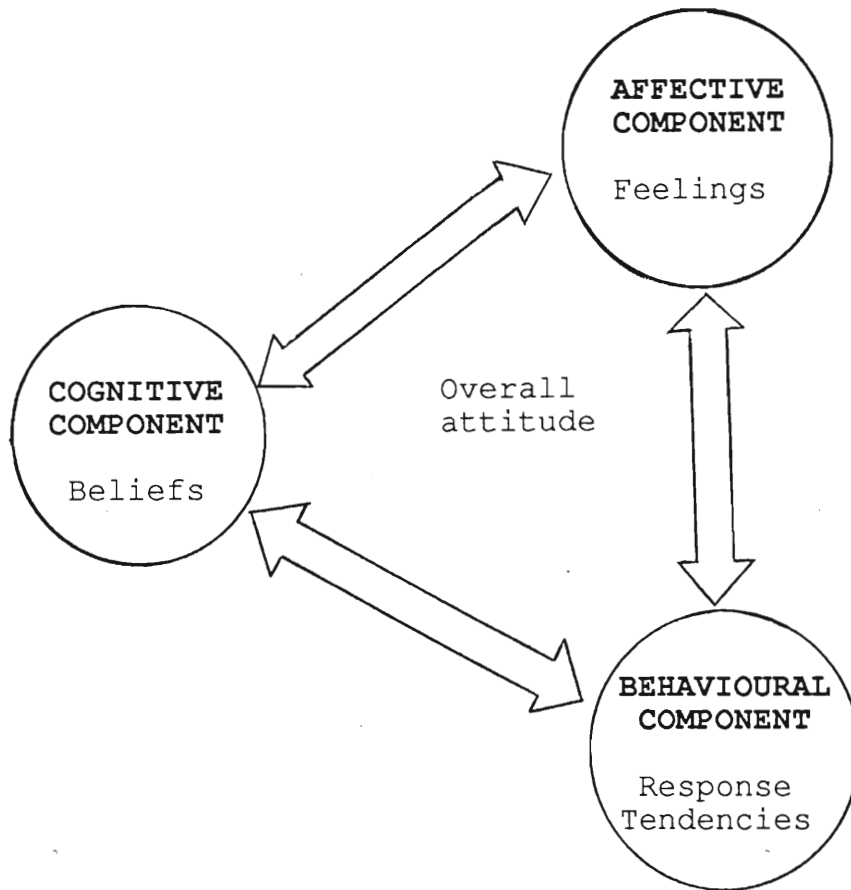
The **affective component** reflects an individual's "general feelings or emotions toward an object" (Zikmund 1989: 358). One's feelings about a product, advertisement, service or other object is associated with one's beliefs or cognitions. Feelings are often formed as a result of evaluating specific attributes of a product. However, feelings can precede and influence cognitions. An individual may develop a liking for a product through classical conditioning "without acquiring any cognitive beliefs about the product" (Hawkins, Best & Coney 1989: 438). This initial feeling can influence an individual's reaction to the product itself.

The **behavioural component** reflects "buying intentions and behavioural expectations" and represents a predisposition to act (Zikmund 1989: 358). People are more likely to act on attitudes if they are directly related to obtaining important goals, are central "to consumers' value structures" and are closely linked with other relevant attitudes (Settle & Alreck 1989: 122).

"There is a tendency for attitudes, cognitions and behaviours to be consistently related" (Thomas 1971: 26) such that "a change in one attitude component tends to produce related changes in the other components" (Hawkins, Best & Coney 1989: 438) (Figure 3.22).

FIGURE 3.22

ATTITUDE COMPONENT CONSISTENCY



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. *Consumer Behaviour: Implications for Marketing Strategy*. 3rd Edition. Texas: Business Publications, Inc. p. 439).

The component consistency tendency is basic to much marketing strategy. Marketers aim to influence consumers. However, since it is difficult to directly impact on behaviour and cause consumers to purchase products, they aim to trigger the intended action by providing stimuli, for example, package information and advertisements, that will influence a belief or feeling concerning the product. In this manner, behaviour is indirectly influenced since the three components of attitudes are consistent with each other. Since attitudes are a crucial ingredient in determining and planning marketing programmes, it is necessary to analyse its

characteristics.

3.6.1.3 THE CHARACTERISTICS OF ATTITUDES

Attitudes "must **have an object**" or "a focal point" (Loudon & Della Bitta 1988: 505). The object may be an abstract terminology like behaviourism; a tangible product such as a bicycle; a physical item, for example, a product, or an action which relates to purchasing a product. Furthermore, the object can be one or a group of items or a specific or a general one.

Attitudes express how individuals feel towards objects. It therefore, **depicts direction, degree and intensity**. Direction means that a person is either favourably or unfavourably disposed towards an object. Degree relates to the extent to which the individual likes or dislikes the object. Intensity refers to "the level of sureness or confidence of expression about the object, or how strongly a person feels about his or her conviction" (Loudon & Della Bitta 1988: 505).

A knowledge of the intensity of an attitude is invaluable to marketers. Firstly, it can affect "the strength of the relationship between attitudes and behaviours" (Engel, Blackwell & Miniard 1990: 302). Behaviour is generally guided by attitudes with a high level of confidence. When the level of confidence is low, consumers may feel unsafe to act upon existing attitudes and search for further information before the act of purchases. Secondly, an understanding of the concept of intensity is required since confidence can influence an attitude's susceptibility to change. Attitudes that are held with greater confidence become

more resistant to change. The direction, degree and intensity of individual's attitudes towards products provide marketers with an indication of their willingness "to act toward, or purchase, the product" (Loudon & Della Bitta 1988: 506).

Attitudes **have structure**, are organised, have "internal consistency and possess inter-attitudinal centrality" (Loudon & Della Bitta 1988: 506). Attitudes closely related to the consumer's values and self-concept have a high degree of centrality. Attitudes are not isolated but are associated with each other into a complex entity so that a certain degree of consistency must exist between them in order to prevent conflict.

Attitudes "tend to be **stable**, to have varying degrees of salience and to be generalizable" (Loudon & Della Bitta 1988: 506). Since they cluster together, they "persist over a long period of time" (LaBarbera & Mazursky 1983: 402). Furthermore, the longer attitudes are held, the stronger they tend to become and the larger is their resistance to change. This can be attributed to the fact that attitudes tend to be generalizable. Very often an individual's attitude toward a specific product tends to generalize toward a class of products. Furthermore, among all of the attributes in a person's attitudinal structure, some are more salient than others.

Attitudes **are learned** since they are formed as a result of individual's personal experiences, information acquisition and exposure to friends, salespersons, family and media. Since "learning precedes attitude formation and change" the principle of learning can assist marketing managers in developing and changing the attitudes of consumers (Loudon & Della

Bitta 1988: 507).

It is evident that attitudes play a crucial role in the behaviour of consumers. Needs are the goals consumers aim for in making a purchase. Attitudes are the consumers' evaluations of the ability of alternative brands or products to fulfill these needs. Needs influence attitudes which in turn impacts on purchases. However, attitudes depend on the level of purchase involvement.

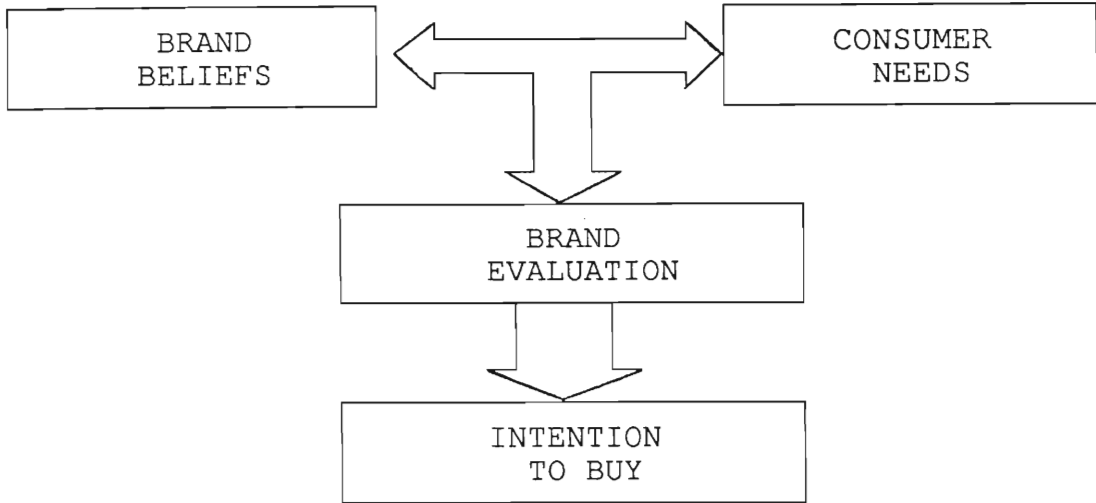
3.6.1.4 **ATTITUDES AND THE LEVEL OF INVOLVEMENT IN DECISION-MAKING**

a) **ATTITUDES IN HIGH INVOLVEMENT DECISIONS**

In high involvement decisions attitudes are part of a hierarchy of effects that result in a purchase decision. Consumers first form beliefs about a product or brand, evaluates it and then decides whether or not to purchase it. "Beliefs about a brand are formed based on a consumer's perceptions of the brand's attributes" (Assael 1987: 176). The extent to which the product or brand has the attributes consumers need is called "perceived instrumentality" (Assael 1987: 176). The greater the extent of perceived instrumentality, the better the probability of positive brand or product attitude. In addition, brand or product evaluation will influence the consumer's intention to buy (Figure 3.23).

FIGURE 3.23

ATTITUDE AND NEED COMPONENTS IN THE PURCHASE DECISION



(Assael, H. 1987. Consumer Behaviour and Marketing Action. 3rd Edition. Boston, Massachusetts: Kent Publishing Company. p. 177).

Figure 3.23 illustrates the link between brand or product beliefs, brand or product evaluations and intention to buy and emphasizes that beliefs influence evaluations and the consequent intentions to buy. Hence, the cognitive-affective-conative components of attitudes.

b) ATTITUDES IN LOW INVOLVEMENT DECISIONS

"Attitudes do not have as central a role in low involvement as in high involvement decisions" (Assael 1987: 178). Consumers often purchase low involvement products without forming a definite attitude toward the brand and thus, attitudes do not have the same predictive power in low as in high involvement purchases. Beliefs are formed about a brand in a passive way.

Although attitudes may lack predictive value in low involvement decisions, they have diagnostic value. Marketers can determine the beliefs formed about the firm's brands. This information influences the firm's brand positioning and advertising strategies. Furthermore, attitudes formed after a low involvement purchases may influence future purchases, even if they are weak ones.

3.6.2 THE FUNCTIONS OF ATTITUDES

Attitudes serve four key functions for the individual which relate to the adjustment function, the ego-defensive function, the value- expressive function, and the knowledge function. Any particular attitude may perform one or more of these functions. "Each of these functions relate to the individual's predisposition toward products, stores, or methods of purchase" (Walters & Bergiel 1989: 183).

The **adjustment function** "directs people toward pleasurable or rewarding objects and away from unpleasant, undesirable ones" (Loudon & Della Bitta 1988: 507) and is "utilitarian" in nature (Wilkie 1986: 453). It helps consumers to maximize reward and minimize punishment as they undergo the realities of their environment. Consumers' attitudes are a product of their perceptions of what is need satisfying and what causes pain.

Attitudes protect consumers' egos and self-images "from threats to their self-identities and feelings of personal warmth" (Wilkie 1986: 453). The **ego-defensive function** "aids the consumer in dealing with inner conflict by protecting the self-image from hostile elements in

the environment" (Walter & Bergiel 1989: 184). The consumer develops defense mechanisms, rationalizes and prevents criticisms that damage the ego. "Advertising appeals to the ego-defensive nature of attitudes by demonstrating the benefits of product usage or the risks of nonusage" (Assael 1987: 182).

In the **value-expressive function** consumer attitudes "allow strongly held personal values to be expressed in consumer behaviour" (Wilkie 1986: 453). Attitudes express the consumers' self-concept and value system. Value-expressive attitudes give consumers an opportunity to show "how they feel about the world around them", what they stand for and "to identify the things they believe to be important in life" (Settle & Alreck 1989: 114). Thus, the theory supporting the value-expressive function "provides a useful connection between the nature of the 'inner self' and the external world" (Wilkie 1986: 453). This can account for the fact that consumers select brands and stores which possess images corresponding with their own self-image. Promotional strategy often appeal to the value-expressive nature of attitudes by implying that the use or purchase of a particular product or service will lead to enhancement of self, achievement or independence.

The **knowledge function** of attitudes gives order, definition and meaning to the person's environment. The organisation of knowledge also reduces uncertainty and confusion and assists the individual in dealing efficiently and effectively with new information. Attitudes are "storehouses of ready information about the consumer goods in the marketplace" (Settle & Alreck 1989: 116). Consumers need not reevaluate their preferences, habits, lifestyles or values for each new purchasing situation since "internal knowledge easily recalled thus

simplifies our interaction with the world around us" (Walters & Bergiel 1989: 185).

It is evident that attitudes have varying functions. "The function that is served will affect the individual's overall evaluation of an object" (Assael 1987: 183). Attitudes are the source of consumer action.

3.6.3 **THE SOURCES OF ATTITUDE DEVELOPMENT**

"All attitudes ultimately develop from human needs and the values that people place upon objects that satisfy those perceived needs" (Loudon & Della Bitta 1988: 508). Thus, it is advantageous to determine the sources that make individuals realize their needs, their importance to individuals and how consumer's attitudes develop towards objects that fulfill desires.

3.6.3.1 **PERSONAL EXPERIENCE**

Consumers constantly come in contact with existing and new objects in their environment. They evaluate new ones and re-analyse old objects. This process of evaluation assist individuals in developing attitudes toward objects. Past experiences influence attitudes and condition future behaviour. "Our direct experiences with sales representatives, products, services and stores help to create and shape our attitudes toward those market objects" (Loudon & Della Bitta 1988: 508). However, the evaluation of such direct contacts are influenced by the individual's needs, selective perception and personality.

3.6.3.2 GROUP ASSOCIATIONS

Individuals are influenced by the members in the groups to which they belong. Consumer attitudes are largely shaped by groups that they value and with which they associate. A person's attitude development is strongly influenced by three main groups:

The **family** is the most influential group in developing an individual's attitudes. "Parents orient a child's early thinking, and this influence on attitudes is often so strong that it carries over to adult life" (Loudon & Della Bitta 1988: 509). There also exists pervasive **peer group** influence on attitudes and buying behaviour. The norms, standards and influence of important groups in the individual's work and social life exerts a strong impact on their attitudes to various objects. Furthermore, **culture and subculture** "results in a sense of identification about who we are, and it strongly affects attitudes about a variety of objects in our environment" (Loudon & Della Bitta 1988: 509).

3.6.3.3. INFLUENTIAL OTHERS

Influential individuals like respected friends, relatives and experts, also form and change consumers' attitudes. Opinion leaders who are admired by their followers may strongly influence the latter's attitudes and purchase behaviour. In addition, sales representatives can also positively influence consumers' attitudes, especially when they express opinions that correspond with the consumer's point of view and when they are perceived as having some degree of expertise regarding the product or service.

It is apparent that numerous sources provide customers with information and influence about products, services, stores and other objects. A better understanding of the role of attitudes in consumer behaviour can be derived from an analysis of the attitude theories and models.

3.6.4 ATTITUDE THEORIES AND MODELS

Attitude theories are concerned with how attitudes develop and change. Three classical theories are the congruity, balance and cognitive dissonance. These theories are based upon the consistency principle, which states that "the human mind strives to maintain harmony or consistency among currently perceived attitudes" (Loudon & Della Bitta 1988: 510). If the mind senses an inconsistency in its attitude structure, mental tension arises and the individual works toward a consistent structure.

3.6.4.1 CONGRUITY

When consumers are in a state of incongruity, they experience an uncomfortable tension state that must be resolved. Marketers adopt various strategies in ensuring conflict resolution. The congruity principle is used often in promotional efforts. Advertisements of products, services, organisations and brand frequently entail celebrities. The intention is to encourage consumers who maintain positive attitudes toward a source "to develop a positive value association between the source and the object" (Loudon & Della Bitta 1988: 512).

3.6.4.2 BALANCE THEORY

According to the balance theory, "a person perceives his or her environment in terms of traits" (Loudon & Della Bitta 1988: 512). Individuals see themselves "as being involved in a triangular relationship in which all three elements (persons, ideas, and things) have either positive (liking, favourable) or negative (disliking, unfavourable) relationships with each other" (Loudon & Della Bitta 1988: 512). This relationship is called "sentiment" (Loudon & Della Bitta 1988: 512). In the balance theory, the model is unbalanced if the multiplicative relationship among the three components is negative. Alternatively, the model is balanced if the multiplicative relationship is positive.

An unbalanced relationship produces tension for the individual. The consumer can choose to live with the tension and not act to resolve it. Alternatively, if sufficient tension is produced, it is possible that attitude change will occur concerning one element in the triad in order to restore a balanced system. "Rationalization can help to change our perceptions of relationships and thus, our attitudes" (Loudon & Della Bitta 1988: 513). This emphasizes the principle of the balance theory that "a person seeks to achieve balance between evaluations and beliefs" (Assael 1987: 186).

3.6.4.3 COGNITIVE DISSONANCE

Cognitive dissonance is a psychological state which occurs when an individual perceives "that two cognitions (thoughts), both of which he believes to be true, do not 'fit' together" or seem

inconsistent" (Loudon & Della Bitta 1988: 513). The dissonance that arises produces tension and motivates the person to harmonize inconsistent components and decrease the psychological tension.

Dissonance can occur either as a result of any logical inconsistency, when an individual "experiences an inconsistency either between his attitude and his behaviour or between two of his behaviours" or "when a strongly held expectation is disconfirmed" (Loudon & Della Bitta 1988: 513). Individuals experiencing cognitive dissonance can reduce it either by means of rationalization, by seeking additional information that is consistent with their behaviours or by "either eliminating or altering some of the dissonant elements" (Loudon & Della Bitta 1988: 514). According to cognitive dissonance theory, "attitudes change to conform to previous behaviour, thus reducing post-purchase conflict" (Assael 1987: 195).

Whilst marketers need to know whether consumers hold positive or negative attitudes toward their products, it is also beneficial for them to have a knowledge of the basis or reasons for these attitudes and to examine the relationship between consumer's product knowledge and their product attitudes in terms of product features or attributes. This can be achieved via the use of multi-attribute attitude models.

3.6.4.4 **MULTI-ATTRIBUTE ATTITUDE MODELS**

Multi-attribute models of attitudes "consider attitudes in the light of selected product attributes or beliefs" (du Plessis et al. 1990: 107). The best known of these models is the Fishbein

Multi-attribute Model.

a) **THE FISHBEIN MULTI-ATTRIBUTE ATTITUDE MODEL**

The key proposition in Fishbein's theory is that "the evaluations of salient beliefs causes overall attitude" (Peter & Olson 1990: 143). People form attitudes towards objects "on the basis of their beliefs (perceptions and knowledge) about these objects" (Loudon & Della Bitta 1988: 515). "Salient beliefs are those activated from memory and considered by the person in a given situation" (Mitchell & Olson 1981: 318). Beliefs are formed by processing information which is derived from direct experiences with objects and from communication about them acquired from other sources. Information processing leads to cognitions or beliefs about products which in turn, result in attitudes involved in the evaluation of products. Fishbein's model is formulated such that individuals' overall attitude toward some object is derived from their beliefs and feelings about various attributes of the object. Hence, the concept multi-attribute attitude model.

The model includes the cognitive or belief and the affective or evaluation components of attitudes. Two major elements of Fishbein's multi-attribute model are the strengths and evaluations of the salient beliefs. Belief strength is "the perceived probability of association between an object and its relevant attributes or consequences" (Peter & Olson 1990: 144). The strength of consumers' product or brand beliefs is influenced by past experiences with the object. "Beliefs based on direct experience tend to have a greater impact on attitude" (Peter & Olson 1990: 145). Associated with each salient beliefs is an evaluation that reflects

"how favourably the consumer perceives that attribute or consequence" (Peter & Olson 1990: 146). The evaluations of the salient beliefs affect the overall attitude in proportion to the strength of each belief. Strong beliefs about positive attributes have greater effects of attitude than do weak ones about equally positive features. Similarly, "negative evaluation reduce the favourability of attitude in proportion to their belief weights'" (Peter & Olson 1990: 146). It is therefore evident that the overall attitude toward an object can be obtained "by multiplying the belief score by the evaluation score for each attribute and then summing across all relevant beliefs to obtain the value of attitude" (Loudon & Della Bitta 1988: 516).

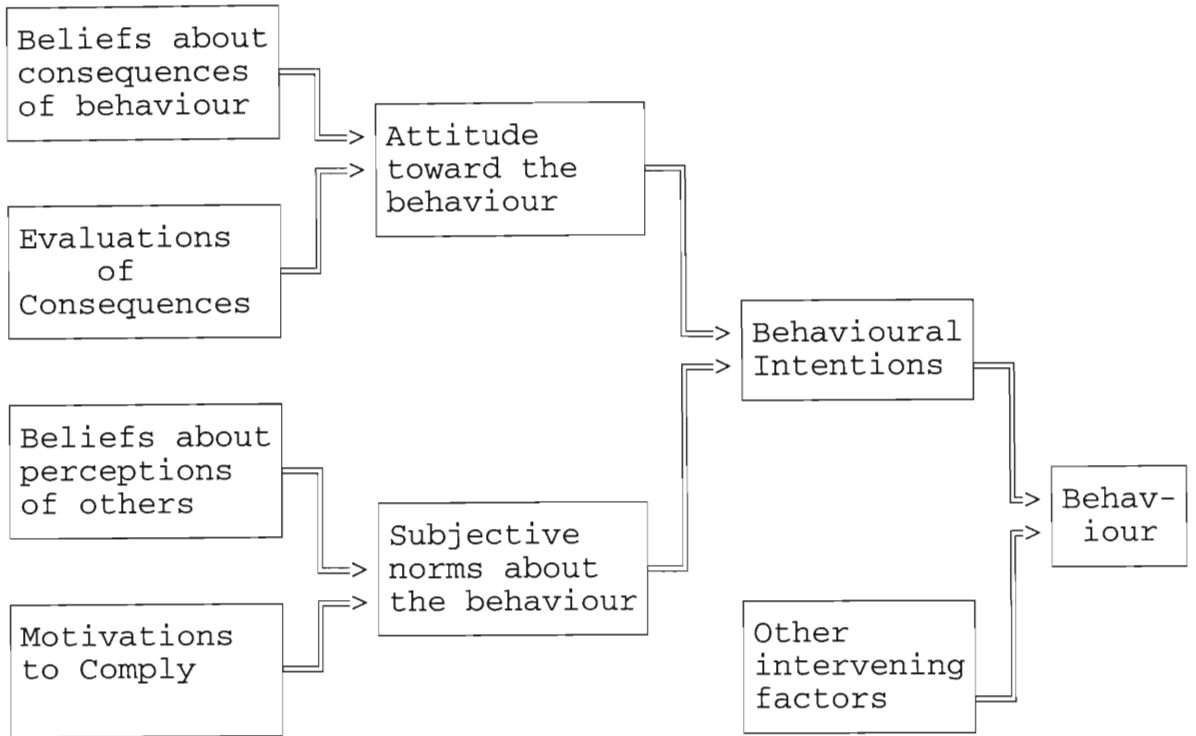
In addition to being multi-attribute in nature, Fishbein's model is also compensatory. However, this model, like other multi-attribute ones, cannot be used to successfully predict the behaviour of consumers. To rectify this problem Fishbein developed a Behavioural Intentions Model.

b) **FISHBEIN'S BEHAVIOURAL INTENTIONS MODEL**

Fishbein's Behavioural Intentions Model maintains that an individual's behaviour is "a function of his intention to behave in a certain manner and other intervening factors" (Loudon & Della Bitta 1990: 519) (Figure 3.24). The intention to behave cannot perfectly predict behaviour since a favourable attitude does not necessarily imply purchase, nor does an unfavourable attitude imply non-purchase. "Many factors may intervene between the various components. These may include the price of the product, or the fact that "other more practical considerations have to be accounted for" (Chorn 1984: 14).

FIGURE 3.24

THE RELATIONSHIP OF COMPONENTS IN FISHBEIN'S BEHAVIOURAL INTENTIONS ATTITUDE MODEL



(Loudon, D. & Della Bitta, A.J. 1988. Consumer Behaviour: Concepts and Applications. New York: McGraw-Hill Book Company. p. 519).

Behavioural intentions results from "a person's attitudes toward performing the behaviour in question and the person's subjective perception of the norm concerning the behaviour" (Zaltman & Wallendorf 1983: 433). The subjective perception of a norm is the individual's perception of how others will look upon that behaviour. The exact nature of the individual's behavioural intentions will depend on the relative influence of each of these factors. For some behaviour the attitude one has toward performing that behaviour will be more important and will have more weight in determining the behavioural intention than the subjective perception

of the norm with regards to that behaviour. However, for some behaviours the subjective perception of the norm will be more valuable.

Fishbein's behavioural intentions model can be distinguished from his multi-attribute model in that in the former "beliefs and evaluations are about certain actions and the consequences of these actions", unlike in the latter where it is about attributes of an object (Loudon & Della Bitta 1988: 520).

The subjective or social norm component "effects consumers' perceptions of what they think other people want them to do" (Peter & Olson 1990: 156). Subjective norms also take cognisance of how motivated a person is to comply with that reference group's norms. Consequently, "the model basically represents an attempt to combine cognitive influences with interpersonal and group influences" (Kassarjian 1982: 627).

The consumer's intention to perform a behaviour, for example, buying a product, is simply a result of the individual's attitude toward the act of going out and purchasing the item, towards all the activities and experiences incorporated into that consumption process as well as perceptions about the social desirability of purchasing or using the product. "Attitude generally affects behaviour indirectly through intentions" (Bettman 1986: 268). "Behavioural intentions involve not only attitudes and subjective norms, but the relative weights or importance of each component as well" (Zaltman & Wallendorf 1983: 436). Furthermore, this theory proposed that attitude towards the act and subjective norms combine to influence the behavioural intentions and "their relative influence varies from situation to situation" (Peter

& Olson 1990: 157).

It is evident that the multi-attribute models have widespread use for both academic marketers and marketing managers. Multi-attribute models provide more than just a procedure for measuring attitudes but also a powerful and effective means for diagnosing marketing problems and developing solutions to these problems. Since many marketing strategies are aimed at affecting consumers' general attitudes toward products and brands, "marketers can use changes in attitude to measure the success of those strategies" (Peter & Olson 1990: 149). The trend in attitudes towards the object over time can be beneficial in monitoring consumers' feelings about a brand and the competitive brands being marketed. Furthermore, the potential advantage of multi-attribute models over unidimensional models is that it provides an understanding of the attitudinal structure. "Diagnosis of brand strengths and weakness on relevant product attributes can then be used to suggest specific changes in a brand and its marketing support" (Loudon & Della Bitta 1988: 518). Furthermore, multi-attribute models have intuitive appeal. Marketers see goods and services as possessing need or motive satisfying properties. The attributes of the object are the means which satisfy consumers' motives. The importance of the multi-attribute approach is apparent in the strategic applications of needs and attitudes. "Consumers ratings of product attributes play a key part in evaluating the positioning of new products, the maintenance of attitudes for existing products, and the effectiveness of advertising in influencing or changing consumer beliefs" (Assael 1987: 180). Multi-attribute data are relatively easy to collect and evaluate. In addition, "multi-attribute models developed out of specific psychological theories in which the formation of buyers' attitudes is tied to more basic psychological processes" (Horton 1984: 170).

Fishbein's improvement from the multi-attribute attitude model to the behavioural intentions model enabled marketers to predict the behaviour of consumers more effectively. In addition, the second model enables marketers to determine the factor influencing consumers' intentions to behave. These attitudinal and subjective norm components can enable diagnosis of reasons for behaviour, and also "suggest alternative marketing strategies for effecting changes in consumers' attitudes and intentions to behave" (Loudon & Della Bitta 1988: 523). However, the successful use of the multi-attribute models would depend on the quality of the measurement procedures associated with it" (du Plessis et al. 1990: 110).

3.6.5 ATTITUDE MEASUREMENT

Attitude measurement involves determining the intensity of consumers attitudes. Attitudes "are constructs developed by researchers to help explain a psychological phenomenon" and should be measured indirectly (Zaltman & Wallendorf 1983: 449). It is difficult to measure attitudes because consumers may not know what their attitudes are or "how to articulate those attitudes" and the researcher has to accept the information provided by the consumers as being accurate. An attitude not held by the consumer may be created as a result of the attitude measurement question. Also, "there may be social norms or other situational factors operating that may influence the subjects' willingness or ability to respond to some types of questions" (Zaltman & Wallendorf 1983: 449).

A distinction can be made between qualitative and quantitative attitude research methods. **Qualitative methods** like depth interviews and focus groups are useful in providing a

knowledge of the nature of attitudes. Depth interviews involve "an often lengthy, detailed, face-to-face interview" between the researcher and the subject (du Plessis et al. 1990: 110). The questioning procedure is open-ended and aims to encourage subjects to reveal their inner thoughts and beliefs. "With the open questioning, respondents are presented with a question that invites expression of attitude, as well as beliefs, arguments for or against, or behaviour, relative to an object" (Lastovicka & Bonfield 1982: 63). Focus groups involve similar methods with the exception that a small group of subjects is interviewed in depth. Both methods attempt to shed light on inner thoughts, attitudes and beliefs.

Quantitative research is often used "when marketers need information that is representative of the attitudes of a defined market segment" (du Plessis et al. 1990: 110). The most common quantitative technique of attitude measurement is attitude scaling. An **attitude scale** may be described as a rating scale "in which a subject indicates the extent to which he agrees (or disagrees) with particular statements" (Huysamen 1988: 111). Three most common attitude scaling procedures include Likert scales, semantic differential scales and rank-order scales.

3.6.6 THE IMPORTANCE OF ATTITUDES IN MARKETING

Marketers have a definite interest in consumers' attitudes and knowledge because "if they can have an influence on purchase-related attitudes and knowledge, they believe they can influence purchase behaviour" (McNeal 1982: 111). Marketers are interested in defining and measuring attitudes because attitudes can help to predict consumer behaviour, determine consumers' preferences, describe consumer segments and evaluate marketing strategy.

One of the major reasons marketers have been interested in attitudes is that they are believed to be the basis for actual behaviour. Once knowledge is obtained, "attitudes are the intervening cognitive element before a purchase is made" (McNeal 1982: 114). An examination of attitudes should thus provide strong clues to buyer behaviour. The attitude behaviour relationship assumes that "attitudes cause, reflect, or at least correlate substantially with behaviour" (Schuman & Johnson 1976: 161). If a consumer has a favourable attitude toward a brand or store, "it is usually assumed that the consumer will purchase that brand or patronize that store" so that attitudes are a measure of the inclination to purchase (Zaltman & Wallendorf 1983: 438).

Furthermore, attitudes and knowledge are the active elements in the consumer's personality. They do the mental work that is necessary to fulfill needs. Attitudes and knowledge play a practical role in consumer behaviour especially with regards to product, store and brand preferences. Product preference is the term used to describe "a set of favourable attitudes toward a specific product" (McNeal 1982: 155). This concept subsumes both attitudes and knowledge since one cannot hold a preference for a product without possessing knowledge about it. It is necessary for marketers to determine the numerous attitudes of consumers in order to have a knowledge of their preferences and dislikes. Consumers also hold attitudes and knowledge about brands that translate into brand preferences. The value of brands, and thus, preferences for them, is a function of consumers' needs as reflected in their attitudes. Furthermore, brand names "exert control over opinion and evaluation responses depending on the initial attitude of the consumer" (Pierce & Belke 1988: 234). A knowledge of consumer attitudes enables marketers to develop products and brands that would satisfy many consumers

since "attitude toward a brand predisposes the prospective buyer to react to that brand in a reasonably predictable manner" (Boote 1981: 39). Undoubtedly, the brand most liked by the individual will be the one having the highest probability of selection in the market.

Like brand preferences, consumers frequently display store preferences. The latter "are attitudes and knowledge relative to those stores that reflect the need of various consumers" (McNeal 1982: 116). Marketers attempt to understand consumers' reasons for visiting a store or their "patronage motives" by eliciting attitudes and knowledge about stores (McNeal 1982: 116). Attitudes can be useful in describing consumer segments. Marketers could segment consumers "according to their beliefs about the attributes or consequences of brands and develop strategies based on those perceptions" (Peter & Olson 1990: 147). It is useful to segment consumers based on the importance they attach on various attributes. Knowing the salient beliefs underlying attitudes can suggest alternative persuasion strategies for attitude change.

As diagnostic measures, consumer needs and attitudes are used in evaluating marketing strategies. Attitudes are crucial in evaluating alternative positionings for new product concepts. The proper positioning depends on the needs of a defined target group and how it rates the key attributes of the product. A knowledge of the attitudes of consumers will enable the marketer to position the new product based on criteria that are rated favourably by the potential target group. Products must be rated on the evaluative criteria when they "are introduced into a test market prior to launch, as well as when they have been on the market for some time" (Assael 1987: 179). Marketers should determine if the product has performed

successfully on the key criteria. Furthermore, evaluation of the product may change over time as needs change and new products enter the market. Marketers need to reassess the needs and attitudes of consumers periodically in order to ensure consumer satisfaction. Furthermore, a knowledge of attitudes is helpful in evaluating the effectiveness of advertising messages. The models of attitudes enable a better understanding of consumer behaviour which is so critical to marketers. In particular, the multi-attribute model provides knowledge relevant to marketing strategy. The information can be used to suggest changes in brand attributes. Multi-attribute analysis has important implications for new product development since "discovering that current offerings fall short of the ideal brand would reveal an opportunity for introducing a new offering that more closely resembles the ideal" (Engel, Blackwell & Miniard 1990: 318). A multi-attribute model can also be used successfully to forecast the market shares of new products. Furthermore, information regarding beliefs and evaluations of consumers can be used "to suggest modifications of promotional messages to better acquaint consumers with existing brand attributes", and to identify new market opportunities (Loudon & Della Bitta 1988: 518).

The importance of a knowledge of attitudes in the study of consumer behaviour is evident. Effective marketing strategy and effort cannot be attained without due consideration of this individual influencing variable. However, although attitudes are reasonably consistent, they do change. Marketers do develop strategies to change attitudes of consumers in attempts to increase market share. Any change in attitudes alters the behaviour of consumers since the cognitive-affective-conative components are consistent.

3.7 ATTITUDE CHANGE

3.7.1 ATTITUDE CHANGE AND THE DEGREE OF INVOLVEMENT

Attitude change is largely a function of the degree of involvement consumers are experiencing with the product.

3.7.1.1 LOW-INVOLVEMENT STRATEGIES

Under low-involvement conditions consumers' interest is too low "for evaluating product attributes and forming beliefs about various brands" (Loudon & Della Bitta 1988: 531). However, consumer attitudes are not necessarily based on their beliefs and cognitions. Attitudes may also be changed when consumers develop positive reactions to an advertisement used to promote a brand. Furthermore, consumers may develop attitudes based on experience or post-purchase assessments. This implies that marketers deliver quality products so that the consumer would develop favourable evaluations and consequently, positive brand or product attitudes.

Another attitude change strategy for low-involvement conditions is to encourage individuals to increase their levels of prepurchase involvement. This can firstly be done by:

- * Linking the product to an involving state. For example, linking a brand of toothpaste to problems of tooth decay and plaque. The implication is that attitude change will only occur "when the change will better satisfy needs" (McNeal 1982: 111).

- * Linking the product to a current personal situation. This technique involves targeting a message to individuals when they are engaged in a product related activity.
- * Developing high involvement advertisements. The intention is to create an advertisement that is linked to the product.
- * Changing the importance of product beliefs
- * Announcing or introducing necessary product features

Consequently, these five strategies aim to increase involvement levels among individuals to an extent to which "they will form attitudes prior to purchase and use these attitudes to influence their purchase decisions" (Loudon & Della Bitta 1988: 532). However, different strategies are used by marketers in high involvement conditions.

3.7.1.2 **HIGH-INVOLVEMENT STRATEGIES**

Under high-involvement strategies the marketer can either change attitudes toward a brand or attitudes about behaving toward a brand. The latter is more closely linked to the consumer's intention to purchase. Numerous strategies may be adopted in altering consumers' attitudes toward behaviour (Figure 3.25). Behavioural modification, as indicated in Fishbein's model, is the outcome of changes in behavioural intentions. This refers to changes related to attitudes towards the behaviour and subjective norms concerning the behaviour, or other situational factors.

Attitude change can be brought about by changing existing beliefs about the outcomes of behaviour. Consumers frequently maintain incomplete or incorrect beliefs about the outcomes

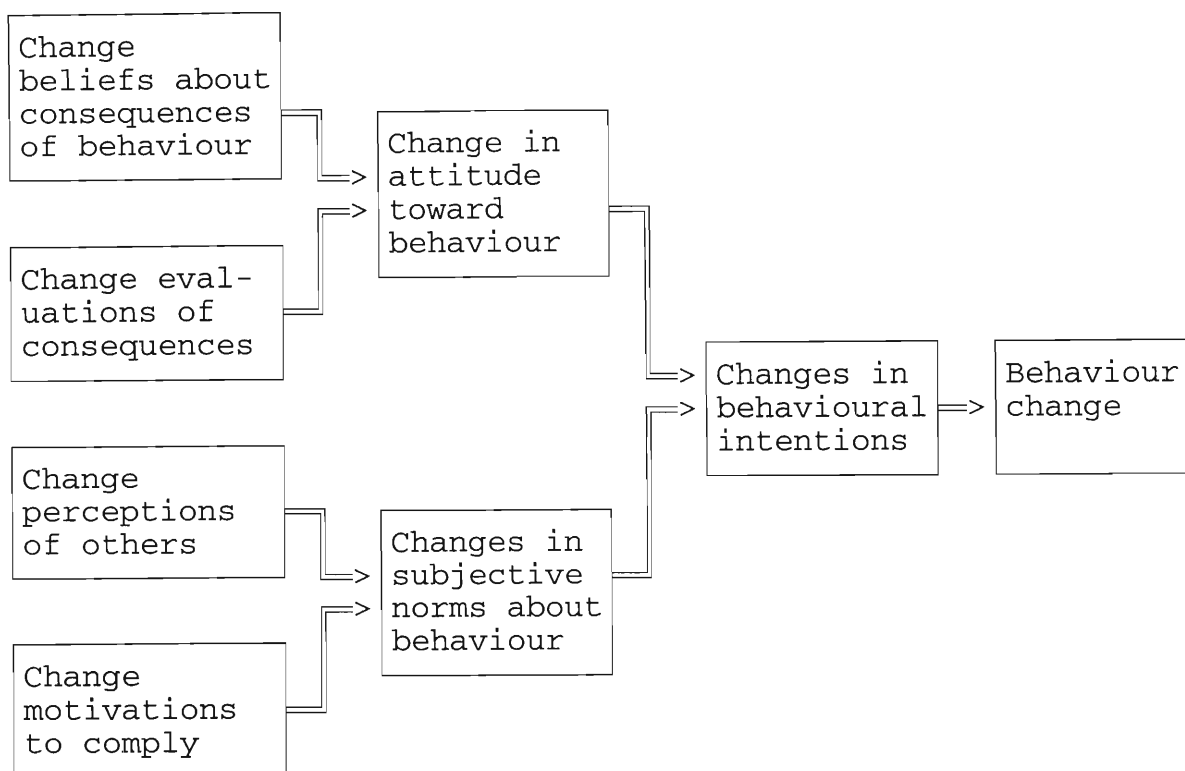
of consuming specific brands. Marketers modify these beliefs in such a manner that they positively influence attitudes and increase the intentions to buy. This is achieved by:

- * Ensuring that the advertisements focus on brand beliefs
- * Changing consumers' evaluation of the outcomes of a specific action. Very often consumers may believe that using a brand will result in certain outcomes, but these consequences are not positively evaluated. Marketers adopt measures to increase evaluations of the outcomes and enhance consumer attitudes.
- * Introducing "new belief/evaluation combination" (Loudon & Della Bitta 1988: 533).
Marketers do this by adding or eliminating product attributes or emphasizing the presence or absence of existing product features in terms of their favourable outcomes for the consumer. Another strategy option is to change existing normative beliefs. Consumers may hold positive attitudes towards a product but may hesitate to buy it because of a negative reaction on the subjective norm component. Such beliefs can be changed by means of promotions that simulate group settings and by altering "consumers' motivations to comply with the influences of people important to them" (Loudon & Della Bitta 1988: 534).

FIGURE 3.25

STRATEGY OPTIONS FOR ATTITUDE CHANGE IN HIGH-INVOLVEMENT

CONDITIONS



(Loudon, D. & Della Bitta, A.J. 1988. Consumer Behaviour: Concepts and Applications. New York: McGraw-Hill Book Company. p. 533).

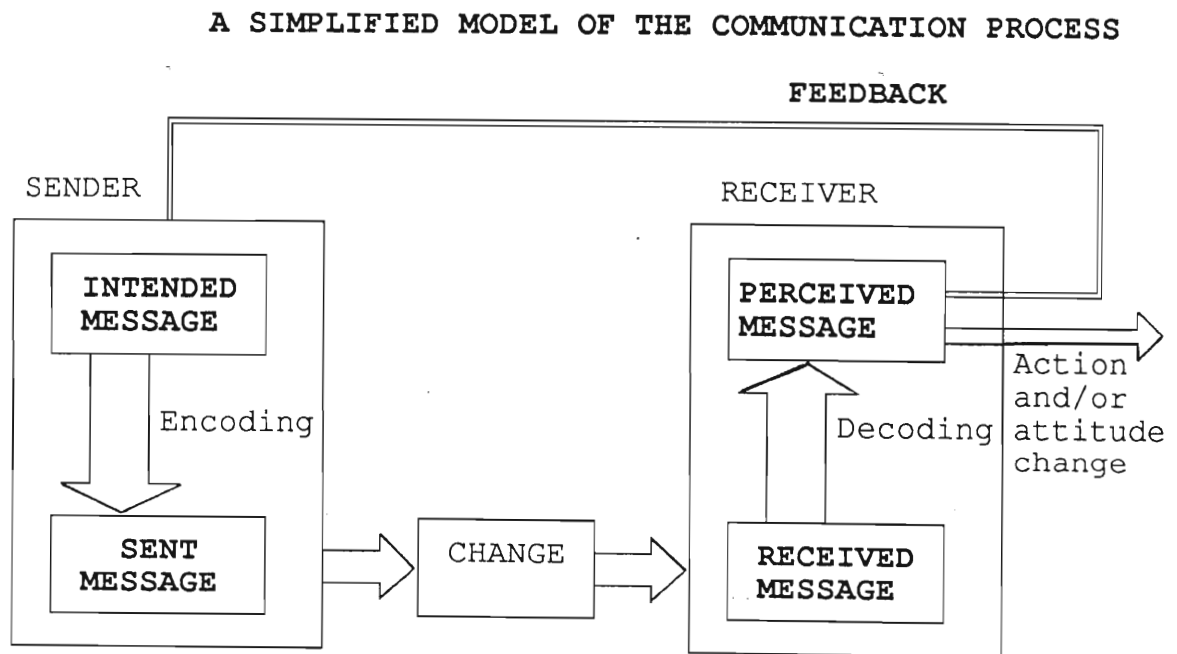
Although numerous strategy options exist for attitude change in high-involvement situations, the selection of the appropriate strategy to be adopted will depend on the competitive environment, the existing conditions that consumers face, consumers' knowledge and beliefs, and product attributes. It is easier to change the intensity or degree of attitudes than their direction. Also, "weak attitudes are more susceptible to change than strong or extreme attitudes" (Walters & Bergiel 1989: 198). Greater product or brand involvement implies greater personal relevance to the consumer and stronger beliefs about the item or the brand.

It is easier to change consumer beliefs than to change their evaluations of the outcomes of certain actions since evaluations are based on the need of the consumer, "which are more enduring and central to his values and self-concept than are beliefs about purchasing a particular brand" (Loudon & Della Bitta 1988: 535).

3.7.2 THE COMMUNICATION PROCESS

The marketers' primary tool for influencing attitude change is "the design and implementation of persuasive communications" (Loudon & Della Bitta 1988: 535). A simplified model of this process is depicted in Figure 3.26.

FIGURE 3.26



(Loudon, D. & Della Bitta, A.J. 1988. Consumer Behaviour: Concepts and Applications. New York: McGraw-Hill Book Company. p. 536).

The sender, who is generally a company or a product brand, initiates the communication message by transmitting the intended message to the target population, who are the receivers. The intended message aims to change consumers' attitude towards the brand or toward its purchase. This message "must be encoded into symbols making up the actual message which represent thoughts of the sender" (Loudon & Della Bitta 1988: 536). The actual message is transmitted over an appropriate channel of communication, for example, the radio, in-store displays and personal messages and is received by one or more receivers. However, the received message may differ from the actual one due to intervening factors like the channel of transmission itself. The received message undergoes transmission as a result of information processing by the receiver and thus, the message is decoded such that received symbols are translated into meaning, which is a product of the individual's experiences and environment.

The feedback loop in Figure 3.26 indicates that the communication process involves a two-way flow since senders and receivers interact with each other. Feedback depicts the message receiver as a message sender and enables the original sender to evaluate the effectiveness of the communication. Each stage of the communication process is susceptible to message distortion that is sometimes caused by noise, which refers to an "interference with message transmission" (Assael 1987: 211).

Beliefs, attitudes and behaviour are influenced by three kinds of factors that interact with each other. These are source, message and receiver factors.

3.7.3 SOURCE FACTORS

Marketing communication sources facilitate the effectiveness in changing views and attitudes of consumers.

3.7.3.1 MARKETING COMMUNICATION SOURCES

In marketing numerous sources can be used in order to reach consumers with persuasive communications. Communication sources available to consumers include:

- * Companies
- * Sales representatives who are viewed as having expertise or knowledge and can be persuasive to consumers
- * Media, which are extensively used by consumers to obtain product information
- * Individuals employed by companies as sales representatives in advertising. These so called "hired promoters" can be effective once they have established reputations for themselves (Loudon & Della Bitta 1988: 538).
- * Retailers who frequently act as sources for marketing communications. A departmental store with a good local reputation may sell unknown brands more easily than less reputable stores since these stores are perceived by consumers as possessing an expertise in the product line.
- * An integrated system. The aforementioned sources can be integrated to produce a combined source effect on consumers. Marketers must stringently select hired promoters, media and retailers to transmit persuasive brand messages. This is necessary since one bad

selection can counteract the positive effects of the other sources adopted.

3.7.3.2 INFLUENCES ON SOURCE EFFECTIVENESS

Numerous factors influence the persuasiveness of marketing communication sources:

Highly credible sources bring about greater attitude change in consumers than those with less credibility. However, receivers perceive the source as having credibility, irrespective of whether or not the individual is actually so. The impact of source credibility is complex and depends on the following specific conditions:

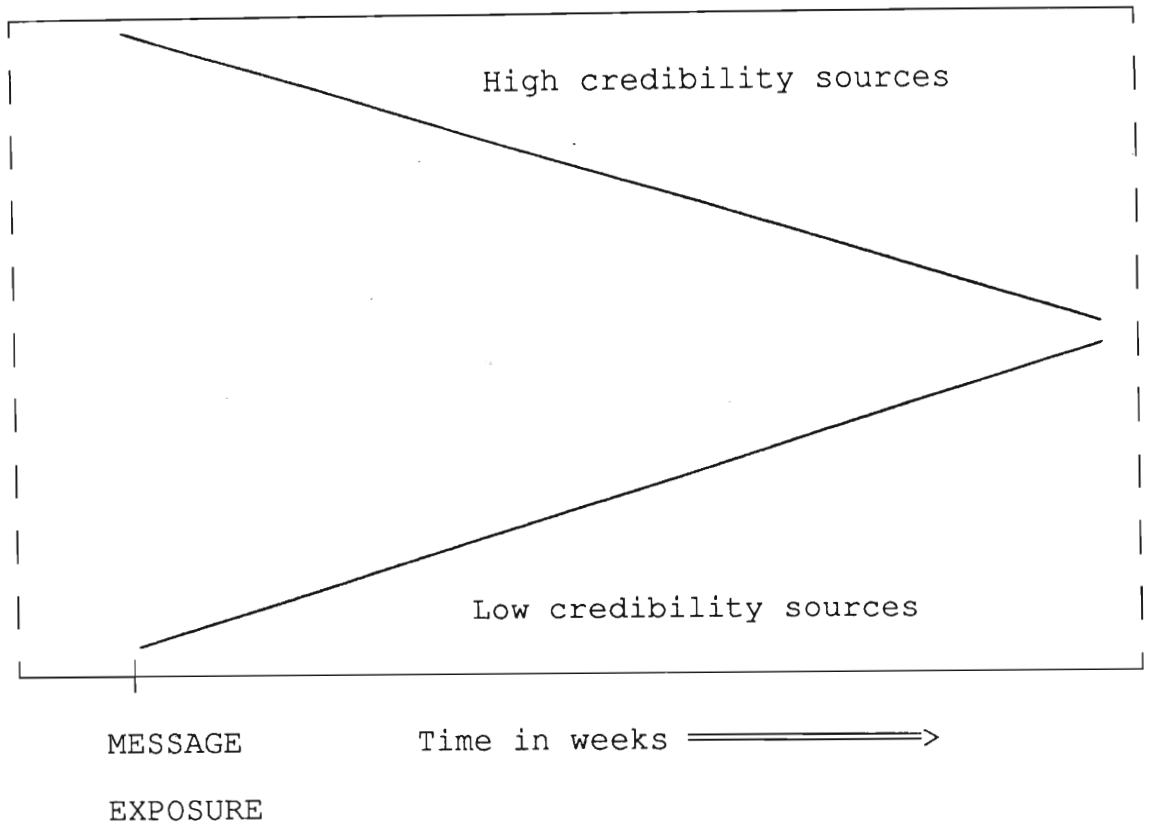
An influence on the impact of source credibility is the **initial opinion of the audience members**. "When receivers already hold opinions that are opposite to those presented in a message, a highly credible source is likely to generate more attitude change than will sources of lower credibility" because highly credible sources appear to have such a high level of believability that they obstruct cognitive responses and counterarguments (Loudon & Della Bitta 1988: 539).

Highly **discrepant messages** do not oppose receivers' initial opinions, but their beliefs. Credible sources are most effective in achieving changes in consumer attitudes for highly discrepant messages since it reduces cognitive responses considerably. Sources with low credibility are effective when receivers hold initial **opinions that are in keeping with message content**.

Attitude change can be attained with a low credibility source when the strategy is to develop a situation in which the source will communicate the message without gaining in any way. Under certain circumstances highly credible communicators can influence change in attitude. But in this case the initial effect can disappear very rapidly. However, "an audience exposed initially to a low-credibility source develops opinions more closely in line with the source as time passes" (Loudon & Della Bitta 1988: 541). This result is called "**the sleeper effect**" (Markin 1974: 329). The implication is that with the lapse of time, opinion change brought about by high and low credibility sources would move toward equality (Figure 3.27).

FIGURE 3.27

ATTITUDE CHANGE CONVERGENCE PREDICTED ON THE BASIS OF
SOURCE CREDIBILITY EFFECTS OVER TIME



(Loudon, D. & Della Bitta, A.J. 1988. Consumer Behaviour: Concepts and Applications. New York: McGraw-Hill Book Company. p. 541).

Highly credible sources can enhance the persuasiveness of marketing messages. A source will be perceived as having greater credibility if the audience views the person as being honest or trustworthy and believes this individual has nothing to gain personally by the message. The level of persuasiveness is increased when receivers view the source as having expertise or higher qualifications than others. A source whom the audience views as being high in status or prestige is frequently more credible than one perceived as being low in these qualities. The

credibility of communicators is also influenced by their physical traits and other features, for example, age, sex, colour, dress, voice inflections, "likability", "physical attractiveness" and attitudes of communicators (Chaiken & Stangor 1987: 599).

Communicators are more persuasive when they have a **positive attitude towards themselves, the message and the receiver**. When a source reflects self-confidence, a potential buyer can perceive this and be influenced to buy. Persuasiveness is increased when the source believes in the product being sold as well as in the sales message, when the marketer demonstrates "respect and admiration toward his prospective buyers" and when individuals perceive the source to be similar to themselves (Loudon & Della Bitta 1988: 545). Similarity can be perceived in terms of personality, race, interests, self-image and group affiliations.

These source factors are adhered to in order to maximize the persuasiveness of the source. However, effective communication also demands that cognisance be given to message factors as well.

3.7.4 MESSAGE FACTORS

The components that make up a persuasive message are:

3.7.4.1 MESSAGE STRUCTURE

Message structure refers to the manner in which the elements of a message are arranged.

a) MESSAGE SIDEDNESS

A message can either be one or two-sided. A **one-sided message** is one which reflects only the strengths of the communicators position. However, a **two-sided** one offers both the strengths and the weakness of the communicator's position or even the strengths of the competitor's position. Either approach can be more effective depending on "the audience's initial opinion on the issue", "their exposure to subsequent counterarguments" and "the audience's educational level" (Loudon & Della Bitta 1988: 545).

b) MESSAGE ORDER

"Because the learning of many marketing messages, particularly advertisements, involves a low-involvement learning process, the order of presentation of information presented in the ad is critical to the message's success" (Hawkins, Best & Coney 1989: 460). Therefore, it is beneficial to consider whether the most informative parts or the persuasive arguments in an advertising message should be positioned at the beginning, middle or end.

A **climax order** refers to "ordering message elements whereby the strongest arguments are presented at the end of a message" (Loudon & Della Bitta 1988: 547). When the most informative arguments are presented at the beginning of a message, it is referred to as the "**anti-climax order**" (Loudon & Della Bitta 1988: 547). A "**pyramidal order**" refers to the presentation of the crucial materials in the middle of the message (Loudon & Della Bitta 1988: 547). An anticlimax order tends to be most effective for consumers with a low level of

interest in the subject matter concerned because where interest is low, the stronger and more interesting arguments in a message should be placed first since they have the greater capability of attracting the attention of the consumers. "When the material presented first produces the greater opinion or attitude change, a **primacy effect** has occurred" (Loudon & Della Bitta 1988: 548). However, a "**recency effect**" occurs when the material displayed last produces the greater change (Markin 1974: 219).

c) **CONCLUSION DRAWING**

It is advantageous to draw a conclusion in order to achieve attitude change among less-intelligent consumers and to prevent them from drawing incorrect conclusions or no conclusions such that the intended opinion change does not occur. Consumers rated with a higher intelligence have the ability to draw the correct conclusion themselves so that there is no need to draw a conclusion for this group of individuals.

d) **REPETITION**

Consumers' attitudes can be changed in a favourable way by means of frequent advertising exposures. However, marketers should not expect continuously positive attitude change as a result of increasing repetitions of a message because message wearout does occur due to boredom and inattention. The implication is that "moderate levels of advertising repetition over time appear to positively influence attitudes" as well as encourage rehearsal and transferring of information to long-term memory (Loudon & Della Bitta 1988: 547).

3.7.4.2 MESSAGE APPEALS

Message appeals, if appropriately used, can enhance the persuasiveness of messages. Four common types of message appeals are fear appeals, distraction, participation and humour.

Fear appeals "make use of threat of negative (unpleasant) consequences if attitudes or behaviours are not altered" and are effective in persuasion (Hawkins, Best & Coney 1989: 455). Fear of physical danger and social disapproval are beneficial in influencing consumers' attitudes and their behaviours toward the advertised product. Thus, "one way a communication can reinforce the acceptance of new beliefs is to arouse and then alleviate emotional tension" (Jahoda & Warren 1966: 140).

"Pleasant forms of **distraction** can often work to increase the effectiveness of persuasive appeals in encouraging attitude change" (Loudon & Della Bitta 1988: 551). Distraction is effective in bringing about attitude change since it prevents counterarguments and results in greater acceptance of the message.

Participation can increase the effectiveness of a persuasive appeal since it is a means of gaining attention and enhancing learning. This explains why marketers give samples to potential consumers, encourage trial use, and provide coupons for trial purchase. Janis and King (1954) found that "spoken agreement induced by role playing tends to increase the effectiveness of persuasive communication" (Jahoda & Warren 1966: 146).

Radio and television advertising adopts **humorous appeals** in order to attract attention. Humour also helps "to moderate the perceived threat of fear appeals or to assist message persuasiveness in some manner (Loudon & Della Bitta 1988: 553).

3.7.4.3 MESSAGE CODES

The manner in which marketers arrange and use message codes have an impact on message persuasiveness.

The **verbal code** "is a system of word symbols" that are integrated in accordance with a set of rules (Loudon & Della Bitta 1988: 556). When devising verbal code structures, advertisers tend to use modifier words like adjectives and adverbs, to elicit favourable emotions within a consumer. **Non-verbal codes** refer to facial expression, gestures, posture, dress and mannerisms. They are extremely helpful in persuasive communications since they can affect how a receiver responds to a message. **Paralinguistic codes** are "those that lie between the verbal and nonverbal codes" and basically involve two elements which relate to "voice qualities" and "vocalizations" (Loudon & Della Bitta 1988: 557). It is evident that "response to advertising may be affected by the linguistic structure of the verbal portions of the ad" (Bettman 1986: 277).

It is evident that "advertising exposure, choice and usage" do influence persuasiveness of the message, although the effect varies for different groups of consumers" (Ginter & Bass 1972: 19). Persuasiveness also depends on the extent to which these message factors are considered.

However, effective communication also depends on receiver factors.

3.7.5 RECEIVER FACTORS

In order to ensure optimum persuasiveness and effective marketing, marketers need to have a knowledge of the consumers, their personality characteristics and belief types.

3.7.5.1 PERSONALITY TRAITS

Cognisance should be given to the relationship between personality traits and persuasibility in order to ensure effective communication.

Self-esteem refers to an individual's "feelings of adequacy and self-worth" (Loudon & Della Bitta 1988: 557). Individuals with low self-esteem have a tendency of being more persuasible than those with high self-esteem because "they lack confidence in their judgements and therefore tend to rely upon the opinions of others" (Loudon & Della Bitta 1988: 557).

Individuals with high level of **rich imagery**, who live in dream worlds or fantasies, are more persuasible than those who do not.

Consumers with high **intellectual ability** tend "to be more influential than will those with low intelligence when exposed to persuasive communications that rely primarily on impressive logical arguments" (Loudon & Della Bitta 1988: 558). This can be attributed to their ability to draw valid inferences. However, individuals with high intelligence tend "to be less

influenced than will those with low intelligence by unsupported generalities or false, illogical, irrelevant arguments" because of their high standard of evaluation or critical ability (Loudon & Della Bitta 1988: 558).

3.7.5.2 BELIEF TYPES

Three basic belief types influence the commitment that the consumer will possess, namely, "central beliefs", "derived beliefs" and "central-free beliefs" (Loudon & Della Bitta 1988: 559).

Central beliefs represent the heart of a person's cognitive structure and is quite resistant to change. **Derived beliefs** are an outgrowth of central beliefs. **Central-free beliefs** exist separate and apart from other beliefs in the consumer's cognitive structure" (Loudon & Della Bitta 1988: 559). In descending order of difficulty in changing attitudes, these beliefs are central, derived and central-free beliefs.

Undoubtedly, these source, message and receiver factors must be considered by the marketing manager in order to ensure an effective communication process so that persuasiveness is maximized and generates significant attitude change. Attitude change strategies also affect the components of attitudes.

3.7.6 ATTITUDE CHANGE STRATEGIES

It is evident that marketing managers can form and change attitudes of consumers toward products and brands. Marketers change attitudes by focusing on one of the components of

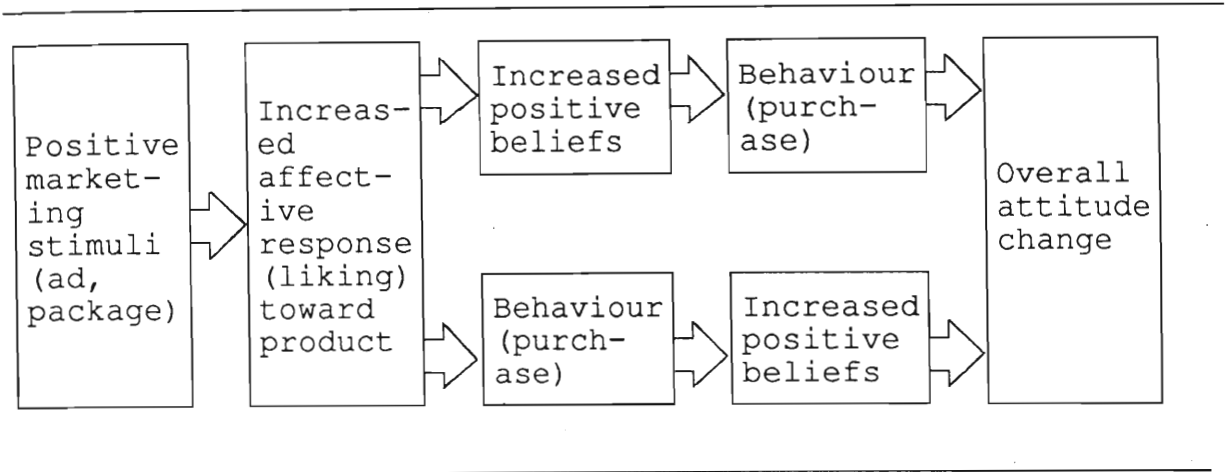
attitudes - either the cognitive, affective or conative. Since the three elements of the "triad" are consistent, a change in any one attitude component is likely to produce related changes in the other two (Thomas 1971: 26). "If one component in the tri-component attitude model is strongly influenced, it will have a domino effect on the other two" (du Plessis et al. 1990: 112). Marketers focus on any one or more of the components in attempts to develop favourable attitudes toward their brands.

3.7.6.1 **CHANGING THE AFFECTIVE COMPONENT**

Firms frequently try to influence consumers' liking of their brand without directly influencing the latter's beliefs and behaviour. "If the firm is successful, increased liking will tend to lead to increased positive beliefs which could lead to purchase behaviour should a need for the product category arise" (Hawkins, Best & Coney 1988: 464). Alternatively, increased liking may lead to purchasing the brand in order to satisfy a need and such purchase and use may result in increased positive beliefs (Figure 3.28).

FIGURE 3.28

ATTITUDE CHANGE STRATEGY FOCUSING ON AFFECT



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 443).

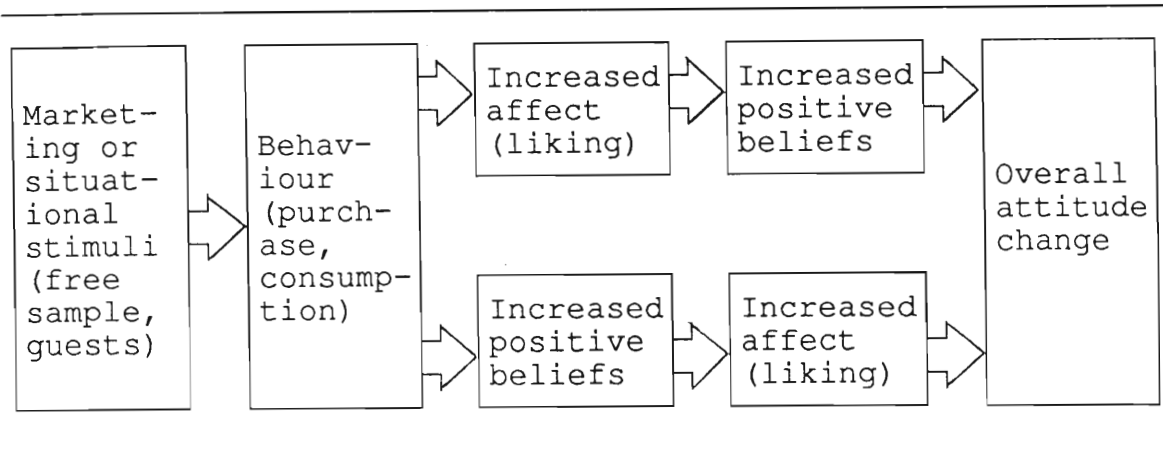
In their attempts to increase consumers' affect directly, marketers can use three basic approaches which involve classical conditioning, affect toward the advertisement and mere exposure (Cohen & Chakravarti 1990: 261).

3.7.6.2 CHANGING THE BEHAVIOURAL COMPONENT

Behaviour may precede or occur in contrast to the development of cognition and affect (Figure 3.29). For example, attitudes developed as a result of product trial are generally strongly held.

FIGURE 3.29

ATTITUDE CHANGE STRATEGY FOCUSING ON BEHAVIOUR



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1986. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 466).

Figure 3.29 shows that behaviour can lead directly to affect or to cognitions or simultaneously to both. Individuals often try new brands or low cost products without any prior knowledge, experience or affect. Such purchases provide information and satisfaction of some basic need, for example, hunger.

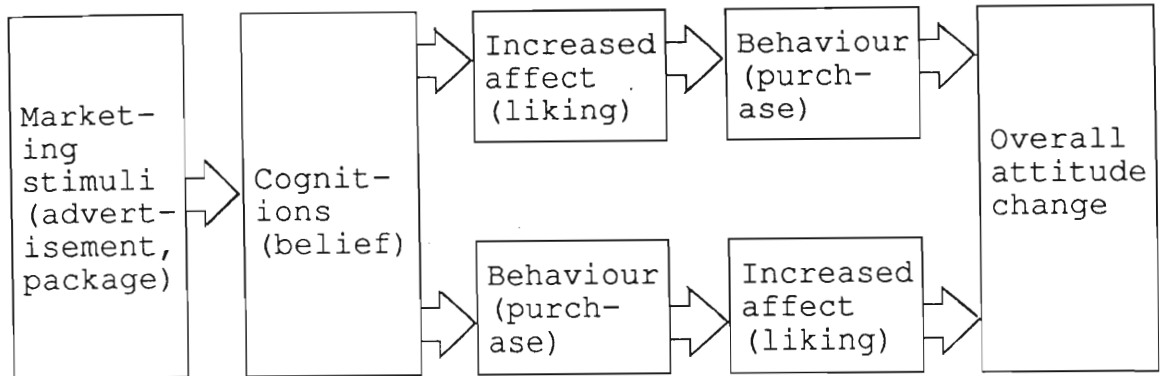
Changing behaviour before changing affect or cognition is based on instrumental conditioning. "The key marketing task is to induce people to purchase or consume the product while ensuring that the purchase/consumption will indeed be rewarding" (Hawkins, Best & Coney 1989: 445). Techniques for encouraging trial behaviour are coupons, free sample, point of purchase displays and price reductions.

3.7.6.3 CHANGING THE COGNITIVE COMPONENT

The most frequently used approach to change attitudes is to focus on the cognitive component and "alter consumers' beliefs" (Engel, Blackwell & Miniard 1990: 319). The intention is to influence beliefs so that affect and behaviour will then change (Figure 3.30). One of the most important tasks of marketing research is to determine which beliefs are the primary ones that directly influence attitudes so as to ensure effective marketing effort. The beliefs that the marketer actually attempts to change are called the "target beliefs" (Zaltman & Wallendorf 1983: 455). Marketers ensure that target beliefs are related to consumers' primary beliefs in order to bring about attitude change. It is also possible that a change in cognition can lead directly to purchases which would, in turn, lead to increased affect.

FIGURE 3.30

ATTITUDE CHANGE STRATEGY FOCUSING ON COGNITIONS



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. Consumer Behaviour: Implications for Marketing Strategy. 3rd Edition. Texas: Business Publications, Inc. p. 445).

The cognitive structure of a consumer's attitude can be changed by using one of four basic marketing strategies:

- * The marketer can change beliefs of the consumers about the attributes or performance of the brand.
- * The marketing manager can change the relative importance of these beliefs from negatively evaluated attributes to positively evaluated ones.
- * The cognitive structure can be changed by adding new beliefs to the consumer's belief structure. "Adding a new salient belief to the existing beliefs that consumers have about a product or brand is probably the most common attitude-change strategy" (Peter & Olson 1990: 149).
- * The marketer can alter the cognitive component by changing the beliefs or perceptions of consumers about the attributes of the ideal brand.

Consequently, attitude change can be brought about by either focusing on affect, behaviour or cognitions.

3.7.7 THE IMPORTANCE OF ATTITUDE CHANGE IN MARKETING

In order to increase sales and the firm's market share, the marketer attempts to change the consumer's priority of needs and the consumer's brand attitudes. Undoubtedly, "one of the most important reasons for studying attitudes is to gain insights into how attitudes may be changed" (Horton 1984: 177). Existing attitudes are reinforced or changed primarily through advertising. Market stimuli must be effectively and efficiently communicated with due consideration of source, message and receiver factors in order to ensure that the message is correctly and successfully decoded by consumers. This would ensure and maximize attitude change in consumers.

Marketers recognise that attitude change depends on the level of consumer involvement with the product. This will determine the type of technique the marketer must adopt in bringing about attitude change.

Attitude change strategies involve a change in either the cognitive, affective or conative elements in the attitude components triad. A knowledge of these strategies will enable marketers to determine which of the components should be changed considering the prevailing circumstances, in order to optimize attitude change. It also enlightens the marketer on the approaches to adopt in bringing about a change in each component and attitude change since

a change in any one element will affect changes in the other two components.

Undoubtedly, attitude change is a tactful strategy of marketing managers since one way to change consumers' behaviour and ensure effective marketing strategy, effort and market share, is to alter consumers' attitudes.

3.8 CONCLUSION

A study of the individual influencing factors indicate what forces activate and direct the behaviour of consumers. It is evident that the major individual determinants of consumer behaviour influence how the consumer proceeds through the decision-making process regarding products and services. The environmental stimuli do not directly influence consumer behaviour but are modified by the internal influences. These influences do not only have a tremendous influence on the decision process but also influence each other greatly. It is evident that each and every individual influencing variable plays a crucial role in consumer behaviour.

Motives are internal factors that energise behaviour and provide guidance to direct the activated behaviour. Involvement reflects the importance that the consumer perceives in a given purchase situation; however, not all motivations lead to action. High involvement leads to a motivated state and the act of purchases in consumer behaviour.

Consumers act and react on the basis of their perceptions that influence their action, buying and leisure characteristics. Marketers understand the process by which individuals formulate impressions of goods, stores and objects in the environment in order to conclude what influences consumers to purchase and be more effectively equipped to efficiently communicate with them.

Learning and memory are influencing variables on consumer behaviour. Since most consumer behaviour is learned, it is crucial for marketers to be aware of what consumers learn, how they learn and what variables dictate the retention of learned information in memory. These issues are essential in understanding consumers since they do not only purchase and recall product names, brands and characteristics, but learn standards for evaluating products, stores to shop at, problem-solving abilities, patterns of behaviour and tastes. This stored information has a significant impact on future purchases.

Personality and self-concept are influencing factors in consumer decision-making and are determinants of behaviour. Personality variables provide marketers and advertisers with a wealth of information needed to understand consumer behaviour. They provide a basis for segmenting markets, directing product positioning, advertising and provide guidelines for the media. The individual's self-concept may be thought of as an orderly set of perceptions of one's traits and capabilities, relation to others and the environment, values and one's objectives and ideas. The self-concept combines motives into a useful pattern that is portrayed in purchasing behaviour. The marketing implication is that an apparent link between self-concept and buyer behaviour provides a basis for a potent selling appeal.

Marketing managers understand what attitudes are, how they operate, how they can be measured as well as changed. This information will enable marketers to efficiently and successfully reinforce or change attitude in order to influence consumer choice and purchases. This is crucial since attitudes guide consumers basic orientations towards objects, people and events. Consequently, they strongly influence how consumers act and react to goods and services, and how they will respond to marketing communication formulated to convince them to engage in the act of purchases. Numerous attitude change strategies can be used to significantly generate and modify consumers' attitudes and are activated by means of marketing communications that incorporate proper and suitable message and source factors as well as receiver variables. However, consumer decision-making and behaviour does not only depend on the major individual influencing variables. In addition, various physical and social stimuli which exist in the external environment of consumers affect their cognition, affect and behaviour.

CHAPTER 4

CONSUMER DECISION-MAKING: ENVIRONMENTAL

INFLUENCING VARIABLES

4.1 INTRODUCTION

Various environmental influences impact on consumers' cognition, affect and behaviour. These external variables are culture, subculture, social class, social groups, family and personal influence.

Culture refers to the socially learned characteristics that are shared by the members of a society. Although consumers may be similar biologically, their views, values and behaviour vary in accordance with their cultural backgrounds.

Cultural patterns are not the same in all stratas of a society. Subcultures exist and marketers distinguish more homogenous subcultures within the entire heterogenous society. Marketers identify which subculture is their potential buyers or their target market.

Marketing managers also distinguish between consumers on the basis of their positions in a society. They identify the social class of consumers since members of a society can be ranked into higher and lower social positions. This does not imply a discrimination in society but social classes do exist and marketers take cognisance of their occurrences in order to develop successful marketing strategies.

Another environmental influence is social groups, which relate to a collection of people who have a common sense of relatedness because they interact with each other. Social groups have a powerful influence on the decisions of consumers due to individuals' desire to conform, be accepted and create an impression. Marketers recognise the type and extent of social influence and the degree to which consumers give in to such influences.

Reference groups and the family have a considerable impact on consumer decision-making. Such groups determine individuals' judgements, beliefs and behaviour and is a source of information and influence on consumers. The family is crucial to the marketer since family members not only influence each other but make collective decisions on their consumption.

Personal influence determines consumer decision-making. It refers to the change in an individual's behaviour or attitude that arises as a result of communication. This form of influence is vital to marketers since the success of their product depends on positive word-of-mouth communication, opinion leadership and effective promotional activities.

The various environmental factors have crucial implications for the marketing manager. The success of marketers' products depend largely on the extent to which they understand and advantageously utilise these influences. A knowledge and analysis of these determinants of consumer decision-making is essential if one is to understand the process of consumer choice.

4.2 CULTURE

Culture is one of the major environmental variables impinging on consumer behaviour. "One's culture and the impact of culture are significantly important throughout the whole spectrum of human and consumer behaviour" (Markin 1974: 454). It is significant in most interpersonal and interactive situations, has an impact on the consumption and use of goods and services and influences the development of marketing strategies.

4.2.1 DEFINITION

Culture is the "complex of values, ideas, attitudes and other meaningful symbols created by people to shape human behaviour and the artifacts of that behaviour, transmitted from one generation to the next" (Engel, Kollat & Blackwell 1978: 65). It is "the distinctive life style of an aggregate of people; it represents their design for living and their adaptation to their environment" (McNeal 1982: 193). Culture therefore, comprises of both abstract elements consisting of values and attitudes, as well as material components in the form of "man-made objects such as products that are created, marketed, purchased, and used by members of society" (Peter & Olson 1990: 334). Furthermore, these definitions stress culture is everything that is socially learned and mutually shared by the members of society.

Culture affects consumer behaviour because it largely influences and dictates "what is proper and acceptable in terms of consumer behaviour and the whole range of consumer decision-making processes" (Markin 1974: 457). In order to appreciate the nature of culture

and its effect on consumer behaviour, an understanding of the characteristics of this environmental influencing variable is crucial.

4.2.2 CHARACTERISTICS OF CULTURE

The following represents characteristics that are common to all cultural values:

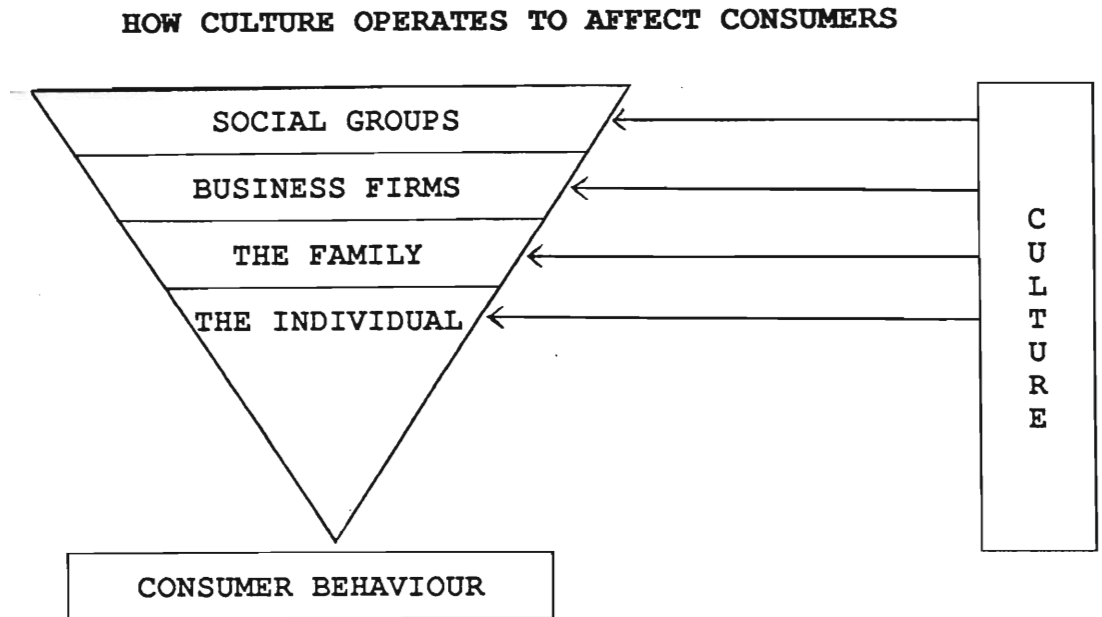
Culture does not simply exist but is **invented** by people and it comprises of three "interdependent systems" which relate to "ideological", "technological" and "organizational" systems (Loudon & Della Bitta 1988: 166). An **ideological or mental component** consists of the ideas, beliefs, values and ways of reasoning that people learn to accept in defining what is desirable and what is not. The **technological system** is composed of the skills, crafts and arts that allow people to manufacture material goods derived from the natural resources. An **organisational system** is represented by the family and social class and enables people to co-ordinate their action effectively with the behaviour of others.

The process of **learning** the values of another culture is called "**acculturation**" (Engel, Kollat & Blackwell 1978: 65). Learning the values of one's own culture from childhood is known as "**socialization**" (Assael 1987: 300).

Culture **guides** the behaviour of individuals. It determines what is appropriate and acceptable by establishing standards, for example, regarding proper social relations, safety and eating habits. If behaviour disregards the cultural norms, sanctions or restrictions may be imposed. In fact, culture underlies consumer search, which is undertaken within the framework of

society (Figure 4.1).

FIGURE 4.1



(Walters, C.G. & Bergiel, B.J. 1989. *Consumer Behaviour: A Decision-Making Approach*. Cincinnati: South-Western Publishing Company. p. 255).

Figure 4.1 indicates that "the individual is the smallest unit of consumer behaviour, and the pyramid rises from there according to the increasing size of the unit with which the individual identifies. Culture affects all level of the society as shown" (Walters & Bergiel 1989: 255).

Cultural elements are **gratifying** and are passed on from one generation to another because individuals feel comfortable acting in the customary manner. "Our thorough inculcation of culture causes it to persist even when we are exposed to new cultures" (Loudon & Della Bitta 1988: 167). Cultural persistence implies that although change is possible, it is difficult

because of strong resistance.

Despite people's resistance to change, cultures are **adaptive** and gradually and continuously undergoing a transition. Culture enables or facilitates "what amounts to the adapting, accommodating, coping process of the individual in relation to his demanding environment" (Markin 1974: 458). In this way it facilitates problem-solving and adapts to the physical and social environment" (Walters & Bergiel 1989: 260).

Culture is "a group phenomenon," that is **shared** by people living in organised societies and kept rather uniform as a result of social pressure (Loudon & Della Bitta 1988: 166).

The characteristics of culture indicate that culture sets boundaries on behaviour, referred to as cultural norms. Norms are rules that specify or prohibit specific behaviour in particular situations and are derived from cultural values which play a pivotal role in dictating what is acceptable and in directing behaviour.

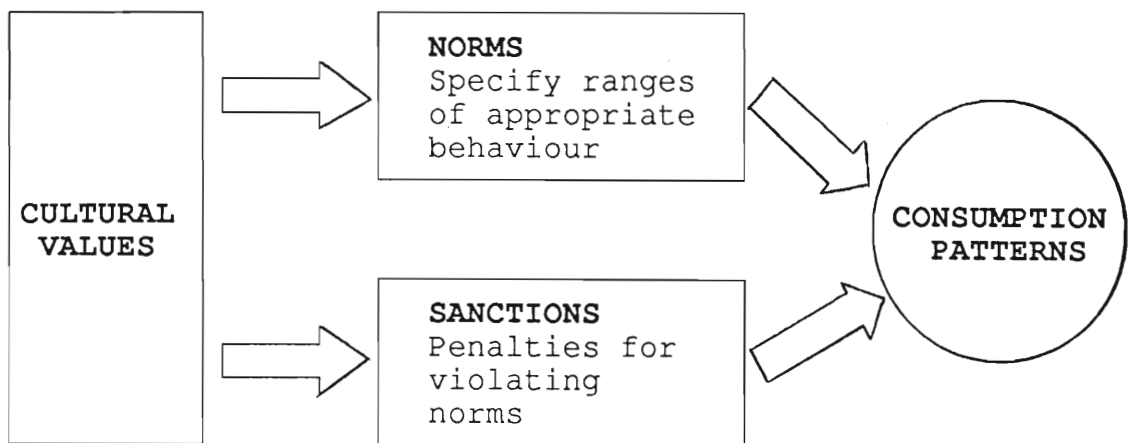
4.2.3 CULTURAL VALUES

Cultural values are "centrally held and enduring beliefs which guide actions and judgments across specific situations and beyond immediate goals to more ultimate end-states of existence" (Loudon & Della Bitta 1988: 167). Since values produce a tendency to respond to specific stimuli in prescribed ways, consumers engage in activities that promote the achievement of certain values and refrain from those that act as obstacles to the attainment

of these values. Since values are culturally prescribed they are learned from social relations, from families and friends. Cultural values give rise to norms and sanctions which in turn influence consumption patterns and behaviour (Figure 4.2).

FIGURE 4.2

VALUES, NORMS, SANCTIONS, AND CONSUMPTION PATTERNS

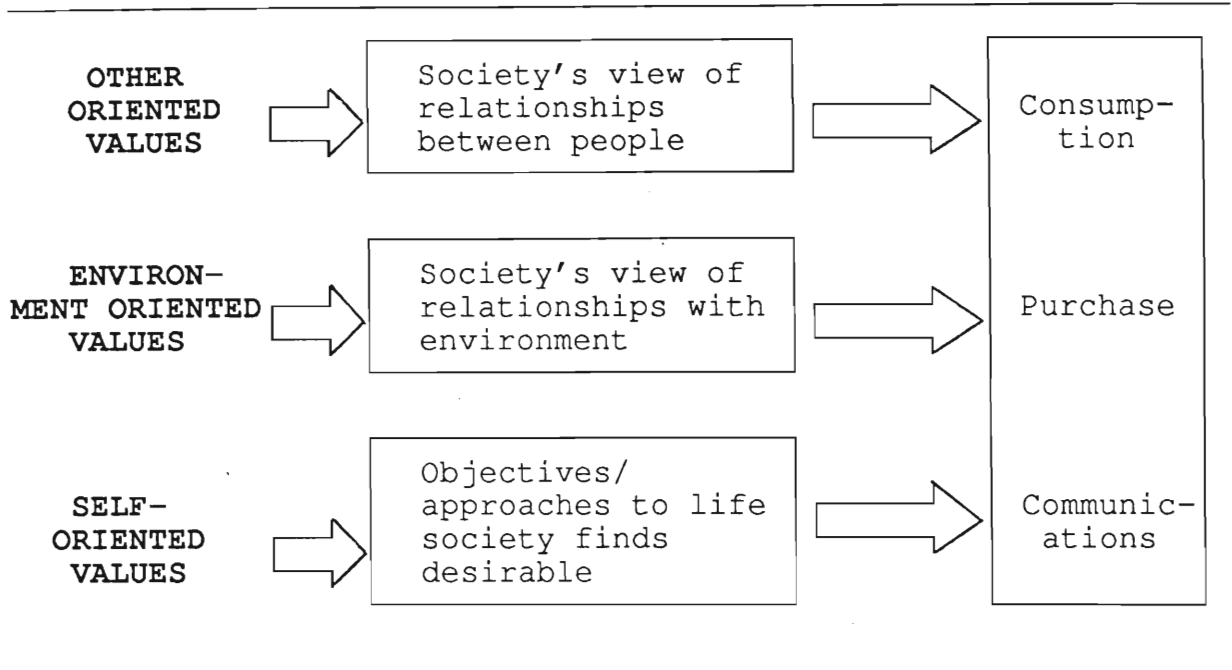


(Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. *Consumer Behaviour: Implications for Marketing Strategy*. 4th Edition. United States of America: Richard D. Irwin, Inc. p. 46).

Cultural values can be classified into three broad forms as "other-oriented values," "environment-oriented values" and "self-oriented values" (Figure 4.3) (Hawkins, Best & Coney 1989: 48).

FIGURE 4.3

VALUE ORIENTATIONS INFLUENCE BEHAVIOUR



Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. *Consumer Behaviour: Implications for Marketing Strategy*. 4th Edition. United States of America: Richard D. Irwin, Inc. p. 49).

Values are important in most cultures and they are relevant to consumer behaviour in industrialised societies (Appendix A). Although most of these values are depicted as dichotomies, it does not imply an either/or situation but a continuum exists between the two anchor points.

Marketers understand society's primary cultural value structure so that marketing strategy decisions are in congruence with deep-rooted cultural patterns. This is crucial since "it is much easier to harmonize with the culture than to attempt to change fundamental cultural

values" (Loudon & Della Bitta 1988: 165). However, "one of the curious anomalies in the field of consumer research has been the lack of attention devoted to cultural values" (Kassarjian 1982: 642). This is particularly paradoxical since values play a significant role in personal, social and cultural activities. Since culture is not static but evolve and changes gradually over time, marketers take cognisance of both existing cultural values and the emerging ones of the societies or cultures they serve.

4.2.4 THE IMPLICATION OF CULTURAL CHANGE FOR THE MARKETER

Cultural changes mould new consumers and have significant implications for many dimensions of marketing strategy, particularly product planning, distribution, advertising and market segmentation decisions.

By assessing consumers' prevailing and emerging cultural values, the marketer is able to identify new **product opportunities** and attain improved product positioning among consumer segments. Changes in the value systems of consumers may lead to different shopping patterns and new shopping centres and channels of distribution may be required to reach consumers. Changing consumers necessitate new approaches in **promotion** in order to ensure attention getting and persuasive appeals. There are a number of ways that advertising is moving to appeal to the values of the changing society. Strategies adopted are providing more information, "defiance of social taboos," "more advertising segmented toward the higher-educated, higher-income groups" and greater stress on ecology (Loudon & Della Bitta 1988: 183).

A knowledge of consumer value orientations provides insight into consumer needs and is useful in predicting changing consumption patterns for products. It may also enable the marketer "to identify large **market segments** on the basis of value profiles and then develop programs that would enhance these values important to each consumer segment" (Loudon & Della Bitta 1988: 183).

4.2.5 CROSS-CULTURAL INFLUENCES

Knowledge of different cultures enhances marketers' effectiveness in foreign commercial environments and prevents them from thinking and acting as they would in their own home environment. Marketers remember that "people living in other cultures have experienced other kinds of trends, based on differing life-styles and events in their cultures" (Wilkie 1986: 13). As a result of cultural barriers, decision areas for the international marketer are market segments, product, promotion and distribution channel considerations.

Just as in domestic marketing there will be **market segments** that must be recognised and understood in order to ensure the development of successful marketing programmes internationally.

Consumers in different countries have a varying mix of **consumption patterns**. The kinds of goods and services that are sold in each culture varies accordingly. The value system should be investigated for influences on purchasing, owning, using and disposing of the product since much of the marketing strategy will be based on this analysis. An

understanding of the foreign culture is crucial when **promoting** in international markets because promotional campaigns can fail due to cultural barriers unless they are adapted and adjusted accordingly. International markets need to "adapt to differences in shopping habits and patterns of **distribution** abroad" (Assael 1987: 321).

It is evident that cultural differences provide difficult challenges for international marketers. Such marketers need to examine foreign cultures and their operations in order to develop adequate cultural sensitivity to avoid major pitfalls.

4.2.6 THE IMPORTANCE OF CULTURE IN MARKETING

Vast differences exist among cultures in terms of demographics, socio-economics, values, languages and the physical and social infra-structure that supports each culture. These differences emphasize the importance of the recognition and understanding of cultural variables in the development of effective market strategy. A lack of knowledge of cultural differences have often adversely affected the marketing strategies of firms.

"Problems in cross-cultural marketing occur primarily because, being unfamiliar with the customs, laws, values, social norms, etc., of the other culture, one frequently does not even know what questions to ask and is, therefore, frequently taken by surprise" (Horton 1984: 329). Undoubtedly, it requires an application to become familiar with the characteristics of another culture and "there is no substitute for long-term, total emersion in a culture" (Horton 1984: 329). The basic concepts and research instruments of marketing and buyer behaviour

are as relevant to cross-cultural marketing as they are to domestic marketing. In both cases the marketer needs to understand potential buyers and formulate an effective marketing mix. Also, in both situations careful research is needed to understand and learn the market and the optimal marketing strategy. However, effective marketing strategy demands the analysis of subculture as an additional environmental influence on consumer behaviour.

4.3 SUBCULTURE

Individuals in a society do not all have the same cultural values and cultural patterns. Hence, the marketing manager can distinguish between more homogenous subgroups within the heterogenous national society. These groups have homogenous values, customs, traditions and other ways of behaving that distinguish them from society as a whole and are called subcultures.

Individuals may be members of one or more subcultures at the same time. Marketers identify who makes up the most relevant subculture for their particular product or service. "By knowing the characteristics and behavioural patterns of the segment they are trying to reach, they are in a better position to refine the marketing mix required to satisfy that target segment properly" (Loudon & Della Bitta 1988: 198). Three broad groupings of subcultures that reflect differences in norms, beliefs and behaviour refer to the age, geographic and ethnic groupings.

4.3.1 THE DEFINITION AND NATURE OF SUBCULTURE

Within a society it is possible "to identify subgroups with distinct characteristics" (Horton 1984: 331). Hence, a subculture "is a distinct cultural group which exists as an identifiable segment within a larger, more complex society" (Schiffman & Kanuk 1978: 365). "The members of a specific sub-culture possess beliefs, values, and customs that set them apart from other members of the same society" (Perumal 1988: 25). It can be maintained that subcultures "are segments within a culture that share a set of distinguishing meanings, values, and patterns of behaviour that differ from those of the overall culture" (Peter & Olson 1990: 345).

4.3.2 TYPES OF SUBCULTURES

Subcultures can be defined by:

4.3.2.1 AGE GROUPS

Marketers have tended to identify three different age groups as subcultures which relate to "teens", "baby boomers" and the "elderly" or the mature market (Assael 1987: 330).

The **youth market** is a significant subculture for the marketer and is made up of those between the ages of fourteen and twenty four. "The methods of expression and the new living arrangements of the young are different. They seek a new bundle of symbol systems" (Markin 1987: 478). This group has a major influence on household purchases. "This (teenage)

market also occupies an important position in terms of its secondary influence on parents' buying decisions" (Loudon & Della Bitta 1988: 218). The youth market is significant because it has "the potential to develop brand loyalty that may last a lifetime" (Peter & Olson 1990: 348).

Baby boomers are often defined as those persons predominantly in their late 20's and mid-40's who are entering their prime earning and spending years. They place emphasis on health and exercise and reduce their consumption of cigarettes, coffee and strong alcohol beverages. They also place major concern on quality and tend to be far less concerned with bargain hunting. Baby boomers have a strong impact "on markets for housing, cars, food, clothing and cosmetics, and financial services" (Peter & Olson 1990: 349).

Marketers have begun to divide the **mature market** into four elderly markets, which consists of "the older (55 - 64), the elderly (65 -74), the aged (75 - 84), and the very old (85 and over), with different needs and purchasing patterns in each group" (Assael 1987: 330). Whilst many of the members of this group no longer work, "they often have considerable financial burdens associated with "child rearing, mortgages and furnishing a household" (Peter & Olson 1990: 350). Older consumers place great importance on manufacturers' brand names and tend to buy fewer private labels and "appear to demand guarantees and warranties more often than do average consumers" (Loudon & Della Bitta 1988: 255). They are less inclined to try new products particularly those that involve adapting new technologies and have more time to enjoy entertainment and leisure activities. Although the mature market tends to spend more money on food for home than on outdoor consumption, restaurants provide for senior citizen

discounts and menus designed for the tastes and requirements of older people. "The elderly represents a significant market for skin care products, vitamins and minerals, health and beauty aids, and medications that ease pain and promote the performance of everyday activities" (Peter & Olson 1990: 367).

4.3.2.2 GEOGRAPHIC AREAS

Individuals in different parts of the country often display differences in their patterns of behaviour, cultural meanings, values, tastes and way of life which may be influenced by climatic factors, natural resources, economic and population structures and the distribution of numerous nationality groups within the region.

4.3.2.3 ETHNIC SUBCULTURES

Subcultural entities in a country are often defined by ethnic origin, that is, race, religion and national origin. Consumers in a specific racial, religious or national group are considered part of a subculture "when they have a common heritage or environment that influences values and purchasing behaviour" (Assael 1987: 331). Racial subcultures comprises of individuals with a common biological heritage involving specific physical distinctions. "Religious subcultures are composed of people with a common and unique system of worship" (Loudon & Della Bitta 1988: 199). People with a common national origin constitute another ethnic subculture, often characterised by a distinct language or accent.

The identification and knowledge of the ethnic dimensions of subculture are necessary since consumer behaviour varies among subcultures.

4.3.3 THE INFLUENCE OF SUBCULTURE ON CONSUMER BEHAVIOUR

Subcultures affect buyer behaviour via their influence on consumer values. The individual who identifies closely with a certain religious, ethnic or national subculture will accept the norms and values of that group. Members of a subculture often purchase the same brands and products, read similar periodicals and have the same criteria for store selection.

The influence of subculture on consumers differ depending on the strength of a consumer's association with the subculture. This form of influence also impacts on the behaviour of consumers via several other factors. Firstly, it is a product of "subcultural distinctiveness" (Assael 1987: 329). The more a subculture seeks to maintain a separate identity, the greater is its potential influence. The second factor refers to a "subcultural homogeneity" where the values have a greater tendency of exerting influence on its members (Assael 1987: 329). The third determinant is "subcultural exclusion" (Assael 1987: 329). Sometimes subcultures seek exclusion from society or is excluded by society. This tends to strengthen the influence of subcultures by isolating them from society, thereby encouraging the maintenance and protection of subcultural norms, beliefs and values. Distinctiveness, homogeneity and exclusion interact to maintain subcultural identity separate from the overall culture. The concept of subculture has become a crucial determinant in developing market strategies.

4.3.4 THE IMPORTANCE OF SUBCULTURE IN MARKETING

Marketing strategy ought to be predicted upon the firm's understanding of its consumers. However, consumer behaviour is not just the simple act of purchases but a complex composition of activities that are influenced by numerous factors including subcultures. Marketers recognise subcultures because they represent groups with distinct values, customs, tastes and buying habits. The more distinctive and homogenous a subculture is, the greater will be its impact on consumer buying behaviour.

It is also evident that consumers advanced in age represents a powerful economic force that is certain to grow even stronger. "There is substantial opportunity in this subculture for the marketer not only to satisfy the goals of the firm, but at the same time to help accomplish some of society's aims as well" (Loudon & Della Bitta 1988: 229).

Strategy design and the development of marketing programmes demands a knowledge and understanding of subculture. "Subcultures, representing definable target groups for specific products and logical units for the segmenting of larger markets, are the relevant units of analysis for market research" (Markin 1974: 477). Organisations increasingly explore the possibility of enhancing the firm's effectiveness by product differentiation and market segmentation. They have to understand the differences in value orientations, nationality, race, age and other factors that tend to separate an entire society into a series of subcultures. However, the development of effective marketing strategies and an understanding of consumer behaviour also demands the analysis of social class as a determinant of buyer behaviour.

4.4 SOCIAL CLASS

Social class refers to "the position of an individual or family on a social scale based on criteria such as occupation, education, and income" (Assael 1987: 351). These traits determine the prestige or power of the individuals and their position as upper, middle or lower class. Members of the same social class are more likely to share certain values, attitudes and behaviours because of similar socio-economic characteristics. The concept of social class is useful to the understanding of consumer behaviour and the development of marketing strategy since this variable influences the consumption patterns of individuals.

4.4.1 SOCIAL STRATIFICATION

The classification of people into upper, middle and lower class indicates that some individuals rank higher than others in prestige and power. Although there is a belief that all individuals are created equal, social stratification does exist, whereby "people in a society are ranked by other members of a society into higher and lower social positions, which produces a hierarchy of respect or prestige" (Loudon & Della Bitta 1988: 236).

4.4.2 THE DEFINITION AND NATURE OF SOCIAL CLASS

Social class may be defined as " a group of people with similar levels of prestige and esteem who also share a set of related beliefs, attitudes, and values which they express in their thinking and behaviour" (McNeal 1982: 199). The following are the basic characteristics of

a social class:-

Status refers to "the relative ranking of each social class according to criteria important to the society" (Assael 1987: 353). Determinants of status are "authority over others," "power (political, economic, military)", ownership of property, income, "consumption patterns and lifestyle," occupation, education, public service, "ancestry" and "association ties and connections" (Berelson & Steiner 1964: 453).

Social classes are based on numerous components and are **multidimensional**. "One's position on the social scale is based on several socio-economic measures that are combined into an index of social class" (Assael 1987: 354). Hence, social class "is a composite of many personal and social attributes rather than a single characteristics such as income or education" (Peter & Olson 1990: 355).

Social classes have a vertical arrangement in that they are ranked in a **hierarchy** ranging from high to low status so that an individual is positioned on a social scale. Social class categories show people "that others are either equal to them (about the same social class), superior to them (higher social class) or inferior to them (lower social class)" (Perumal 1988: 34).

Social classes **restrict behaviour**. "Members of the same social class tend to associate with each other and not to any large extent with members from another social class because they share similar educational backgrounds, occupation, income levels and lifestyles" (Loudon & Della Bitta 1988: 240).

Social classes may be seen as **homogenous** divisions of society in which individuals within a class have similar attitudes, activities, interests and behaviour patterns. They also are exposed to similar media, purchase similar goods and services and patronize the same stores.

Social classes are **dynamic**. "Through higher education, better job opportunities and increases in income, there has been a continual upward movement of families in the class structure" (Perumal 1988: 35). Social class determines product usage, brand preference, attitudes, store image and store patronage. It would be beneficial for consumer researchers to measure social class.

4.4.3 SOCIAL CLASS MEASUREMENT

Three measures that can be used by marketers to measure social class are the reputational, subjective and objective methods. When measuring social class cognisance must be given to each status dimension, for example, income, education, housing, and not just the average of the dimensions when ranking social class. Since, social class is dynamic, cognisance must be given to "reference-group effects" from other classes and not just the class to which the individual belongs (Loudon & Della Bitta 1988: 243).

An evaluation of the specific relationships between social class and buyer behaviour demands an analysis of the profile of the different social classes since each has unique characteristics.

4.4.4 SOCIAL CLASS PROFILES

Warner (1960) classifies social class into six parts each with distinct norms, values and lifestyles.

The **upper-upper class** are the elite members of society, many of whom have inherited wealth. The values and priorities of these people are "living graciously, upholding the family reputation, reflecting the excellence of one's breeding, displaying a sense of community responsibility" (McNeal 1982: 211). Their occupations are of a professional nature, for example, lawyers, corporate executives, landowners and managers.

The **lower-upper class** is distinguished basically by the fact that their wealth is earned rather than inherited. This class is the "nouveaux riche" or newly rich and are less secure in their social position (Loudon & Della Bitta 1988: 245). Their goals are a blend of the upper-upper class pursuit of gracious living and the upper-middle class drive to succeed.

The **upper-middle class** consists of successful professional and business citizens but they do not possess the wealth or status of the upper class. They are career oriented, achievement motivated, place great emphasis on education and appraise product quality and value. "The upper-middle class is fashion oriented and also emphasizes leisure activities as a means of balancing a career orientation" (Assael 1987: 356).

The **lower-middle class** comprises of white-collar workers, small businessmen and highly remunerated blue-collar workers. The typical lower-middle class member emphasizes respectability, a strong work ethic, and close adherence to cultural norms. They tend to be price sensitive and to maintain a comfortable, well-run home.

The **upper-lower class** is composed mainly of blue-collar workers and is sometimes referred to as the working class. These individuals' lack of self-expression, routine and dull way of life leads them to a pattern of impulse buying. "They are oriented toward enjoying life and living well from day to day rather than saving for the future" (McNeal 1982: 212).

The **lower-lower class** comprises of people who are unskilled, poorly educated, sporadically employed and socially disadvantaged. They occupy a marginal position in society and their purchase behaviour is constrained. "Poorly informed about alternative choices, the lower-lower class often pays too much, buys on credit at high interest rates, and too frequently is stuck with low quality goods because of an inability to make sound value judgements" (Horton 1984: 346).

The members of each social class have behavioural differences and varying consumption choices and patterns. This makes it necessary to analyse the relationship between social class and behavioural considerations.

4.4.5 SOCIAL CLASS AND BEHAVIOURAL CONSIDERATIONS

The major behavioural characteristics of persons belonging to different social classes are:

The **value and belief** orientations of persons in different social classes differ and affect individuals' aspirations and motivations and their entire sequence of social and economic striving. **Attitudes** vary among persons in different social classes. "As relatively enduring psychology sentiments of liking and disliking, attitudes are predispositions to behaviour" (Markin 1974: 414). Individuals from different social classes vary in their **perception** and interpretation of sensory stimulation. "Priorities in living, working, spending, and consuming are affected by one's perception of the social, economic and psychological world" (Markin 1974: 414). The manner of expression, the degree to which information is valued, acquired and utilised, the type of information sources used and the choice of primary and reference group affiliations are influenced by the **position** of the person on the social scale. Other behavioural differences that are associated with the position of the individual on the social class hierarchy relate to **personality, lifestyle, social and interactions, morality and life chances**. The factors "eventually overt themselves into real differences in observable behaviour" (Markin 1974: 414).

Since behavioural differences are associated with social class, marketers are concerned with this concept to the extent that it is a determinant of consumer behaviour.

4.4.6 SOCIAL CLASS AND CONSUMER BEHAVIOUR

Social class has a bearing on the entire range of consumption expenditures of consumers. "The kind, quality and style of clothing an individual wears appears to be linked to that individual's social class" (Engel, Kollat & Blackwell 1978: 130). Schaninger (1981) found higher social classes tend to purchase more highly priced dresses and men's suits. Upper and middle class women are more style conscious and interested in fashion than lower class women, who dress more for comfort than fashion.

Social class differences have also been noted in home decorating and major appliances with regards to style, fashion and comfort. Higher social classes tend to use highly styled furniture, art and sculpture as a source of self-expression. Lower social classes stress "comfort, sturdiness and maintenance" (Horton 1984: 347). With regards to appliance ownership research shows the higher social classes own more modern appliances, prefer coloured ones and indicate a greater willingness to pay for the better things in life (Coleman 1960, Levy 1966, Roscoe, LeClaire and Schiffman 1977).

Major differences in social classes also exist in the area of leisure time. "Tennis, bridge, canasta, swimming, skiing and ice skating have all been associated with higher social status" (Horton 1984: 347). In contrast, lower social class members engage in boxing, hunting, fishing, bingo and bowling. Greendorfer (1978) also found that higher social classes have a greater tendency of participating in solitary or two-person activities and to pursue leisure time activities as a family.

Social class differences occur with regards to food and beverage consumption. Schaninger (1981) found food has more symbolic value to the higher social classes and more pragmatic value to the lower social classes. The higher social classes are also more likely to be self-indulgent in their eating and drinking habits.

Credit-card acceptance and usage appear to be related to social class. The higher social classes rely more on banks and insurance policies, while the lower classes depend on "personal finance companies, credit unions and friends" (Horton 1984: 347). Social class membership affects such economic and marketing activities as who saves and who spends as well as behaviour related to credit and numerous forms of credit use. Members of the lower class "tend to use their cards for installment purchases and seek out stores that honor their cards, while upper classes use them for convenience and do not seek stores accepting the card" (Loudon & Della Bitta 1988: 261).

In addition, social class is an indicator of store choice. Members of each social class attempt "to match its class, attitude, and value orientation with stores that they perceive to project similar characteristics" (Markin 1974: 415). Upper class persons are particularly attracted by a pleasant store atmosphere and interesting displays. In contrast, middle class members are sensitive to price differences among stores and are most willing to try out store brands (Murphy 1978). However, Prasad (1975) found that social class was negatively related to patronage of discount stores for products high in social risk like clothing, stereos and chinaware.

Social class is also a determinant in marketing communication. Class influences what is read, listened to and viewed. Furthermore, individuals with low social class are less likely to acquire information before purchase and tends to rely heavily upon in-store sources of information (Foxall 1976).

It is evident that differing living patterns and lifestyles are associated with social class. "A consumer's budget may well disclose conceptions of need and of customary behaviour, offering a clue to his style of living, his interpersonal attitudes, and his deep-rooted value orientations" (Markin 1974: 415). This stresses the behavioural differences among the various classes that manifest themselves in buyer behaviour and patterns of consumption. These purchasing and consumption patterns, in turn, "operate as prestige symbols and signs that tend to define class membership" (Markin 1974: 418). However, Hrisch and Peters (1974) found social class effects are more closely associated with the frequency of use or purchase than with simple usage or nonusage of a product. Recognition of the differences in the purchasing behaviour of consumers from different social classes provides a basis for the development of effective market segmentation strategies. It also ensures successful marketing programmes and efforts since these differences provide marketers with insights into both to whom as well as how they should promote their products.

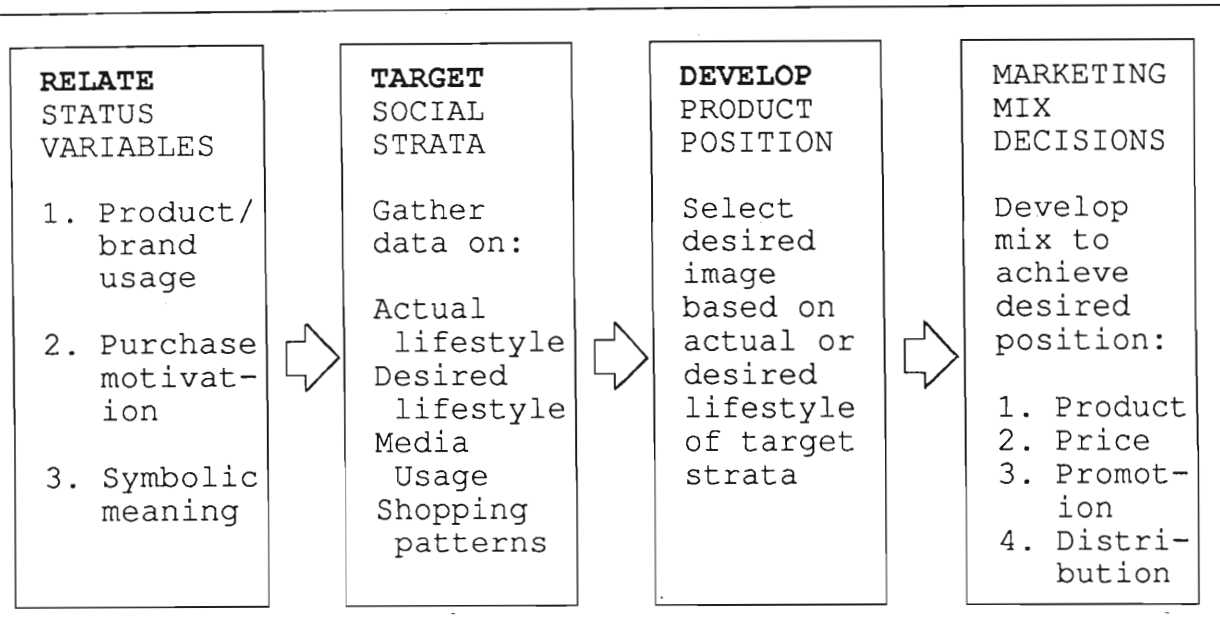
4.4.7 THE IMPORTANCE OF SOCIAL CLASS IN MARKETING

Social stratification has an impact on consumer purchases and provides the marketer with opportunities for the development of marketing strategy. Various steps are involved in using

social stratification to formulate marketing strategy (Figure 4.4).

FIGURE 4.4

USING SOCIAL STRATIFICATION TO DEVELOP MARKETING STRATEGY



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. Consumer Behaviour: Implications for Marketing Strategy. 4th Edition. United States of America: Richard D. Irwin, Inc. p. 152).

The first task of the marketing manager is "to determine, for their product categories, which aspects of the consumption process are affected by social status" (Hawkins, Best & Coney 1989: 152). This implies that research be undertaken with variables like product or brand usage, purchase motivation, selection of outlet and media usage.

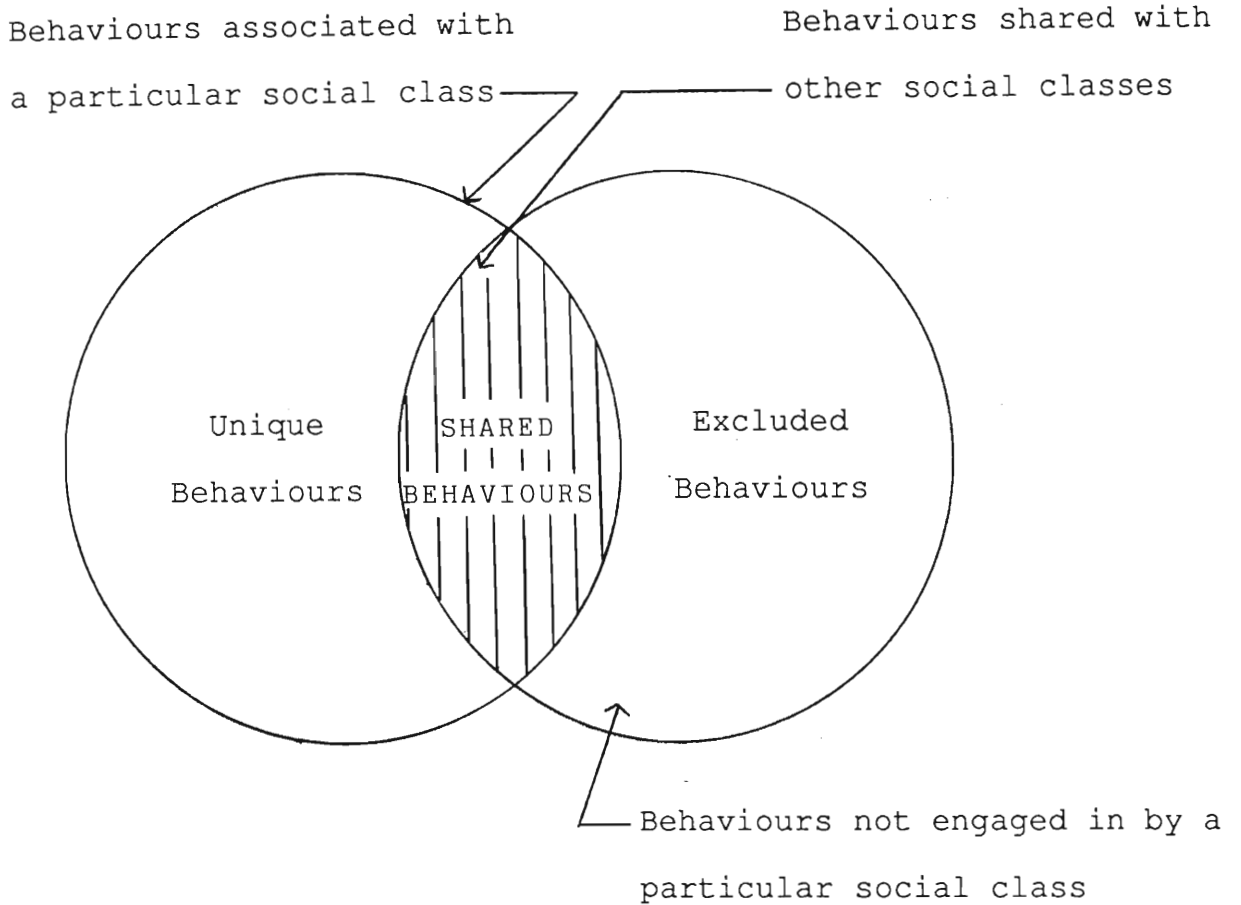
Product or brand usage, purchase motivation and product or brand meaning often varies widely across social strata. Substantial differences exist between social classes in the

purchases of clothing, furniture, appliances, leisure goods, financial services and food products. This means "different social classes reflect different values" which are manifested in consumer buying behaviour" (Mathews & Slocum 1969: 73 - 74). It emphasizes that social class represents a useful variable for segmentation. Having selected a segment based on the usage and meaning of products or brands as well as the purchase motivation, the marketer positions the brand in a manner consistent with the desired target market.

Marketers understand when social class is a determining factor and when it is not. This is crucial because not all behaviours vary across the social strata. In fact, many behaviours are shared (Figure 4.5).

FIGURE 4.5

NOT ALL BEHAVIOURS WITHIN A SOCIAL CLASS ARE UNIQUE



(Hawkins, D.I., Best, R.J. & Coney, K.A. 1989. *Consumer Behaviour: Implications for Marketing Strategy*. 4th Edition. United States of America: Richard D. Irwin, Inc. p. 129).

Figure 4.5 shows that each social class has behaviours that are unique to that social class, those not engaged in by that group as well as those shared with other classes. The implication is that marketers should recognise that "the applicability of social class in the formulation of marketing strategies is product specific (eg. expensive china and crystal) and often situation specific (eg. entertaining)" (Hawkins, Best & Coney 1989: 128).

Social class may not always be a suitable basis for segmentation. Other criteria which relate to age and sex may prove to be more applicable. Furthermore, "benefits from social-class segmentation for undifferentiated products may be less than the costs incurred to achieve such segmentations" (Loudon & Della Bitta 1988: 252). Segmentation on the basis of social class is often more effective when used simultaneously with other variables such as ethnic group.

Social class values dictate the direction of advertising. The language and symbols used should be correctly interpreted by the social class to which it is directed. The tone and orientation of promotional strategies is dependent "on the social class definitions of their target markets" (Assael 1987: 361).

Social classes frequently differ in their store choices. Lower-class consumers are more likely to patronize discount stores and shop by mail order. "They are also likely to shop in neighbourhood stores where they feel most comfortable and can rely on friendly salespeople for information" (Assael 1987: 362). Upper-class consumers are more likely to shop in regular department stores for goods they consider risky and in discount stores for products with little risk (Prasad 1975: 42). Social class strategies can provide guidelines for strategies of distribution.

Social classes are "a beginning point in terms of product differentiation and market segmentation for the development and implementation of special marketing programs using differential product, promotional, pricing, and place strategies in accordance with the special needs or demand characteristics of the particular social class" (Markin 1974: 418). However,

an understanding of consumer behaviour necessitates the recognition and analysis of the impact of social groups since these also affect the decision-making processes of consumers.

4.5 SOCIAL GROUPS

The face-to-face group is one of the most influential environmental variables on the consumer decision-making process. Reference groups greatly influence the formation of beliefs, attitudes and behaviours of individuals. They can affect consumers' cognitive, affective and behavioural responses to goods, services, promotional strategies and prices. These groups are a source of information and influence to marketers and are key ways in which "the important values and behavioural norms of consumers' culture and social classes are transmitted to individuals" (Peter & Olson 1990: 368).

4.5.1 THE DEFINITION OF A GROUP

A group "consists of people who have a sense of relatedness as a result of interaction with each other" (Loudon & Della Bitta 1988: 268). This means the relations among the members are interdependent since the members of the group share a common set of standards "that regulate their mutual or reciprocal behaviour" (Markin 1974: 394). Individuals identify with particular groups and tend to use them "as a standard for self-evaluation and as a source of personal values and goals" (du Plessis, Rousseau & Blem 1990: 169). Since these groups serve as a reference point for individuals in the formation of their beliefs, attitudes and behaviour, an analysis of this environmental influence is inseparable from an understanding

of consumer behaviour.

4.5.2 THE DEFINITION AND NATURE OF REFERENCE GROUPS

The reference group "is used to designate any two or more persons identified together by a common function or goal with which the individual identifies or interacts" (Walters & Bergiel 1989: 231). This group is one in which "an individual is genuinely a psychological participant so that he is committed to the group's purpose, occupies a particular role within its structure, and adheres to its regulative norms" (Markin 1974: 403). The reference group's "presumed perspectives or values" are used by the individual "as a basis for his or her current behaviour" (Hawkins, Best & Coney 1989: 161). According to McLead and Chaffee (1973: 58) a reference group is one in which the individual does hold membership, or it may be a group that "one aspires to gain membership to."

Reference groups can influence the behaviour of consumers and affect the source of information. The consumer "draws upon the group's frame of reference or value system to guide his or her decision making in the marketplace" (Walters & Bergiel 1989: 230). An understanding of the external influences on consumer choice and decision-making and its impact on the development of effective marketing strategies demands an analysis of the types of reference groups.

4.5.3 THE TYPES OF REFERENCE GROUPS

Reference groups vary in the amount and types of information that they provide to consumers.

These groups can be classified according to:

4.5.3.1 CLASSIFICATION BY FUNCTION

"Humans are social animals who seek out other humans for social, protective and economic purposes" (Walters & Bergiel 1989: 231). Reference groups can be classified according to these and in terms of their function. **Functional groups** are those "whose members are mutually involved in on-going social interaction aimed at achieving a common goal" (Markin 1974: 395).

4.5.3.2 CLASSIFICATION BY FORMALITY

Groups can be classified on the basis of their formality which refers to the degree to which their purpose, structure and roles are clearly delineated. **Formal groups** "have clear written purposes, specified structure with defined authority and responsibility, rules to guide behaviour, and roles that are understood by the membership" (Walters & Bergiel 1989: 231). **Informal groups** have far less organisation and structure and are based "on friendship or collegial association", proximity or interest (Engel, Blackwell & Miniard 1990: 149). They are "typically primary groups, characterized by a relatively loose structure, a lack of clearly defined goals and objectives, unstructured interaction, and unwritten rules" (Loudon & Della Bitta 1988: 269). The influence of informal groups can be further strengthened when

individuals are motivated by social acceptance. Such groups primarily exchange information and in this way influences the values and actions of individuals. Individuals develop their "product-consumption, shopping, and media patterns" from primary informal groups (Loudon & Della Bitta 1988: 269). These groups are most influential on the purchasing behaviour of consumers. Informal groups "are the next most influential on consumers and are represented, for example, by shopping or sports groups with which consumers meet occasionally: Primary and secondary formal groups are much less widely used by marketers because they have far less direct, intimate influence on consumer behaviour" (Loudon & Della Bitta 1988: 269).

4.5.3.3 CLASSIFICATION BY INTERACTION

Consumers interact in varying degrees in different groups. On the basis of the extent of interaction, it can be distinguished between primary and secondary groups. The former are groups in which "interpersonal relationships take place on a face-to-face basis, with great frequency and on an intimate level" (du Plessis et al. 1990: 170). **Primary groups** which relate to family, neighbours, clubs, work and recreational groups are fundamental in developing "the social character, behavioural expectations, and values of the individual" (Markin 1974: 395). Consumer decision-making and purchases is influenced by the opinions, experiences and biases expressed by individuals of their primary groups. The **secondary group** refers to those organisations with which the consumer has a casual, infrequent, "impersonal and formalized" relationship (Loudon & Della Bitta 1988: 269). The psychological impact of membership in secondary groups is not as profound as that of membership in primary groups.

4.5.3.4 CLASSIFICATION BY TYPE OF MEMBERSHIP

Four types of group membership exists:

The **participation group** is one in which the consumer actively takes part. These may be small face-to-face interaction classes or large ones, where there is less personal association, active participation and face-to-face communication. Participation groups affect consumers' attitudes directly, primarily through standards established.

The **automatic group** to which a person belongs is by virtue of some characteristic, for example, age, sex, marital status, race and education. "Membership in automatic groups may be loose and identification among members low, but one is aware of belonging to the group" (Walters & Bergiel 1989: 233).

Anticipatory or anticipation groups are represented by individuals who do not belong but desires or aspires to join. This desire is based on the rewards that have been "accepted to be the most important, namely, power, status, prestige and money" (Assael 1987: 371). In order to belong, the individual may "imitate the behaviour of the group" or "compare his or her behaviour with that of its members" (McNeal 1982: 188). People may make comparisons with the anticipatory group when engaging in the process of decision-making regarding product choices and purchase decisions. They may find it fitting to follow the standards of dress, talk, ethics and entertainment adopted by the anticipatory group. Conversely, disassociative groups are those to which "an individual does not want to belong or to be associated with by other persons" (Horton 1984: 199). **Negative groups** are those to which

people do not belong and one to which they do not want to belong. These groups offer standards for what is incorrect for the individual.

Reference groups exert influence on the purchase of goods and services and provide consumers "with a means of comparing and evaluating their own brand attitudes and purchasing behaviour" (du Plessis et al. 1990: 169). A consumer can belong to several different kinds of groups simultaneously and they all can have an impact on the consumer decision-making process in varying degrees. Many consumers buy according to reference group influence. "The marketer can thus capitalize on the individual-product-group relationship, while at the same time such advertisements confirm to the individual that he is correct in using the product his group uses" (McNeal 1982: 189). In order to make use of this opportunity, however, the marketing manager needs to have a knowledge of the properties of reference groups.

4.5.4 THE CHARACTERISTICS OF REFERENCE GROUPS

An understanding of the nature of reference groups necessitates an analysis of their main features that affect their influence on the consumer, namely, norms, values, status, socialisation and power.

"**Norms** are the rules and standards of conduct established by the groups, to which members are expected to conform" (du Plessis et al. 1990: 171). These norms may relate to the suitability of clothing, eating habits, makes of goods or brands of products.

Roles are "functions that the individual assumes or that the group assigns to the individual in order to attain group objectives" (Assael 1987: 372). Roles are prescribed actions or patterns of behaviour expected of individuals in a given situation as a result of their position in that situation. Roles in groups are learned but not everyone learns a given role in the same way. Roles have a strong, ubiquitous influence on the activities of consumers. They affect consumption decisions like store patronage, clothes consumers wear, cars they drive, houses they live in and recreational activities they engage in. Marketers "help individuals play their roles by providing the right costumes and props to be used in gaining acceptance by some group" (Loudon & Della Bitta 1988: 271). Symbols of goods and services provide the satisfaction that is derived from the product. Since consumers try to fulfill numerous roles, they may develop role conflict whereby they are confronted with a situation in which two or more of their roles are incompatible or incongruent. Role conflict can cause considerable stress that may reveal itself in consumer behaviour.

Status refers "to the position the individual occupies within a group" (du Plessis et al. 1990: 171). It consists of the rights and duties connected with that position and may refer to some grouping on the basis of prestige, "age or sex, family, occupation, friendship or common interest" (Loudon & Della Bitta 1988: 270). Higher status reflects greater power and influence. An elegant dress or an expensive car, are sometimes purchased "to demonstrate status in a broader societal sense so that the message is one of wealth and implied superiority" (Assael 1987: 373).

Socialisation is "the process by which a new member learns the value system, norms, and the required behaviour patterns of the society, organizations, or group which the person is entering" (Schein 1971: 3). By means of socialisation "individuals acquire skills, knowledge and attitudes relevant to their effective functioning as consumers in the marketplace" (Loudon & Della Bitta 1988: 271 - 272).

Power is the influence that the group has over its members and various sources may exist in different social situations (Loudon & Della Bitta 1988: 272):

Reward power is based on "the group's ability to reward the individual for his behaviour" (du Plessis et al. 1990: 172). Rewards may be praise or approval of a choice, compliments on clothes and looks, status within the group hierarchy, recognition, money, gifts and satisfaction. Marketers use reward power directly by providing products and services of high quality. They may also adopt reward power indirectly by promising the rewards of acceptance by a group, such as love, through use of a product.

Just as reference groups are able to reward their members, they can adopt **coercive power**. The strength of these power sources and their degree of influence depends upon "the magnitude of the rewards or punishments involved and the perceived likelihood of their occurrence should one elect a given course of action" (Markin 1974: 405). Marketers can use coercive power effectively in specific situations through the use of fear appeals.

Legitimate power is based on a person's perception "that the group has a legitimate right to influence them" (Loudon & Della Bitta 1988: 273). There is some sort of standard that the

person accepts, and "by virtue of which the group can assert its power" (Loudon & Della Bitta 1988: 273). Marketers use legitimate power in many situations by appealing to consumers' values.

Expert power stems from experience and knowledge of an individual and group. A friend's purchase recommendation may be accepted if the individual is viewed as being more experienced with the product. Sales representatives may be regarded as knowledgeable sources so long as they have established credibility and rapport with the consumers.

Referent power generates from an individual's feeling of identification with a group. As a result of this feeling of unity, the person will have a desire to become a member or achieve a closer association with the group. "The individual's identification with the group can be established or maintained if he or she behaves, believes, or perceives as the group does" (Loudon & Della Bitta 1988: 274).

Consumers only accept reference group influence when they perceive a profit or reward as a result of their interaction.

4.5.5 **REASONS FOR ACCEPTING THE INFLUENCE OF REFERENCE GROUPS**

Consumers may accept reference group influence because of its role in providing "informational," "utilitarian" and "value-expressive" benefits (Park & Lessig 1977: 105).

Informational reference group influence concerns "how people are influenced when others transmit information about themselves, about other persons, or about aspects of the physical environments, such as products or stores" (Peter & Olson 1990: 369). This information may be given directly via verbal communication or indirectly through observational processes. Consumers tend to be influenced by reference group information if that data is perceived as promoting their understanding of the environment or their ability to deal with some aspect of it. Informational influence is most apparent when consumers experience difficulty in assessing product or brand characteristics by observation. They will then "perceive usage or recommendation by others as thoughtful and valid" (Calder & Burnkrant 1977: 33).

Utilitarian reference group influence occurs "when an individual fulfills group expectations to gain a direct reward or to avoid a sanction" (Hawkins, Best & Coney 1989: 65). Primarily, people will comply with the desires of a group when they believe that their behaviour "is visible or known to others," when one perceives that the others control significant rewards and punishments and when one "is motivated to realize the reward or avoid the punishment" (Loudon & Della Bitta 1988: 277).

Conformity pressures do impact buying decisions especially when the product is conspicuous in its purchase and use, for example, clothing and furniture, and when group social acceptance is a strong motivator. Miniard and Cohen (1983: 182) found that "normative influence on brand choice is important when beer is to be served to friends but not when it is consumed privately". The consumer "learns to say or do the expected thing in certain situations, not because he or she necessarily likes it, but because it is instrumental in producing a satisfying

social effect" (Loudon & Della Bitta 1988: 277).

The **value-expressive influence** "is characterised by the need for psychological association with a person or group" and is reflected in the acceptance and conforming response of positions, norms, values and behaviours expressed by others (Bearden & Etzel 1982: 184). "An individual may seek positive referents and avoid negative referents for this purpose" (Peter & Olson 1990: 371). Desired outcomes may be fostering a satisfying self-image and identifying with individuals who are admired and respected.

Reference groups influence product and brand purchases to a certain extent. Five factors are crucial in determining the influence of reference groups on the consumption situation.

Reference group influence is strongest when:

- * The "use of product or brand is visible to the group" (Hawkins, Best & Coney 1989: 168)
- * The product is less of a necessity
- * The individual feels committed to a group
- * The behaviour is relevant to the group. The greater a particular activity pertains to the group's operation, the stronger is the pressure to conform to the norms of the group regarding that activity.
- * the individual lacks confidence in the purchase situation.

4.5.6 THE IMPORTANCE OF REFERENCE GROUPS IN MARKETING

A general understanding of groups does assist in having an appreciation of the impact of group membership, communication and interaction on consumer behaviour and consumer decision-making. Reference groups can be extremely crucial in influencing the behaviour of consumers because they "possess special kinds of psychological attributes and significance for the individual" (Markin 1974: 404). Such groups are also those against which the consumers evaluate and analyse their own attitudes, status and behaviour and are capable of determining consumer behaviour to the extent that they are believed to have power.

From an analysis of reference group influence it is evident that consumer purchases behaviour is "a socially oriented process on which group norms, reference groups, roles and status have an important bearing" (Markin 1974: 407). The groups people belong to or that affect individuals' product choice processes influences consumers' decision processes in at least two ways. Reference groups influence the aspiration levels of individuals. The norms of the reference group "may become guidelines that constraint individual's market behaviour" (Markin 1974: 408). Marketing managers cannot afford to overlook the importance of the influence exerted on the consumers by the groups with which they are attached. Reference group influence is used by marketers primarily in the area of advertising. "Where reference group influence is operative, the advertiser should stress the kinds of people who buy the product, reinforcing and broadening where possible the existing stereotyping of users" (Markin 1974: 409). The strategy of the advertiser should incorporate learning what the stereotypes are and what specific reference groups are involved "so that appeals can be

tailored to each main group reached by the different media employed" (Markin 1974: 409). However, in cases where neither the product nor the brand appears to be connected strongly with reference group influence, advertisements emphasize the product's attributes, intrinsic features, price and benefits over competitors' brands.

Furthermore, "not only do members of primary informal groups affect consumer knowledge, attitudes and values, but they also affect the purchase of specific products and brands" as well as the selection of stores in which purchases are made (Peter & Olson 1990: 373). The analysis of primary informal group influences can be useful in marketing. A careful analysis of group influence dynamics among various people who have a role in a purchasing decision may be useful in determining appropriate marketing strategies.

It is apparent that the basic decisions marketers make with regards to reference groups centres around the areas of "reference-group relevance," "reference-group identification" and "reference-group identification and communications" (Markin 1974: 409). This means the marketer first decides whether reference group concepts pertain to a given situation. Secondly, the marketing manager identifies the specific relevant reference groups and its members. Such tasks would enable the marketer to attain knowledge of the nature and relevant characteristics of the reference group in a specific situation. Finally, marketers develop programmes of effective communication with the groups or individuals they aim to influence. As a result of such knowledge, more effective marketing strategies may be developed. However, consumer behaviour and consumer choice processes are also largely influenced by the individual's family, and effective marketing efforts demand an enquiry into this area of influence.

4.6 FAMILY

Family members interact and influence each other in terms of individual and family purchases. The family is both a primary and a reference group. However, family influence does not only depend on face-to-face communication and reference to family norms, values and standards but is also reinforced by the powerful bonds within the family as well as the fact that "the family functions directly in the role of ultimate consumption" (Loudon & Della Bitta 1988: 288). The family operates as an economic unit whereby its members establish consumption priorities, choose products and brands that meet their needs, decide which stores to patronize and how products and services should be utilised in promoting their goals. A person's attitudes towards spending, saving, products and brands consumed is largely influenced by the family in which that individual was brought up. Marketing managers need to understand the nature of the family's influence on its members and the manner in which purchase decisions are made by family members in order to effectively combine their marketing mix.

4.6.1 FAMILIES AND HOUSEHOLDS

A family is "a group of persons related by blood, marriage, or adoption who function together for member security and perpetuation of a unit" (Walters & Bergiel 1989: 204). Household is a broader concept which is composed of "the related family members and all the unrelated persons who occupy a housing unit" (Loudon & Della Bitta 1988: 288). Both concepts form the basis of much consumer decision-making and buyer behaviour and is useful to marketers especially in the area of market segmentation. However, segmentation activities also

necessitates the analysis of the family life cycle.

4.6.2 FAMILY LIFE CYCLE

Families change over time as they pass through a sequence of stages which is referred to as the family life cycle. Distinct lifestyles tend to characterise each stage of the family life cycle. Differences in stages are traditionally based on major life activities which relate to marriage and the birth, development and departure of children from the family. The family's buying and behaviour patterns and the available income to satisfy buying needs changes dramatically over the family life cycle. Marketers have a knowledge of the family life cycle in order to understand consumer markets and to segment families into various markets. This cycle enables marketers to better appreciate how the family's needs, outlooks, purchases of goods and services and income changes over time. This is depicted in the nine stages in the traditional family life cycle.

4.6.2.1 THE TRADITIONAL LIFE CYCLE STAGES

The family moves through a sequence of nine distinct and well defined stages:

At the **bachelor stage** of the life cycle, incomes are relatively lower since most young singles are beginning their careers. However, these individuals have fewer financial burdens and their discretionary income is rather high. Expenditures go primarily "for personal consumption items" such as "clothing, food, entertainment, dating, vacations and possibly a car" (Horton 1984: 368). The establishment of their own residences away from their family often

necessitates the purchases of basic furniture items and kitchen equipment which are few in number so as not to restrict their mobility.

People in the **newly married couples stage** are young but do not yet have children. "With marriage, both requirements and resources change" (Runyon 1990: 168). During this time both marriage partners are likely to be working so the financial situation of the family is good. This stage has "the highest purchase rate and highest average purchase of durables" (Peter & Olson 1990: 385). The couple is a significant market for major appliances as well as sensible and durable furniture.

The **full nest I stage** is characterised by having the youngest child under six years of age. The arrival of the first child creates major changes in the couple's lifestyle and expenditure patterns. New demands are added to the family's purchase requirements in the form of furniture for the baby's room, washing machine and dryer, as well as child related expenses such as obstetric and paediatric bills, baby foods, toys, and vitamins. During this stage, when the wife is not working, the family is dissatisfied with their financial position and amount of money saved.

In the **full nest II stage** there are still children at home but the youngest is now over the age of six years. During this stage the family's financial position begins to improve as a result of progress in the husband's career and because the wife may have now returned to work. The couple is interested in new products "but are somewhat less influenced by advertising because they are more experienced buyers" (Horton 1984: 369). These families begin buying

larger sized packages and multiple-unit deals and are an active market for a wide variety of food products, household cleaning agents, bicycles, music lessons, pianos and dental care.

During the **full nest III stage** "the family's income continues to advance, more wives return to work, and even the children may be employed" (Loudon & Della Bitta 1988: 291). These people have high average expenses for durable goods due to replacement buying. They are less influenced by advertising and begin buying expensive, tasteful furniture, luxury appliances, boats, and spend large amounts on travel and recreation.

With no children living at home and continued income growth, the family is now satisfied with its financial position and accumulation of savings during the **empty nest I stage**. Home ownership is at its peak and major expenditures are needed for home improvements. This stage represents "a lucrative consumer market because of the contribution of higher income and lower expenses for required family purchases" (Wilkie 1986: 196). This group engages in travel, creation, hobbies, gifts, contributions and luxuries.

In the **empty nest II stage** the couple has retired from active participation in the labour force and experiences a reduction in income. They stay more at home and "spend more on medical appliances, medical care, and products that aid their health, sleep and digestion" (Loudon & Della Bitta 1988: 291).

Solitary survivors are likely to have even lower incomes and increasing medical needs. They also have special needs for "attention, affection and security" (Horton 1984: 369).

Many changes in family demographics have occurred especially with regards to smaller family size, postponement of marriage and rising divorce rates. This has necessitated attempts to modernize the traditional life-cycle stages.

4.6.2.2 **A MODERNIZED FAMILY LIFE CYCLE**

Drastic social changes suggest that some improvements may be needed in the framework of the family life cycle. Firstly, couples have been waiting longer to have their first child and are having fewer children. "The newly married stage is stretched longer than in the past" and "the full nest I stage is shorter" (Wilkie 1986: 196). Secondly, the divorce rate has risen sharply and stresses the need to recognise single parents with children, lower incomes and differing consumption behaviour. Thus, divorce contributes an added dimension to the analysis of consumer decision-making. This "'single-again' market, carry with them preferences and shopping patterns learned in a family situation" (Engel, Blackwell & Miniard 1990: 187). Thirdly, more people are choosing to remain unmarried. These changes necessitated a modification of the traditional family life cycle structure (Figure 4.6).

Figure 4.6 helps to visualise the possible variety of different family life-cycle stages. Such an analysis is necessary for marketers since changes in household composition, increased female employment, rise in divorces and the number of unmarried individuals represent viable market segments for particular products and services. However, successful marketing effort also requires an evaluation into the nature of the decision-making process within the family. In order to develop proper marketing strategy the marketer needs to understand who influences whom in the family buying process and how.

4.6.3 FAMILY PURCHASING DECISIONS

Family purchasing decisions can be analysed from the perspectives of role structure, power structure, stage in the decision-making process and family-specific characteristics.

4.6.3.1 ROLE STRUCTURE

The family has its own structure of roles with each member playing his or her role. It is possible to distinguish between:

Instrumental roles are related to performing tasks that help the group to make the final decision to purchase. Instrumental needs represent "the need for leadership and fulfillment of the task" (Loudon & Della Bitta 1988: 293). Within the family, the instrumental role has typically been played by the father, who is more likely to provide material support and primary leadership authority within the family unit. Men tend to be task-oriented leaders and engage in decisions on budgets, timing and product specifications. "In purchasing decisions

husbands tend to concern themselves with functional product attributes and to exert more influence in deciding whether to buy and in closing the sale" (Loudon & Della Bitta 1988: 293).

Expressive roles involve affection and moral support "to other family members in the decision-making process and expression of aesthetic or emotional needs of the family, including upholding norms of the family" (Engel, Blackwell & Miniard 1990: 175). Expressive needs represent the need for morale and cohesion. Within the family the expressive role has typically been assumed by the mother. She concerns herself more with aesthetic product attributes and with suggesting a purchase and engages in decisions about colour, style and design since they reflect group norms and are therefore, expressive. However, these roles are undergoing some degree of change today especially as more women are entering into the labour market. Husbands and wives are now likely to both perform expressive and instrumental roles.

External roles are typically played by the father and concerns matters external to the family. **Internal roles** relate to internal matters and are traditionally assumed by the mother. However, when expressive-external and instrumental-internal roles are concerned in a purchase decision, both the marital partners will be involved and joint decision-making will take place (Figure 4.7).

FIGURE 4.7

ROLE INTERACTION

	EXTERNAL	INTERNAL
Expressive Instrumental	Both Husband	Wife Both

(Loudon, D. & Della Bitta, A.J. 1988. *Consumer Behaviour: Concepts and Applications*. New York: McGraw-Hill Book Company. p. 296).

Figure 4.7 indicates that "for product decisions involving expressive-internal and instrumental-external roles, wives and husbands respectively, will be more heavily involved" (Loudon & Della Bitta 1988: 296).

Family purchases represents a collective decision-making process since more than one person is involved in decision-making and family members can assume different roles. There are six roles that may be performed by various family members.

Family members can play the role of initiator, influencer (Engel, Blackwell & Miniard 1990: 174), information gatherer (Wilkie 1986: 186), decision-maker, purchaser (du Plessis et al. 1990: 174) and consumer.

Marketers understand "the relative influence of each person in each stage of the decision-making strategy utilized" in order to develop an optimum marketing strategy and ensure that the current marketing mix is directed at the right individual (Rousseau 1981: 28

- 29). "Knowledge of who generally performs which purchase and consumption process role within the family unit will aid in product planning and development, providing promotion messages" and determining distribution decisions (Loudon & Della Bitta 1988: 297). However, in order to develop an effective marketing mix the marketer needs to determine which family member is dominant. Hence, an exploration into the family power structure is fundamental.

4.6.3.2 POWER STRUCTURE

A family in which the father is considered to be the dominant member is "**patriarchal**" whilst one where the mother plays the dominant part and makes most of the decisions is "**matriarchal**" (Loudon & Della Bitta 1988: 297). In the **egalitarian family**, the mother and father share a somewhat equal role in the decision-making process. However, some families are becoming child-centered in that children have a strong influence on the consumption decisions of goods and services.

In order to understand marital power structure in consumer decision-making, dominance can be classified into autonomic, husband dominant, wife dominant and syncratic.

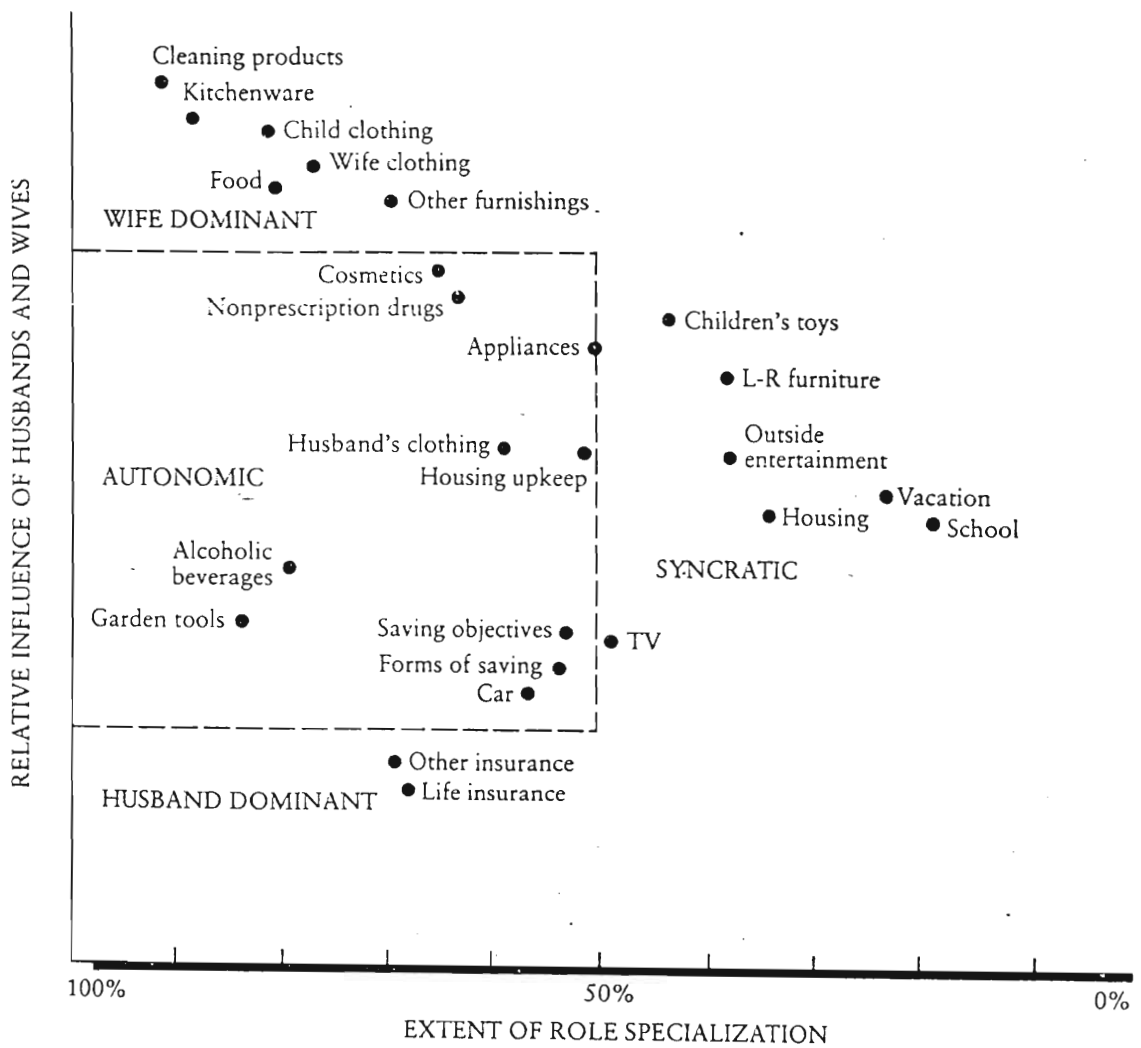
The **autonomic** category is one where "an equal number of decisions is made by each spouse, but each decision is individually made by one spouse or the other" (Engel, Blackwell & Miniard 1990: 175). In the **husband dominant category** and the **wife dominant category** each respectively has a more powerful influence over the other with regards to decisions for

products. In the **syncratic component** decisions are made by both husband and wife.

David and Rigaux (1974) undertook a study of husband-wife influence by product category (Figure 4.8).

FIGURE 4.8

HUSBAND-WIFE ROLES IN FAMILY DECISIONS BY PRODUCT CATEGORY



(Assael, H. 1987. Consumer Behaviour and Marketing Action. Boston, Massachusetts: Kent Publishing Company. p. 126).

The higher the product on the vertical axis, the more likely it is that the wife will be the dominant influence. The decision is more likely to be a joint one, the further to the right the product is on the horizontal axis. "Products in the upper left are wife dominant, products in the middle left are based on individual decision by either husband or wife (autonomic), and products in the lower left are husband dominant" (Assael 1987: 401). Products to the right of the figure are joint decisions and fall into the syncretic category. Products to the left are individual decisions.

Typically husbands dominate decisions related to insurance, lawn mowers, cars, tyres and savings. Wives dominate decisions for food, clothing, "household furniture and for small appliances" and toiletries (Wilkie 1986: 188). Joint decisions are likely to be made for school, "vacations, television sets, refrigerators, upholstered living room furniture, carpet rugs" and children's toys (Engel, Blackwell & Miniard 1990: 177).

Media, campaigns and messages have to be respectively selected, tailored and developed according to these classifications; "advertising alcohol beverages may require one campaign stressing husband oriented appeals and another wife oriented appeals" (Assael 1987: 401). However, family buying decisions often involve conflict over differences between its members on numerous factors regarding the decision.

Families often engage in "bargaining, compromising and coercing in order to arrive at a joint decision" (Loudon & Della Bitta 1988: 299). Conflicts may arise over the reasons for purchasing a product or the evaluation of alternatives. "Conflicts over buying motives is more

serious and requires accommodation among family members. Conflict over brand evaluation usually leads to consensus" (Assael 1987: 391). Davis (1976) identified strategies to arrive at consensus and accommodation (Figure 4.9).

FIGURE 4.9

ALTERNATIVE DECISION-MAKING STRATEGIES

GOALS	STRATEGY	WAYS OF IMPLEMENTING
"Consensus" (family members agree about goals)	Role Structure Budgets Problem Solving	"The Specialist" "The Controller" "The Expert" "The Better Solution" "The Multiple Purchase"
"Accommodation" (family members disagree about goals)	Persuasion	The Irresponsible Critic "Feminine Intuition" "Shopping Together" "Coercion" "Coalitions"
	Bargaining	"The Next Purchase" "The Impulse Purchase" "The Procrastinator"

(Davis, H.L. 1976: Decision Making Within the Household. Journal of Consumer Research, Volume 2, p. 255).

Family decision-making patterns comprise of the agreement or disagreement of members about the goals or desired results of a decision. If agreement is reached, consensus occurs. When disagreement exists, accommodation is required.

In the role structure strategy, "the need for family discussion may be reduced or eliminated by having one or perhaps two people responsible for the decision" (Loudon & Della Bitta 1988: 299). Often a specialist develops and takes responsibility for making the product or service purchasing decision. This expertise becomes accepted by the family members. In the budget strategy, the responsibility of making the decision is restricted to a set of rules established by the family. In this way the controller in the family becomes an impartial budget determined by the family members.

In problem-solving there are three means of decision-making that can lead to consensus among family members:

- * Experts in the family can be relied upon to determine the best alternative
- * "Family discussion may lead to a better solution than that proposed by any one member of the family" (Assael 1987: 396)
- * Multiple purchases may be decided upon that resolves or avoids conflict

Persuasion strategies involve attempts to force someone to make a decision that the latter would not otherwise make. Firstly, the **irresponsible critic** "freely criticizes and offers ideas without having to worry about how realistic they are" (Loudon & Della Bitta 1988: 301). The second strategy is **spousal intuition**, which can be either masculine or feminine and "is a means for one spouse to recognize how to most effectively influence the other" (Assael 1987: 397). A third persuasive strategy is to take another family member along when shopping for a product. **Shopping together** can ensure a decision commitment. Fourthly, **coercion** is an extreme form of persuasion that ensures agreement that is unwilling by means of threats.

Fifthly, **coalitions** may be formulated within the family in order to force other members to comply with the decision. The last two are the least desirable forms of conflict resolution that indicates differences among family members over buying goals as well as over attitudes and lifestyles.

Another form of accommodation is **bargaining**, which "involves attempts by one spouse to turn the joint decision into an autonomous one in return for some favour granted to the other spouse" (Peter & Olson 1990: 389). One type of bargaining strategy is to allow one family member to buy the desired product on this purchase occasion if the other will be able to have his or her way in the next purchase. A second strategy is to purchase on impulse and then bargain. The third strategy is to procrastinate, that is, "to delay the purchase even after the decision is made in the hope that new information will become known or the situation will be changed" so that a new choice is made (Assael 1987: 397).

Different strategies for decision-making are likely for different situations, depending for example, on the family members, the product or service, the stage in the decision-making process. However, family purchase decisions is being drastically affected by changing role patterns of husbands and wives.

Traditionally the wife concentrated on domestic activities and the husband on occupational efforts. However, today sex roles have shifted toward egalitarianism such that numerous new and crucial decisions needed to be made.

The marketer considers the changing roles of the marital partners since it affects consumer decision-making and the formulation of marketing programmes. However, another area of analysis is the influence of spouses in the different stages in the family decision-making process.

4.6.3.3 STAGES IN THE FAMILY PURCHASE DECISION PROCESS

The marketer does not only consider the physical act of purchases but also takes cognisance of the stages leading to that decision to buy. Such knowledge can be of use to the marketer when formulating and designing the product, promotion, channel of distribution and pricing strategies. For products such as "cereals," "peanut butter," "bar soap," "headache remedies," "cat food" and coffee, the wife is more heavily involved in the initiation, information-seeking and purchasing stages than the husband (Haley, Overholser & Associates 1975: 52). However, at all stages husbands tend to participate in the decision-making process when the product is highly priced and technically or mechanically complex.

There are numerous other variables that influence the nature of buying decisions that are made within the family. These involve features that are specific to the family.

4.6.3.4 FAMILY-SPECIFIC CHARACTERISTICS

Culture, subculture, social class, reference groups, stage in the family life cycle, mobility, geographical location and the influence of children also determine the family decision-making

process and its outcome. These influencing variables should be considered since they enhance marketers' understanding of the consumer decision-making process and affect the development of marketing strategy.

4.6.4 **THE IMPORTANCE OF FAMILY PURCHASE DECISIONS IN MARKETING**

Family decision-making influences every facet of marketing strategy, especially because it defines the nature of information seeking, purchases and brand evaluation. Family purchasing patterns should be understood irrespective of whether the marketer is concerned with the advertising message, media, product development, channel of distribution or pricing strategies.

The development and content of advertising and personal selling messages are strongly influenced by family roles and patterns of decision-making. The evaluative criteria the family uses to choose a brand of major appliance to buy, for example, must be understood in developing the sales message. These criteria may differ among husbands and wives. If the husband or wife is dominant in making the decision, "the advertising message must be directed to the needs of the dominant party" (Assael 1987: 412). However, when decisions are made jointly the marketer may have to develop separate messages in accordance with each party's buying criteria. However, this strategy of directing separate advertising messages to husbands and wives is costly. Marketers can alternatively develop an integrated strategy that deals with the family as a decision-making unit without making any reference to gender associations. The development of advertising themes would therefore, incorporate both husband's and wife's evaluative criteria. Furthermore, children must also be taken into

account in advertising for products in which they are significantly involved in the purchase decision. The advertiser may then find it necessary to appeal to the children and their parents. Such an advertisement may feature people of all ages with particular emphasis on families. The selection of advertising media will also be based on who is involved in the decision. "Differences in use of media among members may necessitate using various message channels in order to reach influential or dominant family members" (Loudon & Della Bitta 1988: 305). For instance, since wives often purchase husband's clothing, a men's clothing manufacturer may use two campaigns - one to reach men through male-dominated media and the other aimed towards women.

Family purchase patterns also influence products developed. Products designed for one family member provides the marketer with less of a problem than those designed for two or more members of the family. While children's clothing is designed predominantly to the specifications of the wife, garden tools could be designed to the specifications of both spouses since either may make the decision. The strategy could be to segment the market by introducing one product to a particular family member, or "to expand the product line to appeal to all members of the family" or "to introduce an all-purpose product so the family could buy one item to be used by everyone" (Assael 1987: 413). Marketers should also incorporate children "into their planning regarding market segmentation and product differentiation" and serve the growing needs of these consumers (Markin 1974: 438).

The decision-maker may also influence pricing strategies. The marketer needs to identify which family member is price sensitive. Children also exercise pricing influences. Burr and

Burr (1977: 20) found that "mothers were more willing to yield to children's requests when the explanation was that the brand was economical or was being sold at a premium".

The nature of family decision-making may also influence distribution strategies. In the case of joint decision-making stores may be required to stay open longer to accommodate both the spouses. "The orientation of a product to each member of the family means separate merchandising displays" (Assael 1987: 414). In addition, in-store promotional displays should reflect the influence to purchase.

Family purchase patterns have also been affected by demographic changes in families. These changes need to be considered when developing marketing strategies. A significant change in families is the shifting view of the roles of husbands and wives, especially as they operate within the family structure. The changing role of women has fundamental marketing implications. "Working women can justify economic expenditures for, and psychologically accept, expensive appliances and household equipment, such as microwave ovens and prepared foods, which may reduce the wives' role in important household tasks" (Loudon & Della Bitta 1988: 310). Furthermore, working women may be unable to shop during normal shopping hours and may prefer that stores be opened in the evening. The distinction between men's and women's work in the home has blurred and a sense of shared household chores exists. Marketers note that appliances that formerly had an image of being a female appliance such as a vacuum cleaner, tends to assume a unisex image. Marketers recognise that working women emphasize a youthful outlook and maintenance of self. In addition, the "price for some products may become less important than convenience, availability, service and time savings" (Lazer & Smallwood 1977: 21 - 22). An area of marketing that is strongly

influenced by women's changing roles is advertising. "If advertising to the new women is to persuade, it must treat women as intelligent adults who will respond to a reasonable and believable presentation of the product's case" (Weiss 1972: 62). The change in wife's roles has implications for market segments. Working and non-working women reflect differences in consumer behaviour. Women can be classified as those who think their work is a career, those who say it is just a job, the housewife who plans to work and the stay-at-home women. The **plan-to-work group** "appears to be the most active and sophisticated in terms of shopping behaviour and devotes skill and attention to it" (Loudon & Della Bitta 1988: 312). The **career segment** is mostly concerned with shopping for clothing and is not concerned with budgeting or seeking specials. The "**stay-at-home group** appears to be the most economy minded" whilst the **just-a-job segment** is the least sophisticated and involved in shopping behaviour.

Changing male roles also has implications for marketing strategies. Marketers should take cognisance of these changes which have drastic consequences in segmenting markets. The "increased male use of once traditional female household products" implies that male users' product needs will have to be increasingly considered, "more product testing among men will have to occur, and packaging will have to project an image compatible with men's use" (Loudon & Della Bitta 1988: 315). Advertising for household products will have to portray men more often in domestic chores so as to depict interesting and memorable situations.

Marketers need to develop new product and service opportunities in a wide range of categories geared to the singles market. For example, with regards to food, more single and dual-serving

packages, cans and plastic bags need to be marketed with convenience and disposability taking precedence over economy.

It is evident marketers "can expect families to continue to be smaller, more affluent and less permanent and can also expect changes in childrearing patterns" (Peter & Olson 1990: 382). These changes suggest that many families, especially those with two earners will place emphasis on time. Marketers devote efforts in bringing about improved consumer services, immediate availability of goods and services, trouble-free operation of goods and dependable maintenance and repair services. Furthermore, another crucial consideration is the change in family composition. For example, "furniture and appliances should be designed for smaller living quarters" (Engel, Kollat & Blackwell 1978: 170).

Undoubtedly, the family acts as a mediating influence on the behaviour of the individual. "Through the social learning of the family interaction and other forms of socialization, individual attitudes, perceptions, tastes, dispositions and actual overt behaviour are affected" (Markin 1974: 429). It has become apparent that "the appropriate unit of analysis for much of consumer behaviour should be the family and not the individual" (Robertson & Zielinski 1981). Marketers therefore, need to consider the impact of the family in the purchase decision-making process as well as evaluate family purchase patterns when analysing consumer behaviour and developing marketing strategies.

4.7 PERSONAL INFLUENCE

Consumers solve many of their problems by perceiving numerous cues which relate to price, colour, style, size, taste and touch. They become aware of this information largely through salesmen's opinions, mass media, commercials and interaction with experts, groups and friends. Personal influence contributes significantly to the learning process of the consumer as a result of interaction.

4.7.1 THE DEFINITION AND NATURE OF PERSONAL INFLUENCE

Personal influence is "the effect or change in a person's attitudes or behaviour as a result of communication with others" (Loudon & Della Bitta 1988: 302). This type of influence is most powerful because consumers regard friends and relatives as more credible and trustworthy than commercial sources of information. Information from personal sources is a means of decreasing the risk in a decision to purchase. The consideration of personal influence is crucial to the marketer since a product's success depends on it. Two influences on consumer purchasing behaviour that can be more effective than large sums of money spent on promotional activities are opinion leadership and word-of-mouth communication.

4.7.2 OPINION LEADERSHIP

Opinion leadership refers "to the degree to which an individual influences others in a given choice situation" (Engel, Kollat & Blackwell 1978: 281). They are those persons to whom

others look to for advice and information. Since the personal influence of opinion leaders is significant, marketers need to identify who they are in order to segment them. They "may then be reached with promotional messages and may then participate in additional communication and influence with their fellow group members" (Loudon & Della Bitta 1988: 327).

4.7.2.1 **THE CHARACTERISTICS OF OPINION LEADERSHIP**

Opinion leaders have almost the same social class position as nonleaders, although they may have higher social status within the class. They indicate a tendency of having greater exposure to mass media in their field concerned, possessing greater interest and knowledge of the area of influence and are more sociable and innovative than nonleaders. "They are also more familiar with and loyal to group standards and values than nonleaders" (du Plessis et al. 1990: 181). Influence takes place because "opinion leaders personify group norms, exhibit competence, and are accessible with active communication between themselves and others" (Loudon & Della Bitta 1988: 329).

4.7.2.2 **THE IMPORTANCE OF OPINION LEADERS IN MARKETING**

Opinion leaders can informally and subtly affect the behaviour of others toward products, either positively or unfavourably. If they like the product or service they can assist in ensuring its success. Alternatively, if they do not, they can add to its failure.

Furthermore, opinion leaders communicate marketing information and are found at all levels of society. This means "consumers tend to be influenced by those who are members of the same groups, people very much like themselves" (Loudon & Della Bitta 1988: 327). The marketer is frequently more concerned with reaching the higher income and status levels where personal influence appears to be operative and tends to have greater importance and effectiveness. This emphasizes the impact of opinion leaders on markets. However, another marketing tool that affects consumer behaviour is word-of-mouth communication.

4.7.3 WORD-OF-MOUTH COMMUNICATION

4.7.3.1 THE DEFINITION AND NATURE OF WORD-OF-MOUTH COMMUNICATION

Word-of-mouth communication is the "transmission of information from mass media to both opinion leaders and followers, with gatekeepers (those most sensitive to product information) serving as intermediaries in the information flow" (du Plessis et al. 1990: 182). This form of communication occupies a dominant position in relation to impersonal media. This is due to the fact that consumers view word-of-mouth as reliable and trustworthy information which can assist to make better buying decisions. As opposed to the mass media, "personal contacts can provide social support and give a stamp of approval to a purchase" (Loudon & Della Bitta 1988; 324). Furthermore, "the information provided is often backed-up by social-group pressure to force compliance with recommendations" (Loudon & Della Bitta 1988: 324).

Word-of-mouth communication will be a dominant factor when:

- * the product is visible and behaviour is apparent
- * the consumer is involved in the decision-making process
- * the product is distinctive and can more easily be identified with style, taste and other personal norms,"
- * the purchase of the product has perceived risk
- * "the product is important to the norms and belief system of the reference group" (Assael 1987: 423)

Word-of-mouth communication between consumers is a beneficial source of information and influence in consumer behaviour and is necessary in marketing.

4.7.3.2 **THE IMPORTANCE OF WORD-OF-MOUTH COMMUNICATION IN MARKETING**

Word-of-mouth communication is a powerful marketing tool, especially with regards to advertising. "Group influences can be generated by creating rumours about new products or brands among celebrities or influential sectors of the community" (du Plessis et al. 1990: 182). Advertisers can further simulate word-of-mouth communication by depicting conversations between typical consumers. By portraying an image of personal influence, such advertisers intend to substitute the need for direct contact between consumers and their friends and family. Such an approach is referred to as a "testimonial" approach (Assael 1987: 436). To be successful, the customer in the advertisement must be presented as a person who is not simply being paid to talk about the product and must "have a believable relationship to the product and the language used must sound authentic" (du Plessis et al. 1990: 182).

Word-of-mouth communication is product specific. The marketer should first determine if this type of influence "is sufficiently important to be explicitly incorporated into its marketing strategy" (Horton 1984: 229).

4.8 SUMMARY

The success of marketing strategies and an understanding of the behaviour of consumers necessitates that cognisance be given to the environmental influences. These external variables incorporate culture, subculture, social class, social groups, family and personal influence.

Culture offers order, direction and guidance to members of society in all phases of their problem solving behaviour. It is dynamic and gradually and continuously evolves to meet the needs of society. Culture has a potent impact on all consumer behaviour. Individuals are brought up to follow the beliefs, values, and customs of the society and to avoid behaviour that is considered to be unfavourable. Marketers who incorporate an understanding of culture into their marketing strategies are likely to satisfy consumers more fully "by providing them with added, though intangible product benefits" (Schiffman & Kanuk 1978: 364).

Subcultures provide marketing opportunities for astute marketing strategies. Subcultural divisions based on nationality, religion, geography, race, sex and age frequently enable marketers to segment their markets in terms of the specific beliefs, values and customs shared by members of a particular subcultural group. Recognition of cross-cultural differences can

provide the multinational marketer with expanded sales and profit opportunities. By taking cognisance of subcultures marketers can tailor their activity mix to the specific customs of each target nation.

Social stratification also exists in all societies and culture. Social class membership frequently shapes the development of consumer attitudes and behaviour. Profiles ranging from the upper-upper and lower-lower classes are reflected in differences in consumers' attitudes, in leisure-time activities and in consumption habits. Hence, segmentation by social class is of special interest to marketers. The astute marketer can differentiate product and promotional strategies for each social class target segment. Social class analysis holds tremendous promise for marketers with regards to understanding, influencing and improving the conditions of consumer behaviour.

Individuals frequently communicate with other people who directly or indirectly influence their purchasing decisions. Marketers concerned with influencing consumer behaviour need to understand the impact of groups on the individual consumer. Reference groups serve as a frame of reference for individuals in their purchasing decisions. The degree of reference group influence depends on its credibility, attractiveness and power. In some cases and for some products, reference groups may influence either the product category or brand choice purchase decisions. Reference group appeals are used very effectively by some advertisers in promoting their goods and services because "they subtly induce the prospective consumer to identify with the pictured user of the product" (Schiffman & Kanuk 1978: 229). Such appeals are effective promotional strategies because they serve to increase brand awareness

and reduce perceived risk among prospective consumers.

The family is a major influence and actor in the consumer behaviour process. Being the primary group to which an individual belongs, the family provides the early childhood learning concerning products and services and product categories, the opportunity for product exposure and repetition and sets the consumption norms for the members of the family. As a major consumption unit, the family is the main target market for most products and services. Classification of this group by stage in the family life cycle provides valuable insights in the consumption behaviour of the family. These stages form a basis for market segmentation for many goods and services and enables marketers to design products and services that will fulfill the specific needs of families at each stage in their lives, and to develop and implement promotional strategies with which their target audiences will identify.

Consumers are also influenced by advice they receive from other people, especially in choosing goods to buy and services to consume. Opinion leaders informally influence the actions and attitudes of other people. Marketing managers "recognise the strategic importance of segmenting their audiences into opinion leaders and audiences for their product categories" (Schiffman & Kanuk 1978: 289). In this way they can direct their promotional efforts to the more influential segments of their markets, with some confidence that these people will in turn communicate this information to those who require product advice. Marketers can also create opinion leaders for their products by taking socially involved or influential individuals and deliberately increasing their enthusiasm for a product category.

The success of a product depends largely on the extent to which marketers understand and advantageously use the environmental influencing variables. A knowledge of these determinants, together with an analysis of the internal influences, is necessary in order for the marketers to understand the process of consumer choice.

However, since choice and consumption patterns are also influenced by prevailing conditions in the physical environment, the South African marketer has to deal with numerous difficulties due to the heterogenous nature of the market and has to identify the demands and purchasing patterns of consumers among the various race groups.

4.9 THE SOUTH AFRICAN CONSUMER

4.9.1 INTRODUCTION

Since cultural values are a determinant variable in consumer decision-making, it is necessary to analyse the multiplicity of the cultural groups in South Africa, the divergent lifestyles and the challenges that confront the South African marketers. The most distinctive characteristic of South Africa is that the population is composed of a diverse spectrum of individuals. The society is fragmented into many cultural, sub-cultural and racial groups. All these groups have their own lifestyles, demographic features, social and economic aspirations, desires, interests, traditions and different languages.

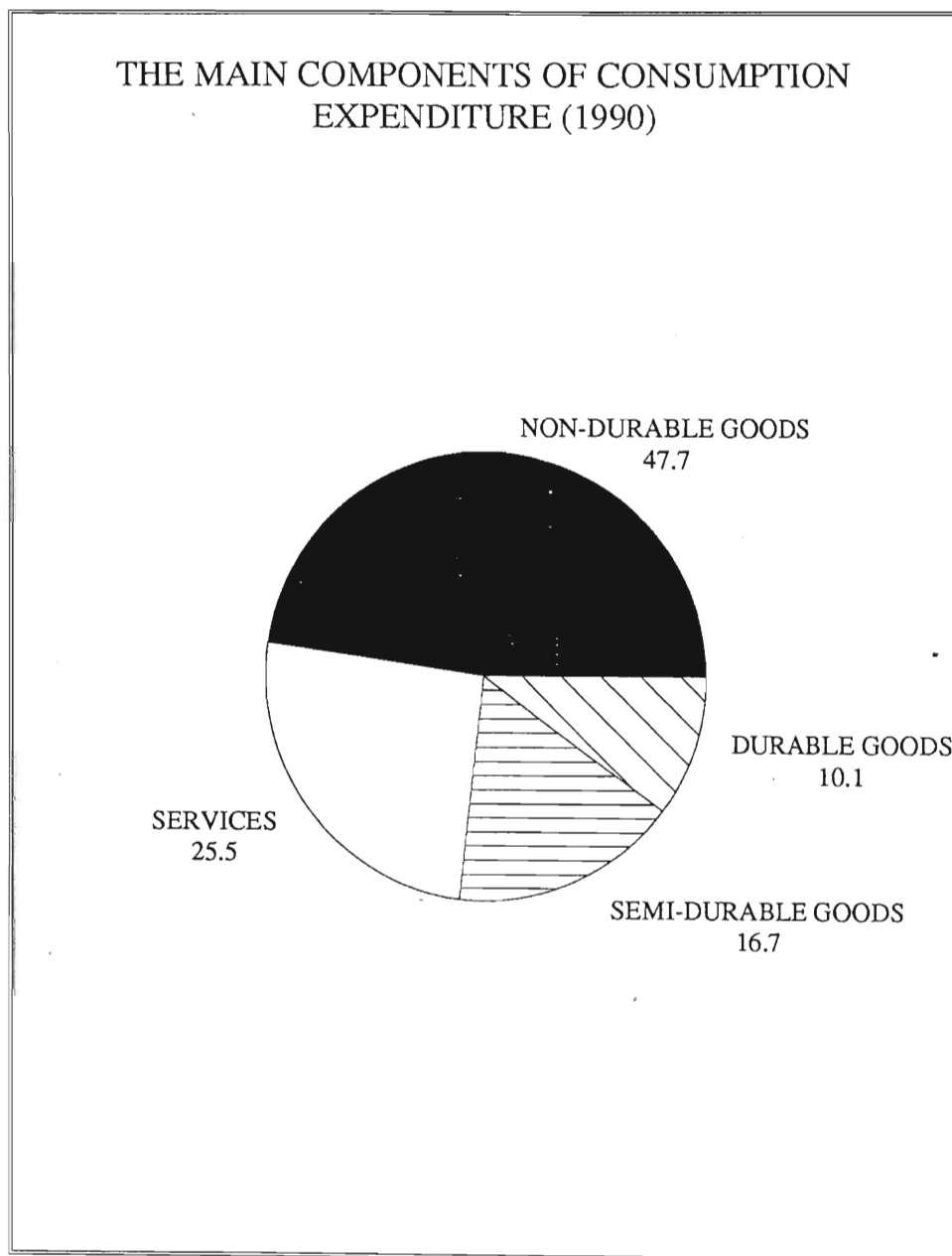
In order to satisfy the complex South African consumer market, it is beneficial for marketing managers and consumer behaviour researchers to identify the demands and consumer

behaviour patterns among the various race groups. This research project will enhance such an understanding by focusing predominantly on the demographics and buying behaviour of Indian consumers in South Africa.

4.9.2 THE CONSUMER MARKET

The South African consumer market is responsible for private consumption spending. This incorporates expenditure on goods and services by private households and non-profit organisations. The main components of consumption expenditure can be sub-divided into four main groups (Figure 4.10).

FIGURE 4.10



(South African Reserve Bank. Quarterly Bulletin. December 1991. No. 182. Pretoria: South African Reserve Bank. p. S-80).

Goods in the **non-durable** category refer to food, beverage and tobacco, household fuel, power and consumer goods, medical and pharmaceutical products, petroleum, recreational and

entertainment. The **services component** ranks second with 25,5% of private consumption spending. Services relate to rent, household services, including domestic servants, medical, transport, communication, recreational, entertainment, educational and miscellaneous services. **Semi-durables** which comprises of clothing, footwear, household textiles, furnishings, glassware, motor-car types, parts and accessories, recreational and entertainment goods and miscellaneous goods exceeds the percentage of private consumption expenditure on durable goods by 6,6%. Statistics indicate a continuous increase in private consumption expenditure with an approximate 13% increase from R66 167 million at the end of 1985 to R154 675 million, at current prices, at the end of 1990 (South African Reserve Bank: Quarterly Bulletin. December 1991. S-81).

4.9.3 POPULATION PATTERNS

Marketing managers need population statistics for information on the size and identities of various markets. **Demography**, which refers to "the vital and measurable statistics of a population," is used to define it in terms of its size, structure and distribution (Schiffman & Kanuk 1978: 15). Whilst **size** refers to the number of people in a population, **structure** defines it in terms of age, income, education and occupation. Population **distribution** "describes the location of individuals in terms of geographical region and rural, urban, or suburban location" (Hawkins, Best & Coney 1986: 179). These factors impact on the behaviour of consumers and play a significant role in market demand, segmentation and marketing mix decisions.

4.9.4 THE SOUTH AFRICAN POPULATION

The multi-racial and multi-cultural population of South Africa comprises of Black, White, Coloured and Indian communities, each of which possess "a variety of unique origins, social systems and levels of development" (South Africa Profile 1987: 1). The unique and heterogenous population structure is suitably described "as a society stratified but cross-cutting divisions based on race, language, religion, culture, social class, tribalism, caste, country of origin and urbanization" (Cassim 1987: 5).

Apart from the "rich mosaic of distinctive minorities", each with its own social, economic and political problems, the most urgent problem facing South Africa is its rapid population growth (South Africa - People and Languages 1987/1988: 59). According to the Urban Foundation the total population of South Africa (including the homelands) in 1991 was 38 445 400. Blacks comprise of 75,6% of the total population and the remaining 24,4% is composed of Whites, Coloureds and Indians who make up 13.2%, 8.6% and 2.6% of the total population respectively. These figures include the White- designated areas, as well as the independent and non-independent homelands (Table 4.1).

TOTAL POPULATION OF SOUTH AFRICA (1991)

TABLE 4.1

AREA	BLACKS	INDIANS	COLOURED	WHITE	TOTAL
WHITE-DESIGNATED AREA					
Cape Province	2 325 100	38 700	2 767 700	1 339 600	6 471 100
Natal	1 079 300	793 300	112 800	620 900	2 606 300
Orange Free State	1 692 100	-	70 800	330 200	2 093 100
Transvaal	7 169 100	152 200	319 800	2 777 400	10 418 500
SUB-TOTAL	12 265 600	984 200	3 271 100	5 068 100	21 589 000
' INDEPENDENT' HOMELANDS					
Bophuthatswana	2 403 000	500	10 100	6 000	2 419 600
Ciskei	838 600	900	4 200	2 900	846 600
Transkei	3 440 900	2 900	7 400	7 000	3 458 200
Venda	556 100	400	100	800	557 400
SUB-TOTAL	7 238 600	4 700	21 800	16 700	7 281 800
NON-INDEPENDENT HOMELANDS					
Gazankulu	607 100	-	200	900	608 100
KaNcwane	496 100	-	1 100	500	497 700
KwaNdebele	516 100	-	200	-	516 300
KwaZulu	5 211 000	3 500	3 500	2 100	5 220 100
Lebowa	2 276 300	200	1 000	1 800	2 279 300
QwaQwa	451 800	-	500	800	453 100
SUB-TOTAL	9 558 300	3 700	6 500	6 100	9 574 600
TOTAL	29 062 500	992 600	3 229 400	5 090 900	38 445 400

(Race Relations Survey. 1991/1992. South African Institute of Race Relations: Johannesburg. pp. 1 - 2).

The Department of National Health and Population Development's annual report for 1986 noted that the South African population was increasing at an average rate of 2,3% per year "compared to an increase of 1,7% per annum in the world population" (du Plessis et al. 1990: 143). A breakdown by race for the South African population growth was 2,8% for Blacks, 1,76% for Indians, 1,8% for Coloureds and 1,55% for Whites (Race Relations Survey 1987/1988: 12).

The South African population figures, including the homelands, for the various race groups for specific census years from 1911 to 1990 illustrate the growth rate (Table 4.2).

TABLE 4.2

SOUTH AFRICAN POPULATION: 1911 - 1990

YEAR	BLACKS	INDIANS	COLOURED	WHITE	TOTAL
1911 ^a	4 091 000	152 000	525 000	1 276 000	6 044 000
1936 ^a	6 597 000	220 000	170 000	2 004 000	9 591 000
1951 ^a	8 560 000	367 000	1 103 000	2 642 000	12 672 000
1970 ^a	15 340 000	630 000	2 051 000	3 773 000	21 794 000
1990 ^b	28 258 600	978 300	3 244 400	5 052 100	37 533 400

a- Population Figures provided by the Department of Statistics, South African Statistics, 1990.

b- 1990 Population figures provided by Urban Foundation, Population Trends: Demographic Projection Model, 1990.

"Between 1985 and 2000 the annual rate of increase in South Africa will have dropped by 25% for Asians and Coloured people and 16% for Whites but by only 6% for Africans" (Race Relations Survey 1991/1992: 2).

Between 1990 and 2010 the Indian and Coloured proportions of the population will diminish by less than 2%, to "2% and 7%" of the total respectively (Race Relations Survey 1991/1992: 2). The White population will decrease from the approximate 13% to 10% of the total. The most dramatic change will be that of Blacks, which will increase by 6% from the approximate 75% to 81% of the total (Fast Facts No. 4. 1991. May).

The projected annual population growth rates for the years 1985 to 2000 in South Africa is depicted in Table 4.3.

TABLE 4.3

PROJECTED ANNUAL POPULATION GROWTH RATES: 1985 - 2000				
YEARS	BLACK	COLOURED	INDIAN	WHITE
1985 - 1990	2,93%	1,87%	1,71%	0,80%
1990 - 1995	2,85%	1,68%	1,48%	0,77%
1995 - 2000	2,76%	1,41%	1,28%	0,67%

(Urban Foundation, Population Trends: Demographic Projection Model. 1990).

Table 4.4 illustrates the projected South African population growth rates for the years 1991 to 2010.

TABLE 4.4

PROJECTED SOUTH AFRICAN POPULATION: 1991 - 2010

YEAR	BLACK	COLOURED	INDIAN	WHITE	TOTAL
1991	29 062 500	3 299 400	992 600	5 090 900	38 445 400
1995	32 515 100	3 526 700	1 052 900	5 248 700	42 343 400
2000	37 260 000	3 782 600	1 122 100	5 427 700	47 592 400
2005	42 508 800	4 006 100	1 178 100	5 589 800	53 282 800
2010	48 497 800	4 242 500	1 236 400	5 757 300	59 734 000

(Urban Foundation, Population Trends: Demographic Projection Model. 1990.

"Between 1991 and 2010, the total population of South Africa will increase by 55%, with the African population contributing nine tenths of this increase. By the year 2000 African numbers will equal the total population figure for 1991" (Race Relations Survey 1991/1992: 3). This rapid population growth rate implies more working opportunities will have to be created, which will subsequently affect the growth of consumer markets.

4.9.5 THE STRUCTURE OF THE SOUTH AFRICAN POPULATION

4.9.5.1 AGE

Age is a significant determinant of consumer behaviour. "A person's age affects his or her interests, tastes, purchasing ability, political preferences, and investment behaviour" (Marketing News 1984: 8). The age structure of a population "impacts on the demand for certain products and the marketing strategies most appropriate for those products" (Hawkins, Best & Coney 1986: 132). Age as a demographic variable can be associated with very distinct product usage. "Pre-school children, teenagers, college youth, the middle-aged, and the elderly - all can be associated with specific product needs and interests and usage" (Schiffman & Kanuk 1978: 15). The age composition of a market also indicates the proportion of economically inactive citizens such as children and the aged, as well as the economically active segment.

The last population census figures of the Central Statistical Service in 1985, excluding the Transkei, Bophuthatswana, Venda and Ciskei countries, showed the total South African

population comprised of 10 665 026 children, defined as people under 19 years of age, and 1 110 526 individuals who are 65 years and over.

In March 1990 Professional Marketing Review provided projections for proportions in various age groups by race in 1990 and 2000 (Table 4.5).

TABLE 4.5

PROPORTIONS OF THE SOUTH AFRICAN POPULATION IN VARIOUS AGE GROUPS 1990 AND 2000

RACE	AGE					
	0 - 19 YEARS		20 - 64 YEARS		65 YEARS AND OVER	
	1990	2000	1990	2000	1990	2000
BLACK	52,2%	50,9%	44,6%	45,7%	3,1%	3,4%
INDIAN	41,8%	36,8%	54,9%	58,5%	3,3%	4,5%
COLOURED	46,3%	40,7%	50,5%	55,4%	3,3%	3,9%
WHITE	32,2%	30,2%	58,9%	60,3%	8,8%	9,4%

(Race Relations Survey. 1991/1992. Johannesburg: South African Institute of Race Relations. p. 6).

"The absolute number of South Africans under the age of 19 years will increase from 18m in 1990 to 23m in 2000. In 1990 Africans in this age group accounted for 80% of the South African population; by the year 2000 the proportion will be 84%" (Race Relations Survey 1991/1992: 6). In contrast, the proportion of Indians, Coloureds and Whites in this age group will decline.

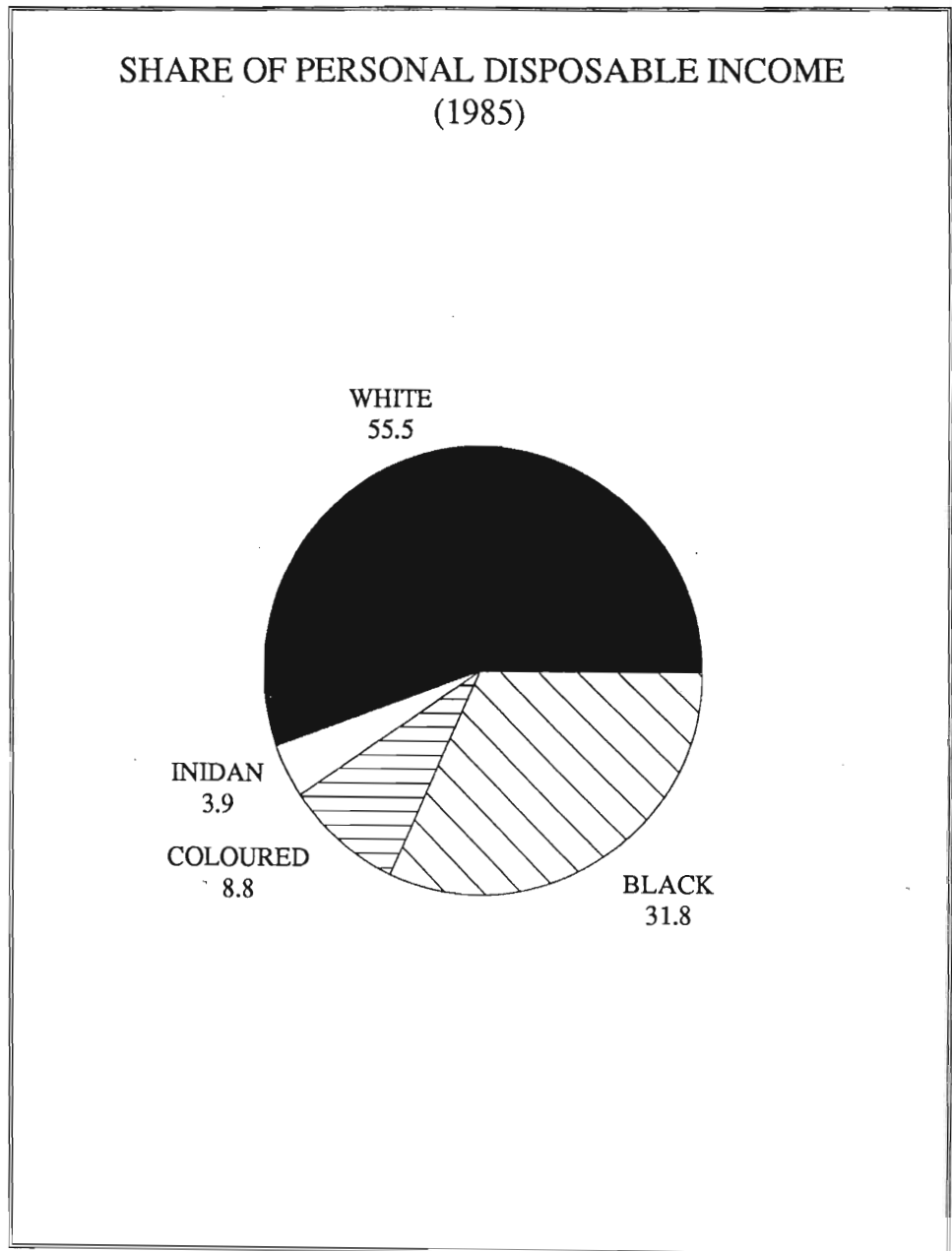
In 1990 the South African population over the age of 65 years amounted to 1,5 million, of which Blacks made up 60%. The Black proportion of the elderly group "will increase by 4% by the year 2000. The ageing Black population (ie. 65 years and over) will grow by 390 000 and the combined Indian, Coloured and White population of elderly people will increase by 128 000 over this period" (Population Trends: Demographic Projection Model: 1990). This implies that the economically active population has to support a substantial proportion of the economically inactive sector.

4.9.5.2 INCOME

"While population plays a major role in both the overall and localized demand for products and services, income plays an equally important role for many products and services" (Hawkins, Best & Coney 1986: 136). Changes in disposable personal income, "the amount available, after deducting taxes, for personal-consumption expenditures and saving," can be directly linked to changes in market demand for many durable goods and non-essential services (Loudon & Della Bitta 1988: 104). With the result, "long-term trends and short-range changes in income are extremely important to determine the market demand for many products and services" (du Plessis et al. 1990: 144). Income is a crucial segmentation characteristic in terms of luxury goods and product appeals.

Figure 4.11 indicates the share of personal disposable income per population group in South Africa in 1985.

FIGURE 4.11



Income levels have increased considerably in the last few years and there have been attempts, especially within the public sector, to equalise the salaries of the various race groups.

4.9.5.3 OCCUPATION

Occupations influence the purchases of goods and services and is a determining factor in the structure of the market. Differences in consumption between occupational classes have been found in products such as "beer, cake mixes, soft drinks, detergents, dog food, shampoo, hair spray, and paper towels" (Hawkins, Best & Coney 1986: 142). Numerous occupational trends have occurred in South Africa. There is an increase in the number of white collar workers.

Table 4.6 illustrates the comparison between the population groups in the various occupations.

SOUTH AFRICAN POPULATION: OCCUPATION* - 1985

TABLE 4.6

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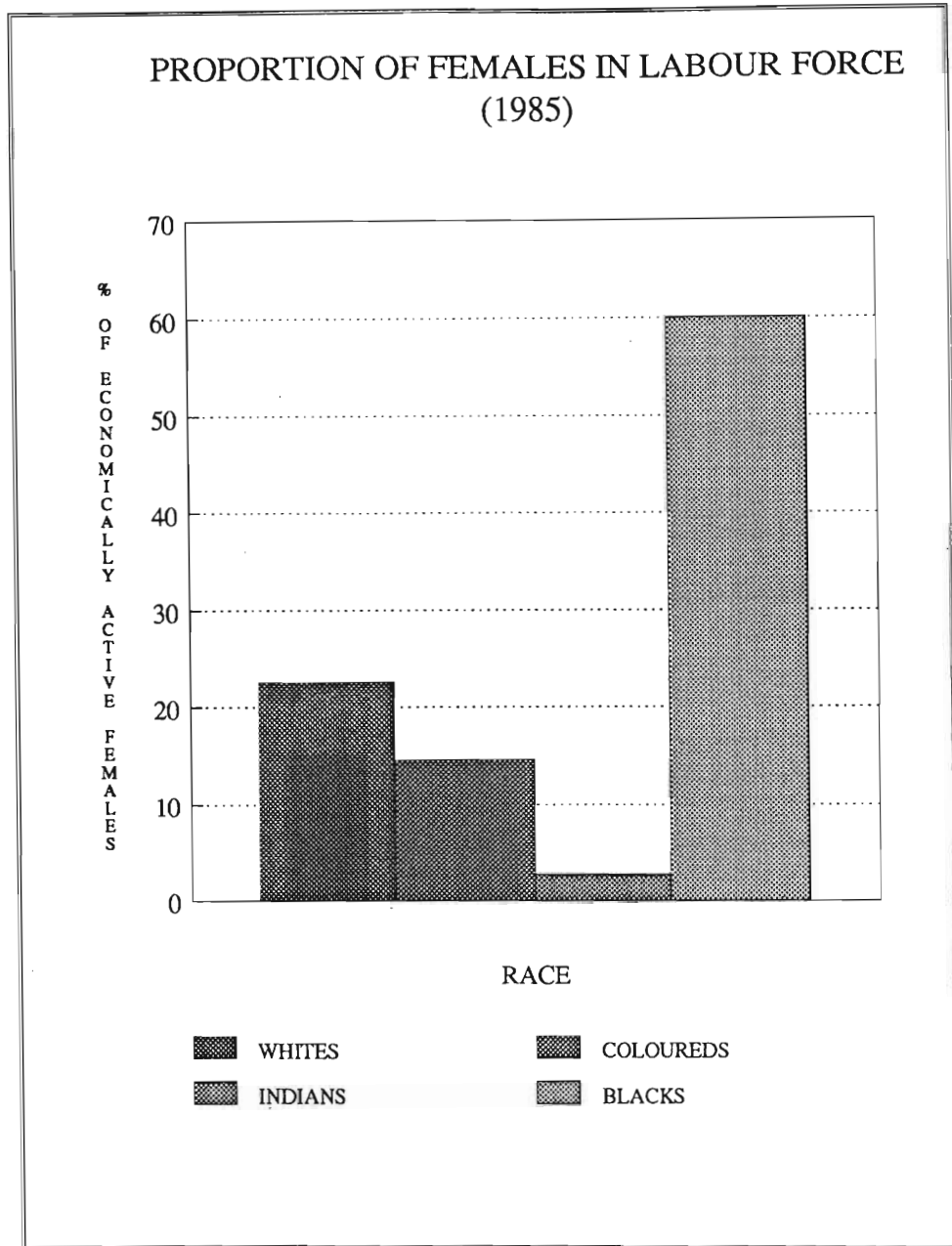
OCCUPATION	TOTAL	WHITES	COLOUREDS	INDIANS	BLACKS
Total Population	23 385 645	4 568 739	2 832 705	821 361	15 162 840
Non-economically active	14 693 282	2 595 961	1 710 712	528 687	9 857 922
Total economically active	8 693 282	1 972 778	1 121 993	292 674	5 304 918
Professional, semi-prof. and technical worker	713 836	429 249	61 643	30 481	192 463
Managerial, executive and administrative	255 955	224 043	8 717	12 393	10 802
Clerical and sales	1 169 827	619 077	136 079	95 687	318 984
Transport and communication	421 519	64 064	46 879	13 855	296 721
Service worker	1 460 234	151 723	178 043	16 246	1 114 222
Farmer, fisherman, hunter, farmworker	1 206 165	74 687	183 408	3 842	944 228
Tradesman, apprentice	387 615	238 327	65 886	19 659	63 743
Mining and quarrying worker, production foreman, supervisor, operator, production and related workers	1 775 160	135 802	256 921	66 274	1 316 163
Unskilled Worker	450 045	5 060	93 211	7 255	344 519
Workers not classifiable by occupation	852 007	30 746	91 206	26 982	703 073

* - Figures exclude the Transkei, bophuthatswana, Venda and Ciskei countries.

(South African Statistics. 1990. Republic of South Africa, Pretoria: Central Statistical Service. p. 1.15).

In addition, there is an influx of women into the labour force. Women have been recognised by marketers as the primary purchasing agents for many consumer products. According to the Central Statistical Service of 1985 approximately 26,7% of the female population in South Africa is economically active. The increase in employment of females can be attributed to women's rights, higher education and inflation. Figure 4.12 indicates the percentage of females in the labour force for each race group.

FIGURE 4.12



(South African Statistics. 1990. Republic of South Africa, Pretoria: Central Statistical Service. p. 1.15).

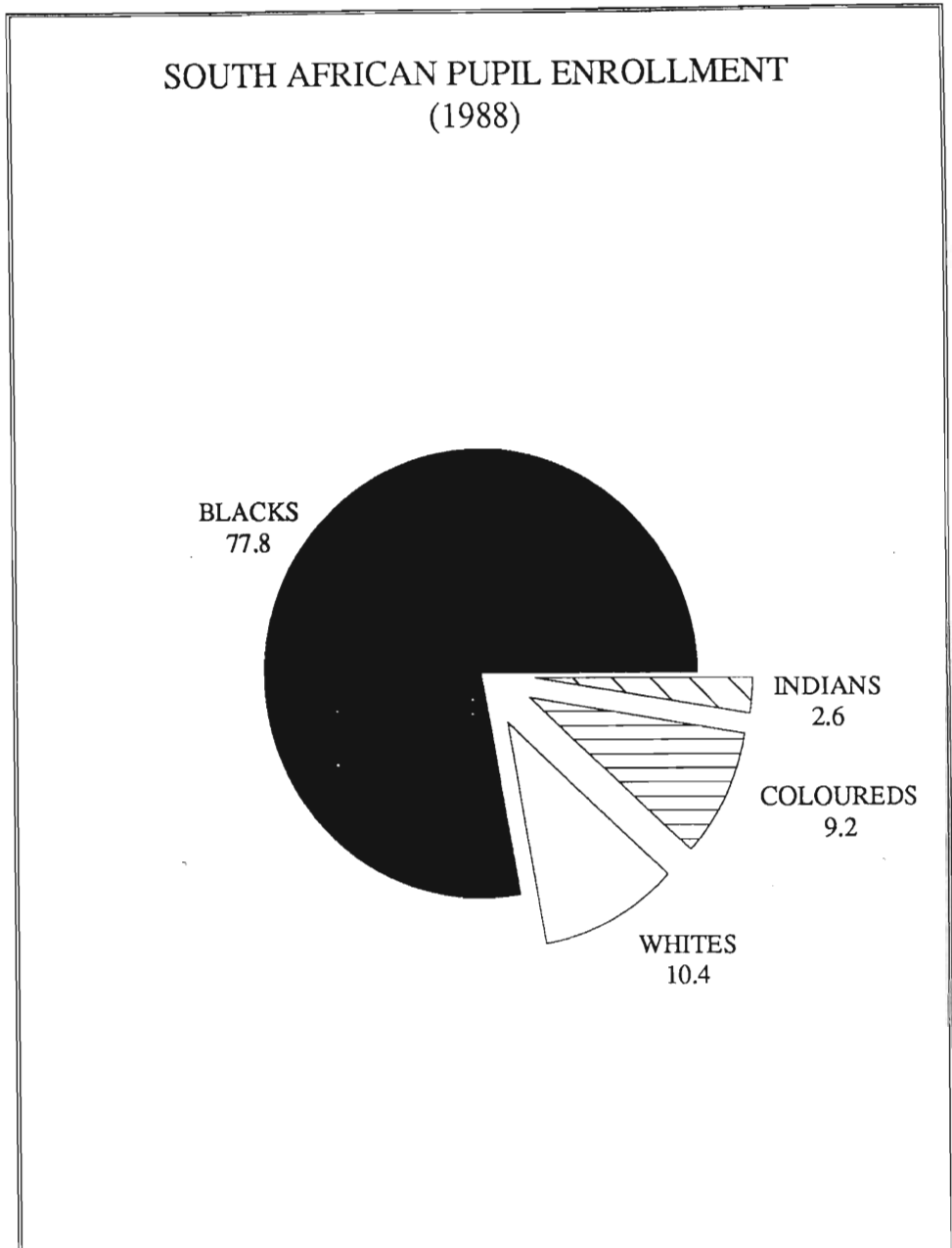
"The emergence of more and more women working outside the home creates marketing opportunities for numerous products and services, including apparel, cosmetics, day-care centers and convenience foods" (Engel & Blackwell 1982: 53).

4.9.5.4 EDUCATION

The level of education is significant to marketers especially since the standards of education in South Africa are expected to improve in the New South Africa, as the focus moves to provide Blacks with equal education. Furthermore, individuals with high educational levels "often have different product needs and are susceptible to different communication styles" than those with little education (Schiffman & Kanuk 1978: 16). As education levels increase and changes in preferences for goods and services arise, marketers will have to recognise the education level of target markets in order to effectively reach and communicate with them.

The Research Institute for Education Planning (RIEP) reported that just over 9 million pupils were enrolled in South African and Transkei, Bophuthatswana, Venda and Ciskei schools in 1988 (Figure 4.13).

FIGURE 4.13



(Du Plessis, P.J., Rousseau, G.G. & Blem, N.H. 1990. *Consumer Behaviour: A South African Perspective*. Halfway House: Southern Book Publishers (Pty) Ltd. p. 149).

Pupil enrollment comprised of 7 027 573 Blacks, 935 903 Whites, 233 910 Indians and 832 329 Coloureds. The RIEP report reflected that only 2,7% of Blacks were in matric as

compared to the 7,7% Whites, 2,7% Coloureds and 5,8% Indians. Furthermore, "a total of 16,2% Black pupils left after Grade 1 and did not return to school, 8,2% after standard 3, 10,3% after standard 6, 10,4% after standard 8 and 12,4% after standard 9" (du Plessis et al. 1990: 149). Another problem facing education in South Africa is the pupil/teacher ratio. "For Blacks the number of pupils per teacher was almost 40," for Coloured 23, for Indians 21 and for Whites 20 (du Plessis et al. 1990: 149).

South Africa has a need for technical, scientific and business skills. However, due to an inadequacy of courses selected in these fields, especially amongst Blacks, the country lacks the quality of labour needed to satisfy the needs of these sections of the economy.

Student enrollment at universities, technicians and technical colleges has increased considerably in recent years (Table 4.7), however, the failure rate for all university students in South Africa is very high, "but it is particularly so for Blacks" (du Plessis et. al. 1990: 150).

TABLE 4.7

STUDENT ENROLLMENT: TERTIARY EDUCATION - 1989

INSTITUTE	WHITES	COLOUREDS	INDIANS	BLACKS
UNIVERSITIES	156 737	18 968	19 179	91 462
COLLEGE	32 322	8 331	1 235	10 714
TECHNICONS	47 662	5 444	5 558	9 654

(South African Statistics. 1990. Republic of South Africa, Pretoria: Central Statistical Services. pp. 5.36, 5.42, 5.44).

It is evident from Table 4.7 the future generation of adults is acquiring considerably more schooling compared to the present situation. This trend has arisen as a result of affluence, changing social values and the shifting employment needs of industry.

Households headed by those with some tertiary education comprises a lucrative market segment, and the relative significance of this sector of consumers will continue to expand. "Their above-average discretionary income and desire for new products will make them more attractive to many marketers as their size approaches mass-market status" (Loudon & Della Bitta 1988: 103).

In addition to the aspects of income associated with better educated individuals, there are other unique characteristics that further distinguish them from the average consumer. They are more sophisticated in their product and store preferences, more alert to quality, packaging and advertising messages and "have differing needs from those of the typical consumer, tending to spend somewhat more (after allowing for the income differences) on clothing, home furnishings, medical and personal care," entertainment and travel (Loudon & Della Bitta 1988: 103). Furthermore, education does make a difference not only in what the consumer purchases but also in the brand selected.

4.9.5.5 LANGUAGES

The potential target markets in South Africa are further complicated by its heterogenous population. The South African market comprises of numerous ethnic groups where different

languages are spoken. The South African Barometer indicated the breakdown of home languages on the 1980 census (Table 4.8).

TABLE 4.8

THE OFFICIAL LANGUAGES IN SOUTH AFRICA

AFRIKAANS	ENGLISH	POPULATION GROUP
2 581 080	1 763 220	White
2 251 860	324 360	Coloured
15 500	698 940	Indian
77 320	29 120	African
4 925 760	2 815 640	Total

(South African Barometer. 1988. Market Research Africa. Volume 2, Number 9. May 20).

Although the majority of the Indians in South Africa speak English, other languages are also spoken at home (Table 4.9).

TABLE 4.9

THE INDIAN LANGUAGES IN SOUTH AFRICA (1985)

LANGUAGE	TOTAL
Tamil	13 020
Hindi	14 739
Telegu	1 875
Gujurati	17 757
Urdu	7 679

(South African Statistics. December 1990. Republic of South Africa, Pretoria: Central Statistical Services. p. 1.19).

4.9.5.6 SUBCULTURES

The South African population consists of many subcultures, each of which has unique needs. Marketers need to recognise the demands of each group in order to satisfy the wants of the different segment of consumers.

A subculture is a strata of a culture that shares distinctive behaviour patterns. "For a group to constitute a subculture, its members must share behaviours that differ from those of the larger or dominant culture of a society. Therefore, a group unique in skin colour, religion or nationality will constitute a subculture only if they have distinctly different behaviour patterns" (du Plessis et al. 1990: 151).

Ethnic subcultures in South Africa are based on nationality, religion and race, which relate to Whites, Coloured, Indians and Blacks. Since the Indian population has its separate religious institutions and associations, it is common practice to discuss this segment as a subculture in relation to the total South African population. It is beneficial to analyse the consumption strength of the South African consumer as well as develop a profile of the marketing characteristics of these consumers. Such analyses will generate an understanding towards a more enlightened knowledge and comprehension of the market.

4.9.6 THE INDIAN CONSUMER

The Indians are "a distinct cultural group which exists as an identifiable segment within a larger and more complex society" (Perumal 1988: 60). Indians differ in their demographics, lifestyles and consumption patterns from other race groups thereby justifying the classification of the Indian consumer market as a subculture due to its homogenous nature.

"Subcultures are the relative units of analysis for market research. They represent defineable target groups for specific products and logical units for segmenting of larger markets" (Schiffman & Kanuk 1988: 427). The members of the Indian subculture possess their own beliefs, traditions, norms, values and customs that are different in many respects to the other racial groups in South Africa. The first efforts of society with regards to social organization were in the direction of perfecting the social organisms so every member would do his duty before thinking of his rights, or rather, do his ordained duty without conditions, without any expectation of reward for himself ... The edifice of Indian culture was reared by men who scorned delights and lived laborious days, whose life was one of constant self-restraint and spiritual effort and travail" (Venkateswara 1980: 20 -21). Undoubtedly, in the past few decades, they have adopted many Western habits and characteristics. "In spite of the influence of Western culture on their traditional Eastern culture, the Indian families in South Africa have to a large extent maintained their beliefs and lifestyles" (Perumal 1988: 3). In order to have a knowledge of the consumption patterns of Indians in South Africa, it is beneficial to gain insight into their cultural background. It is evident that Indian consumers "are a distinct cultural group existing as an identifiable segment within the South African consumer market"

(Perumal 1988: X Summary). Knowledge about the purchasing patterns of this sector is essential to marketers of consumer goods and services.

Although studies have been locally undertaken on the social and economic aspects of Indian consumers as a distinct market segment, much knowledge is lacking with regards to the consumption behaviour of this sector. Furthermore, research studies undertaken in overseas countries do not apply in the South African context. An area of concern to marketers that has not received due consideration is the attitudinal and behavioural dimensions of Indian consumers to brand loyalty.

An analysis of the factors relating to Indian culture, lifestyle and consumption patterns as well as the dialects spoken, varying religious affiliations and customs, education, employment, the role of women, housing and recreation provides a basis for understanding the formation of attitudes and behaviour patterns of Indians. Undoubtedly, the history and population development of the Indians in South Africa has played a crucial role in moulding their consumption behaviour.

4.9.6.1 **THE HISTORY AND POPULATION DEVELOPMENT OF INDIANS IN SOUTH AFRICA**

The abolition of slavery in 1833 in the entire British Empire created an urgent need to man the new and labour-intensive plantations. Pioneer farmers who established sugar plantations in Natal experienced the problem of manpower shortage. The importation of sugar plants and

the acquired assistance of Indians from Mauritius led to a successful produce of sugar. These events, together with the initial success enjoyed by the coffee cultivators along the eastern coastal belt, were responsible for the decision to petition for the importation of Indian labourers. This strategy had to be adopted since the employment of Black labour for the South African cane fields proved unsuccessful for two compelling reasons. Firstly, in due respect to the Locations Commission of 1846 "large numbers of Blacks were moved to the six reserves marked out in various parts of Natal" and this course of action deprived farmers of readily available, cheap labour (Bhana & Brain 1990: 23). Secondly, men of the Zulu tribe were not accustomed to agricultural work since this was traditionally left in the hands of the women. Finally, the sugar grower appealed to the authorities to recruit manpower from British India, where "there were millions of unemployed and impoverished peasants eager for employment" (Henning 1989: 11).

Recruiting for Natal was undertaken primarily in the north-eastern and southern parts of India. The first ship transporting indentured Indians from Madras was the S.S. Truro, which arrived in Durban on 16 November 1860. From November 1860 to July 1866 nineteen ships arrived in Natal with a total of 6 445 indentured immigrants. Due to their arrival from various parts of India, different languages, castes and cultures existed amongst these individuals. There were a few Christians, a handful of Muslims but the majority were Hindus.

The indentured immigrants were followed by another group of 'passenger' Indians who made their appearance in Natal in the 1870's. These people paid their own fares and came independently of any official arrangement between the governments in Natal and India. This

class of individuals were attracted into the province by the prospect of trade. "The presence of the indentured Indians offered them opportunities for trade in goods that could be supplied from India" (Bhana & Brain 1990: 34). In addition, the passenger Indians soon extended their trading activities to other population groups.

By 1911 Indians could be found in almost all the major towns and cities in South Africa, including Portuguese East Africa and Central Africa. The 1911 census put the total number of Indians in South Africa at 149 791 (Table 4.10).

TABLE 4.10

DISTRIBUTION OF INDIANS IN SOUTH AFRICA: 1911

PROVINCE	TOTAL
Cape Province	6 606
Natal	133 031
Transvaal	10 048
Orange Free State	106

(Bhana, S. & Brain, J.B. 1990. *Setting Down Roots: Indian Migrants in South Africa, 1860 - 1911*. Johannesburg: Witwatersrand University Press. p. 194).

The 'Free' Indians introduced a new scene in the enterprise in Natal history. These individuals were ex-indentured immigrants who, after the completion of their indentures, "were free to settle in any part of Natal, to return to India at government expense, or to leave Natal to seek their fortune in another part of southern Africa" (Bhana & Brain 1990: 22). Since more than 40% of the indentured Indians were originally from the agricultural class, they

diverted into farming and within a short period of time acquired a huge share of the activities of the Durban market. Other free Indians took to fishing, sought employment as servants, clerks or artisans and still others opened shops. "Africa indeed appeared to stimulate the dormant talents of these Indians settlers in what one can describe as opportunities unlimited for those with initiative" (Henning 1989: 13).

Natal's 1911 total population of 133 031 Indians comprises of 43 888 indentured Indians, 69 304 free Indians and 19 839 passenger Indians. The 1911 census indicates a decline in the Indian population in the Transvaal, the Orange Free State and the Cape. It was only in Natal that there was an increase, which arose as a result of newly imported indenture immigrants. With the continual replacement of indentured Indians, this racial group rose steadily "from 10 335 (1876) to 30 355 (1889) to 46 000 (1894) in which year the Indian population exceeded for the first time the White population (45 000) while the Black population was estimated to be 370 000" (Henning 1989: 15). Natal was so dependent upon indentured labour that the system could not be discontinued until an adequate supply of manpower was guaranteed. It was only in 1911 that parliament passed a law restricting the immigration of Indians.

The influx of Indians into South Africa as permanent settlers created a problem since these individuals were not easily assimilated by the existing community. Until 1960 Indians were viewed as sojourners in South Africa. There were restrictions on their socio-economic and geographic mobility. It was only in 1961 that the government accepted Indians as permanent members of the South African population. Thereafter, "the Government began assisting South

African Indians to develop their particular social, educational and economic needs within the framework of its policy of separate development" (Perumal 1988: 63). Indians experienced rapid population growth and by 1989 the Indian South African population was estimated at 850 000. According to the 1985 population census figures 80,6% of the Indian community live in Natal, while 15,4% live in the Transvaal, 3,9% in the Cape and only 0,1% in the Orange Free State (Table 4.11).

TABLE 4.11

INDIAN POPULATION IN SOUTH AFRICA: GEOGRAPHICAL DISTRIBUTION

1985

PROVINCE	URBAN	NON-URBAN	TOTAL
Natal	612 070	47 633	659 703
Transvaal	123 301	2 900	126 201
Cape Province	31 434	555	31 989
Orange Free State	52	1	53

(South African Statistics. 1990. Republic of South Africa, Pretoria: Central Statistical Services. pp. 1.8 - 1.9).

The changing perspectives, ideas and attitudes of the Indian South Africans, particularly among those who were born in South Africa and who called themselves 'colonial-born', reflected a newer socio-economic class structure of the Indians as well as the transition in their relationship with Africans and Whites in the politics of South Africa. Furthermore, the Indian Family has undergone tremendous change over the years. An analysis of the family structure of this race group is necessary since the family members decide which products and services

will be purchased with the income the family has at its disposal.

4.9.6.2 THE INDIAN FAMILY

The Indian family is the main social group from which each member derives social values and behaviour patterns. Furthermore, the family traditionally dictates the religious affiliation of the individuals that constitute it. The joint household, typically known as the 'kutum', is a unique characteristic of the Indian family and distinguishes this sector from other racial groups. The kutum ideally consists of a male head, his wife, parents and grandparents, unmarried children, unmarried brothers and sisters, married sons with their wives and children and his brothers' married sons with their wives and children. A kutum is therefore, a kinship system of numerous nuclear families hierarchically arranged by male seniority. This traditional system of joint family living accounts for the large Indian households. The number of kutum members varies from a couple of individuals to over a hundred, and most households have more than one wage earner.

The kutum "influences Indian attitudes and sentiments to a considerable extent and shapes relations within the community" (Meer 1969: 66). The joint family system existed as a result of choice and economic necessity. The pooled family income used to purchase consumer goods and services reduces the financial burden on individual family members, provides support especially for middle-class families and enables families to progress despite the cruel wrath of poverty. The family members decide what products and services will be bought with the income at their disposal. As a result of the large family consumption, complex

decision-making and bulk purchasing were dominant characteristics in the buying patterns of such households. The joint family in South Africa "has to some degree succeeded in coping with the many challenges from technology, and the economic and political environment prevailing in this country" (Rajah 1977: 122).

Age and sex are significant criteria for status in the kutum where women are considered subordinate to men. The roles of men and women are distinctive and the chores of the female are confined to domestic activities. Women care for their families, spend a great deal of time at home and are dependent on their menfolk, who attend to matters outside the household. Men may mix widely and freely in society. However, "increasing contact with, and preference for, Western living styles, have had the effect of changing family living patterns, and even preferences, among Indians" (Butler-Adam & Venter 1984: 87). Although the joint family system has not been totally eradicated, it is being superseded by the Western nuclear family. This change is mainly attributed to the desire to newly-married Indian couples to live on their own. This nuclear family system carries with it different lifestyles and demands. In the nuclear families the authority of the elders in the kutum is diminishing. The weakening of the joint family system is not unique to the Indian community. It erupted from the impact of Westernisation, urbanisation and industrialisation and is also evident in other sectors of the South African population. Each nuclear family creates an immediate demand for housing, furniture, appliances, and smaller size food packages.

In spite of westernisation the average Indian, even in nuclear families, is firmly rooted to the kutum due to the structure, functions and values of the kinship system of the Indian. The

kutum does not permit its members to isolate themselves and every effort is made to hold the members together. On both joyous and sorrowful occasions kutum members readily gather together in unision. Furthermore, families play a significant role in the development of socially acceptable and desirable consumer purchasing patterns and are also influential in the formulation of consumer skills during adolescence. In addition, households influence the development of favourable attitudes towards brands.

The Indian community is characterised by diversity of origin and consists of families from different language and religious groups.

4.9.6.3 INDIAN LANGUAGES AND RELIGIONS

An understanding of the consumption patterns of Indians necessitates an analysis of their religions and languages, the variety of which "makes for a very high degree of cultural pluralism, particularly as each group has centuries of tradition behind it. While differences of language and religion modify the homogeneity of the South African Indians, they do not undermine its unity" (Perumal 1988: 67). Indians respect each others cultures and see each as a source of rejuvenation to the other.

The Indian community, while characterised by a distinctive Indian origin is in itself categorised into different sectional groups of religion and language. The Indian population comprises of 68% Hindus, 20% Muslims and 12% Christians and is, in turn, "subdivided into five main linguistic groups which relate to Tamil (about 50%), Hindi (19%), Telegu (10%)

and 21% Gujarati and Urdu" (Henning 1989: 11). These "reflect their places of origin, such as Central, Northern and Southern India, where there are marked differences in culture" (du Plessis et al. 1990: 152). The Hindi-speaking people came from north India, from the south are the Tamilians, the Telugu people settled from the central provinces, from Gujarat came the Gujaratis and the Urdu-speaking Muslims arrived from the Punjab and the north-west of India. This explains why the present South African Indian community still has these language groups. These sectional groups, however, might have persisted in South Africa, "had it not been for local socio-political and legal factors which welded them into a community with interests which transcended barriers of race culture" (Meer 1969: 45).

Indians now speak English since it is the medium of instruction throughout all Indian schools. Gujarati and Urdu speaking societies have been more successful in maintaining their linguistic traditions. Nevertheless, Indian languages have not disappeared completely since much effort is being made by community leaders to preserve and promote the use of the mother tongue which is now being taught at state primary and secondary schools to those who wish to learn them.

The Indians of South Africa have three principal religions which refer to Hinduism, Islam and Christianity. **Hinduism**, the oldest of all religions, is a universal one that has reigned supreme in India from the remote past. The **Vedas** are the fundamental scriptures of Hinduism, which represent the spiritual and intuitional experiences of the Rishis of yore. Hinduism allows absolute freedom to the rational mind of man and permits widest freedom in matters of faith and worship. It worships one Supreme Reality, called by numerous names, and teaches that

all souls ultimately realise the 'Truth'. There is no terrifying state of eternal damnation. Hinduism is a synthesis of all types of religious experiences. It is a whole and complete view of life and is characterised by wide tolerance, deep humanity and high spiritual purpose. It accepts genuine spiritual paths and each soul is free to find its own way, be it by means of devotion, austerity, meditation or selfless service. The goal of life for the Hindu is self-realisation or the attainment of God-consciousness. Emphasis is placed on temple worship and the devotion of the disciple to the Guru. Hindus believe that God is everywhere and in everything.

Hindu Dharma is the eternal divine law of the Lord. Dharma is the principle of righteousness or holiness. It is also the law of unity and harmony and the gateway to liberation, immortality, bliss, peace and knowledge. It leads to realisation of the essential unity of man with God. The **Law of Karma** also defines the Hindu path. According to Hindu belief, Karma means that what you sow, so shall you reap in your lifetime. Hindus maintain that the soul reincarnates until all Karmas are resolved and God-realisation is achieved.

Hindu rituals include special prayers like Sandhyopasana, "a prayer and worship offered to the Lord at the junction of night and morning, forenoon and afternoon, and evening and night", the Ten Spiritual Samskaras (purifactory rites which sanctify the life of the Hindu), Pitripaksha (the offering of oblations to the departed ancestors) and Navaratri, the worship of the Divine Mother in commemoration of Her complete triumph over the formidable demons (Sri Swami Sivananda 1982: 362). Deepavali, the most popular Hindu festival, means 'a row of lights'

and is representative of good over evil.

Islam is one of the world's great religions founded by Mohammed, the Prophet of Islam. Islam means "resignation to the Will of God," Allah (Sri Swam Sivananda 1982: 177). Muslims believe that Allah stands alone, has an absolute will and that all actions are controlled by Him. The **Koran** is their holy book which represents the primary source of Islamic law and ritual. It is divided into more than one hundred chapters and opens and ends with the subject of the unity of God. Islam emphasizes the principle of brotherhood and equality of man and is based on austere, simple living. A Muslim has five religious obligations called the Five Pillars which relate to the profession of faith or firm belief in the oneness of God and its prophets, prayers, alms-giving, fasting and pilgrimage. "A Muslim's most essential obligation is the repetition of this creed: 'There is no God but Allah; Mohammed is His Prophet'" (Perumal 1988: 71). Prayers must be said five times a day. When praying, the disciple faces the holy Mecca and follows a fixed ritual of recitation and prostration. The Muslim prays in a mosque on Fridays. The religion of Islam is essentially one of peace, for Mohammed was a lover of tranquility and non-violence. Selflessness and service to suffering humanity are the watchwords of Islam.

Muslims must fast and may not eat or drink during the daylight hours of Ramadan, the ninth month of their lunar year. Every Muslim is expected, as part of their religion, to perform Hadj or Hajj. This means that once in their lifetime they must make a pilgrimage to the city of Mecca in Saudi Arabia, the birthplace of Prophet Mohammed. Muslims also observe two Eids, namely, Eid-al-fitr and Eid-al-Adha. The former is an auspicious occasion of happiness

that signifies the end of the fast and of the Islamic lunar month. Eid-al-Adha is the festival celebrated after the completion of pilgrimage.

Christianity is the religion practised by those who follow the teachings of Jesus Christ. Most of the Western countries follow this religion. When the British conquered India around the year 1750, Christianity began to spread in India. In South Africa some who were Hindus by birth were converted to the Christian faith. By 1911, 5% of the South African Indians were Christians and in 1989 the statistics revealed a figure of 12%.

For Christians, the **Bible** is the source of authority. Jesus taught man to overcome evil by good. His cross is the supreme example of the doctrine: 'Return good for evil'. Many Christian communities have a family service on Sunday where all members of the family, adults and children, worship together. This reminds them of the Last Supper which Jesus ate with His disciples before he died on the cross.

Christians also celebrate certain festivals associated with significant events in Jesus's life, such as Christmas and Easter. Christmas, the birthday of Jesus, is celebrated throughout the world on 25 December. The message of this festival is one of universal love, peace and goodwill among all nations. Christmas is more than just a day of rejoicing and festivity. "It is a day on which one should realize Christ-consciousness or Cosmic-Consciousness, a day on which to meditate on the sublime and noble deeds of Jesus and his sacred life of pristine purity" (Sri Swami Sivananda 1982: 252). Christmas symbolises a state of spiritual awakening and realisation that the kingdom of Heaven is within oneself. The festival of Easter is the day on

which the disciples of Jesus saw Him and knew that He had come back to life after being crucified. Since this showed that He had overcome death, Easter is the most spectacular feast day of the Christian year.

Religion plays a significant role in influencing buying patterns. The principal religions display differing consumption habits, especially with regards to eating and dressing.

4.9.6.4 LIFESTYLE AND CONSUMPTION PATTERNS

The Indian immigrants in South Africa encountered both the Zulu and the western culture of the Whites. It was the latter that exerted tremendous influence over the Indian community. The South African Indian culture is unique as it is "a coalescence of traditional Eastern cultures and the westernising influence of White South Africans" (du Plessis et al. 1990: 152). Indians have accepted and absorbed western code of social contact and behaviour, forms of entertainment and leisure activities, style of dress, the right of men and women to choose their own marital partners and the Western educational system, and have retained much of the traditional Indian culture. The establishment of cultural societies was the result of a determined community effort to survive in a Western orientated society. It is evident that whilst in some aspects of acculturation Indians have remained dogmatic, in others they have been accommodating.

Education, occupation, economic and environmental factors have largely contributed towards the westernisation of Indians in South Africa, resulting in continuous changes in their customs,

lifestyles, recreations and purchasing patterns. Consumer purchasing habits are greatly influenced by demographic, psychographic, economic and environmental variables. Sex, age, education and occupation are crucial factors when analysing the income of households, which depicts a significant determinant of consumer behaviour. Income dictates what goods and services the household is able to purchase.

The development of education reflected one of the greatest spheres of progress of the Indian South African. The rapid enhancement in this field and the opportunities for advancement revolutionised the economic and social status of Indians. Changes in traditional attitudes and "the effect of early legislation have been instrumental in shaping the South African labour market" (Perumal 1988: 27). In 1973 education for Indians became compulsory and there was a drastic increase in the number of children attending schools. In the last few decades the continuous growth of female enrollment in tertiary institutions broke the taboo of conservative Indian society, which maintained that an educated girl was "a menace to society" (Henning 1989: 27).

Income and purchasing power increase accordingly with additional education. The higher levels of education of Indian consumers have been accompanied with increasing sophistication of consumer choice and changes in traditional buying behaviour. The achievement of professional and other tertiary educational qualification have resulted in a large number of Indians occupying higher occupational positions in commerce and industry. Whilst Indian immigrants predominantly worked on the sugar-cane plantations in 1860, by 1911 approximately 21% of the Indian labour force were employed in commerce and industry and

in 1985 almost 47% occupied professional, managerial, administrative and clerical positions (South African Statistics 1990). It is evident that the increasing prosperity, urbanisation and industrialisation of South Africa provided inroads for Indians into the economic structure. Furthermore, "the close contact with whites especially in commerce, in offices and in industry has brought about a remarkable cultural inter-action" (Henning 1989: 33).

A significant change in the Indian workforce has been the rapid increase in the number of women, especially as a result of increased levels of education. The working female faces the new lifestyle of work-life and household chores. The westernised woman shares with her husband the roles of earning and purchasing products and services.

Westernisation has also had an influence on family life. There has been a transition from the joint family system to the nuclear family. Today, the young Indian couple prefers to establish their own home. This trend places further burdens on the marital partners to earn an income that sufficiently satisfies the family's needs. Furthermore, whilst arranged marriages and marriage to teenage brides was a common occurrence in the early days, today socio-economic and educational variables are more influential in determining marriage choice. Young men and women largely prefer to educate themselves and to marry according to their personal choice and interest. The westernised Indian also faces the social ills of modern society. Divorce, stress, crime, wife bashing and child abuse, which were unheard of and taboos in the traditional Indian family, are now a common occurrence.

Westernisation has also been a determinant in the changing consumer trends in the Indian community. Whilst the traditional Indian preferred the personal, over-the-counter service of the local grocer, this sector of society has widely accepted the self-service stores, where they are free to feel, see and even taste some products before buying. This explains why national self-service stores are establishing branches with Indian consumers in mind. The desire to shop at chain stores has been promoted by the alarmingly increasing rate of car ownership that has drastically increased the mobility of nuclear families. The ease of transportation has enabled these Indian buyers to be exposed to a greater variety of goods and brand of products at competitive prices and with special offers and coupons. Furthermore, the possession of vehicles gave rise to family shopping, where children accompany their parents to the stores and also engage in product and brand choice. Many families see the shopping process as an outing, whereby they buy groceries in bulk and eat at restaurants thereafter. This explains why "modern shopping centres, in addition to providing a shopping facility also serve the social, cultural and recreational needs of the community" (Perumal 1988: 99).

Westernisation has also created a change in the type of products that Indian families purchase. In the early days Indians mainly consumed rice, maize meal, grain, fish, vegetables, oil and salt and meat was seldom bought and was treated as a delicacy. In fact, in accordance with the traditional code, Hindus are supposed to be vegetarians but meat is now commonly eaten. Today most Hindus consume mutton, fish and chicken, however, eating pork and beef is still considered a taboo. During the periods of fast and wedding ceremonies Hindus only eat vegetables and totally abstain from consuming meat, chicken and seafood. Although the taboos against the consumption of pork and beef amongst Hindus are no longer very strictly

adhered to, Muslims remain staunch in observing the belief that mutton and chicken products that are not 'halaal' should not be eaten. Halaal is a religious custom of the Muslims specifying the method of slaughtering. On religious occasions Muslims, unlike Hindus, consume all products. Table 4.12 displays the percentage distribution of household spending on food by main food groupings for 1975, 1980 and 1985.

TABLE 4.12

PERCENTAGE DISTRIBUTION OF HOUSEHOLD SPENDING ON FOOD

MAIN FOOD GROUP	1975	1980	1985
Grain	16,8	15,3	16,4
Meat	29,6	35,4	34,4
Fish	4,0	4,9	4,0
Fats and Oils	5,5	5,7	6,0
Vegetable	17,8	12,8	11,2
Prepared food	1,1	0,5	1,2
Other	25,2	25,4	26,8
Total	100	100	100

(Perumal, S. 1988. Consumer Buying Patterns of Indians Residing in the Durban Area. Pretoria: UNISA. 207).

It is evident from Table 4.12 that consumption expenditure on the traditional diet of grain and vegetable products is increasing. This trend is expected to continue as Indian consumers become westernised and as more of these households fall into the middle and higher income categories. "Although traditional modes of consumption habits have changed since these early days, most families still prefer spicy, pungent and flavoury foods with rice" (Department of

Information 1975: 25).

The attitudes of Indian consumers towards the selection of certain products has also changed. In the early days these consumers were reluctant to purchase processed food because it was either viewed as being unhygienically packed and stale or regarded as the food that 'White people' ate. More and more Indians today, particularly the younger generation, are including processed foods such as canned products, quick frozen vegetables, frozen seafoods and tinned products in their shopping baskets. This can be attributed to the increase in the number of working women which created the demand for convenience foods, together with the impact of westernization, modern food technology and a wide range of methods of preservation. The rapid increase in the consumption of frozen foods is also due to the ownership of refrigerators and freezers.

Indians have adopted the Western mode of dress. The Indian males today wear suits, jeans and casual jackets and the females wear skirts, dresses, pants, jeans and even slacks-suit garments. The '**sarie**', which is the traditional dress of the Hindu female, is still preferred for weddings and religious functions but the Western style of clothing is more frequently selected on other occasions. The Muslim female wears the '**ijar**' but less emphasis is now placed on the traditional concept of covering all parts of the body. Indians today also largely include in their shopping lists a range of cosmetics, hairsprays and bath oils.

Indian consumers in the middle and upper income bracket purchase electric home appliances. In this regard, Indian consumers are conscious of quality and durability. "Indians are very

home ownership conscious and once they own their home it becomes their pride. They spend large amounts of money to make substantial changes and additions to their homes" (Perumal 1988: 6).

Recreational pursuits have become the spotlight in the Indian consumer's arena of interest. "In a society such as South Africa, characterized by rapidly rising material expectations and increasing leisure time, recreation is an important aspect of urban, social and personal development" (Perumal 1988: 6). This explains why Indians, especially the youth, are increasingly accepting the Western mode of social conduct, entertainment, recreational and leisure activities.

It is evident that as the lifestyles and consumption patterns of Indians are changing, they represent a more and more viable market and are increasingly contributing to the market share of more enterprises.

4.9.7 CONCLUSION

The Indian settlers faced the challenge of economic survival on the underdeveloped South African grounds and in a society that was engulfed with racial prejudiceness. The Indians made spectacular economic and material advancement in the modern and complex South African society. In this heterogenous State, the Indian population represented a distinct segment with its own traditions, norms, values and customs which paved their pattern of consumption. This made it necessary for firms marketing their goods and services, to have

an understanding of the Indian culture and lifestyle. The transition in the consumption behaviour of Indian consumers, that resulted predominantly from the process of westernisation, needs to be regularly and carefully monitored by marketers in order to effectively reach the target market and ensure the success of marketing programmes. Cognisance should be taken of the change in the lifestyle of the Indian community from the joint to the nuclear family system which necessitates the increased production of smaller sized food packages. Furthermore, the higher level of education of Indian consumers is leading to a greater degree of professionalism in consumer choice and changes in purchasing patterns and habits, and pronounced acceptance of modern food technology. The sophistication of consumer choice, comprehensive prepurchase search for information and the systematic and elaborate evaluation of alternatives have made these consumers more price, quality and brand conscious. In quest for maximum benefits, utility and satisfaction, the process of trial-and-error of many brands of products has led more Indian consumers to purchase one brand continuously. Brand loyalty, a concept that many enterprises need to evaluate in order to analyse the success of their product and their market share, but yet few have investigated, would be analysed in the sector of the Indian community - a strata that is undergoing much transition in its lifestyle and purchasing habits and one that is demonstrating a drastic upswing in its purchasing power as well as prominence in the success of marketing firms and the attainment of economic stability.

CHAPTER 5

BRAND LOYALTY

5.1 INTRODUCTION

Manufacturers of consumer goods are interested in selling more of their products with the greatest possible efficiency. Established firms marketing inexpensive and frequently purchased consumer products aim to ensure repeated sales to secure an ever-expanding group of consumers. The long-term success of a particular brand is based, not on the number of consumers who buy it only once but on the sector that become repeat purchasers and loyal towards a brand.

It is beneficial to view consumer behaviour as "sales of a product depends on the people buying it - how many buy it, how much they buy, how many buy it again and how many buy something else instead" (Goodman 1979: 1). Since sales depend on consumers, analysing their attitudes and behaviour assists in identifying the nature of problems encountered by marketers. By manipulating certain variables which directly impact on the market structure and the behaviour of consumers, marketing managers aim to stimulate change which favours their product and brands.

The objectives of marketing management are to:

- * Change the occasional purchaser of its own brand into a repeat purchaser
- * Increase the amount consumed by the repeat purchasers of its own brand
- * Attract purchasers from competing brands

* "Maintain high levels of repeat purchase for its own brand by 'inoculating' repeat purchasers against brand switching" (Jacoby & Chestnut 1978: 2).

The overall aim of marketing is to increase market share. This can be achieved by realising that "the two major assets that remain unaccounted for in a company balance sheets but contribute tremendously to company profits are people and brands" (Foster & Tindale 1984: 25).

Branding is viewed as security, which adds value and profitability to the overall marketing effort. All marketers aim to satisfy the needs, wants and desires of consumers. Whilst specific products satisfy basic needs, well-positioned brands fulfill the deeper needs, wants and urges. There is "a complex interrelationship between the two - they are in fact inseparable. A great product with poor branding support is just as likely to fail as a great brand and image without the required product performance, company support or retail distribution" (Foster & Tindale 1984: 18).

With regards to purchasing behaviour, an area commonly misconceived concerns the relationship between the consumers' attitude toward the brand and their purchase behaviour. The repeat purchases of a brand does not imply loyalty towards it. Instead for brand loyalty to exist, there has to be psychological commitment to the brand.

5.2 THE HISTORY OF BRANDING

Initially manufacturers of consumer goods produced for the consumption of the people living in the immediate vicinity. There was no need to produce in excess capacity. As local needs were being satisfied, these producers began to focus on more distant markets, which necessitated the introduction of the wholesaler "to provide certain services of distribution, storage, and procurement of retail outlets that the producer then found difficult to perform" (Patti & Fisk 1982: 94). Since the manufacturers were able to sell everything they could produce at a reasonable profit, there was little motivation for them to differentiate or brand their products. It was the wholesaler who dictated the quantity and quality to produce and placed pressure on the manufacturer since consumers' wishes were conveyed to the former. Manufacturers produced goods, both the quantity and quality of which were stipulated by the wholesalers. Being economic men, the wholesalers bought their goods from those manufacturers who were willing to accept the lowest offer. This decreased the income of many manufacturers very close to the cost of production such that they "had lost some precious leverage in the marketing process" (Patti & Fisk 1982: 95).

Consequently, producers began to differentiate their products, whereby, "the brand is positioned so that it is seen as sharing important attributes or product characteristics with other brands in the category and as being superior on the differentiating or distinguishing attributes" (Sujan & Bettman 1989: 454). This was done "through assuming the packaging function themselves and affixing a brand to the package" (Patti & Fisk 1982: 95) and by advertising "over the heads of the wholesalers to the ultimate buyers, the consuming public" (Kaldor

1950: 27). Consumer demand was then channeled toward specific brands of previously undifferentiated goods. The retailers and wholesalers had no choice but to conduct business with the enterprising producers of the branded goods. Branding was thus, a link in breaking the dominance of the wholesaler. Selling branded goods enabled the manufacturer to:

- * Advertise directly to the consumer to build brand demand
- * Demand higher prices from the wholesaler
- * "Develop extensive distribution systems under their own control" (Patti & Fisk 1982: 99).

Branding enabled producers to regain some economic control from the market and be a 'price seeker' rather than a 'price taker'.

5.3 DEFINING A BRAND

Branding serves to distinguish products from other similar ones so they can be marketed separately. Kotler & Armstrong (1991: 260) define a brand as "a name, term, sign, symbol, or design, or combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors". Brands are given added value when advertisers associate them with prominent social groups, style and excitement.

The concept of branding differs from that of brand names and trademarks. The **brand name** is that part of a brand that is vocalised when referring to a brand. The **brand mark** cannot be pronounced but only recognized, such as, a symbol, design, or distinctive coloring or lettering" (Kotler & Armstrong 1991: 260). A **trademark** "consists of those parts of the brand that a seller has claimed as his exclusive property" (McNeal 1984: 263). It consists of the

brand name presented in a specific form, in addition to a unique symbol suggestive of the seller's product and is essentially "a legal designation" protecting the seller's sole right to use the brand name (Skinner 1990: 251).

Branding can be analysed from the standpoint of the producer and the consumer. For the manufacturer, brands are a necessary prerequisite for effective marketing. "Consumers know brands, they do not know plant, equipment, technology, or the work force. Thus, the value of most major products or services is lodged in their brand names" (Tauber 1988: 30). "Unless consumers have in mind the particular branded version of a product and distinguish it from other versions the supplier is easy prey to competitors and to price bargaining from retailers" (East 1990: 19). An essential function of advertising is to establish brand identity, reduce the extent of substitution and differentiate it from other commercials. Branding permits interaction between the consumer and the marketer and gives the firm a relationship with its customers, which ensures a greater opportunity for sales and profits. When brands differ consistently the branding assists consumers in obtaining specific benefits that may not exist in other brands. Branding underscores human choice which depends upon perceptions about alternatives. Perception "affects the entire gamut of consumer decision processes" (Markin 1974: 222). Since products are perceived differently, branding is of value to consumers as it makes a difference in the selection of a product.

5.4 THE INFLUENCE OF BRAND NAMES ON PRODUCT PREFERENCE

Brands offer the consumer **convenience in shopping**. They make it easier to identify a multitude of goods and enable the individual to purchase the item at the most convenient outlet and be assured that it is always the same product.

Brands provide the consumer with **consistent quality**. The relationship "between brand name and perceived quality are positive and statistically significant" (Rao & Monroe 1989: 351). Once consumers have established a preference for a specific brand they can be assured of the same quality with each purchase.

"Brands simplify the purchase of **replacement parts, service and accessories**" (McNeal 1982: 265). Buying established brands of products that will be used for a long time offers a benefit for the consumer since the availability of replacement parts, service and accessories is guaranteed. The brand also **offers recourse** to the consumer because in the case of product failure or flaw the individual can be assured of restitution. Perceived risk is "the expected negative utility associated with the purchase of a particular product or brand" (Dunn, Murphy & Skelly 1986: 205). The purchase of products by brand name minimises the degree of such risk. Dunn et al. (1986: 214) found "the risk profiles consumers formulate for various brand types are associated with their brand preferences". When consumers buy products, there exists the probability it may cost much time and money or even cause personal harm or embarrassment. "As consumers develop more information and experience about a brand or product group, risks in making further purchases are reduced" (McDaniel & Armstrong 1987:

297). Ted Roselius (1971: 56) noted in his study that consumers depend more on major brands to reduce these risks than on other factors such as guarantees, the store image from which the item was purchased or consumer or government reports. Cunningham (1967: 513) determined the relationship between perceived risk and loyalty to a brand and found "perceived risk is positively related to perceived brand commitment. Apparently loyalty to one brand is a method of risk reduction".

The consumer is allowed convenient **expression of self-concept** as a result of branding. Individuals may purchase brands that maintain and enhance their self-concept in a nonverbal manner. In addition to assuming the product will function as expected, the brand meets other needs which relate to affiliation, nurturance and the desire for dominance. Undoubtedly, those brands consumers view as very satisfying would be most preferred.

5.5 **BRAND IMAGE**

The numerous advantages of branding suggest that consumers possess strong feelings about many brands of products. "A brand is a product with a personality. A product is something physical, created by a manufacturer. But a brand consists of all the living impressions a consumer has of a product or service" (Foster & Tindale 1984: 41 - 42). These impressions combine to give it a rather unique character and appeal which in fact turns it into a brand. "This character or personality is usually, however, not an intrinsic property of the product and therefore cannot be made or created in a factory. It is something created by the consumer, aided and abetted by the marketer" (Foster & Tindale 1984: 42). Brand image is "the sum

total of one's attributes and knowledge about a brand of product" (McNeal 1982: 267). It is "the composite impression of an individual 'make' created by a brand's advertising, packaging, value, and product attributes" (Britt 1966: 377).

Experience, social and marketing influences affect brand image. "Only gradually, through experience with the brand, will attitudes toward the product be formed or changed" (Cobb & Hoyer 1985: 5). Consumers' **experiences** with brands are recorded in their personalities and form a substantial part of their brand image. Barwise and Ehrenberg (1985) found people engage in evaluative judgements such as 'good value for money' which relate to consumption. These evaluations are the outcome of consumers' experience with the product. Furthermore, "consumers tend to prefer the brand whose image is congenial to them" (Britt 1966: 376). The self concept, which is "the totality of the individuals' thoughts and feelings having reference to themselves as subjects as well as objects," is a useful construct for explaining consumer choice (Malhotra 1988: 7). Doliah (1969) undertook a study on image congruence and found the image of the most preferred brand was much more congruent with subjects' self-image than the image of the least preferred brand.

Social influence is a major factor in the development and modification of brand images. Brands are symbols of social relationships and their images can be influenced by groups who are identified with them such as peer groups, family, celebrities and friends. In a study of consumer brand choice, Witt (1969) indicated that group cohesiveness influences behaviour. Cocanongher and Bruce (1971: 380) found "socially distinct reference groups can influence consumers if they hold favourable attitudes toward the members or activities of that group".

Lester Guest (1964: 77) indicated that early childhood experiences exert influence upon later brand purchasing behaviour. Brand image is thus, to a large extent, socially determined.

Marketers are image builders when they launch a new product by engaging in an extensive amount of decision-making regarding its profile. This image is communicated to individuals through the promotion mix of advertising, selling and packaging. A brand image is, however, "not simply a perceptual phenomenon affected by the firm's communication activities alone. It is the understanding consumers derive from the total set of brand-related activities engaged in by the firm" (Park, Jaworski & MacInnis 1986: 135). Allison and Uhl (1964: 39) determined whether beer drinkers could distinguish among major brands of unlabeled beer on selected characteristics. Product distinctions arose primarily from the individual's receptiveness to the various firms' marketing efforts rather than through perceived physical product differences. It is evident that "brands are far more than physical products - they represent unique and attractive totalities. Each has a comprehensive character in its own right, with qualities that have been built up over time and have become accepted, and then expected, by consumers" (Foster & Tindale 1984: 27). Brand image is as much a part of a purchase as the product itself. This emphasizes that "consumers perceive a brand as an intrinsic part of the product, and branding can add value to the product" and play a crucial role in brand preference (Kotler 1986: 302).

5.6 BRAND PREFERENCE AND BRAND LOYALTY

Brand preference is "the tendency to choose a brand of product from among a set of known available brands" (McNeal 1982: 269). When confronted with a choice of brands, consumers express more positive attitudes toward one brand than they do towards others. Brand preference behaviour depicts the knowledge-attitude-behaviour (KAB) model of consumer behaviour. This model maintains that the consumer has knowledge (K) of several brands, holds positive attitudes (A) towards a few of them which will elicit behaviour (B), depicted by the act of purchasing the most favoured brand. As knowledge changes over time so too would attitudes and behaviour.

Brand preference exists as a result of two major reasons:

- * Among a choice of brands, one is perceived as being more satisfying than others and is favoured. "Consumers buy values other than the pure physical/intrinsic attributes of a product. They also buy extrinsic, psychological values that add dimensions to their satisfaction in terms of status, security, self-image and other needs" (Foster & Tindale 1984: 17). The preferred brand fulfills a collection of needs best. This notion is in keeping with the fact that "consumer buying decisions are the consequence of rational considerations in the fitting of alternative goods and services to consumption goals" (Wiley 1984: 1). "The consumer doesn't buy a product, he buys the benefits that the product offers" (Burlock 1984: 20).

* Brand preference occurs as a result of the efficiency in decision-making. "Although brand choices are not always preference anchored, formation of brand preference facilitates consumer decision making" (Bahn 1986: 382). Consumers would be in a quandary if, on each shopping trip, they had to logically select among brands for every item on their grocery list. "Habits which develop on the basis of past experiences and reinforcement of prior purchase responses therefore lend efficiency to consumer shopping" (Robertson 1970: 26). Tucker (1964) studied the development of brand loyalty under conditions where product offerings were identical, and loyalty would not be expected. He found fifty percent of the subjects established brand loyalty. Ambiguity in decision-making was reduced and the brand responses made were sufficiently reinforced to result in learned behaviour. It is evident that consumers develop habit patterns or brand preference to give order and efficiency to their effort by allowing "more time and mental freedom for other matters because it approximates an automatic response" (McNeal 1982: 270).

Brand preference may change over time as a result of marketing efforts in the form of price, product changes and coupons. Consumers use the price they expect to pay for a brand on a given purchase occasion as a reference in forming judgements. Specifically, "when the retail price compares unfavourably with the expected price," the probability of purchasing the brand will be reduced (Kalwani, Yim, Rinne & Sugita 1990: 253). Conversely, when the retail price compares favourably with the expected price, the chances of buying the brand will be enhanced. Lattin & Bucklin (1989: 299) found "consumer response to an unexpected price decrease (a 'pleasant surprise') is greater than the response to an expected price decrease. Consumers will change their brand preference as soon as that choice no longer leads to the

maximum expected satisfaction from a product.

Brand switching is one of the ways in which consumers having problems or experiencing dissatisfaction with a product or service "may express their grievances" (Kasper 1988: 387). The object of the switching is "to alleviate or eliminate the problems with the previous purchase" (Raju 1984: 201). However, a change in brand image must occur before a change in brand preference. When brand preference among a set of brands is substantial, it referred to as brand loyalty.

5.7 THE EMERGENCE OF BRAND LOYALTY

Brand loyalty refers to the loyalty of a person to a particular brand demonstrated by purchases of that brand. Consumers may become brand loyal in different ways. Some individuals undergo a period of time trying different brands and may even purchase a different brand on each shopping occasion.

- * Based on their experience and knowledge with each brand and the information they receive from package labels and advertisements, a decision is made conveying the preference. Although this group may try new brands and compare it to their current preference, they are brand loyal but are not restricted when they wish to change their loyalty.
- * Consumers may undergo a brand search strategy whereby they select one brand, try it, and then evaluate it. If the brand performs satisfactorily, they end their search and consistently buy that brand. If satisfaction is not derived, they will select another brand to

evaluate. The process continues until the individual finds a product that meets the criteria for satisfaction.

- * Consumers rely less on personal analysis of alternatives and instead accept someone else's evaluation. Some consumers continually select the brand which was preferred and purchased by their parents whilst others rely on the evaluations presented in consumer reports.
- * Consumers may go through periods of different brand loyalties. "A consumer might buy one brand of shampoo for five months and then decide that he or she is getting tired of purchasing that brand. Then another brand might be selected and purchased regularly for a time period" (Zaltman & Wallendorf 1983: 318).

Becoming brand loyal is essentially a learning process which takes place over a period of time. There are three factors that appear to be paramount in its development:

- * Exposure to information concerning the brand
- * Favourable experience in purchasing and using the brand
- * Extent of using by peers and social reference groups

There are a number of factors which can influence the degree of brand loyalty which develops within a target market. Brand loyalty is lower when:

- * "More brands are available for the consumer to choose from
- * The number of purchases made, and brand value per purchase, increases
- * Prices are relatively active among competing brands
- * Consumers use a number of brands simultaneously" (Chorn 1984: 14 - 15)

A consumer learns about a brand and may develop a commitment toward purchasing it repeatedly whenever an item from that product class is needed. Purchasing a brand thus, becomes a habit. However, when referring to brand loyalty the focus cannot only be on behaviour, that is, the repeated purchases of a brand, to the exclusion of the underlying psychological processes.

5.8 **BRAND LOYALTY AND REPEAT PURCHASE BEHAVIOUR**

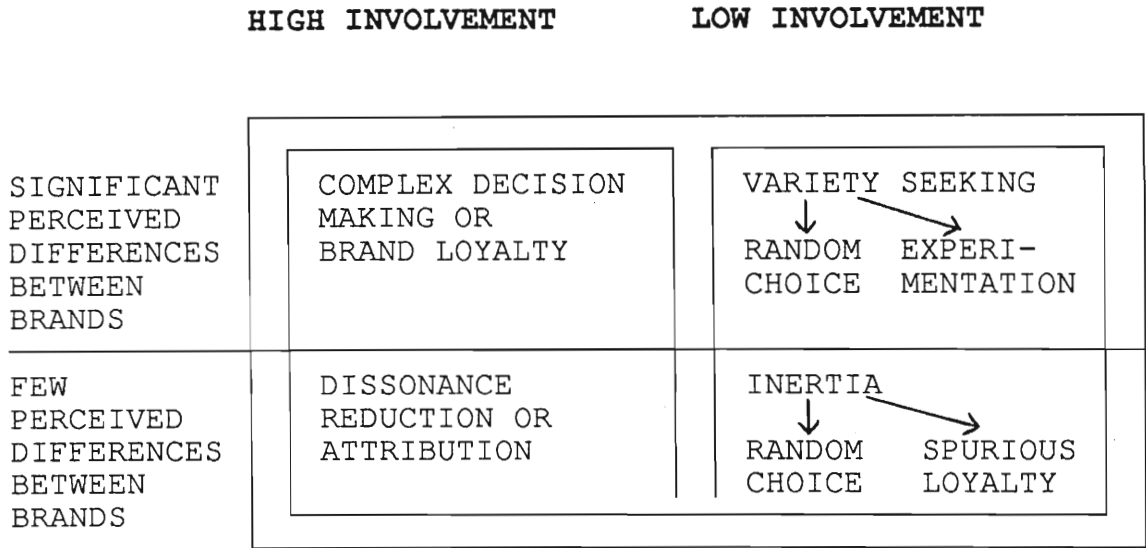
Whilst repeat purchases "involves the frequent repurchase of the same brand, perhaps because it is the only one available" or is "the least expensive," for a true state of brand loyalty to exist there must be some degree of psychological commitment to the brand (Hawkins, Best & Coney 1980: 511). "Brand loyalty is treated as a one-point-in-time (that is, macro) psychological disposition toward a given brand, whereas repeat purchase behaviour takes a macro perspective of brand choice" (Sirgy 1983: 176). Repeat purchase behaviour refers to the choice pattern over time with regard to a specific brand. Jacoby and Kyner (1973) designed their conceptual definition of brand loyalty to include the psychological processes. In what is considered to be the "most satisfactory and informative definition" (Horton 1984: 91), they maintain that brand loyalty "is (1) the biased (nonrandom), (2) behavioural response (ie. purchase), (3) expressed over time, (4) by some decision-making unit, (5) with respect to one or more alternative brands out of a set of such brands, and (6) is a function of psychological (decision-making, evaluative) processes" (Jacoby & Kyner 1973:2).

Brand loyalty has to be nonrandom in order to enable prediction, modification and control. Secondly, "a mere verbal report on preference or intention to buy a particular brand" is insufficient for defining brand loyalty because purchase behaviour may not reflect the verbally stated preference or intention (Horton 1984: 92). In the third instance, it is necessary to define the concept over time because loyalty implies a commitment over time. Fourthly, it involves a decision-making unit which must be properly identified because the purchaser, user and decision-maker may be different. Brand loyalty is a "means of economizing of decision effort by substituting habit for repeated, deliberate decisions" (Horton 1984: 97). Lastly, the definition reflects the possibility for an individual to be loyal to more than one brand. Over the long term, "consumers do not confine their choices to one or two favourite brands but "far more typically distribute their choices over numerous brand, even in stable markets, proportional to the brands' market shares" (Winter & Rossiter 1989: 559). Multi-brand loyalty exists because people change over time, experience diminishing preference temporarily because of "the mechanism of satiation", purchase trial brands on the market which temporarily overcome customary preference, purchase numerous brands because of the differing preferences of different members of the household and because of "the impact of distribution" or the result of out-of-stock conditions (East 1990: 56). In fact, a potential influence on brand loyalty is the possibility of brand substitution that arises predominantly as a result of out-of-stock conditions. Brand loyalty is a function of psychological or decision-making and evaluative processes. These processes need not be elaborate or extensive but reflect that a person has reasons for acting and develops a commitment toward one or more brands. Commitment is "the pledging or binding of an individual to his brand choice" (Lastovicka & Gardner 1979). It is thus, a psychological attachment to a particular brand

within a product class. "Both the process of complex decision making and the formation of brand loyalty assume an involved consumer who sees sufficient differences between brands to warrant active brand evaluation" (Figure 6.1) (Assael 1987: 86). Brand loyalty is thus, "a particular kind of repeat purchase behaviour which indicates a commitment or preference which is the cause of the pattern of repeated purchases of the brand" (Zaltman & Wallendorf 1983: 318). Traylor (1983) suggests brand commitment fixes brand choice in consumers' minds. Kiesler (1971) who defines commitment in attitudinal and behavioural terms, maintains that committed individuals are more discriminating and resistant to change. "Committed individuals reject communications attacking their position, pay closer attention to and selectively perceive information reinforcing their position, maintain stable preferences after an election and assimilate pre-trial evaluation information in post-trial evaluations of brands" (Gill, Grossbart & Laczniak 1988: 35).

FIGURE 5.1

COMPLEX DECISION-MAKING AND BRAND LOYALTY



(Assael, H. 1987. Consumer Behaviour and Marketing Action. Boston, Massachusetts: Kent Publishing Company. p. 87).

The upper left-hand box in Figure 5.1 represents the process of complex decision-making and brand loyalty. The latter is often measured by the degree of involvement, "which is a recognition that certain product classes may be more or less central to an individual's life, his attitudes about himself, his sense of identity, and his relationship to the rest of the world" (Traylor 1981: 51). "High involvement leads to extensive information search, to attitude change, to purchase behaviour, and ultimately to brand loyalty; while low involvement lends itself to exposure and brand awareness, to purchase behaviour, possibly to attitude change, and then to brand habit" (Schiffman & Kanuk 1987: 259). Since brand loyalty is defined as a commitment, the low involvement consumer cannot be considered to be brand loyal. Robertson's (1976) discussion of low commitment behaviour among consumers suggests brand

loyalty is a behavioural construct that does not necessarily imply brand commitment. "A consumer may, for example, always buy a particular detergent because it is too time-consuming and not important enough a decision to consider alternative brands. Brand loyalty would be observed in the behaviour of this individual, but there is not brand commitment" (Traylor 1981: 52). In this case, an out-of-stock condition will be only a minor irritation, forcing the consumer to select another brand. Brand commitment is an attitudinal construct. "The greater the brand commitment, the more firmly fixed is the brand as the only choice within the product class" (Traylor 1981: 52). A stock-out condition of this brand will be a serious problem, causing the consumer to seek it elsewhere. Therefore, "brand commitment implies brand loyalty, but not vice versa" (Traylor 1981: 52). It should be noted, however, that different patterns of brand loyalty exist.

5.9 THE PATTERNS OF BRAND LOYALTY

A study was undertaken on repeat purchase behaviour for nine products based on a Chicago Tribune purchase panel. It was found that four patterns of brand loyalty exists:-

* Undivided loyalty is shown by families purchasing brand A in the following sequence:

AAAAAA

* "Divided loyalty is exhibited by the family purchasing brands A and B in the following sequence: ABABAB" (Loudon & Della Bitta 1988: 652)

* "Unstable loyalty is shown by the family buying brands A and B in the following sequence:

AAABBB" (Loudon & Della Bitta 1988: 652)

* "No loyalty is shown by families buying brands A, B, C, D, E and F in the following sequence: ABCDEF" (Loudon & Della 1988: 652)

The study indicated "although the degree of loyalty varied by product, the percentage of consumers exhibiting some brand loyalty was rather high" (Loudon & Della Bitta 1988: 652). In addition, a definite relationship was observed between strength of brands and the nature of loyalty displayed whereby well established products enjoyed high loyalty. This brand-choice sequence approach does not enable one to summarize purchase sequences quantitatively. Since different consumers buy at varying rates, it is difficult to aggregate the buying behaviour of one consumer with that of another who buys more frequently. "The purchase sequence approach therefore, does not facilitate the kinds of comparisons between consumers, brands, or product fields that are likely to lead to generalizable results" (Engel & Blackwell 1982: 567).

Like the different purchase sequences that occur, there exists variations of brand loyalty among products.

5.10 TYPES OF BRAND LOYALTY

Individuals exhibit different types of brand loyalty because of personal differences and variation in perception among consumers.

Brand awareness is defined as "a rudimentary level of brand knowledge involving, at the least, recognition of the brand name. Awareness represents the lowest end of a continuum of brand knowledge that ranges from simple recognition of the brand name to a highly developed cognitive structure based on detailed information" (Hoyer & Brown 1990: 141). **Recognition** is "the process of perceiving a brand as previously encountered" (Mandler 1980: 252). However, "awareness may build up into the idea of looking for more information about the brand, asking someone about it, ... and is hardly just awareness" (Ehrenberg 1974: 31). Whilst brand awareness denotes a state of knowledge possessed by the consumer, recognition represents "a cognitive process resulting from awareness" (Hoyer & Brown 1990: 141). Brand recognition is the least loyal classification and comprises of consumers who are merely able to recognise brands. While these individuals at least remember having heard or observed a brand name, they feel no particular devotion to the product. The consumer buys the product if other products in the market are even less recognised. If other brands attract greater loyalty, the product will lose more market share than it gains.

A state of **brand preference** exists "where the consumer has a definite bias toward the product, given a choice, but will accept a substitute before doing without the goods" (Walters 1974: 445). In this type of brand loyalty many consumers purchase from habit and experience.

Brand insistence is a state of loyalty where the consumer will go without the brand of product before accepting a substitute. Complete brand insistence is seldom found since periodic changing amongst brands or brand switching occurs even by the most loyal

customers. "Where brand insistence does exist, consumers will go to considerable trouble to obtain the desired brand" (Walters 1974: 445).

Furthermore, different brands of the same product are able to command varying degrees of loyalty.

5.11 BRAND LOYALTY AND VULNERABILITY

While the marketing problem with loyal consumers is to maintain and extend their loyalty, the managerial objective with nonloyal individuals is to induce trial and to develop loyalty. According to Star (1972) a brand's sales growth can be accomplished through either, or a mixture of, two strategies:-

- * **Holding strategy** - increasing the percent of purchases for a brand among "those consumers who already buy that brand a substantial percentage of the time" (Rubinson 1979: 83)
- * **Switching strategy** - increasing the number of consumers who will buy the brand on at least an occasional basis" (Rubinson 1979: 83).

The more a firm's market share is built upon a base of loyal consumers, the more stable is that share of the total market. Management therefore, needs to pay attention to the degree and distribution of loyalty in the market. One way to do this is by means of Wind's concept of "vulnerability" (Wind 1977: 315).

The term 'vulnerability' was introduced "to distinguish the 'loyal' customers, those who both buy and 'like' the brand, from those who buy it but like other brands equally well or better and hence are vulnerable to these other brands" (Woodside, Sheth & Bennett 1977: 314).

Figure 5.2 illustrates Wind's vulnerability matrix.

FIGURE 5.2

THE BASIC VULNERABILITY MATRIX

		ATTITUDE TOWARD BRAND <i>i</i>		
		"LIKE <i>i</i> "	"INDIFFERENT TO <i>i</i> AND OTHERS"	"DISLIKE" <i>i</i>
PURCHASEE PATTERN WITH RESPECT TO BRAND <i>i</i>	BUY <i>i</i> REGULARLY	"LOYAL" TO <i>i</i>	CUSTOMERS OF BRAND <i>i</i> WHO ARE VULNERABLE TO COMPETITORS	
	BUY <i>i</i> OCCASIONALLY	CUSTOMERS OF BRAND <i>i</i> WHO ARE VULNERABLE TO COMPETITORS		
	DO NOT BUY <i>i</i>	COMPETITIVE CUSTOMERS WHO ARE VULNERABLE TO BRAND <i>i</i>		UNLIKELY TARGET FOR BRAND <i>i</i>

(Horton, R.L. 1987. Buyer Behaviour: A Decision-Making Approach. U.S.A.: Charles E. Merrill Publishing Company. p. 93).

Brand loyalty and vulnerability are based on the interrelationship between two dimensions, namely, the purchase pattern of brand *i* and the attitude toward brand *i*. Three purchase patterns are identified as 'buy regularly', 'buy occasionally' and 'do not buy'. The three

attitude states are labelled 'like', 'indifferent' and 'dislike'. Cross tabulating the two dimensions results in a 3 x 3 vulnerability matrix. Of the nine cells members of only one (cell 1) may be defined as loyal. Those of five cells (2 -6) are present consumers of brand i who are vulnerable to competitors. Consumers of cells 7 and 8 purchase other brands but are vulnerable to brand i. The members of only one cell (9) are unlikely to be a good target market for brand i since it represents those who do not buy and do not like the brand.

The vulnerability matrix provides the manager with useful information. Many consumers have "varying degrees of attitudinal loyalty ... toward the item and have different vulnerability levels" (Woodside et al. 1977: 318). The matrix is beneficial in that it recognises both differences in the magnitude and nature of vulnerability. It identifies loyal customers as well as "those who are unlikely to become so, and therefore not worth the attempt to develop" (Horton 1984: 94). It also recognises current consumers who are unlikely to switch brands. "The less the consumer is involved with the product category, the more brand-switching will occur" (Handelsman 1987: 297). Knowledge of these buyers is the first step in developing them as loyal consumers. The information obtained from the matrix "is essential input for the design of marketing programs aimed at reducing the customers' vulnerability and likelihood of switching to competing brands and increasing the likelihood of attracting the vulnerable customers of competing brands" (Woodside et al. 1977: 315). When developing marketing strategies marketers also need to note that brand loyalty is a product specific phenomenon and there is no such thing as a loyalty-prone consumer. "A consumer loyal to one brand in a given product category may not display similar loyalties to brands in other product classes" (Hawkins, Best & Coney 1980: 512). Newman & Werbel (1973: 404) found that brand loyal

consumers express greater levels of satisfaction than less loyal and nonloyal ones. Woodside and Fleck (1979: 29) found "highly committed consumers are less price sensitive than noncommitted consumers". Cognisance must be given to these behavioural tendencies when brand loyalty is used as the criteria for segmenting markets.

5.12 **BRAND SEGMENTATION**

"Segmentation analysis attempts to identify people who are more likely to be influenced by marketing effort, with respect to a particular product or service, than the rest of the market population" (Boote 1981: 29). The marketing objectives of segmentation analysis is to reduce risk in deciding where, when, how and to whom a new product, service or brand will be marketed. The aim is further "to increase marketing efficiency by directing effort more specifically toward the designated segment in a manner consistent with that segment's characteristics" (Boote 1981: 29).

A market can be segmented by consumer loyalty in the form of brands, stores and companies. It will be useful to the marketer "if viable segments can be established based on brand loyalty" (Tull & Hawkins 1976: 576). The marketers may want to identify various segments of users of the company's brand. They may also segment users into those who buy a brand frequently as opposed to those who only buy occasionally or "into those users who usually purchase the same brand versus those who switch from brand to brand" (Loudon & Della Bitta 1988: 127). Buyers can be divided into groups according to their degree of loyalty. Some consumers are completely loyal and buy one brand all the time. "Others are somewhat loyal - they are loyal

to 2 or 3 brands of a given product or favor one while sometimes buying others" (Kotler & Armstrong 1991: 228). Another group of buyers show no loyalty to any brand. They either want something different each time they buy or always purchase a brand on sale.

Each market is composed of different numbers of each type of buyer. A brand loyal market is one with a high proportion of consumers showing strong brand loyalty. "The toothpaste market and the beer market seem to be fairly high brand-loyal markets" (Kotler & Armstrong 1991: 228).

A firm can obtain essential information by analysing loyalty patterns in its market. It should start by studying its own loyal consumers. The marketer is most interested in determining "whether those who purchase the company's brand are different, either demographically or psychologically, from those buying competitors' brands" (Loudon & Della Bitta 1988: 127). If features can be distinguished, then marketing programmes can be developed to attract more buyers who resemble the preferred consumer or to increase the loyalty rate among less loyal buyers. Furthermore, by studying its less loyal buyers, the firm can detect which brands are most competitive with its own. In addition, "by looking at customers who are shifting away from its brand, the company can learn about its marketing weaknesses" (Kotler & Armstrong 1991: 228). The best way to attract nonloyals is for the firm to put its brand on sale. A related approach that may be profitable to pursue is to develop new products to appeal to nonusing segments. Such a course of action may, however, make it difficult for the company to maintain a consistent image. Segmentation analysis informs the marketers about their products' and brands' positioning in the market with respect to possible substitutes (as

perceived by consumers), the ways in which their product or service is distinguished from others by consumers, "the saliency of various product attributes to consumers' evaluations of the products and brands within their evoked sets, and the psychological aspects of the consumers that predispose them to buy or not to buy within the product class" (Boote 1981: 30). This kind of information provide guidance to marketers in deciding on the strategy and tactics with which to achieve their goals, and secure their market share. However, "brands no longer are merely products competing for market share: they're annuities being plugged into the big money equations of corporate acquisitions" (Tauber 1988: 26).

Companies must be careful when using brand loyalty in their segmentation strategies because "what appear to be brand-loyal purchase patterns might reflect little more than habit, indifference, a low price, or unavailability of other brands" (Kotler & Armstrong 1991: 228). Since frequent or regular purchasing may not be the same as brand loyalty, marketers need to examine the motivations behind observed patterns of purchasing.

5.13 **THE BRAND LOYAL CONSUMER**

A loyal consumer is one who has a commitment toward the brand and "is willing to pay a premium price, exert extra effort to purchase the brand should it be out of stock in a particular store or available only in inconvenient locations, be less subject to competitors' actions especially price reductions" (Horton 1984: 93).

Attempts (Tucker 1964, Jacoby & Kyner 1973, Day 1969) have been made to determine why brand loyalty varies across consumers and products. Consumer, shopping pattern and market structure characteristics are associated with varying degrees of brand loyalty. The behavioural and attitudinal or cognitive approaches to understanding brand loyalty have been adopted in order to understand the purchasing patterns of consumers.

5.13.1 **THE BEHAVIOURAL APPROACH TO BRAND LOYALTY**

Followers of the behavioural school of thought define and operationalise brand loyalty in behavioural terms, by the sequence and/or the proportion of purchases. Brown (1952) defined loyalty as five purchases in a row of the same brand. Whilst Tucker (1964) expressed the term as three consecutive purchases, Lawrence (1969) viewed it as four purchases in a row of the same brand. Blattberg and Sen (1976) used proportion of purchases rather than sequence as the behavioural measure of loyalty.

Brand loyalty is conceived to be "simply biased choice behaviour with respect to branded merchandise" (Kassarjian & Robertson 1968: 114 - 115). If there are two brands of products offered to people a number of times, their degree of brand loyalty can be stated in terms of the relative frequency with which they select one brand rather than the other. If they choose one brand when both are equally available "enough of the time to persuade the statistically sophisticated observer that the difference in frequency is not due to chance", they may be said to be brand loyal (Tucker 1968: 115). Based on the behavioural perspective, it is argued that "no consideration should be given to what the subject thinks or what goes on in his central

nervous system; his behaviour is the full statement of what brand loyalty is" (Tucker 1964: 32).

The behavioural approach to brand loyalty is not without limitations. The measurement of loyalty based on past behaviour may be misleading. A consumer may buy one brand of a product for personal consumption, another for the spouse and occasionally a third, higher priced one to have available for guests. Such a purchase sequence would not depict loyalty, yet the consumer may be highly loyal to the preferred brand. Furthermore, "consumer purchases may not reflect reinforcement" (Assael 1987: 75). Lawrence (1969) studied the sequence of purchases after consumers switched from their regular brands and found four patterns of buying behaviour:

- * "Reversion (switching back to the original brand)
- * Conversion (remaining loyal to the new brand)
- * Vacillation (characterized by random switching between brands)
- * Experimentation (characterized by further systematic trial of other brands)" (Assael 1987: 75).

Only the reversion and conversion patterns conform to the behavioural perspective since, in both cases, previous purchases is increasing or decreasing the chances of purchasing the same brand again. "For vacillation and experimentation no specific sequence is established, making it difficult to predict behaviour from past purchases" (Assael 1987: 75).

The behavioural approach views brand loyalty simply as a function of past behaviour. However, it is a multi-dimensional term that must incorporate the consumer's commitment to

the brand.

5.13.2 THE COGNITIVE APPROACH TO BRAND LOYALTY

Many of the shortcomings of a purely behavioural approach in measuring brand loyalty are overcome when both attitudes and behaviour are incorporated. "Affect is now recognized to have a crucial role in the consumption experience" (Burke & Edell 1989: 69). Based on the cognitive perspective, Jacoby and Kyner (1973) asserted "brand loyalty implies repeat purchasing behaviour based on cognitive, affective and behavioural factors - the classical primary components of an attitude" (Sirgy 1983: 174). "Individuals are rational problem solvers, who proceed logically from beliefs to attitudes to behaviour" (Cobb & Hoyer 1985: 5). Similarly, Day (1969) maintains that in order to be truly loyal, the consumer must hold a favourable attitude toward the brand in addition to purchasing it repeatedly. "Attitude is the individual's affective feeling about the brand - ie., whether and to what degree he/she likes the brand. Attitude toward a brand predisposes the prospective buyer to react to that brand in a reasonably predictable manner" (Boote 1981: 30). The brand most liked by the individual will be the one having the highest probability of selection in the market (brand choice). Conversely, the brand least favoured will have the lowest probability of selection. Day (1969) recognises that "consumers might continue to buy the same brand because other brands are not readily available, a brand offers a long series of price deals, or the consumer wants to minimize decision making" and defines these conditions as spurious loyalty because they do not reflect commitment. According to Gardner (1983: 312) in addition to brand attribute, beliefs and evaluations, brand attitude involves the "overall affective reactions to the

brand advertisement".

The cognitive structure offers marketing researchers "diagnostic advantages over 'overall affect' measures by specifying the causal determinants of attitude formation and change" (Gresham, Bush & Davis 1984: 353). Specifically, the basic premise of these models that "a person's attitude is a function of his salient beliefs at a given point in time" implies that marketers can use these cognitive frameworks to explore the strengths and weaknesses of their brands on relevant attributes (Fishbein, Martin, Ajzen & Icek 1975: 222). "This diagnosis can then form the basis for alteration in marketing strategy designed to influence the hypothesized belief --> attitude --> behaviour hierarchy" (Gresham, Bush & Davis 1984: 353 - 354).

5.13.3 THE COMBINED BEHAVIOURAL AND ATTITUDINAL APPROACH

Research indicates (Day 1969) operational measures of brand loyalty that utilise both the attitudinal and behavioural components provide a more powerful definition of the concept. Researchers need to determine which brands consumers prefer as well as which ones they buy. Day (1969) found when attempting to predict brand loyalty, the predictive power of the model using both attitude and behaviour measures was almost twice as good as using only the latter. Also, if the behaviour measure alone was used, "over 70 percent of the sample would have been defined as brand loyal. Adding the attitudinal component reduced the proportion of brand-loyal consumers to under 50 percent" (Assael 1987: 75). The attitude model results "in a greater percentage of correct brand preference predictions than other models tested" (Bass

& Talarzyk 1972: 95). The implication is that defining loyalty based only on repeat purchasing overstates the degree of loyalty. This misclassification of individuals as brand loyal is detrimental since it misleads marketers into believing consumers are responding more favourably to the brand of product than they actually are.

5.13.4 **BRAND LOYALTY CORRELATES**

Studies on brand loyalty, based on the behavioural and attitudinal measure, have found certain relationships of the concept to consumer buying behaviour, patterns of shopping and market structure features.

5.13.4.1 **CONSUMER PURCHASING HABITS**

Brand loyal consumers are more likely to be influenced by reference groups due to the lack of information, the desire to conform and be accepted. Olshavsky and Granbois (1979: 95) maintain that "the consumer may obtain a recommendation from a personal or nonpersonal source with the intention of purchasing the recommended brand without acquiring attribute-value information". This happens when "the consumer feels constraints on his/her time or recognizes the referrer as a particularly knowledgeable source" (Rosen & Olshavsky 1987: 440). When the influence of reference groups on brand loyal behaviour were related, Stafford (1966) found no significant relationship between the level of group cohesiveness and member brand loyalty. In the more cohesive groups, however, the extent and degree of brand loyalty of members was closely related to brand choice behaviour of the informal leader.

"Loyalty is positively correlated with the extent to which the homemaker socializes with his or her neighbors" (Engel & Blackwell 1982: 573). Carman (1970) found the loyal consumer for a particular brand of coffee was most interested in status than the nonloyal one.

"Brand loyal consumers tend to be more self-confident in their choice" (Assael 1987: 80). Day (1969) found the brand loyal consumer "to be very conscious of the need to economize when buying, confident of his or her judgments, and older in a smaller than average household (thus needing to satisfy the preferences of fewer family members)" (Engel & Blackwell 1982: 574).

Roselius and Jagdish (1968) indicated that brand loyal consumers were more likely to perceive and use repeat purchasing of a single brand as a means of reducing risk. Sheth and Venkatesan (1968: 310) suggested "perceived risk is a necessary condition for the development of brand loyalty assuming high involvement". The sufficient condition is the existence of established market brands on which the consumers can rely. Mittelstaedt (1969: 446) maintain brand loyalty "may be a function of cognitive dissonance experienced at a time of purchase, and that the experience coupled with its subsequent reduction may lead one to repeat a choice".

The brand loyal consumer is more likely to be store loyal. Carman (1970) found that store loyalty was the most important correlate of brand loyalty and states the consumer who restricts the number of stores visited thereby limits the opportunity to be disloyal to the brands sold in the store. Therefore, "store loyalty is a regulator of brand loyalty" (Carman 1970: 75).

Some socio-economic, demographic and psychological variables are related to brand loyalty. Whilst the Advertising Research Foundation (1964) found virtually no association between personality (as measured by the Edwards personal preference schedule), socio-economic variables and household brand loyalty, Frank, Massy and Lodahl (1969: 22) observed a modest correlation between socio-economic, demographic and personality factor and brand loyalty. Guest in a 20 year study of brand preferences through time, also found "sex, intelligence and marital status were unrelated to brand loyalty" (Engel & Blackwell 1982: 572).

5.13.4.2 **SHOPPING-PATTERN CHARACTERISTICS**

Studies have produced findings indicating the relationships between brand loyalty and various shopping-pattern characteristics. Researchers (Carman 1970, Rao 1969) have demonstrated the importance of store loyalty in determining brand loyalty. Shopping proneness has been related to loyalty to brands. "Consumers who are not shopping-prone shop in relatively few stores. Within these store, they tend to remain loyal to a small number of brands rather than make careful choices between the values being offered by these stores" (Engel & Blackwell 1982: 575). Norstrom and Swan (1976) disclosed "when the store in which a shopper normally makes a purchase undergoes substantial change (such as ownership), this may also affect a buyer's loyalty to the manufacturer's brands formerly purchased there".

The relationship between the amount purchased and brand loyalty was indicated by Cunningham (1967) and Massy, Frank and Lodahl (1969) observed little relationship between

purchasing activity and brand loyalty. However, Kuehn (1962) found that brand loyalty was higher for heavy purchasers than for light ones. Day (1969) noted "true brand-loyal buyers were also heavy users of the products" (Engel & Blackwell 1982: 575).

Brand loyalty is related to the length of time the product has been on the market. Ehrenberg and his associates (1972) found "brand switching is much more prevalent immediately after the introduction of a product and equilibrium or brand loyalty is reached after the passage of an amount of time" (Engel & Blackwell 1982: 575).

The relationship between interpurchase time and brand loyalty was observed by Kuehn (1962) where the probability of a consumer buying the same brand on two consecutive purchase occasions decreased exponentially with an increase in time between these purchases. The longer the time lapse, the greater the decay in loyalty.

5.13.4.3 MARKET-STRUCTURE CHARACTERISTICS

"Much of the apparent difference over products in some important aspects of brand choice can apparently be explained on the basis of structural variables describing the markets in which the products are sold, and does not depend on specific characteristics of the products or on attitudes of consumers towards products" (Farley 1964: 13). Farley (1964) determined the relationship between brand loyalty and certain market-structure features by using the availability of brands, price fluctuations, and dealing activity and found that:

* "Consumers tend to be less loyal toward products with many available brands, where

number of products and dollar expenditures per buyer are high, where prices are relatively active, and where consumers might be expected to simultaneously use a number of brands of the product" (Engel & Blackwell 1982: 576)

* Consumers tend to be loyal in markets where there exists a wider distribution of brands and where market share is represented by the leading brand.

Day (1969) noted that the brand loyal buyer was less influenced by day-to-day fluctuations and special deals than were others.

There is a belief, however, that market structure variables influence brand loyalty. "If brand loyalty were successful in building up the resistance of buyers to switch to other brands in the face of changes in market conditions, one would expect that the elasticities for loyal buyers with respect to some of the major market structure variables would be less than those for the nonloyal group" (Engel & Blackwell 1982: 577).

Researchers have derived these relationships to brand loyalty as a result of the use of several models of brand loyalty that have been developed.

5.14 MODELS OF BRAND LOYALTY

A wide variety of mathematical models have been developed in an attempt to understand brand loyalty behaviour over time. A distinction is made between deterministic and stochastic models. **Deterministic models** have been designed to explain the processes through which buyers make their brand choices, decide to engage in repeat purchase behaviour or become

brand loyal. "Deterministic models would predict a particular course of action based on the input variables such as consumer characteristics, brand attitudes, and consumer needs" (Assael 1987: 73). For example, the explanation that "much brand loyalty is a device for reducing the risks of consumer decisions" enlightens us that the degree of brand loyalty developed by the buyer is determined by the amount of risk perceived in the product class (Horton 1984: 97). From this enumeration it is evident that deterministic models are an attempt to predict behaviour in exact or nonprobabilistic terms. It contains no random, probabilistic or stochastic element and is thus, distinguished from a stochastic model, with its built-in probability component.

Stochastic models "treat the response of consumers in the marketplace as the outcome of some probabilistic process" (Engel & Blackwell 1982: 579). These models are used to allow for a multitude of variables that are not or cannot be measured and are really a simplification of reality. There are two basic philosophies of stochastic models. In the first instance, many variables, internal and external to the individual, determine the outcome of behaviour "even though most of these factors are not measured nor explicitly included in the model of market response" (Engel & Blackwell 1982: 579). Montgomery and Urban (1969) conclude that "this procedure is parsimonious in that consumer behaviour may often be described by relatively simple stochastic models, whereas the adoption of a deterministic approach would require exceedingly complex models". A second philosophy of stochastic models is based upon the premise that "not only is the model of market response stochastic but the actual consumer process is stochastic" (Engel & Blackwell 1982: 579). According to Bass (1974: 18) "it will never be possible to prove conclusively that behaviour is fundamentally stochastic

or fundamentally deterministic since it will never be possible to measure all of the variables which influence choice".

The various models developed can predominantly be categorised in the domain of marketing management rather than consumer behaviour. Kuehn's linear learning model is a derivation from learning theory and cannot be overlooked when dealing with the behaviour of consumers.

5.14.1 KUEHN'S LINEAR LEARNING MODEL

In this model, "the probability of purchasing a brand in the present time period depends on the probability of purchasing it in the last period and whether or not it was actually purchased" (Zaltman & Wallendorf 1983: 319). It is evident that the probabilities of purchase patterns change over time.

Consider the example of an individual purchasing a particular brand of deodorant. If the person had a 50 percent chance of buying the deodorant at time t , and purchased it, then that consumer would have a 70 percent probability of purchasing this brand in the next time period (Zaltman & Wallendorf 1979: 290). If the person did not purchase the brand, then the chances of a purchase of this brand in time $t + 1$ would drop to 35 percent. "The probability of purchase never reaches 1 and never falls to 0" (Wallendorf & Zaltman 1979: 290). This is a learning model because each purchase is dependent on prior circumstances. "The probability of purchase increases after each prior purchase and decreases after each alternative choice" (Zaltman & Wallendorf 1983: 320).

There are underlying problems with the formulation of the linear learning model. Contrary to this model, Srinivasan & Kesavan (1976: 81) maintain that "a consumer's probability of purchasing a brand may decrease after purchasing that brand if the experience with the product is unsatisfactory". Thus, the rejection operator may apply not only when an alternative selection is made, but also when the consumer experiences dissatisfaction with the previous brand choice. The learning model implies "reinforcement, or differentials in level of reinforcement, form the sole basis for choice" (Kassarjian & Robertson 1968: 115). In fact, it is possible that a rewarded choice may decrease the likelihood of a repeat purchase if the person is interested in search behaviour. The individual may even become brand loyal in order to decrease the effort of decision-making. "More positive influences may be in the connative meanings and associations that naturally grow around objects one uses, the activities he engages in, and people with whom he interacts ... one may learn to like what he chooses as readily as he may learn to choose what he likes" (Kassarjian & Robertson 1968: 116).

"Models, while providing a statistically significant fit to data in certain product categories, suffer from oversimplification" (Engel & Blackwell 1982: 596). Differences in individual consumer needs and the influence of marketing variables need to be emphasized and explicitly explained to ensure an understanding of consumer behaviour. Models of individual brand choice behaviour are limited in their ability to include variables exogenous to the consumer, interalia, the state of the economy, the price of the competitor's product, as well as those factors within the control of the firm which relate to the price and the level of advertising. "As a consequence, although these past models have provided interesting descriptions of consumer behaviour, their capability of being used in a normative context was extremely

limited" (Jones & Zufryden: 1982: 36). A curative measure is to develop a model that begins with the determinants of brand loyalty and then attempts to relate these factors to a valid measure of brand loyalty. "In the future it would seem useful to develop a typology of brand loyalty and focus some attention on explaining the why of loyalty as against simply providing correlates of the observed behaviour" (Engel & Blackwell 1982: 596).

Nevertheless, these quantitative models are advantageous, particularly because they aid managerial decision-making. Such models provide "a formal, mathematically specified procedure for defining a product class and its internal structure, that is, its preference structure" (Horton 1984: 108). They also provide a mechanism for recognising markets that are potentially receptive to the introduction of new brands. In addition, they serve as a means "for testing a specific new brand and its contemplated marketing plan before test marketing" (Horton 1987: 108). It is evident that these quantitative models provide valuable managerial insights, which aid marketing managers in making more effective and profitable decisions. Marketers aiming for greater product sales and profits can use these models in their battle between manufacturers' national brands and distributors' private brand for brand predominance in certain product categories. They need to know whether there are any distinguishing features between private and national brand consumers which might enable their efficient market segmentation.

5.15 CONSUMER BEHAVIOUR AND BRAND TYPE

Branding is central to marketing since a brand name makes product identification possible, commands a particular price, implies distribution decisions and dictates the promotional strategy. "For supermarket products, brand competition is especially fierce. National brands are being increasingly marketed by larger companies with greater marketing clout" (Dunn, Murphy & Skelly 1986: 204). Furthermore, major retail stores have well-established private brands of food. "Beginning in the late 1970's, the 'battle of the brands' added generic items to compete with national and private brands" (Dunn et al. 1986: 204). "While these brand types result from marketing strategies, consumers tend to recognize the different types and give them consideration in their purchase decisions" (McNeal 1982: 273).

Manufacturer brands are "products produced and merchandised under a brand name identified with a manufacturer" (McNeal 1982: 273). They are "developed and owned by its producer, who is usually involved with distribution, promotion, and to some extent pricing decisions for the brand" (Skinner 1990: 254). Since these brands are widely marketed and dominate advertising, they are frequently called national brands. They comprise the major share of consumer purchases because there are many more manufacturers' brands than store or generic brands. "Manufacturers' brands are usually well promoted, particularly through advertising and are thus most familiar to consumers" (McNeal 1982: 273). Cole (1955) found these brands command more trust from customers than other brand types because of the extensive information available about them. Patton (1984: 81) concluded "quantity of information does have an impact on consumers' brand choice decisions when they are faced

with a choice among alternative brands in a situation in which more information is provided by some brands than others. When the brands are of equal quality, consumers tend to prefer those brands that provide the most information". Coe (1971) observed that national brands appear to have greater value among lower-income consumers than middle-income ones. The former group trusts national brands more and feel they represent higher quality than store brands. They are willing to pay more for an established brand even though they can least afford it. "The fact that national brands enjoy the widest acceptance is significant when we realize that national brands usually cost more than store or generic brands" (McNeal 1982: 274). Fowler (1982) found consumers largely selected national brands over corresponding private brands. The study reflected a relationship between perceived quality and price. "The national brands were priced higher than the private store brands and consequently were viewed, in the absence of direct experience with the product, as being of higher quality" (Fowler 1982: 267). Numerous studies (Myers 1967, Frank & Boyd 1965, Rothe & Lamont 1973) indicate that although consumers view private and national brands differently, it is not clearly known what consumer characteristics differentiate between private and national brand users.

Store brands refer "to those brands of products whose distribution is controlled by retailers and wholesalers" (McNeal 1982: 274). Such a brand is frequently sold by one chain of stores. It is referred to as private brand because the actual producer is unknown to the consumers. Store brands are often less expensive than manufacturers' brands, except for those sold in elite stores where consumers buy brands for their distinctiveness. The economic shopper, who is "extremely sensitive to price, quality, and assortment of merchandise" comes close to

identifying many private brand purchasers (McNeal 1982: 274). Nielsen (1975) found that 80 percent of buyers of grocery products have purchased private brands.

Weiss (1968) saw the major trends supporting the rise of store brands as:

- * The drop in consumer loyalty to many manufacturer brands.

Store brands account for a growing percentage of total retail volume and they are dominant in an increasing number of merchandise categories

- * The better value often offered by store-controlled brands. The Burgayne Index's Annual Shopper Study revealed ten years ago that a majority of shoppers rated the quality of private label brands as equal to that of nationally advertised brands of producers. This perception of 'better value' continues today. In the Home Testing Institute's national panel, 50 percent of the subjects admitted that they were buying more private labels (Progressive Grocer 1976: 75).

- * The growing similarity of brands within given merchandise categories

- * "The growing knowledge among shoppers that store brands are often the Siamese twins of manufacturers' brands - at lower prices" (Patti & Fisk 1982: 90). The modern consumer is less loyal to individual brands. "The world does not come to an end even though every single popular brand is not represented on our shelves. The consumer settles for another brand" (Advertising Age 1973: 3).

- * The ongoing activity towards impulse shopping and self-service. Retailers therefore, give priority to shelf display and control the placement of brands within their outlets.

- * "The increasing willingness of retailers to stand behind their own brands through 'satisfaction guaranteed' and 'warranty efforts' that remove much of the risk element involved in the shopper's flirtation with store brands" (Patti & Fisk 1982: 94).
- * The increasing ability of giant retailers to exercise power in their dealings with many producers to promote their own brands.

Generic brands are a phenomenon found primarily in supermarkets. These products "are easily distinguishable due to their basic and plain packaging characteristics coupled with the attribute of primary emphasis on the contents of the package rather than on brand name" (Loudon & Della Bitta 1988: 645). "The basic marketing strategy used for generic brand products is that of reducing or eliminating traditional marketing frills such as packaging and advertising, and to offer the product at substantially lower prices" (Cunningham, Hardy and Imperia 1982: 25). This does not affect the functional nutritional attributes of the products.

Generics have enjoyed a rate of sales growth much higher than that of national and store brands. The rapid growth represented the first serious threat to brand marketing. This marketing revolution was widely accepted, particularly because of its price. Generics "usually sell for 30 or 40 percent less than many advertised brand prices, and some sell for 20 percent less than supermarket private-label prices" (Loudon & Della Bitta 1988: 246). Thirteen products were surveyed at three supermarkets to compare prices of no-name brands with each other and with one other well-known brand. It was observed that "by rather buying no-name brand products a consumer can save as much as R11,12 (24,6%) on the 13 products surveyed - an average of 86c per product" (The SA Consumer 1990: 30).

Burck (1979: 71) maintains that as a result of this price difference, generic brands' gains "have come much more at the expense of name brands' market share than the private-label business". This view is in keeping with the theoretical perspective or economic utility theory which maintains that "price reduction serve as economic incentives that may enhance a brand's utility" (Motes, Castleberry & Motes 1984: 494). Generic brands are packed and distributed by major supermarket chains, which also have been retailing their own store brands for numerous years. The supermarket decides which generic product it will carry in competition with national and store brands as well as their price levels and location in the store.

A study by the Center for Advertising Services in the United States of America (1978) found the generic brand buyer tends to be a somewhat more conscious shopper than the nongeneric buyer, and the demographic profile of the generic brand customer is different from that of the average one. Studies (Sullivan 1979, Strang, Harris and Hernandez 1979, Ashton and Anvik 1979, Bellizzi, Krueckeberg, Hamilton & Martin 1981) indicate the profile of generic brand purchasers as being shoppers with large weekly grocery expenditures comprising of larger families; those aged 35 to 44; those in middle stages of the family life cycle; less brand-loyal customers; those who claim to be less-influenced by advertisements. "Compared to infrequent purchasers and nonpurchasers, however, high-volume generic buyers are a relatively burdened group, who tend to rent rather than to own their homes and who are likely to have a young child, a relatively low income, and restricted time for shopping trips, with a preference for discount stores" (Granzin 1981: 53). Cunningham, Hardy & Imperia (1982: 31) are of an opposing view and maintain "the 'no-frills brands, designed to attract those

consumers who did not want to pay for amenities such as packaging, labeling, and variety of choice, have not necessarily attracted the lower income, more economically disadvantaged consumers. As such, they may have succeeded to establish themselves as a 'counter brand', preferred by a more educated market segment, a group of customers with different priorities for their product choice". The generic brand consumers can derive the same level of satisfaction for substantially less, thus freeing money for household and other purchases. It is evident that price is used by consumers as an informational stimulus to form judgements about a product. "Household may anticipate prices, compare them to observed prices, and develop decision rules based upon the discrepancy" (Winer 1986: 250). Petroschius and Monroe (1987: 518) found "in a product line context, when the buyer is confronted with a line of products and their prices, the price characteristics of the product line influence consumer evaluations". However, "better economic conditions apparently result in a drop in generics' sales" (Loudon & Della Bitta 1988: 646).

Future purchases of generic brands are likely to be "people who perceive that giving up the extra satisfaction offered by well-known brands is more than offset by money saved, which in turn permits greater overall satisfaction in other purchases" (McNeal 1982: 276).

It is evident the South African shopper is confronted with the opportunity of choosing among national, store or generic brands in many categories of grocery products. The brands differ in price, grade, package, advertising information, and availability of supply, of which generics are more limited. These three brands compete directly with each other, at least within the store. The success of each depends on the efforts of researchers to determine norms in buying

behaviour and to analyse the possibilities for stimulating purchases of a specific brand by means of various marketing activities.

5.16 CONCLUSION

The gradual and continuous decline in the leverage of manufacturers enhanced the need to differentiate products via the marketing activities of packaging and branding. The essence of successful branding is wrapped up in the totality of the brand and the creation of a brand personality or the 'who' of the brand. The brand image is a perceptual phenomenon that "resides in the brain of the consumer" (Symes 1990: 7). The consistent brand personality is a function of product quality, packaging, "consumer message and importance of the marketer's mark" (Symes 1990: 7).

To create a successful and enduring brand in the 1990s, a combination of energies and strategies is needed: "a quality-performance brand's message must be communicated effectively to the target market, and the brand must be built consistently through its advertising and positioning" (Symes 1990: 7). The brand concept must be developed by addressing consumers' needs, and should be a promise of consistent quality - "the customer must be able to get today what he got yesterday" (Symes 1990: 10). Customer satisfaction affects brand loyalty in three basic ways:

- * Where individuals' expectations are met by delivery, they will be satisfied and their loyalty maintained or reinforced

- * Where consumers' expectations are higher than the standard of service delivered, they will be dissatisfied and brand loyalty is damaged or decreased
- * Where customers' expectations are lower than the standard of service delivered, they become excited and brand loyalty is strengthened or reinforced

However, "the actual product performance, relative to the perceived product performance of the competitive options," has an even greater influence on consumer satisfaction (Symes 1990: 10). Researchers need to recognise consumers' private motivations since brand loyalty is not just repeat purchases of a brand but psychological commitment to it.

It is evident for a brand to be successful:

- * It must be a coherent totality with all the elements blended into a single brand image character, "with a relevant positioning appealing to an identified consumer segment" (Foster & Tindale 1984: 18)
- * It must be unique and constantly and consistently developed to remain unique
- * "The blend of appeals must be relevant to the target market's needs, wants and desires today and tomorrow" (Foster & Tindale 1984: 19). Since consumers and their environment change, so must the brand appeal, although it must remain true to its essential positioning and character.

The success of marketing effort is equal to the escalating value of the brand. The future of consumer goods marketing belongs to the companies with the strongest brands since "a parallel trend to selling the company is selling the brand" (Tauber 1988: 26). However, this

strategy necessitates an understanding of consumers, what their concept of quality is and how they relate to brands. Cognisance should be given to the causal relationship between a consumer's attitude toward the brand and purchase behaviour. Consumers may obtain factual data about the brand, develop a subjective or emotional component which reflects a like or dislike for the brand and act accordingly. In other words, brand awareness will lead to brand preference and ultimately brand loyalty. However, a favourable attitude does not necessarily imply purchases, nor does an unfavourable attitude imply non-purchase. Many factors intervene between the numerous components such as the price of the product. In fact, the opposite causal relationship may be true, whereby the consumer moves from the behavioural to the factual or objective to the subjective. "Favourable experience with the brand (behavioural component) may be translated into greater brand awareness and preference, and the three components all support each other" (Chorn 1984: 14). These relationships have major implications for promotions strategy.

Identification of the brand-loyal consumers and brand loyalty correlates provide management with means of more effective market segmentation and promotion. An evaluation of repeat-purchasing and brand switching patterns is valuable in developing market strategy and "assessing test market results of new product introductions" (McConnell 1971: 446). Marketing strategy does not always have the creation of brand loyalty as its objective. The manager, however, examines the makeup of the brands' current and potential consumers and selects the specific objectives most likely to maximize the overall organisational goals. They translate their understanding into insights that provoke the right product and packaging strategies and marketing decisions, together with the skill to communicate and, if necessary,

persuade. In addition to understanding the motivations, attitudes and behaviours of consumers, the development of brand loyalty depends on the acknowledgement of better ways to develop and identify superior advertising, to guide the successful development of new products and to improve the overall effectiveness of the marketing mix.

CHAPTER 6

RESEARCH METHODOLOGY

THE RESEARCH DESIGN

6.1 INTRODUCTION

An empirical study was undertaken in conjunction with the literature review in order to determine the attitudinal and behavioural dimensions of Indian consumers to brand loyalty.

This chapter outlines the objectives and methodology of the study. It incorporates a description of the sample and the technique employed to select the subjects. The measuring instrument adopted and the statistical tests used to analyse the data are described.

6.2 OBJECTIVES OF THE STUDY

The aims of the study were as follows:-

- * To investigate the determinants of brand loyalty amongst Indian consumers.
- * To establish whether the type of merchandise involved and the relative strength of brands have an important influence on brand loyalty amongst Indian consumers.
- * To determine the extent of purchasing house brands as compared to nationally advertised brands among Indian consumers who shop at supermarkets.
- * To determine whether the attitude of Indian consumers towards brands always predict behaviour or the purchase of those brands.

6.3 SAMPLING TECHNIQUE AND DESCRIPTION OF THE SAMPLE

A sample of 240 subjects was drawn from the Chatsworth area. This district was selected since it is the largest region originally designated for Indians and is representative of the various socio-economic classes in the Indian community and is a typical indication of the purchasing patterns of these consumers. The population therefore, comprises of all those individuals who engage in household shopping.

The sample was drawn using the stratified random sampling method. In this technique, the population is divided into subgroups or strata and "random sampling techniques are used to select sample members from each stratum" (Cozby 1989: 109). Stratified random sampling "has the advantage of a built-in assurance that the sample will actually reflect the numerical composition of the various subgroups" (Cozby 1989: 124).

The following procedure was adopted in drawing the sample:-

- a) The total number of households in the Chatsworth area was obtained.
- b) The Chatsworth area was divided into sixteen strata on the basis of the designated units in the Chatsworth directory. The strata include Moorton, Shallcross, Havenside, Woodhurst, Mobeni Heights, Arena Park, Crofdene, Bayview, Silverglen, Crossmoor, Westcliff, Kharwastan, Umhlatuzana, Harinagar, Burlington Heights, and Montford.
- c) A list of the streets of each stratum was compiled in order to shortlist the target areas and enable a more workable number.

d) The names of the streets per stratum were written on pieces of paper and put into a drum, shovelled and one street at a time was randomly picked out so that every street in each strata had an equal probability of being selected for the sample. Each time a draw was made, the street name was recorded and the piece of paper put back into the drum so that the probability of being selected remained the same throughout.

Steps (c) and (d) were repeated until the relevant number of streets per stratum was obtained. The desired number of streets per stratum was determined in proportion to the total number of streets in the Chatsworth area.

e) A list was then compiled comprising of each household in the streets selected per stratum.

f) The address of each house was written on pieces of paper and placed in a drum.

g) One address at a time was selected, recorded and placed back into the drum until the desired sample per stratum was drawn.

Steps (e) to (g) were repeated sixteen times until a sample of 15 for each stratum was drawn. The desired sample of 15 per stratum was considered justifiable since there were 240 questionnaires administered in sixteen suburbs ($240 - 16 = 15$).

The initial sample size was 240. However, as a result of 3 questionnaires being incomplete the sample was reduced to 237.

Table 6.1 represents the sample composition per stratum.

TABLE 6.1**SAMPLE COMPOSITION PER STRATUM**

SUBURB	N	PERCENTAGE
Moorton	15	6,33
Shallcross	15	6,33
Havenside	15	6,33
Woodhurst	15	6,33
Mobeni Heinghts	13	5,48
Arena Park	15	6,33
Croftdene	15	6,33
Bayview	15	6,33
Silverglen	15	6,33
Crossmoor	15	6,33
Westcliff	15	6,33
Kharwastan	14	5,90
Umhlatuzana	15	6,33
Harinagar	15	6,33
Burlington Heights	15	6,33
Montford	15	6,33
TOTAL	237	100,00

Table 6.2 depicts the biographical information of the subjects in the sample.

TABLE 6.2

BIOGRAPHICAL INFORMATION

VARIABLE		
SEX	N	PERCENTAGE
Male	89	37,55
Female	148	62,45
TOTAL	237	100,00

AGE (IN YEARS)	N	PERCENTAGE
Under 20	10	4,22
20 - 29	52	21,94
30 - 39	79	33,33
40 - 49	61	25,74
50 - 59	30	12,66
60 and over	5	2,11
TOTAL	237	100,00

OCCUPATION	N	PERCENTAGE
Professional	66	27,85
Administration/Managerial	19	8,02
Clerical	42	17,72
Service Worker	18	7,59
Skilled Artisan	11	4,64
Semi-skilled	14	5,91
Unskilled	9	3,80
Unemployed	16	6,75
Housewife/husband	42	17,72
TOTAL	237	100,00

MONTHLY INCOME (RANDS)	N	PERCENTAGE
0 - 1 499	59	24,90
1 500 - 2 499	67	28,27
2 500 - 4 999	83	35,02
5 000 - 7 999	26	10,97
8 000 - 9 999	0	0
10 000 - 11 999	2	0,84
12 000+	0	0
TOTAL	237	100,00

TABLE 6.2 (CONTINUED)

MARITAL STATUS	N	PERCENTAGE
Single	46	19,41
Married	177	74,68
Divorced	14	5,91
TOTAL	237	100,00

EDUCATION	N	PERCENTAGE
Below standard 3	4	2,11
Standards 3 to 5	21	8,86
Standards 6 to 9	57	24,05
Standard 10	62	26,16
Post Matriculation	93	38,82
TOTAL	237	100,00

Due to the diversity of the population in the Chatsworth area in terms of social class, the socio-economic status of the subjects were determined. This information was needed in order to investigate the relationship between socio-economic status and purchasing patterns.

Socio-economic status was determined solely on the basis of income and geographic region. Johnston (1986) studied the median incomes by race, community and urban area for Durban. He found that the median income for Indians in the Durban area was R2 257,00. Johnston (1986) also established an index of income per community based on the median income. This index was used to categorise the subjects into socio-economic classes. Subjects from communities whose index of income fell between 115 and 159 were categorised into the higher social class. Those whose index of income fell between 89 and 116 were classed into the middle social class, whilst those whose index of income was less than 90 were categorised as lower social class subjects. Table 4.3 represents the composition of the sample on the basis of socio-economic status.

TABLE 6.3**SAMPLE COMPOSITION BY SOCIO-ECONOMIC STATUS**

SOCIAL CLASS	N	PERCENTAGE
Upper	87	36,70
Middle	75	31,65
Lower	75	31,65
TOTAL	237	100,00

6.4 THE RESEARCH INSTRUMENT (See Appendix B)**6.4.1 DESCRIPTION AND PURPOSE**

The instrument used in this survey consisted of a precoded questionnaire comprising of the following four sections:-

- * Biographical Data
- * Shopping Behaviour and Attitude
- * Purchase Pattern
- * House Brands

The questionnaire comprised of structured questions using the Likert and Semantic Differential Scales as well as open-ended questions. The Likert scale involves "compiling a list of statements relevant to the attitudes under investigation with agreement-disagreement response scales" ranging from 'strongly agree' to 'strongly disagree' (Loudon & Della Bitta 1988: 74). The Semantic Differential Scale consists of pairs of bipolar adjectives "as ends of a continuum with response options spaced in between" (Loudon & Della Bitta 1988: 74). Open-ended questions were used to allow the subject expression of attitude, as well as beliefs, arguments

for or against, or behaviour, relative to an object. Such questions are very useful "for determining the salience of opinions" (Sommer & Sommer 1986: 109). This technique "has the advantage of not suggesting specific responses which might be accepted by acquiescent respondents" (Lastovicka & Bonfield 1982: 64).

6.4.1.1 **BIOGRAPHICAL DATA**

The biographical information comprised of the suburb in which the subjects live as well as data concerning the respondent's age, gender, marital status, educational qualification, occupation and monthly income. On the basis of income and geographical area the socio-economic status of the subjects were determined.

These personal characteristics, together with socio-economic status, was regarded as being significant in relation to their purchasing patterns and extent of brand loyalty.

6.4.1.2 **SHOPPING BEHAVIOUR AND ATTITUDE**

Data was obtained to determine:-

- a) Store patronage of consumers.
- b) Subjects' perception of the relationship between price and quality.
- c) The criteria that are of importance to consumers when purchasing grocery products and to analyse the determinants of brand loyalty. The semantic differential scale was used whereby respondents were required to indicate on a one to five point scale (1 - least important, 5 - most important) how important the following attributes are when purchasing

products.

PRODUCTS IN GENERAL:-

- * Price
- * Quality
- * Brand name
- * Label information
- * Choice/variety

FOOD PRODUCTS:-

- * Nutritional value
- * Appearance
- * Freshness
- * Taste
- * Shelf life

d) Which of the following food products the subjects purchase:-

- * Margarine/butter
- * Breakfast cereal
- * Tea/coffee
- * Rice
- * Cooking Oil

e) Which of the following non-food products the respondents purchase:-

- * Toothpaste
- * Washing powder
- * 'Toilet' bath soap

- * Toiler paper
- * 'Underarm' deodrant

The aforementioned supermarket products were chosen for the study for the following five reasons:-

- * These products were selected as representative of those typically found in the households of Indian consumers.
- * The products are representative of those frequently purchased by Indian consumers who make up the sampling frame for the study. Since the purchase of these products have a high frequency, repeat purchase behaviour and brand loyalty could be analysed.
- * The brands in these product categories appear to be relatively homogenous.
- * The products were chosen to differ markedly, that is, food versus non-food. Food and non-food products were selected in order to establish whether the type of merchandise involved has an important influence on brand loyalty. The study includes phenomenon like toothpaste and washing powder brand choice which would seem relatively less involving in order to analyse whether they are less likely to be things towards which enduring cognitively based feelings would be held.
- * These products were included in studies in the past and abroad and were incorporated into this study so that a comparative analysis could be made with prior and overseas research.

6.4.1.3 PURCHASE PATTERN

Data was obtained to investigate:-

a) Attitude towards brands.

In this analysis the objective was to determine the affective and cognitive orientations of subjects toward brand names of products, and towards its quality, price and performance.

Consequently, the aim is to measure the direction and magnitude of the attitude of consumers to brands.

Based on the triad of the attitude model, information was obtained to analyse:-

- * The cognitive component, that is, consumers' beliefs, knowledge and perceptions of the brand and its ability to provide utility and derive satisfaction in terms of price, quality and performance.
- * The affective component which relates to the evaluations, feelings, emotions and affect of the subjects to the brand. Respondents were required to respond on a one to five point Likert scale (1 - strongly agree, 5 - strongly disagree) the degree to which the brand purchased possessed specific attributes. This rating enabled an analysis of the criteria that consumers adopt when choosing brands.
- * The behavioural or conative component, which refers to the subjects' intention to purchase and preference of a brand as a result of learning and experience. Questions were asked to determine the frequency of purchase of a specific brand. Behaviour of consumers was also analysed under out-of-stock conditions of a brand and in situations of a price change of the preferred brand, for example, when the price of the selected brand was substantially

increased whilst that of an alternative brand was not. The possibility of brand switching and reasons for such action is also studied.

b) The degree of brand loyalty.

This was determined on the basis of the frequency of purchase as well as commitment on the part of the consumer. Commitment was determined by analysing the behaviour of respondents under out-of-stock conditions as well as when price increases arose.

Commitment was a determining variable because for a true state of brand loyalty to exist there has to be some degree of psychological commitment to the brand. Simple repeat purchases of the brand is insufficient as this behaviour can be the result of out-of-stock conditions or the act of buying the cheapest brand.

c) Whether the type of merchandise involved and the relative strength of brands have an important influence on brand loyalty.

6.4.1.4 **HOUSE BRANDS**

Data was obtained to determine:-

- a) The cognitive, affective and behavioural dimensions of consumers toward house brands, with particular reference to the attributes of price and quality.
- b) The reasons for purchasing house brands.
- c) The extent of purchasing house brands as compared to nationally advertised brands among Indian consumers who shop at supermarkets.

6.4.2 PRETESTING AND VALIDATION

A measuring instrument "is valid to the extent that differences in scores among objects reflect true differences of the objects on the characteristic that the instrument tries to measure" (Churchill 1987: 382). Validity concerns "the extent to which a measurement actually measure those features the investigator wishes to measure, and provides information that is relevant to the question being asked" (Baker 1991: 102).

The measuring instrument used in the study adequately captures the domain of the characteristic, namely, brand loyalty and therefore, has **content validity**. Since "the key to content validity lies in the procedures that are used to develop the instrument", it was ensured that the domain of the characteristic was conceptually defined (Churchill 1987: 382). The variable to be tested was specifically defined and a large collection of items that broadly represent the variable, was formulated. Items from all the relevant dimensions of the variable was carefully included. In attempts to ensure content validity, a literature search was undertaken and proved quite productive in indicating the various dimensions or strata of the variable. Furthermore, in order to ensure that the questionnaire developed and the procedures used, measure what they are supposed to, and to secure **internal validity**, the following precautions were taken:-

6.4.2.1 CONSTRUCTION OF THE QUESTIONNAIRE

The questionnaire utilised by Paliam (1989) in the study 'The significance to the marketing firm of brand loyalty amongst Zulu consumers in Natal' was analysed and questions and ideas drawn therefrom. This questionnaire was modified to suit the consumption habits and culture of the Indian consumers. Further questions were included in order to ensure that the responses obtained satisfied the objectives of the study, while ensuring its relevance and fit within the jurisdiction.

6.4.2.2. IN-HOUSE PRETESTING

The questionnaire was given to colleagues who are lecturing in the field and are familiar with the nature of the study. These individuals indicated how they interpreted each question and how they would respond to the response alternatives. This information was useful in editing questions and ensuring proper construction and wording of them. It was noted that the use of the term 'no-name' brands would be confusing since it already represents the name of a dealer brand. The questionnaire was then revised using the term 'house' brands. This strategy of in-house pretesting ensured **face validity**, that is, the instrument appears to measure what it is supposed to.

6.4.2.3 PILOT STUDY

A pilot study was undertaken as "a trial run with a small number of subjects" (Cozby 1989: 125). The purpose of this mini-experiment was to determine the validity and suitability of the questionnaire and to provide an opportunity to make any necessary changes in the procedure before doing the entire study.

The questionnaire was administered to 32 subjects (two from each stratum in the Chatsworth area). This pretest revealed that subjects understood the instructions, that the survey was plausible and there were no confusing questions. Consequently, a further refinement to the questionnaire was not necessary.

The pilot study also enabled people who were collecting the data to become comfortable with their roles and to standardise their procedures adopted.

6.4.2.4 QUANTITATIVE ANALYSIS OF THE QUESTIONNAIRE

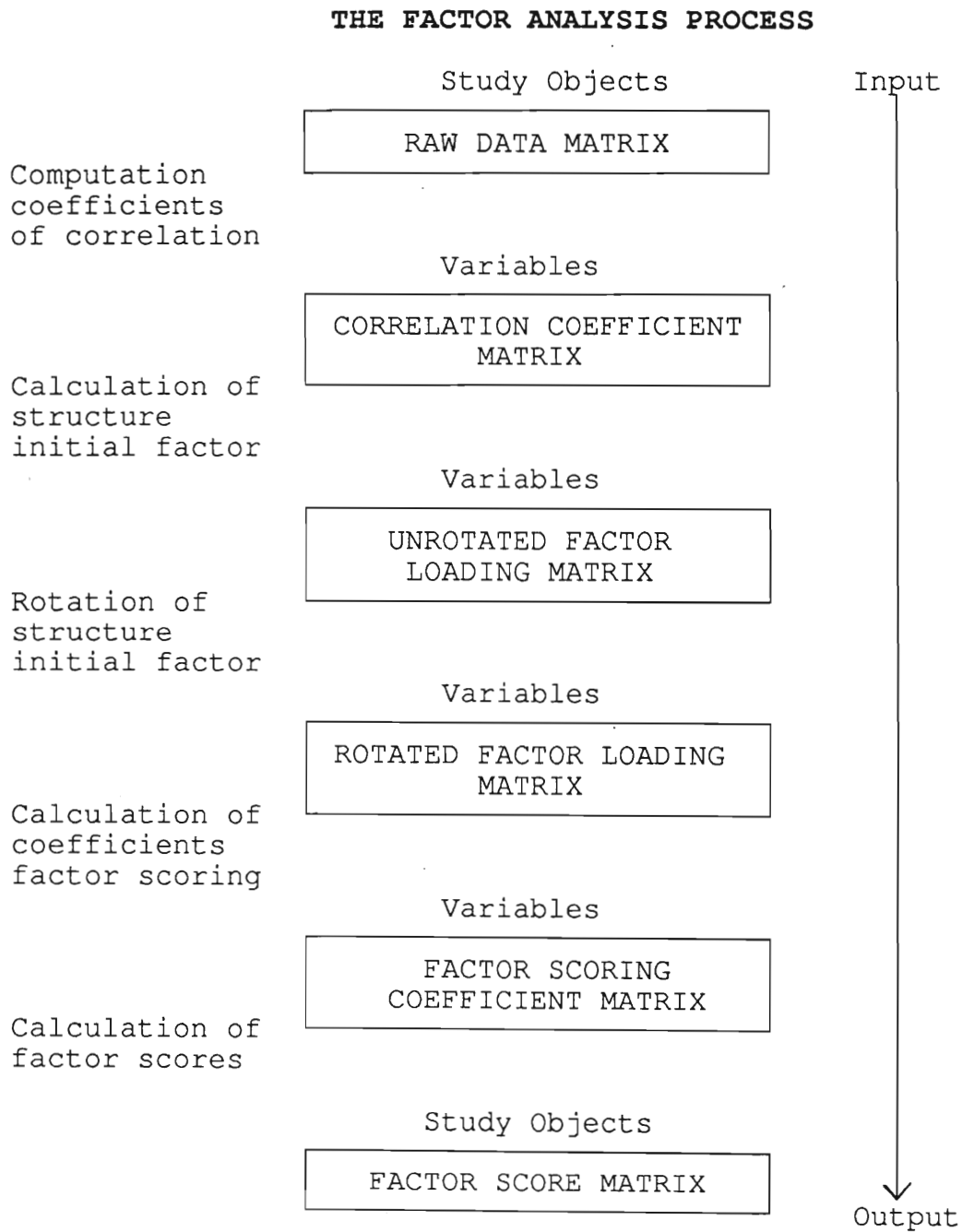
The questionnaire was quantitatively analysed using **factor analysis**. Factor analysis is "a multivariate statistical technique used to study relationships within a set of independent or dependent variables" (Peterson 1988: 487). The main purpose of factor analysis is to summarise a large number of variables "by creating a smaller number of variates or factors (linear combinations or composites of variables) defined in terms of the original variables" (Peterson 1988: 488). Factors are calculated so that they retain the optimum amount of

information available in the original variables. The specific objectives of factor analysis include:-

- * "Deriving a set of uncorrelated variates.
- * Grouping variables according to their relationships with one another.
- * Describing the underlying structure of a data set.
- * Classifying variables with respect to other known variables" (Peterson 1988: 488).

There are major activity stages in a typical factor analysis from input to output (Figure 7.1).

FIGURE 7.1



(Peterson, R.A. 1988. Marketing Research. 2nd Edition. United States of America: Business Publications, Inc. 576p.)

The researcher starts with a raw data matrix of interval or ratio scaled variables and then computes correlation coefficients between all pairs of variables. This results in a matrix of correlation coefficients. "The correlation coefficients are subjected to an initial factor analysis whereby initial factors are extracted from the correlation matrix. One method for extracting initial factors is the **principal factors method**. The object of factor extraction is to find a set of factors that are formed as a linear combination of the variables in the correlation matrix. Highly correlated variables are combined together to form one factor. This linear combination is called a **principal component** or a **principal factor**. Communality is the proportion of a variable's total variation that is involved in the factors. The percentage of total variance in the data is called the **common variance**. The value for the amount of variation in the data accounted by one factor is called an **eigenvalue**. The principal-factors methodology is such that the factors extracted are uncorrelated with each other. The factors are said to be **orthogonal**. This initial factor analysis results "in an **unrotated matrix of factor loadings** - structural correlations between individual variables and factors" (Peterson 1988: 488).

The initial factor loading matrix is then rotated (manipulated) according to a prespecified criterion and becomes a **rotated factor loading matrix**. There are two broad classes of rotation:-

- * **Orthogonal rotation**, which maintains the factors are uncorrelated with one another.
- * **Oblique rotation**, which allows the factors to be correlated with one another" (Kinnear & Taylor 1991: 610).

The aim of the rotation is to yield factors that each have some variables that correlate highly and some that correlate poorly. This eliminates the problem of having factors with all

variables having midrange correlations, making it more amenable to interpretation. The final factor analysis activity "is calculating a factor score for each study object on each rotated factor. This results in a factor score matrix, factor scores for each study object" (Peterson 1988: 489).

In order to obtain an interpretation of the results, the rotated factors are examined. Often, factors are placed "with high-loading variables and each given a 'creative' name" by the researcher (Kinnear & Taylor 1991: 614).

As a result of proper questionnaire construction, in-house testing, the pilot study and factor analysis being adopted in pretesting the questionnaire, the instrument proved to be valid and reliable in that it measured what it was intended to measure and provided consistent results.

6.4.3 ADMINISTRATION OF THE QUESTIONNAIRE

The questionnaires were individually administered to each of the randomly selected subjects. Four field workers were selected and trained to administer the questionnaire. The interviewers were considered suitable since they had conducted research in the past and were consequently, aware of the prescriptions and ethics. Furthermore, they are familiar with the inhabitants and they know the area very well. However, before undertaking the survey, a training programme was conducted with the interviewers, who were briefed on the importance of the survey and were instructed in the method of interviewing. Training was necessary in order to eliminate inconsistencies and ensure greater standardisation and efficiency.

The fieldwork was undertaken during the period August 1992 to September 1992 and consisted of interviewing 240 respondents. All interviews were conducted in English. From the pilot study it was established that many respondents, particularly from lower socio-economic groups, were illiterate so that the interviewer had to read out the questions and note the responses personally.

6.5 STATISTICAL ANALYSIS OF THE DATA

Numerous theories were used in the behavioural sciences. In order to provide empirical evidence to support or refute these theories and to monitor and explain the data which represent the behaviour of individuals, statistics are used. Statistics is "a collection of theory and methods applied for the purpose of understanding data" (Hinkle, Wiersma & Jurs 1979: 3). Whenever contemplating the use of statistics, cognisance has to be given to the four measurement scales, namely, nominal, ordinal, interval and ratio scales.

Nominal measurement is "the process of classifying differing objects into categories based upon some defined characteristics" (Hinkle et al. 1979: 6). Once the various categories are identified, the number of objects in each are counted. Such scales have no numerical or quantitative properties. For example, a person is classified as either male or female when gender is the variable being measured. In nominal data, the categories are mutually exclusive and have no logical order.

Ordinal scales involve quantitative distinctions and allows a logical ordering of the categories. Like in the case of nominal data, numbers are assigned to the categories. However, the numbers are assigned according to the amount of the characteristic possessed. An example of the ordinal scale is the movie rating system. This scale only enables rank ordering "but no particular value is attached to the intervals between the numbers used in the rating scale" (Cozby 1981: 234). For ordinal data, the data categories are also mutually exclusive but they have some logical order, unlike in the case of nominal data.

For **interval scales**, the data categories are mutually exclusive, have a logical order and are scaled according to the amount of the characteristic they possess. In addition, the differences between the various levels of the categories on any part of the scale reflect equal differences in the characteristic measured. For example, the interval between 3 and 4 on a scale is equal to that between 5 and 6. However, the point zero is just another point on the scale and does not reflect the starting point nor the total absence of the characteristic.

In **ratio scales**, data categories are mutually exclusive, have logical order, are scaled according to the amount of the characteristic they possess and equal differences in the characteristic are represented by equal differences in the numbers assigned to the categories. In addition, ratio scales have an absolute zero point which reflects an absence of the characteristic being measured. For example, 30cm is twice the length of 15cm.

The type of measurement scale used determines which statistical treatment is most appropriate for the data. The purpose of using statistics is two-fold, that is, to describe data and to make

inferences. Hence, the terms descriptive statistics and inferential statistics.

6.5.1 DESCRIPTIVE STATISTICS

Descriptive statistics is a collection of methods for classifying and summarising numerical data. The objective of descriptive statistics is "to provide summary measures of the data contained in all the elements of a sample" (Kinnear & Taylor 1991: 546). In doing so, an analysis of the data incorporated the use of frequencies, measures of central tendency and measures of dispersion.

6.5.1.1 FREQUENCIES

Quantitative data come in two general forms which relate to frequencies and continuous measures. The latter are scores that "vary along a continuous dimension or distribution" such as age in years, "ranging from zero to some upper limit" (Sommer & Sommer 1986: 206).. Frequencies are simply the number of objects in sets or subsets. Research data, whether nominal, ordinal, interval or ratio-scaled, consists of a collection of numbers which represent the measurement of variables. These numbers are meaningless without considering some logical procedure for organising and summarising them.

The data in this survey was systematically organised and meaningfully summarised by constructing frequency tables or frequency distributions. A **frequency distribution** is "an ordered array of observed variable values and the frequency with which they occur in the data

base" (Peterson 1988: 372). Values are represented in ascending or descending order. In addition to containing the absolute number of times the observed variable values occur, the frequency distributions indicate "the relative frequencies (the proportion of times each variable value occurs)" and the cumulative relative frequencies of the variables (Peterson 1988: 372). A **cumulative frequency distribution** is one in which the frequency for a class interval "consists of the frequency for that interval plus all preceding class intervals (below it on the scale of measurement)" (Hinkle et al. 1979: 23). **Percentages** will also be used in the analysis because the relative importance of figures is revealed more closely by this simple tool than by the original data. Results will be presented by transforming the cumulative frequencies into **cumulative percentages** by dividing it by the total number of cases and multiplying by 100.

Although a frequency distribution gives a convenient overview of observed variable values, additional insight into a variable can be obtained by computing the various measures of central tendency and the measures of dispersion.

6.5.1.2 MEASURES OF CENTRAL TENDENCY

Measures of central tendency are points on the scale of measurement of a variable. Simple tabulations can reduce a whole series of data to a single figure, the average, which serves the function of comparison. Three measures of central tendency used in marketing include the mean, median and mode.

The **mean** is the arithmetic average of a distribution of scores and takes into account the actual size of the scores. The mean of a set of scores is obtained by taking the sum of all scores and dividing by the number of scores. Since the mean is appropriate only for interval or ratio scale data, it was used to determine consumers' mean rating of the importance of the criteria used when purchasing products.

The **median** is the midpoint of the distribution when all the scores are arranged in order of magnitude. Half of the scores fall above the median and half below. Hence, it is defined as the 50th percentile, the point on the scale of measurement below which 50 percent of the scores fall. The advantage of the median over the mean is that "it is quickly calculated from the frequency distribution and it is a better indicator of central tendency when there are a few extremely high or extremely low scores" (Sommer & Sommer 1986: 213). The median can be used with ordinal, interval and ratio scale data.

Since the calculation of the median considers only the rank ordering of scores and not the actual size of scores, this measure of central tendency was used to classify subjects into socio-economic classes. The use of the median was also considered appropriate when comparing the ratings of subjects on the criteria used when engaging in purchases.

The **mode** is the most frequently occurring score value in a distribution of scores and is determined by inspecting or counting the data rather than by computation. The mode can be used with any of the four types of measurement scales and is the only measure of central tendency that can be used with nominal data.

6.5.1.3 MEASURES OF DISPERSION

The measures of central tendency are not a sufficient descriptor in itself. Since more information is needed in order to understand the distribution, the study, wherever possible, incorporates a description of the dispersion, spread or variability of the variables.

The **range** is the simplest measure of dispersion. It is the distance between the smallest and the largest values of a frequency distribution and consequently, merely represents the extreme values of the distribution.

The **variance** is an appropriate measure of dispersion when data is being measured on an interval scale. The variance indicated the degree to which scores vary about the group mean. It is "the mean of the squared deviations from the group mean" (Cozby 1981: 231)

The **standard deviation** is an appropriate measure of dispersion for interval data. It is the square root of the variance and is calculated for a continuous variable and a proportion. The standard deviation is frequently used in the interpretation of the percentage of scores in a distribution that are one standard deviation above the mean and one standard deviation below the mean. "The standard deviation is given in the same units as the original measurement of the variable" (Hinkle et al. 1979: 47).

The calculation of the **relative and absolute frequencies** also serve as measures of dispersion for nominal data or better. "Absolute frequencies are just the numbers in the sample that

appear in each category of the nominal data" whilst relative frequencies are the percentages of the total elements that appear in each category" (Kinnear & Taylor 1991: 550). Since the research data is predominantly nominal, the study largely uses relative and absolute frequency as a measure of dispersion.

The purpose of data description "is to understand the underlying structure of the individual variables in a data base, not to conduct a complete data analysis" (Peterson 1988: 372). In this study, descriptive statistics enabled a qualitative analysis of the results. However, just describing what is in the sample is not enough. Data analysis demands the researcher make inferences from the sample to the population from which it was drawn.

6.5.2 INFERENCEAL STATISTICS

Inferential statistics "is a collection of methods for making inferences about the characteristics of the population from the knowledge of the corresponding characteristics of the sample" (Hinkle et al. 1979: 10). Thus, inferential statistics "allow the researcher to make judgements about the population based upon the sample results" (Kinnear & Taylor 1991: 559). The purpose of inferential statistics is to enable the researcher to determine "whether or not a difference between two treatment conditions occurred by 'chance' or is a 'true' difference" (Dunham 1980: 311). Inferential statistical methods may be divided into parametric and nonparametric tests. **Parametric tests** make many assumptions "about the nature of the population from which the scores were drawn", and are thus, statistical tests concerning one or more population parameters (Siegel 1956: 2). An assumption behind the use of parametric

statistics is the **assumption of normality**. A technique of inference may be based on the assumption that the scores were drawn from a normally distributed population. Furthermore, for a parametric test to be used there must be **homogeneity of variance**. In other words, the technique of inference may be based on the assumption that both sets of scores were drawn from populations having the same variance or spread of scores. Parametric tests also depend on the assumption that the measure to be analysed are **continuous measures with equal intervals**.

Numerous other techniques of inference, which do not make stringent assumptions about parameters, have been developed. These tests are valid for samples from continuous population distributions of any shape and are therefore, called distribution-free or **nonparametric tests**. These are methods that do not test hypothesis about specific parameters and require different and sometimes fewer assumptions than parametric tests. Nonparametric tests are used when one is in doubt about the normality of a population or when one knows that the population is not normal, and when variances are heterogenous or are statistically different from group to group. Furthermore, nonparametric tests are not based on the assumption that the measures to be analysed are continuous with equal intervals.

Whilst parametric techniques are permissible only with scores which are truly numerical, nonparametric tests focus on the order or ranking of the scores and not on their numerical values and many are useful with classificatory data. Consequently, since this study deals mostly with nominal data, many of the statistical techniques employed are nonparametric tests.

The different inferential statistical procedures that will be used in this study to determine whether the alternative hypothesis or the null hypothesis should be accepted, include the chi-square, chi-square goodness-of-fit, chi-square for k independent samples, contingency coefficient, median test, Kruskal-Wallis one-way analysis of variance and Mann-Whitney U Test.

6.5.2.1 THE CHI-SQUARE ANALYSIS

A simple technique for describing sets of relationships is the cross-tabulation. A cross-tabulation or contingency table is "a joint frequency distribution of observations on two or more sets of variables" (Zikmund 1989: 636). The tabulation of subgroups serves as a measure of comparison. The statistical significance of contingency tables is tested using the **chi-square**. "The chi-square analysis of a contingency table is an extension of the test to compare more than two percentages" (Peterson 1988: 294). The chi-square analysis is used when the data consists of categorical variables, that is, when data is presented in table or column form, whereby the different rows and columns frequently represent categorical variables.

Since this study deals with nominal scale data and is based on frequencies, the chi-square analysis is considered a suitable nonparametric statistical technique to be used. In the chi-square test, "a hypothesized population distribution is compared with a distribution generated by a sample" (Kinnear & Taylor 1991: 559). The objective of chi-square analysis "is to determine if the differences observed in two sets of data can be attributed to sampling

variation" (Boyd, Westfall & Stasch: 1977: 441).

In the χ^2 test statistic, "the greater the difference between an observed and expected value, the less likely the distribution of numbers being studied is due to random or chance sampling fluctuations" (Peterson 1988: 414). In this study, the chi-square analysis will be applied in two distinct ways. Firstly, expected values are determined externally of the data by means of theory. Thus, the **chi-square goodness-of-fit test** is used to determine "how well the observed (sample) distribution of study objects (frequencies) 'fits' or matches a predetermined (theoretical) distribution" (Peterson 1988: 414). The technique therefore, tests the goodness-of-fit of the observed distribution with the expected distribution. Secondly, the chi-square test will be used to test whether two or more variables are related in a population, or if differences exist between two or more populations. Thus, the **chi-square test of independence** is used, whereby expected values are based on the observed (sample) distribution of frequencies.

6.5.2.2 THE CONTINGENCY COEFFICIENT

While the χ^2 contingency table indicates whether two variables are independent, it does not measure the strength of association when they are dependent. The magnitude of the relationship can be determined by computing a **correlation coefficient** or the **contingency coefficient (C)**, which is a measure of the extent of association or relation between two sets of attributes. It is considered appropriate for this study since it comprises mostly of categorical information about one or both sets of these attributes. It may thus, be used when

the information about the attributes consists of an unordered series of frequencies.

When interpreting the magnitude of the correlation coefficient, the calculated value is compared against its limits. The greater the value of C, the stronger the relationship between the two variables of the contingency table. "When there is no association between the variables, the contingency coefficient will be zero" (Churchill 1987: 724). However, the maximum value of the coefficient is not one. Its upper limit is a function of the number of categories.

The contingency coefficient has wide applicability and makes no assumptions about the shape of the population of scores. It does not require underlying continuity in the variables under analysis and it requires only nominal measurement of the variables. It is considered suitable in this study because of this freedom from assumptions and requirements so that it can be used solely to indicate the degrees of relation between two sets of scores, to which none of the other measures of association is applicable.

6.5.2.3 **THE MEDIAN TEST**

The median test is a procedure for testing whether two independent groups differ in central tendencies. This test "will give information as to whether it is likely that two independent groups (not necessarily of the same size) have been drawn from populations with the same median" (Siegel 1956: 111). The median technique tests the null hypothesis that the two groups are from populations with the same median. The alternative hypothesis may be that

the median of one population is different from that of the other (two-tailed test) or that the median of the other (one-tailed test). Since the test is used whenever the scores of the two groups are in at least an ordinal scale, the test statistic is considered appropriate in determining whether the median response to each of the evaluative criteria, considered when engaging in purchases, is the same for males and females.

To perform the median test, the median score for the combined group is first determined. The next step is to categorise the observations in each group that fall above or below this median into a 2 x 2 contingency table.

When the test statistic exceeds the critical value at the predetermined limits, the null hypothesis, that there is no difference between the median scores of the two populations, is rejected. Conversely, when the test statistic is smaller than the critical value at the predetermined limits, the null hypothesis is accepted.

The median test is suitable for ordinal scale data and is sensitive to the differences between the medians.

6.5.2.4 **THE KRUSKAL-WALLIS ONE-WAY ANALYSIS OF VARIANCE**

The Kruskal-Wallis one-way analysis of variance by ranks is applicable for two or more independent samples. It is a useful test in deciding whether k independent samples are from different populations. Since this technique is suitable when the researcher wishes to compare

two or more groups and the data are ordinal, the statistical test is considered appropriate in determining whether:-

- * The mean evaluative criteria of males and females have the same distribution, shape and dispersion.
- * The mean evaluative criteria of upper, middle and lower class subjects have the same distribution, shape and dispersion.

The suitability of the test is enhanced since this technique is "a nonparametric equivalent to analysis of variance" (Zikmund 1989: 666).

The Kruskal-Wallis technique or the H-statistic tests the null hypothesis that "the k samples come from the same population or from identical populations with respect to averages" (Siegel 1956: 184). The test requires "that the data be ranked from lowest to highest or that the original data be converted so that a numerical rank may be assigned to every observation" (Zikmund 1989: 667).

The Kruskal-Wallis test is an efficient statistical technique to test whether k independent samples could have been drawn from the same continuous population because "it utilises more of the information in the observation, converting the scores into ranks rather than simply dichotomizing them as above or below the median" (Siegel 1956: 193).

6.5.2.5 THE MANN-WHITNEY U TEST

The Mann-Whitney U test is used to test whether two independent groups have been drawn from the same population, when at least ordinal measurement has been achieved. Being a powerful nonparametric test, the Mann-Whitney U test "allows for testing group differences when the populations are not normally distributed or when it cannot be assumed that the samples are from populations equal in variability" (Zikmund 1989: 664). Since this study uses measurement which is at most in an ordinal scale and employs two independent samples, the Mann-Whitney U test will be used to determine whether the mean rating on the evaluative criteria of males and females have the same distribution. This test is a suitable technique since it is sensitive to both the central tendency and the distribution of the scores. It is the rank order that is crucial in the U test and not the size of the actual scores on the measurement scale.

The Mann-Whitney U test is a powerful and excellent alternative to the t-test that will be useful when the data is of an ordinal type and the independent groups design is being used.

6.6 CONCLUSION

The research design and methodology incorporated an examination of the procedure in ascertaining empirical data for the research. The questionnaire developed was validated on the basis of proper construction of the instrument, in-house pretesting, a pilot study and quantitative analysis of the questionnaire by means of factor analysis. The precoded

questionnaires were analysed with the aid of the computer programmes (SYSTAT and SPSS), which processed the suitable statistical test statistics, thereby projecting the findings of the study.

CHAPTER 7

PRESENTATION AND ANALYSIS OF RESULTS

7.1 INTRODUCTION

The relevant statistical tests were computed to test the hypotheses stated in Chapter One, and the findings of this study are presented.

The statistical techniques were used to analyse:-

- * Store patronage of Indian consumers.
- * Price-quality perception of Indian consumers.
- * Level of importance attached to each product attribute (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life).
- * Reaction of Indian consumers to out-of-stock conditions of a preferred brand.
- * Reaction of Indian consumers to price change of a favoured brand.
- * Brand switching tendencies of Indian consumers.
- * Reasons for brand switching by Indian consumers.
- * Price perception of Indian consumers to house brands.
- * Quality perception of Indian consumers to house brands.
- * Usage rate of Indian consumers to house brand products.
- * Reasons for purchasing house brand products as compared to branded products.
- * Brand loyalty patterns of Indian consumers for food and non-food products.
- * Profile of the brand loyal and non-brand loyal consumers based of the level of importance attached to the product attributes (price, quality, brand name, label

information, choice/variety, nutritional value, appearance freshness, taste, shelf life) for food and non-food products and their rating on the attributes of each brand of product (margarine/butter, breakfast cereal, tea/coffee, rice, cooking oil, toothpaste, washing powder, 'toilet' bath soap, toilet paper and 'underarm' deodrant).

The statistical methods, together with a qualitative analysis, were used to determine whether a significant relationship exists between each of the aforementioned aspects of purchase behaviour and each of the relevant biographical variables (socio-economic status, gender, marital status, education, age, occupation and income) respectively.

The various statistical techniques adopted include the chi-square goodness-of-fit test, chi-square analysis, chi-square test of independence, contingency coefficient, median test, Kruskal-Wallis One-Way Analysis of Variance and the Mann-Whitney U Test.

7.2 STORE PATRONAGE OF THE INDIAN CONSUMER

HYPOTHESIS 1

"There is a significant difference in the store patronage of Indian consumers in the Chatsworth area".

* STORE PATRONAGE

The chi-square goodness-of-fit test was used to determine the store patronage of Indian consumers.

TABLE 7.1

CHI-SQUARE GOODNESS-OF-FIT TEST: STORE PATRONAGE

VARIABLE	χ^2	p
STORE PATRONAGE	237,41	13,28 *

* 0,01 level of significance

$p < 237,41$ for $df = 4$ at the 0,05 and 0,01 level of significance (Table 7.1). There is a significant difference in the number of consumers who patronise the different stores.

Table 7.2 indicates the store patronage of Indian consumers and depicts the main shopping points.

TABLE 7.2

PATTERN OF RESPONDENT'S STORE PATRONAGE

(Frequency and Percentage)

	STORE PATRONAGE					TOTAL
	TOWNSHIP SUPERMARKET	PICK 'N PAY	CHECKERS/ SHOPRITE	OK	SPAR	
N	* 15	63	134	9	15	237
%	6,75 * 6,33	26,58	56,54	3,8	6,33	100

* Number that patronise the Township supermarket as well as one of the other chain stores.

From Table 7.2 a number of aspects regarding store patronage emerged:-

- * Checkers appears to be the most frequently patronised store, where 56,54 % of the Indians shop. This high percentage may be due to the centrality of the situation of this store in the Chatsworth area, which eradicates the problem of transport for the majority of consumers in this area and is thus, patronised as a result of convenience.
- * Whilst 13,08 % of the Indian consumers do their monthly shopping in township supermarkets, only 6,75 % do all their shopping at these shopping points. The other 6,33% patronise township stores in conjunction with other chain stores. From feedback from these subjects it was noted that they patronise the chain stores for canned foods, frozen products, detergents and personal care products. However, the purchases of cooking oil, dried beans and spices are undertaken at the local store.
- * In descending order of patronage by Indian consumers, the chain stores are Checkers/ Shoprite (56,54 %), Pick 'n Pay (26,58 %), Spar (6,33 %) and Ok Bazaar (3,8 %). Pick 'n Pay, Spar and Ok are probably patronised less because of their physical location away from the community. Spar and Ok were patronised less than the township supermarkets by these consumers.

7.3 PRICE-QUALITY PERCEPTION OF INDIAN CONSUMERS

HYPOTHESIS 2

"There is a significant difference in the number of Indian consumer with regards to price-quality perception, such that f_1 , f_2 and f_3 are not equal".

*** PRICE-QUALITY PERCEPTION**

The chi-square goodness-of-fit test was used to determine the price-quality perception of Indian consumers.

TABLE 7.3

CHI-SQUARE GOODNESS-OF-FIT TEST: PRICE-QUALITY PERCEPTION

VARIABLE	χ^2	p
PRICE-QUALITY PERCEPTION	35,17	9,21 *

* 0,01 level of significance

$p < 35,17$ for $df = 2$ at the 0,05 and 0,01 levels of significance (Table 7.3). There is a significant difference in the number of consumers with regards to price-quality perception.

Table 7.4 depicts the extent to which Indian consumers regard price of grocery products as a good indicator of the quality of the product.

TABLE 7.4

PRICE-QUALITY PERCEPTION OF INDIAN CONSUMERS

(FREQUENCY AND PERCENTAGE)

PRICE AS AN INDICATOR OF QUALITY				
	ALWAYS	SOMETIMES	NEVER	TOTAL
N	59	122	56	237
%	24,89	51,48	23,63	100

From Table 7.4 three important conclusions emerge:-

- * More than half of the total sample (51,48 %) indicated that the price of the grocery product is **sometimes** a good indicator of its quality.
- * If we combine the **sometimes** and the **never** categories, it can be maintained that the majority of the subjects (75,11 %) are more likely not to base their judgement of quality on the criteria of price.
- * The 24,89 % of the subjects that feel that price is **always** a good indicator of quality, are of the opinion that more expensive products are of a better quality and cheaper products are inferior in quality.

HYPOTHESIS 3

"There is a significant relationship between the price-quality perception of Indian consumers for grocery products and each of the biographical variables (socio-economic status, gender, marital status, education, age, occupation, income) respectively".

* PRICE-QUALITY PERCEPTION

The chi-square statistic was used to determine whether a significant association exists between consumer price-quality perception for grocery products and each biographical variable respectively.

TABLE 7.5

CHI-SQUARE ANALYSIS: PRICE-QUALITY PERCEPTION OF INDIAN CONSUMERS FOR GROCERY PRODUCTS

VARIABLES	χ^2	p
SOCIO-ECONOMIC STATUS	4,471	0,346 *
GENDER	0,994	0,608 *
MARITAL STATUS	5,512	0,239 *
EDUCATION	7,298	0,505 *
AGE	3,410	0,970 *
OCCUPATION	6,194	0,986 *
INCOME	2,987	0,935 *

* $p > 0,05$

Table 7.5 depicts that no significant difference exists between the price-quality perception of Indian consumers for grocery products and each of the biographical variables of socio-economic status, gender, marital status, education, age, occupation and income respectively at the 0,05 level of significance.

Table 7.6 enables a qualitative analysis of the price-quality perception of Indian consumers in terms of each biographical variable.

TABLE 7.6

PRICE-QUALITY PERCEPTION OF INDIAN CONSUMERS
(FREQUENCY AND PERCENTAGE)

VARIABLE	PRICE AS AN INDICATOR OF QUALITY							
	ALWAYS		SOMETIMES		NEVER		TOTAL	
SOCIO-ECONOMIC STATUS								
LOWER	17	7,17	38	16,03	20	8,44	75	31,65
MIDDLE	17	7,17	45	18,99	13	5,49	75	31,65
UPPER	25	10,55	39	16,46	23	9,70	87	36,71
TOTAL	59	24,89	122	51,48	56	23,63	237	100

GENDER								
MALES	24	10,13	47	19,83	18	7,59	89	37,55
FEMALES	35	14,77	75	31,65	38	16,03	148	62,45
TOTAL	59	24,89	122	51,48	56	23,63	237	100

MARITAL STATUS								
SINGLE	11	4,64	29	12,24	6	2,53	46	19,41
MARRIED	46	19,41	86	36,29	45	18,99	177	74,68
DIVORCED	2	0,84	7	2,95	5	2,11	14	5,91
TOTAL	59	24,89	122	51,48	56	23,63	237	100

EDUCATION								
BELOW STD 3	2	0,84	2	0,84	0	0	4	1,69
STDS 3 TO 5	6	2,53	10	4,22	5	2,11	21	8,86
STDS 6 TO 9	14	5,91	30	12,66	13	5,49	57	24,05
STANDARD 10	13	5,49	28	11,81	21	8,86	62	26,16
POST MATRIC	24	10,13	52	21,94	17	7,17	93	39,24
TOTAL	59	24,89	122	51,48	56	23,63	237	100

TABLE 7.6 (CONTINUED)

VARIABLE	PRICE AS AN INDICATOR OF QUALITY							
	ALWAYS		SOMETIMES		NEVER		TOTAL	
AGE								
UNDER 20	2	0,84	7	2,95	1	0,42	10	4,22
20 - 29	13	5,49	28	11,81	11	4,64	52	21,94
30 - 39	20	8,44	40	16,88	20	8,44	80	33,76
40 - 49	17	7,17	29	12,24	14	5,91	60	25,32
50 - 59	6	2,53	16	6,75	8	3,38	30	12,66
60 AND OVER	1	0,42	2	0,84	2	0,84	5	2,11
TOTAL	59	24,89	122	51,48	56	23,63	237	100

OCCUPATION								
PROFESSIONAL	17	7,17	37	15,61	12	5,06	66	27,85
ADMMIN./MAN- AGERIAL	4	1,69	9	3,80	6	2,53	19	8,02
CLERICAL	11	4,64	19	8,02	12	5,06	42	17,72
SERVICE WORKER	4	1,69	8	3,38	6	2,53	18	7,59
SKILLED ARTISAN	2	0,84	7	2,95	2	0,84	11	4,64
SEMI-SKILLED	3	1,27	8	3,38	3	1,27	14	5,91
UNSKILLED	1	0,42	5	2,95	3	1,27	9	3,80
UNEMPLOYED HOUSEWIFE/ HUSBAND	5	2,11	8	3,38	3	1,27	16	6,75
	12	5,06	21	8,86	9	3,80	42	17,72
TOTAL	59	24,89	122	51,48	56	23,63	237	100

INCOME								
0 - 1499	17	7,17	31	13,08	11	4,64	59	24,89
1500 - 2499	16	6,75	35	14,77	16	6,75	67	28,27
2500 - 4999	19	8,02	43	18,14	21	8,86	83	35,02
5000 - 7999	6	2,53	12	5,06	8	3,38	26	10,97
8000 - 9999	0	0	0	0	0	0	0	0
10000 - 11999	1	0,42	1	0,42	0	0	2	0,84
12000 +	0	0	0	0	0	0	0	0
TOTAL	59	24,89	122	51,48	56	23,63	237	100

The following results are evident from Table 7.6:-

a) SOCIO-ECONOMIC STATUS

- * The majority of the lower (16,03 %), middle (18,99 %) and upper (16,46 %) classes of Indian consumers feel that price is **sometimes** a good indicator of quality.
- * More than half of the sample of consumers (51,48 %) feel that price is **sometimes** a good indicator of quality.
- * If we combine the **sometimes** and **never** classifications, it can be concluded that the majority of consumers (75,11 %) are less likely to judge quality on the basis of price.
- * In comparing the upper, middle and lower classes, it is noted that whilst (10,55 %) of the upper class consumers see price as **always** being a good indicator of quality, an equal percentage of consumers (7,17 %) of lower and middle class individuals view price as a constantly good indicator of quality.

b) GENDER

- * The majority of the female consumers (31,65 %) feel that price is **sometimes** a good indicator of quality.
- * The majority of the male subjects (19,83 %) are of the opinion that price is **sometimes** a good indicator of quality.
- * More males feel that 'Price is **always** a good indicator of quality' (10,13 %) than 'Price is **never** a good indicator of quality' (7,59 %).
- * More females believe that 'Price is **never** a good indicator of quality' (16,03 %) than 'Price is **always** a good indicator of quality' (14,77 %).

c) MARITAL STATUS

- * The majority of the single (12,24 %), married (36,29 %) and divorced (2,95 %) consumers feel that price is **sometimes** a good indicator of quality.
- * More single subjects feel that 'Price is **always** a good indicator of quality' (4,64 %) than 'Price is **never** a good indicator of quality' (2,53 %).
- * More married consumers are of the opinion that 'Price is **always** a good indicator of quality' (19,41 %) than 'Price is **never** a good indicator of quality' (18,99 %).
- * More divorced subjects hold of the attitude that 'Price is **never** a good indicator of quality' (2,11 %) than 'Price is **always** a good indicator of quality' (0,84 %).

d) EDUCATION

- * The majority of the consumers in each of the categories of education feel that 'Price is **sometimes** a good indicator of quality'.
- * More subjects with a standard 10 level of education were of the opinion that 'Price is **never** a good indicator of quality' than Price is **always** a good indicator of quality'. However, more subjects in the other categories of education feel that 'Price is **always** a good indicator of quality' than 'Price is **never** a good indicator of quality'.

e) AGE

- * The majority of subjects in all age categories are of the opinion that 'Price is **sometimes** a good indicator of quality'.
- * More consumers below the age of 50 maintain that 'Price is **always** a good indicator of quality' (21,94 %) than 'Price is **never** a good indicator of quality' (19,41 %).
- * More subjects of and above the age of 50 believe that 'Price is **never** a good indicator of quality' (4,22 %) than 'Price is **always** a good indicator of quality' (2,95 %).

f) OCCUPATION

- * The majority of consumers in all categories of occupations feel that 'Price is **sometimes** a good indicator of quality'.
- * From the professional, unemployed and housewife/husband categories, more subjects feel that 'Price is **always** a good indicator of quality' than 'Price is **never** a good indicator of quality'.
- * In the admin./managerial, clerical, service, worker, unemployed, and unskilled categories, more consumers are of the opinion that 'Price is **never** a good indicator of quality' than 'Price is **always** a good indicator of quality'.
- * An equal number of skilled artisans and semi-skilled subjects feel that 'Price is **always** a good indicator of quality' and 'Price is **never** a good indicator of quality'.

g) INCOME

- * The majority of Indian consumers in each income category feel that price is **sometimes** a good indicator of quality.

7.4 LEVEL OF IMPORTANCE ATTACHED TO EACH OF THE PRODUCT ATTRIBUTES BY THE INDIAN CONSUMER

Table 7.7 depicts the level of importance of Indian consumers on each of the product attributes (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) when engaging in the purchase of grocery products. Subjects responded on a 1 to 5 point scale (1 - least important, 5 - most important).

TABLE 7.7

LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES
(FREQUENCY AND PERCENTAGE)

PRODUCT ATTRIBUTE	LEVEL OF IMPORTANCE .					TOTAL
	1	2	3	4	5	
GENERAL						
PRICE	14 5,9	3 1,3	29 12,2	37 15,6	154 65,0	237 100
QUALITY	2 0,8	2 0,8	11 4,6	38 16,0	184 77,6	237 100
BRAND NAME	28 11,8	24 10,1	67 28,3	49 20,7	69 29,1	237 100
LABEL INFORMATION	11 4,6	22 9,3	52 21,9	60 25,3	92 38,8	237 100
CHOICE/ VARIETY	8 3,4	22 9,3	56 23,6	60 25,3	91 38,4	237 100
FOOD PRODUCT						
NUTRITIONAL VALUE	2 0,8	3 1,3	6 2,5	34 14,3	192 81,0	237 100
APPEARANCE	15 6,3	17 7,2	62 26,2	55 23,2	88 37,1	237 100
FRESHNESS	2 0,8	0 0	3 1,3	9 3,8	223 94,1	237 100
TASTE	2 0,8	0 0	28 11,8	33 13,9	174 73,4	237 100
SHELF LIFE	2 0,8	7 3,0	8 3,4	37 15,6	183 77,2	237 100

The following results emerged from Table 7.7:-

* The majority of the subjects assigned each criteria a rating of 5 (most important). The implication is that when engaging in the purchases of grocery products, consumers' take cognisance of all the aforementioned attributes in product evaluation.

* The criteria considered 'most important' in descending order of level of importance for products in general are as follows:-

Quality - 77,6 %

Price - 65,0 %

Label Information - 38,8 %

Choice/variety - 38,4 %

Brand Name - 29,1 %

The outcome that quality surfaces as being the most important criterion can be attributed to the fact that consumers search for 'good value for money'. Price follows quality in level of importance. This can be explained by the fact that man has unlimited wants and limited resources and thus, has to economise in order to obtain a 'fuller trolley' within the budget constraint. Furthermore, considering the high rate of inflation and consequent, difficult economic circumstances, consumers are forced to be price conscious.

* The criteria consider most important in descending order of level of importance for food products are as follows:-

Freshness - 94,1 %

Nutritional Value - 81,0 %

Shelf Life - 77,2 %

Taste - 73,4 %

Appearance - 37,1 %

* When combined, the criteria considered 'most important' in descending order of level of importance are as follows:-

Freshness - 94,1 %

Nutritional Value - 81,0 %

Quality - 77,6 %

Shelf Life - 77,2 %

Taste - 73,4 %

Price - 65,0 %

Label information - 38,8 %

Choice/variety - 38,4 %

Appearance - 37,1 %

Brand Name - 29,1 %

The analysis reveals that consumers regard brand name as being the least importance criteria when evaluating the purchase of grocery products. However, 29,1 % of the consumers have assigned a rating of 5 (most important) to brand name.

HYPOTHESIS 4

"There is a significant relationship between the median level of importance attached to each product attribute (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) and each biographical variable (gender, marital status) respectively.

*** LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES**

The median test was used to determine whether a significant association exists between the median level of importance attached to each product attribute and the biographical variables of gender and marital status respectively.

TABLE 7.8

MEDIAN TEST: LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES

MEDIAN LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES			
	MEDIAN	χ^2	p
GENERAL			
PRICE	5	0,457	3,84 *
QUALITY	5	0,598	3,84 *
BRAND NAME	3	2,598	3,84 *
LABEL INFORMATION	4	1,432	3,84 *
CHOICE/VARIETY	4	0,378	3,84 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	5	0,791	3,84 *
APPEARANCE	4	11,191	3,84 **
FRESHNESS	5	1,628	3,84 *
TASTE	5	2,161	3,84 *
SHELF LIFE	5	0,505	3,84 *

* $p < 0,05$

** $p > 0,01$

Table 7.8 indicates that no significant relationship exists between gender and the level of importance attached to each of the product attributes (price, quality, brand name, label information, choice/variety) respectively for general products at the 0,05 level of significance. In addition, no significant association exists between gender and the level of importance attached to nutritional value, freshness, taste, shelf life) respectively for food products at the 0,05 level of significance. However, there is a significant relationship between gender and the level of importance given to nutritional value for food products at the 0,01 level of significance.

TABLE 7.9

MEDIAN TEST: LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES

MEDIAN LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES:			
MARITAL STATUS#			
	MEDIAN	χ^2	P
GENERAL			
PRICE	5	0,070	3,84 *
QUALITY	5	4,140	3,84 **
BRAND NAME	3	0,344	3,84 *
LABEL INFORMATION	4	1,109	3,84 *
CHOICE/VARIETY	4	0,315	3,84 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	5	7,658	3,84 ***
APPEARANCE	4	0,047	3,84 *
FRESHNESS	5	1,814	3,84 *
TASTE	5	0,197	3,84 *
SHELF LIFE	5	2,357	3,84 *

* $p < 0,05$

** $p > 0,05$ but $p < 0,01$

*** $p > 0,05$ and $p > 0,01$

Marital status excludes the divorced category

Table 7.9 depicts that no significant relationship exists between marital status and the level of importance assigned to each of the general product attributes (price, brand name, label information, choice/variety) respectively for general purchases at the 0,05 level of significance. However, there is a significant association between marital status and the level of importance attached to quality at the 0,05 level of significance but not at the 0,01 level of significance. In addition, Table 7.9 indicates that there is no significant relationship between marital status and the value given to the food product attributes (appearance, freshness, taste, shelf life) at the 0,05 level of significance. However, there is a significant association between marital status and the level of importance assigned to nutritional value at the 0,01 level of significance.

Table 7.10 indicates the number and percentage of subjects who rated the level of importance of each product criteria equal to and above the median rating.

TABLE 7.10

PRODUCT ATTRIBUTE RATINGS EQUAL TO AND ABOVE MEDIAN SCORE

PRODUCT ATTRIBUTE	MEDIAN	N	%
GENERAL			
PRICE	5	191	80,59
QUALITY	5	222	93,67
BRAND NAME	3	118	49,79
LABEL INFORMATION	4	152	64,14
CHOICE/VARIETY	4	151	63,71
FOOD PRODUCTS			
NUTRITIONAL VALUE	5	226	95,36
APPEARANCE	4	143	60,34
FRESHNESS	5	232	97,89
TASTE	5	207	87,34
SHELF LIFE	5	220	92,83

An interesting result depicted in Table 7.10 is that although brand name was ranked as the least importance attribute when engaging in the purchase of grocery products, 49,79 % of the subjects ranked this criteria equal to or above the median score.

HYPOTHESIS 5

"There is a significant relationship between the mean level of importance attached to each product attribute (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) reespectively".

*** LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES**

The Kruskal-Wallis One-Way Analysis of Variance was used to determine whether a significant association exists between the mean level of importance attached to each product criteria and each biographical variable (socio-economic status, marital status, education, age, occupation, income) respectively.

TABLE 7.11

KRUSKAL-WALLIS ONE-WAY ANALYSIS OF VARIANCE: MEAN LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES - SOCIO-ECONOMIC STATUS

PRODUCT ATTRIBUTE	MEAN	H	p
GENERAL			
PRICE	4,351	0,095	0,954 *
QUALITY	4,691	3,498	0,174 *
BRAND NAME	3,505	2,690	0,261 *
LABEL INFORMATION	3,845	2,678	0,262 *
CHOICE/VARIETY	4,103	4,553	0,103 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	4,753	4,514	0,105 *
APPEARANCE	3,825	5,296	0,071 *
FRESHNESS	4,928	1,155	0,561 *
TASTE	4,577	1,276	0,528 *
SHELF LIFE	4,701	0,573	0,751 *

* $p > 0,05$

Table 7.11 indicates that no significant relationship exists between socio-economic status and the mean level of importance assigned to each product attribute (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) respectively at the 0,05 level of significance.

TABLE 7.12

KRUSKAL-WALLIS ONE-WAY ANALYSIS OF VARIANCE: MEAN LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES - EDUCATION

PRODUCT ATTRIBUTE	MEAN	H	p
GENERAL			
PRICE	4,351	4,260	0,372 *
QUALITY	4,691	5,172	0,270 *
BRAND NAME	3,505	4,390	0,356 *
LABEL INFORMATION	3,845	4,177	0,383 *
CHOICE/VARIETY	4,103	8,878	0,064 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	4,753	3,166	0,530 *
APPEARANCE	3,825	1,235	0,872 *
FRESHNESS	4,928	5,992	0,200 *
TASTE	4,577	1,984	0,739 *
SHELF LIFE	4,701	2,308	0,679 *

* $p > 0,05$

Table 7.12 depicts that there is no significant relationship between the level of education of subjects and their mean ratings on the importance of the product attributes (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) respectively at the 0,05 level of significance.

TABLE 7.13

KRUSKAL-WALLIS ONE-WAY ANALYSIS OF VARIANCE: MEAN LEVEL OF
IMPORTANCE OF PRODUCT ATTRIBUTES - AGE

PRODUCT ATTRIBUTE	MEAN	H	p
GENERAL			
PRICE	4,351	6,067	0,300 *
QUALITY	4,691	11,308	0,046
BRAND NAME	3,505	7,613	0,179 *
LABEL INFORMATION	3,845	6,758	0,239 *
CHOICE/VARIETY	4,103	3,923	0,561 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	4,753	8,151	0,148 *
APPEARANCE	3,825	4,781	0,443 *
FRESHNESS	4,928	7,408	0,192 *
TASTE	4,577	4,495	0,480 *
SHELF LIFE	4,701	4,239	0,516 *

* $p > 0,05$

From Table 7.13 it is evident that there is no significant relationship between the age of consumers and their mean ratings on the level of importance of each product attribute (price, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) respectively at the 0,05 level of significance. However, there is a significant difference between age of the consumer and the value attached to the criterion of quality at the 0,05 level of significance.

TABLE 7.14

KRUSKAL-WALLIS ONE-WAY ANALYSIS OF VARIANCE: MEAN LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES - OCCUPATION

PRODUCT ATTRIBUTE	MEAN	H	p
GENERAL			
PRICE	4,351	5,299	0,725 *
QUALITY	4,691	6,816	0,557 *
BRAND NAME	3,505	17,390	0,026
LABEL INFORMATION	3,845	16,421	0,037
CHOICE/VARIETY	4,103	4,860	0,772 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	4,753	5,351	0,719 *
APPEARANCE	3,825	3,478	0,901 *
FRESHNESS	4,928	5,098	0,747 *
TASTE	4,577	2,658	0,954 *
SHELF LIFE	4,701	2,858	0,943 *

* $p > 0,05$

From Table 7.14 it is evident that there is no significant relationship between the occupation of the subjects and their mean ratings of importance on the product criteria, price, quality, choice/variety, nutritional value, appearance, freshness, taste and shelf life at the 0,05 level of significance. However, a significant relationship exists between the vocational fields of the subject and their mean rating of the level of importance on brand name and label information respectively at the 0,05 level of significance.

TABLE 7.15

KRUSKAL-WALLIS ONE-WAY ANALYSIS OF VARIANCE: MEAN LEVEL OF IMPORTANCE OF PRODUCT ATTRIBUTES - INCOME

PRODUCT ATTRIBUTE	MEAN	H	P
GENERAL			
PRICE	4,351	3,865	0,425 *
QUALITY	4,691	10,850	0,028
BRAND NAME	3,505	10,376	0,035
LABEL INFORMATION	3,845	11,073	0,026
CHOICE/VARIETY	4,103	5,418	0,247 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	4,753	4,592	0,332 *
APPEARANCE	3,825	2,542	0,637 *
FRESHNESS	4,928	1,563	0,815 *
TASTE	4,577	3,269	0,514 *
SHELF LIFE	4,701	3,003	0,557 *

* $p > 0,05$

Table 7.15 depicts that there is no significant relationship between the level of income of Indian consumers and their mean rating of the level of importance on the product criteria of price, choice/variety, nutritional value, appearance, freshness, taste and shelf life respectively at the 0,05 level of significance. There exists however, a significant relationship in the level of income of subjects and their mean rating of importance on quality, brand name and label information respectively at the 0,05 level of significance.

TABLE 7.16

KRUSKAL-WALLIS ONE-WAY ANALYSIS OF VARIANCE: MEAN LEVEL OF
IMPORTANCE OF PRODUCT ATTRIBUTES - MARITAL STATUS

PRODUCT ATTRIBUTE	MEAN	H	P
GENERAL			
PRICE	4,351	0,708	0,702 *
QUALITY	4,691	3,973	0,137 *
BRAND NAME	3,505	4,354	0,113 *
LABEL INFORMATION	3,845	8,214	0,016
CHOICE/VARIETY	4,103	1,024	0,599 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	4,753	7,871	0,020
APPEARANCE	3,825	0,297	0,862 *
FRESHNESS	4,928	0,938	0,626 *
TASTE	4,577	0,142	0,932 *
SHELF LIFE	4,701	3,058	0,217 *

* $p > 0,05$

From Table 7.16 it is evident that there is no significant relationship between marital status of consumers and their mean ratings of importance on the product attributes of price quality, brand name, choice/variety, appearance, freshness, taste and shelf life respectively at the 0,05 level of significance. However, a significant relationship is depicted between single, married and divorced consumers on their ratings on label information and nutritional value respectively at the 0,05 level of significance.

The Mann-Whitney U Test was used to determine whether a difference exists in the mean rating of the level of importance assigned to each product attribute between males and females.

TABLE 7.17

MANN-WHITNEY U TEST: MEAN LEVEL OF IMPORTANCE OF
PRODUCT ATTRIBUTES - GENDER

PRODUCT ATTRIBUTE	MEAN	Z	P
GENERAL			
PRICE	4,351	6048,000	0,215 *
QUALITY	4,691	6862,500	0,457 *
BRAND NAME	3,505	5896,000	0,164 *
LABEL INFORMATION	3,845	5938,000	0,185 *
CHOICE/VARIETY	4,103	6355,000	0,636 *
FOOD PRODUCTS			
NUTRITIONAL VALUE	4,753	6330,000	0,463 *
APPEARANCE	3,825	4837,500	0,000
FRESHNESS	4,928	6382,500	0,330 *
TASTE	4,577	6049,500	0,175 *
SHELF LIFE	4,701	6332,000	0,497 *

* $p > 0,05$

From Table 7.17 it is evident that there is no significant difference between males and females in their mean rating on the level of importance on the product criteria of price, quality, brand name, label information, choice/variety, nutritional value, freshness, taste and shelf life respectively at the 0,05 level of significance. However, a significant difference exists between gender and the value attached to appearance of the food product at the 0,05 level of significance.

7.5 OUT-OF-STOCK CONDITIONS AND THE INDIAN CONSUMER

HYPOTHESIS 6

"There is a significant difference in the reaction of Indian consumers to an out-of-stock condition of a preferred brand of food product such that f^1 , f^2 and f^3 are not all equal".

* OUT-OF-STOCK CONDITION: FOOD PRODUCTS

The chi-square goodness-of-fit test was used to determine the reaction of Indian consumers to out-of-stock conditions of a preferred brand of food product.

TABLE 7.18

CHI-SQUARE GOODNESS-OF-FIT TEST: OUT-OF-STOCK CONDITION –
FOOD PRODUCTS

VARIABLE	χ^2	P
OUT-OF-STOCK CONDITION	140,54	9,21 *

* 0,01 level of significance

$p < 140,54$ for $df = 2$ at the 0,05 and 0,01 levels of significance (Table 7.18). There is a significant difference in the reaction of Indian consumers to out-of-stock conditions of a preferred brand of food product.

Consumers were required to indicate which of the following actions they would take when faced with the absence of their preferred brand:-

* Buy another brand.

* Wait until the next shopping trip.

* Try another store

Table 7.19 outlines the reaction of Indian consumers to out-of-stock conditions of a preferred brand of food products.

TABLE 7.19

**REACTION OF INDIAN CONSUMERS TO OUT-OF-STOCK CONDITIONS OF A
PREFERRED BRAND OF FOOD PRODUCT
(FREQUENCY AND PERCENTAGE)**

REACTION TO OUT-OF-STOCK CONDITION				
	BUY ANOTHER BRAND	WAIT UNTIL NEXT SHOPPING TRIP	TRY ANOTHER STORE	TOTAL
N	69	10	158	237
%	29,11	4,22	66,67	100

Table 7.19 reflects the following results with regards to out-of-stock conditions of a favoured brand of food product:-

- * The majority of Indian consumers (66,67 %) would try another store for their preferred brand when it is not available at the store they patronise.
- * Whilst 4,22 % of the consumers who can be classified as being brand insistent, will wait until the next shopping trip, 29,11 % would buy another brand.
- * Consumers who prefer to wait until the next shopping trip (4,22 %) and those who will try another store (66,67 %) may be classified as being brand loyal (70,89 %) for food

products as opposed to the 29,11 % non-brand loyal consumers.

HYPOTHESIS 7

"There is a significant difference in the reaction of Indian consumer to an out-of-stock condition of a preferred brand of non-food product, such that f_1 , f_2 and f_3 are not all equal".

* OUT-OF-STOCK CONDITION: NON-FOOD PRODUCT

The chi-square goodness-of-fit test was used to determine the reaction of Indian consumers to out-of-stock conditions of a favoured brand of non-food product.

TABLE 7.20

CHI-SQUARE GOODNESS-OF-FIT TEST: OUT-OF-STOCK CONDITION -
NON-FOOD PRODUCTS

VARIABLE	χ^2	p
OUT-OF-STOCK CONDITION	110,58	9,21 *

* 0,01 level of significance

$p < 110,58$ for $df = 2$ at the 0,05 and 0,01 levels of significance (Table 7.20). There is a significant difference in the reaction of Indian consumers to out-of-stock conditions of a favoured brand of non-food product.

Table 7.21 outlines the reaction of Indian consumers to out-of-stock conditions of a favoured brand of non-food product. The same category alternatives used for out-of-stock conditions

for food products were used for non-food products.

TABLE 7.21

**REACTION OF INDIAN CONSUMERS TO OUT-OF-STOCK CONDITIONS OF A
PREFERRED BRAND OF NON-FOOD PRODUCT**

(FREQUENCY AND PERCENTAGE)

REACTION TO OUT-OF-STOCK CONDITION				
	BUY ANOTHER BRAND	WAIT UNTIL NEXT SHOPPING TRIP	TRY ANOTHER STORE	TOTAL
N	142	92	3	237
%	59,91	38,82	1,27	100

Table 7. depicts the following results with regards to out-of-stock conditions for non-food products:-

- * The majority of the Indian consumers (59,91 %) would buy another brand in the absence of the desired brand of non-food product.
- * Consumer who choose to wait until the next shopping trip (38,82 %) and those who would try another store (1,27 %) may be categorised as being brand loyal for non-food products as opposed to the 59,91 % non-brand loyal consumers.

HYPOTHESIS 8

"There is a significant relationship between the reaction of Indian consumers to out-of stock conditions of food products and non-food products and gender".

*** OUT-OF-STOCK CONDITIONS: FOOD PRODUCTS - GENDER**

The chi-square statistic was used to determine whether a significant association exists between the reaction of Indian consumers to out-of-stock conditions for food products and non-food products and gender.

TABLE 7.22

CHI-SQUARE TEST: OUT-OF-STOCK CONDITIONS - GENDER

FOOD PRODUCTS			
VARIABLE		x²	p
GENDER		0,147	0,929 *
NON-FOOD PRODUCTS			
VARIABLE		x²	p
GENDER		3,710	0,156 *

* $p > 0,05$

Table 7.22 indicates that there is no significant relationship between the reaction of Indian consumers to out-of-stock conditions for food and non-food products and gender at the 0,05 level of significance.

Table 7.23 enables a qualitative analysis of the relationship between out-of-stock conditions for food and non-food products and socio-economic status and age respectively.

TABLE 7.23

OUT-OF-STOCK CONDITIONS
(FREQUENCY AND PERCENTAGE)

VARIABLE	REACTION TO OUT-OF-STOCK CONDITIONS: FOOD PRODUCTS							
	BUY ANOTHER BRAND		WAIT UNTIL NEXT SHOP- PING TRIP		TRY ANOTHER STORE		TOTAL	
SOCIO-ECON- OMIC STATUS								
LOWER	28	11,81	3	1,27	44	18,57	75	31,65
MIDDLE	20	8,44	3	1,27	52	21,94	75	31,65
UPPER	21	8,86	4	1,69	62	26,16	87	36,71
TOTAL	69	29,11	10	4,22	158	66,67	237	100

AGE								
UNDER 20	4	1,69	1	0,42	5	2,11	10	4,22
20 - 29	15	6,33	0	0	37	15,61	52	21,94
30 - 39	25	10,55	5	2,11	50	21,10	80	33,76
40 - 49	15	6,33	2	0,84	43	18,14	60	25,32
50 - 59	8	3,38	2	0,84	20	8,44	30	12,66
60 AND OVER	2	0,84	0	0	3	1,27	5	2,11
TOTAL	69	29,11	10	4,22	158	66,67	237	100

SOCIO-ECON- OMIC STATUS								
LOWER	30	12,66	1	0,42	44	18,57	75	31,65
MIDDLE	25	10,55	5	2,11	45	18,99	75	31,65
UPPER	28	11,81	5	2,11	54	22,78	87	36,71
TOTAL	83	35,02	11	4,64	143	60,34	237	100

TABLE 7.23 (CONTINUED) - NON-FOOD PRODUCTS

VARIABLE	REACTION TO OUT-OF-STOCK CONDITIONS: FOOD PRODUCTS							
	BUY ANOTHER BRAND		WAIT UNTIL NEXT SHOPPING TRIP		TRY ANOTHER STORE		TOTAL	
AGE								
UNDER 20	6	2,53	0	0	4	1,69	10	4,22
20 - 29	23	9,70	2	0,84	27	11,39	52	21,94
30 - 39	28	11,81	5	2,11	47	19,83	80	33,76
40 - 49	19	8,02	4	1,69	37	15,61	60	25,32
50 - 59	6	2,53	0	0	24	10,13	30	12,66
60 AND OVER	1	0,42	0	0	4	1,69	5	2,11
TOTAL	83	35,02	11	4,64	143	60,34	237	100

From Table 7.23 the following conclusions can be drawn regarding food products:-

- * The majority of the consumers in the lower (18,57 %), middle (21,94 %) and upper (26,16 %) categories will try another store in the absence of their preferred brand.
- * More consumers from the lower, middle and upper categories will 'Buy another brand' rather than 'Wait until the next shopping trip'.
- * Since the lower and middle classes have equal sample sizes, it can be deduced that more middle class consumer will 'Try another store' than lower class subjects. Furthermore, an equal percentage of middle and lower class consumers (1,27 %) choose to wait until the next shopping trip. Thus, more middle class individuals (21,94 % + 1,27 % = 23, %) are brand loyal than lower class consumers (18,57 % + 1,27 % = 19,84 %).
- * The majority of the consumers in all age categories will try another store in the absence of the preferred brand.
- * More consumers in all age categories will 'Buy another brand' rather than 'Wait until the next shopping trip'.

- * More consumers in all age categories will 'Buy another brand' rather than 'Wait until the next shopping trip'.

From Table 7.23 the following results emerge for non-food products:-

- * The majority of the consumers in the lower (18,57 %), middle (18,99 %) and upper (22,78 %) categories will try another store when their preferred brand is not available.
- * More individuals from the lower, middle and upper classes, will 'Buy another brand' rather than 'Wait until the next shopping trip'.
- * Since the lower and middle classes have equal sample sizes, it can be concluded that more lower class individuals (12,66 %) will 'Buy another brand' than middle class consumers (10,55 %). More middle class consumers (18,99 %) will try another store than lower class subjects (18,57%). Furthermore, more middle class buyers (18,99 % + 2,11 % = 21,10 %) are brand loyal than lower class individuals (18,57 % + 0,42 % = 18,99 %).
- * The majority of the consumers 20 years and above will try another store. However, the majority of the Indian consumers under the age of 20 will buy another brand. It can be concluded that consumers under 20 years are less brand loyal than those 20 years and over.
- * More consumers 20 years and above, choose to 'Buy another brand' rather than 'Wait until the next shopping trip'. This may be due to the urgency to satisfy the need.

Table 7.24 enables a qualitative analysis of the reaction of Indian consumers to out-of-stock conditions based on usage rate.

TABLE 7.24

PURCHASE BEHAVIOUR OF INDIAN CONSUMERS BASED ON OUT-OF-STOCK
CONDITIONS AND USAGE RATE - FOOD AND NON-FOOD PRODUCTS

(FREQUENCY AND PERCENTAGE)

USAGE RATE	REACTION TO OUT-OF-STOCK CONDITIONS: FOOD PRODUCTS							
	BUY ANOTHER BRAND		WAIT UNTIL NEXT SHOPPING TRIP		TRY ANOTHER STORE		TOTAL	
FREQUENTLY	61	25,74	10	4,22	156	65,82	227	95,78
OCCASIONALLY	8	3,38	0	0	2	0,84	10	4,22
TOTAL	69	29,11	10	4,22	158	66,67	237	100

USAGE RATE	REACTION TO OUT-OF-STOCK CONDITIONS: NON-FOOD PRODUCTS							
	BUY ANOTHER BRAND		WAIT UNTIL NEXT SHOPPING TRIP		TRY ANOTHER STORE		TOTAL	
FREQUENTLY	67	28,27	11	4,64	141	59,49	219	92,41
OCCASIONALLY	16	6,75	0	0	2	0,84	18	7,59
TOTAL	83	35,02	11	4,64	143	60,34	237	100

Table 7.24 indicates that:-

- * For food products, the frequent user of a particular brand (65,82 %) will try another store in the absence of the brand.
- * For non-food products, the frequent users of a brand (59,49 %) will try another store when their favoured brand is not available.
- * More people are frequent users of food products (95,78 %) than non-food products (92,41%).

7.6 PRICE CHANGES AND THE INDIAN CONSUMER

The reaction of Indian consumers to price changes of a favoured brand was studied under the following three conditions:-

- * When the price of a preferred brand remains the same.
- * When the price of a favoured brand increases substantially while that of an alternative brand does not.
- * When the price of both the preferred and the substitute brands increase.

Table 7.25 illustrates the reaction of Indian consumers to price changes of a favoured brand for food and non-food items.

TABLE 7.25

PRICE CHANGES AND THE INDIAN CONSUMER

(FREQUENCY AND PERCENTAGE)

PURCHASE PATTERN OF PREFERRED BRAND						
WILL BUY IF PRICE REMAINS THE SAME		WILL BUY IF PRICE INCREASES SUBSTANTIALLY		WILL BUY IF PRICE OF BOTH PREFERRED AND SUBSTITUTE BRANDS INCREASE		
Y	N	Y	N	Y	N	
FOOD PRODUCTS						
N	223	14	125	112	207	30
%	94,1	5,9	52,7	47,3	87,3	12,7
NON-FOOD PRODUCTS						
N	213	24	119	118	198	39
%	89,9	10,1	50,2	49,8	83,5	16,5

Table 7.26 enables a qualitative analysis of the relationship between Indian consumers' reactions to price changes of a preferred brand of food and each biographical variable (socio-economic status, gender, age) respectively.

TABLE 7.26

PRICE CHANGES AND THE INDIAN CONSUMER: FOOD PRODUCT
(FREQUENCY AND PERCENTAGE)

VARIABLE	REACTION TO PRICE CHANGE OF A PREFERRED BRAND					
	WILL BUY IF PRICE REMAINS THE SAME		WILL BUY IF PRICE INCREASES SUBSTANTIALLY		WILL BUY IF PRICE OF BOTH PREFERRED AND SUBSTITUTE BRANDS INCREASE	
	Y	N	Y	N	Y	N
SOCIO-ECONOMIC STATUS						
LOWER	66 27,85	9 3,80	32 13,50	43 18,14	61 25,74	14 5,91
MIDDLE	75 31,65	0 0	40 16,88	35 14,77	67 28,27	8 3,38
UPPER	82 34,60	5 2,11	53 22,36	34 14,35	79 33,33	8 3,38
TOTAL	223 94,09	14 5,91	125 52,74	112 47,26	207 87,34	30 12,66
GENDER						
MALES	86 36,29	3 1,27	52 21,94	37 15,61	83 35,02	6 2,53
FEMALES	137 57,81	11 4,64	73 30,80	75 31,65	124 52,32	24 10,13
TOTAL	223 94,09	14 5,91	125 52,74	112 47,26	207 87,34	30 12,66

TABLE 7.26 (CONTINUED)

VARIABLE	REACTION TO PRICE CHANGE OF A PREFERRED BRAND					
	WILL BUY IF PRICE REMAINS THE SAME		WILL BUY IF PRICE INCREASES SUBSTANTIALLY		WILL BUY IF PRICE OF BOTH PREFERRED AND SUBSTITUTE BRANDS INCREASE	
	Y	N	Y	N	Y	N
AGE	Y	N	Y	N	Y	N
UNDER 20	10 4,22	0 0	3 1,27	7 2,95	10 4,22	0 0
20 - 29	51 21,52	1 0,42	28 11,81	24 10,13	47 19,83	5 2,11
30 - 39	73 30,80	7 2,95	39 16,46	41 17,30	65 27,43	15 6,33
40 - 49	57 24,05	3 1,27	33 13,92	27 11,39	54 22,78	6 2,53
50 - 59	27 11,39	3 1,27	20 8,44	10 4,22	27 11,39	3 1,27
60 +	5 2,11	0 0	2 0,84	3 1,27	4 1,69	1 0,42
TOTAL	223 94,09	14 5,91	125 52,74	112 47,26	207 87,34	30 12,66

With regards to food products the following can be deduced from Table 7.26:-

- * The majority of consumers from the lower (27,85 %), middle (31,65 %) and upper classes (34,60 %) will buy the preferred brand of food product if the price remains the same.
- * More consumers from each socio-economic class will buy the preferred brand if the price of both the preferred brand and a substitute brand increases rather than when only the price of the preferred brand increases.
- * The majority of males (36,29 %) and females (57,81 %) will buy the preferred brand if the price remains the same.

- * The majority of males (36,29 %) and females (57,81 %) will buy the preferred brand if the price remains the same.
- * More males and females will buy the preferred brand if the price of both the preferred brand and a substitute brand increases than when only the price of the favoured brand increases.
- * The majority of Indian consumers between 19 and 50 years and 60 years and over will continue to buy the preferred brand if its price remains the same.
- * An equal percentage of consumers below the age of 20 and between 49 and 60 years and above will buy the preferred brand:-
 - If the price remains the same.
 - If both its price and that of a substitute brand increases.

Table 7.27 indicates the reaction of Indian consumers to price changes of a preferred brand and each biographical variable (socio-economic status, gender, age) respectively for non-food products.

TABLE 7.27

PRICE CHANGES AND THE INDIAN CONSUMER: NON-FOOD PRODUCT

(FREQUENCY AND PERCENTAGE)

VARIABLE	REACTION TO PRICE CHANGE OF A PREFERRED BRAND					
	WILL BUY IF PRICE REMAINS THE SAME		WILL BUY IF PRICE INCREASES SUBSTANTIALLY		WILL BUY IF PRICE OF BOTH PREFERRED AND SUBSTITUTE BRANDS INCREASE	
	Y	N	Y	N	Y	N
SOCIO-ECONOMIC STATUS						
LOWER	63 26,58	12 5,06	26 10,97	49 20,68	59 24,89	16 6,75
MIDDLE	68 28,69	17 2,95	38 16,03	37 15,61	65 27,43	10 4,22
UPPER	82 34,60	5 2,11	55 23,21	32 13,50	74 31,22	13 5,49
TOTAL	213 89,87	24 10,13	119 50,21	118 49,79	198 83,54	39 16,46
GENDER						
MALES	84 35,44	5 2,11	47 19,83	42 17,72	80 33,76	9 3,80
FEMALES	129 54,43	19 8,02	72 30,38	76 32,07	118 49,79	30 12,66
TOTAL	213 89,87	24 10,13	119 50,21	118 49,79	198 83,54	39 16,46

TABLE 7.27 (CONTINUED)

VARIABLE	REACTION TO PRICE CHANGE OF A PREFERRED BRAND					
	WILL BUY IF PRICE REMAINS THE SAME		WILL BUY IF PRICE INCREASES SUBSTANTIALLY		WILL BUY IF PRICE OF BOTH PREFERRED AND SUBSTITUTE BRANDS INCREASE	
	Y	N	Y	N	Y	N
AGE	Y	N	Y	N	Y	N
UNDER 20	10 4,22	0 0	1 0,42	9 3,80	9 3,80	1 0,42
20 - 29	47 19,83	5 2,11	24 10,97	26 10,97	45 18,99	7 2,95
30 - 39	69 29,11	11 4,64	39 16,46	41 17,30	62 26,16	18 7,59
40 - 49	54 22,78	6 2,53	27 11,39	33 13,92	52 21,94	8 3,38
50 - 59	28 11,81	2 0,84	23 9,70	7 2,95	25 10,55	5 2,11
60 +	5 2,11	0 0	3 1,27	2 0,84	5 2,11	0 0
TOTAL	213 89,87	24 10,13	119 50,21	118 49,79	198 83,54	39 16,46

Table 7.27 depicts the following results:-

- * The majority of consumers from the lower (26,58 %), middle (28,69 %) and upper (34,60 %) classes will buy the preferred brand of non-food product if the price remains the same.
- * For non-food items, a larger proportion of consumers from each socio-economic class will buy the preferred brand if the price of both the favoured brand and a substitute one increases than when only the price of the selected brand increases.

- * For non-food items, a larger proportion of consumers from each socio-economic class will buy the preferred brand if the price of both the favoured brand and a substitute one increases than when only the price of the selected brand increases.
- * The majority of males (35,44 %) and females (54,43 %) will buy the preferred brand of a non-food product if the price remains the same.
- * For non-food items, a larger percentage of males and females will buy the preferred brand if the price of both, the preferred and substitute brands increase, than when only the price of the former rises.
- * The majority of consumers below the age of 60 will continue to buy the preferred brand of non-food product if the price remains the same.
- * For non-food products, an equal percentage of consumers above and equivalent to the age of 60, will buy the favoured brand if the price remains the same and will buy the preferred brand if both its price and that of an alternative one increases.

7.7 BRAND SWITCHING TENDENCIES AND THE INDIAN CONSUMER

Brand switching for food and non-food products amongst Indian consumers is determined by their response to the question: 'Do you think that in the future you would change to another existing brand?'. Table 7.28 indicates these consumers brand switching tendencies.

TABLE 7.28

**BRAND SWITCHING AMONGST INDIAN CONSUMERS
(FREQUENCY AND PERCENTAGE)**

PURCHASING ANOTHER EXISTING BRAND IN THE FUTURE				
FOOD PRODUCT				
	UNSURE	YES	NO	TOTAL
N	133	26	78	237
%	56,1	11,0	32,9	100
NON-FOOD PRODUCT				
	UNSURE	YES	NO	TOTAL
N	129	33	75	237
%	54,4	13,9	31,6	100

Table 7.28 indicates that:-

- * The majority of the consumers are unsure of their future brand purchases for both food and non-food products.
- * It is interesting to note that more consumers prefer to stick to their favoured brand (32,9 %) than to engage in brand switching (11 %) for food products.
- * More consumers prefer to continue buying their preferred brand (31,6 %) than to switch brands (13,9 %) for non-food products.
- * More consumers would remain loyal to their favoured brand for food products (32,9 %) than for non-food products (31,6 %).

HYPOTHESIS 9

"There is a significant relationship between future brand switching of Indian consumers for food and non-food products and the biographical variables of socio-economic status and gender respectively".

* BRAND SWITCHING AMONGST INDIAN CONSUMERS

The chi-square test was used to determine whether a significant association exists between brand switching of Indian consumers and the biographical variables of socio-economic status and gender respectively.

TABLE 7.29

CHI-SQUARE TEST: BRAND SWITCHING TENDENCIES AMONGST INDIAN CONSUMERS

FOOD PRODUCTS			
VARIABLE		x ²	p
SOCIO-ECONOMIC STATUS		5,631	0,228 *
GENDER		2,359	0,307 *
NON-FOOD PRODUCTS			
VARIABLE		x ²	p
SOCIO-ECONOMIC STATUS		5,765	0,217 *
GENDER		4,144	0,126 *

* p > 0,05

Table 7.29 indicates that there is no significant relationship between the future brand switching tendencies of males and females for food products at the 0,05 level of significance.

Furthermore, there is no significant association between the brand switching of Indian

consumers and lower, middle and upper social classes for food products. For non-food products there is no significant relationship between future brand switching tendencies of Indian consumers and their socio-economic status and gender respectively at the 0,05 level of significance.

Table 7.30 enables a qualitative analysis of the reasons of Indian consumers for brand switching for food and non-food products.

TABLE 7.30

REASONS FOR BRAND SWITCHING

(FREQUENCY AND PERCENTAGE)

FOOD PRODUCTS		
REASONS FOR BRAND SWITCHING	N	%
Dislike aroma	2	0,8
Dislike smell	1	0,4
Expensive	42	17,7
Unavailability of brand	3	0,12
Lack of nutritional value	15	6,3
Poor spread	5	2,1
Poor quality	43	18,1
Quality deterioration	8	3,4
Poor taste	20	8,4
Time consuming	2	0,8
Trial	2	0,8
Variety	14	5,9
TOTAL	157 *	64,82 *

TABLE 7.30 (CONTINUED)

NON-FOOD PRODUCTS		
REASONS FOR BRAND SWITCHING	N	%
Causes dry skin	4	1,6
Dislike fragrance	14	5,9
Does not lather	3	1,3
Does not foam well	9	3,8
Expensive	38	16,0
Unavailability of brand	3	1,3
Ineffective in machine	1	0,4
Not effective	14	5,9
Poor quality	30	12,7
Quality deterioration	1	0,4
Taste (preference)	17	7,2
Trial	9	3,8
Variety	16	6,8
TOTAL	159 **	67,1 **

* 80 Indian consumers did not engage in brand switching for the selected food product in the past.

** 78 Indian consumers did not engage in brand switching for the selected non-food product in the past.

In Table 7.30, for both categories of food and non-food products the alternatives for brand switching includes both quality and quality deterioration. This was done to distinguish between consumers who engaged in brand switching because of a lack of quality in the product and those who changed the brand because they sensed a deterioration in the quality of the product.

From Table 7.30 it is evident that:-

- * The main reasons for brand switching for food products is quality (18,1 %) followed by price (17,7 %). It may be concluded that consumers engage in brand switching when food products lack quality and when they become expensive. This may be due to the fact that consumer search for 'good value for money' while ensuring reasonable prices.
- * Other reasons for brand switching for food products that evidently surfaced include lack of nutritional value (6,3 %), poor taste (8,4 %) and variety (5,9 %).

consumer search for 'good value for money' while ensuring reasonable prices.

- * Other reasons for brand switching for food products that evidently surfaced include lack of nutritional value (6,3 %), poor taste (8,4 %) and variety (5,9 %).
- * It is interesting to note that 5,9 % of the subjects engage in brand switching simply because they become bored with the brand and search for variety.
- * The major reason for brand switching for non-food products is price (16 %) followed by quality (12,7 %). Like in the case of food products, it is evident that consumers engage in brand switching of non-food products, when they are of poor quality and become too expensive. This, again can be attributed to their search for 'good value for money'.
- * Other prominent reasons for brand switching for non-food products are dislike fragrance (5,9 %), not effective (5,9 %), poor taste (7,2 %) and variety (6,8 %).
- * For non-food products 6,8 % of the consumers switch brands simply because of their desire for variety.
- * For food and non-food products, consumers search for a suitable price, good quality and variety.

7.8 HOUSE BRANDS AND THE INDIAN CONSUMER

Table 7.31 depicts the buying pattern of house brands by Indian consumers:-

TABLE 7.31

HOUSE BRANDS AND THE INDIAN CONSUMER

(FREQUENCY AND PERCENTAGE)

BUYING PATTERN			
	FREQUENCY	OCCASIONALLY	TOTAL
N	119	118	237
%	50,2	49,8	100

From Table 7.31 it is evident that more than half of the Indian consumers sampled (50,2 %) buy house brands regularly.

HYPOTHESIS 10

"There is a significant relationship between the usage rate of house brand products and the biographical variables of socio-economic status and gender respectively".

*** HOUSE BRANDS AND USAGE RATE AMONGST INDIAN CONSUMERS**

The chi-square test was used to determine whether a significant association exists between usage rate of house brands and socio-economic status and gender respectively.

TABLE 7.32

CHI-SQUARE TEST: HOUSE BRANDS AND USAGE RATE

VARIABLE	χ^2	P
SOCIO-ECONOMIC STATUS	0,416	0,812 *
GENDER	0,790	0,374 *

* $p > 0,05$

Table 7.32 indicates that there is no significant relationship between the usage rate of house brands and socio-economic status and gender respectively.

Table 7.33 enables a qualitative analysis between age and the usage rate of house brands by Indian consumers.

TABLE 7.33

HOUSE BRANDS AND USAGE RATE BY INDIAN CONSUMERS

(FREQUENCY AND PERCENTAGE)

AGE	BUYING REGULARLY		BUYING OCCASIONALLY	
UNDER 20	7	2,95	3	1,27
20 - 29	22	9,28	30	12,66
30 - 39	40	16,88	40	16,88
40 - 49	32	13,50	28	11,81
50 - 59	15	6,33	15	6,33
60 AND OVER	3	1,27	2	0,84
TOTAL	119	50,21	118	49,79

From Table 7.33 it is evident that more consumers, apart from those of the ages 20 - 29, purchase house brand regularly:

The attitude of Indian consumers was analysed in terms of their perception of the price and quality of house brands as compared to branded products. Table 7.34 indicates the attitude of these consumers to house brand products in terms of quality.

TABLE 7.34

**ATTITUDE TOWARDS HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS
IN TERMS OF QUALITY
(FREQUENCY AND PERCENTAGE)**

QUALITY OF HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS				
	BETTER	SAME	INFERIOR	TOTAL
N	8	124	105	237
%	3,4	52,3	44,3	100

From Table 7.34 it can be concluded that:-

- * More than half of the Indian consumers (52,3 %) are of the opinion that house brands are the **same** as branded products in quality.
- * Only 3,4 % of the consumers feel that house brands are **better** than branded products in quality, whilst a substantial 44,3 % maintain that they are **inferior** in quality.

Table 7.35 depicts the attitude of Indian consumers to house brands as compared to branded products in terms of price.

TABLE 7.35

**ATTITUDE TOWARDS HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS
IN TERMS OF PRICE
(FREQUENCY AND PERCENTAGE)**

PRICE OF HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS				
	CHEAPER	SIMILARLY PRICED	MORE EXPENSIVE	TOTAL
N	144	86	7	237
%	60,8	36,3	3,0	100

Table 7.35 reflects the following results:-

- * A substantial percentage (60,8 %) of Indian consumers are of the opinion that house brands are **cheaper** than branded products.
- * Whilst 36,3 % feel that house brand products are similarly priced to branded products, only 3 % maintain that they are **more expensive** than nationally advertised brands.

From Table 7.34 and 7.35 it can be concluded that:-

- * An enormous 97,1 % of the consumers view house brands as being cheaper than or similarly priced as branded products and 52,3 % maintain that house brands are the same in quality. Thus, those consumers who perceive that house brand products serve the same function as nationally advertised brands, may obtain 'good value for money' by buying house brand products at lower prices.

Table 7.36 enables a qualitative analysis between the quality perception of Indian consumers to house brands as compared to branded products and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.

TABLE 7.36

**QUALITY PERCEPTION OF INDIAN CONSUMERS TO HOUSE BRANDS AS
 COMPARED TO BRANDED PRODUCTS
 (FREQUENCY AND PERCENTAGE)**

VARIABLE	BETTER		SAME		INFERIOR		TOTAL	
SOCIO-ECONOMIC STATUS								
LOWER	2	0,84	38	16,03	35	14,77	75	31,65
MIDDLE	4	1,69	44	18,57	27	11,39	75	31,65
UPPER	2	0,84	42	17,72	43	18,14	87	36,71
TOTAL	8	3,38	124	52,32	105	44,30	237	100

GENDER	BETTER		SAME		INFERIOR		TOTAL	
MALE	3	1,27	38	16,03	48	20,25	89	37,55
FEMALE	5	2,11	86	36,29	57	24,05	148	62,45
TOTAL	8	3,38	124	52,32	105	44,30	237	100

MARITAL STATUS	BETTER		SAME		INFERIOR		TOTAL	
SINGLE	2	0,84	25	10,55	19	8,02	46	19,41
MARRIED	6	2,53	94	39,66	77	32,49	177	74,68
DIVORCED	0	0	5	2,11	9	3,80	14	5,91
TOTAL	8	3,38	124	52,32	105	44,30	237	100

EDUCATION	BETTER		SAME		INFERIOR		TOTAL	
BELOW STD 3	0	0	3	1,27	1	0,42	4	1,69
STDS 3 - 5	2	0,84	12	5,06	7	2,95	21	8,86
STDS 6 - 9	3	1,27	32	13,50	22	9,28	57	24,05
STD 10	0	0	33	13,92	29	12,24	62	26,16
POST MATRIC	3	1,27	44	18,57	46	19,41	93	39,24
TOTAL	8	3,38	124	52,32	105	44,30	237	100

TABLE 7.36 (CONTINUED)

VARIABLE	BETTER		SAME		INFERIOR		TOTAL	
AGE								
UNDER 20	1	0,42	6	2,53	3	1,27	10	4,22
20 - 29	1	0,42	27	11,39	24	10,13	52	21,94
30 - 39	3	1,27	47	19,83	30	12,66	80	33,76
40 - 49	3	1,27	28	11,81	29	12,24	60	25,32
50 - 59	0	0	13	5,49	17	7,17	30	12,66
60 AND OVER	0	0	3	1,27	0	0,84	5	2,11
TOTAL	8	3,38	124	52,32	105	44,30	237	100

OCCUPATION								
PROFESS- IONAL	2	0,84	32	13,50	32	13,50	66	27,85
ADMIN./ MANAGERIAL	0	0	8	3,38	11	4,64	19	8,02
CLERICAL	1	0,42	21	8,86	20	8,44	42	17,72
SERVICE WORKER	1	0,42	8	3,38	9	3,80	18	7,59
SKILLED ARTISAN	0	0	3	1,27	8	3,38	11	4,46
SEMI- SKILLED	0	0	8	3,38	6	2,53	14	5,91
UNSKILLED	0	0	8	3,38	1	0,42	9	3,80
UNEMPLOYED	2	0,84	8	3,38	6	2,53	16	6,75
HOUSEWIFE/ HUSBAND	2	0,84	28	11,81	12	5,06	42	17,72
TOTAL	8	3,38	124	52,32	105	44,30	237	100

INCOME								
0 - 1499	5	2,11	41	17,30	13	5,49	59	24,89
1500 - 2499	1	0,42	33	13,92	33	13,92	67	28,27
2500 - 4999	2	0,84	39	16,46	42	17,72	83	35,02
5000 - 7999	0	0	10	4,22	16	6,75	26	10,97
8000 - 9999	0	0	0	0	0	0	0	0
10000 -11999	0	0	0	0	0	0	0	0
12000 +	0	0	1	0,42	1	0,42	2	0,84
TOTAL	8	3,38	124	52,32	105	44,30	237	100

Table 7.36 displays the following results concerning the attitude of Indian consumers to the quality of house brands:-

- * The majority of lower (16,03 %) and middle (18,57 %) class consumers are of the opinion that house brand products are the **same** in quality as branded products.
- * More lower and middle class consumers feel that house brands are **inferior** to branded products than those who feel they are **better** in quality.
- * The majority of the consumers from the upper class (18,14 %) maintain that house brands are **inferior** in quality to nationally advertised brands. This may be due to their desire for the 'good things in life', higher purchasing power and desire for prestige.
- * Whilst the majority of the male consumers (20,25 %) feel that house brands are more **inferior** in quality to branded products, the majority of females (36,29 %) believe that house brand products are the **same** in quality.
- * A small percentage of males (1,27 %) and females (2,11 %) feel that house brands are **better** in quality than branded products.
- * The majority of the single (10,55 %) and married (39,66 %) consumers maintain that house brands are the **same** in quality as branded products. However, the most of the divorced consumers feel that they are more **inferior**.
- * The majority of consumers who have an education level below and equivalent to matriculation maintain that house brands are the **same** in quality as branded products. However, most of the post matriculation consumers feel that house brands are **inferior**.
- * A greater number of consumers below the age of 40 and 60 years and over maintain that house brands are the **same** as branded product. However, consumers between the ages of 39 and 60 years are of the opinion that house brands are **inferior**.

- * Whilst the majority of clerical, semi-skilled, unskilled and unemployed consumers believe that house brands are the **same** in quality to branded products, those from the vocational fields of admin./managerial, service workers, skilled artisans and housewives/husbands maintain that they are **inferior**. From the consumers sampled, an equal percentage (13,50 %) of professional subjects feel that house brand are '**inferior**' and house brands are the '**same**' as branded products.
- * As income increases, the belief that house brands are **inferior** to branded products increases. Only the majority of consumers from the lowest income category maintain that house brands equal in quality to branded products.

A qualitative analysis can be undertaken from Table 7.37 between the price perception of Indian consumers to house brand products as compared to branded products and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.

TABLE 3.37

PRICE PERCEPTION OF INDIAN CONSUMERS TO HOUSE BRANDS AS
 COMPARED TO BRANDED PRODUCTS
 (FREQUENCY AND PERCENTAGE)

VARIABLE	CHEAPER	SIMILARLY PRICED	MORE EXPENSIVE	TOTAL
SOCIO-ECONOMIC STATUS				
LOWER	46 19,41	26 10,97	3 1,27	75 31,65
MIDDLE	52 21,94	22 9,28	1 0,42	75 31,65
UPPER	46 19,41	38 16,03	3 1,27	87 36,71
TOTAL	144 60,76	86 36,29	7 2,95	237 100

GENDER	CHEAPER	SIMILARLY PRICED	MORE EXPENSIVE	TOTAL
MALE	54 22,78	32 13,50	3 1,27	89 37,55
FEMALE	90 37,97	54 22,78	4 1,69	148 62,45
TOTAL	144 60,76	86 36,29	7 2,95	237 100

MARITAL STATUS	CHEAPER	SIMILARLY PRICED	MORE EXPENSIVE	TOTAL
SINGLE	30 12,66	16 6,75	0 0	46 19,41
MARRIED	105 44,30	67 28,27	5 2,11	177 74,68
DIVORCED	9 3,80	3 1,27	2 0,84	14 5,91
TOTAL	144 60,76	86 36,29	7 2,95	237 100

EDUCATION	CHEAPER	SIMILARLY PRICED	MORE EXPENSIVE	TOTAL
BELOW STD 3	3 1,27	1 0,42	0 0	4 1,69
STDS 3 - 5	16 6,75	5 2,11	0 0	21 8,86
STDS 6 - 9	36 15,19	20 8,44	1 0,42	57 24,05
STD 10	34 14,35	26 10,97	2 0,84	62 26,16
POST MATRIC	55 23,21	34 14,35	4 1,69	93 39,24
TOTAL	144 60,76	86 36,29	7 2,95	237 100

TABLE 7.37 (CONTINUED)

VARIABLE	CHEAPER	SIMILARLY PRICED	MORE EXPENSIVE	TOTAL
AGE				
UNDER 20	6 2,53	4 1,69	0 0	10 4,22
20 - 29	33 13,92	17 7,17	2 0,84	52 21,94
30 - 39	40 16,88	37 15,61	3 1,27	80 33,76
40 - 49	40 16,88	19 8,02	1 0,42	60 25,32
50 - 59	22 9,28	7 2,95	1 0,42	30 12,66
60 AND OVER	3 1,27	2 0,84	0 0	5 2,11
TOTAL	144 60,76	86 36,29	7 2,95	237 100

OCCUPATION				
PROFESS- IONAL	39 16,46	24 10,13	3 1,27	66 27,85
ADMIN./ MANAGERIAL	8 3,38	10 4,22	1 0,42	19 8,02
CLERICAL	22 9,28	19 8,02	1 0,42	42 17,72
SERVICE WORKER	10 4,22	7 2,95	1 0,42	18 7,59
SKILLED ARTISAN	8 3,38	2 0,84	1 0,42	11 4,46
SEMI- SKILLED	10 4,22	4 1,69	0 0	14 5,91
UNSKILLED	6 2,53	3 1,27	0 0	9 3,80
UNEMPLOYED	11 4,64	5 2,11	0 0	16 6,75
HOUSEWIFE/ HUSBAND	30 12,66	12 5,06	0 0	42 17,71
TOTAL	144 60,76	86 36,29	7 2,95	237 100

INCOME				
0 - 1499	43 18,14	16 6,75	0 0	59 24,89
1500 - 2499	42 17,72	25 10,55	0 0	67 28,27
2500 - 4999	44 18,57	35 14,77	4 1,69	83 35,02
5000 - 7999	14 5,91	9 3,80	3 1,27	26 10,97
8000 - 9999	0 0	0 0	0 0	0 0
10000 -11999	0 0	0 0	0 0	0 0
12000 +	1 0,42	1 0,42	0 0	2 0,84
TOTAL	144 60,76	86 36,29	7 2,95	237 100

Table 7.37 displays the following results concerning the price perception of Indian consumers to house brands as compared to branded products:-

- * The majority of consumers from the lower (19,41 %), middle (21,94 %) and upper (19,41 %) social classes maintain that house brands are **cheaper** than branded products.
- * Most of the males (22,78 %) and females (37,97 %) feel that house brands are **cheaper** than nationally advertised ones.
- * Only a small percentage of males (1,27 %) and females (1,69 %) maintain that house brands are **more expensive** than those that are branded.
- * A greater number of of single (12,66 %), married (44,30 %) and divorced (3,80 %) consumers belief that house brands are **cheaper** in price than those that are branded.
- * Only 2,11 % of the 74,68 % of married consumers sampled, maintain that house brands are **more expensive**.
- * The majority of the consumers in each of the education and age, occupational and income categories believe that house brands are **cheaper** than branded products. Furthermore, in these categories, the percentage of consumers who maintain that house brands are the same as nationally advertised brands exceeds those that believe that they are **inferior**.

HYPOTHESIS 11

"There is a significant correlation between the price and quality perception of Indian consumers to house brand products as compared to branded products".

*** PRICE-QUALITY PERCEPTION TO HOUSE BRANDS**

The contingency coefficient was used to determine whether a correlation exists between the price and quality perception of Indian consumers to house brand products.

TABLE 7.38

CONTINGENCY COEFFICIENT: PRICE-QUALITY PERCEPTION TO HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS

VARIABLE	χ^2	C	p
PRICE-QUALITY PERCEPTION TO HOUSE BRANDS	3,94	0,128	0,816

* $p > 0,05$

Table 7.38 indicates that there is no significant correlation between the price perception and quality perception of Indian consumers to house brand products as compared branded products.

Table 7.39 enables a qualitative analysis of the relationship between price and quality perception of house brands.

TABLE 7.39

**PRICE-QUALITY PERCEPTION OF HOUSE BRANDS AS COMPARED TO
BRANDED PRODUCTS**

PRICE PERCEPTION	QUALITY OF HOUSE BRANDS AS COMPARED TO BRANDED PRODUCT							
	BETTER		SAME		INFERIOR		TOTAL	
CHEAPER	6	2,53	71	29,96	67	28,27	144	60,76
SIMILARLY PRICED	2	0,84	50	21,10	34	14,35	86	36,29
MORE EXPENSIVE	0	0	3	1,27	4	1,69	7	2,95
TOTAL	8	3,38	124	52,32	105	44,30	237	100

In Table 7.39 it is displayed that:-

- * The majority of the Indian consumers (29,96 %) maintain that house brands are cheaper than and have the same quality as branded products.
- * Whilst 28,27 % maintain that house brands as compared to branded products are cheaper and inferior, 14,35 % believe that they are similarly priced but inferior and 1,69 % feel that they are more expensive and inferior.
- * Whilst 2,53 % feel that house brand products as compared to nationally advertised brands are cheaper and better, only 0,84 % feel that these brands are similarly priced and better.
- * Whilst 21,10 % believe that house brands as compared to branded products are similarly priced and the same in quality, only 1,27 % feel that they are more expensive and of the same quality.

An analysis of the attitude of Indian consumers to house brands together with the purchase pattern of these brands produces a vulnerability matrix that enables one to deduce the strengths and weaknesses of house brand products. The purchase pattern of house brands can be determined on the basis of whether subjects bought these brands regularly or occasionally. The attitude to house brands was determined in terms of whether consumers like or dislike house brands. A cross-tabulation of these dimensions resulted in a 2 x 2 vulnerability matrix (Table 7.40).

TABLE 7.40

**VULNERABILITY MATRIX BASED ON THE PURCHASE PATTERN OF AND
ATTITUDE TO HOUSE BRAND PRODUCTS
(FREQUENCY AND PERCENTAGE)**

PURCHASE PATTERN	ATTITUDE TOWARDS HOUSE BRANDS					
	LIKE		DISLIKE		TOTAL	
BUY REGULARLY	72	30,38	3	1,27	75	31,65
BUY OCCASIONALLY	45	18,99	117	49,37	162	68,35
TOTAL	117	49,37	120	50,63	237	100

From Table 7.40 it can be concluded that:-

- * More than half of the consumers sampled (50,63 %) dislike house brands. However, the percentage difference between those who like and those who dislike house brands is negligible (1,26 %),
- * Whilst 30,38 % of Indian consumers like house brands and buy them regularly, 18,99 % like these brands but buy them occasionally.

- * 49,37 % of the consumers dislike house brand products but buy them occasionally. These individuals possibly purchase them because they perceive them to be cheaper or buy them out of inertia.
- * The 1,27 % consumers that dislike house brands but buy them regularly, are probably loyal to house brands because they perceive them to be cheaper than branded products.

An analysis was also undertaken to determine why consumers buy house brand products (Table 7.41).

TABLE 7.41

REASONS FOR PURCHASING HOUSE BRANDS

(FREQUENCY AND PERCENTAGE)

REASONS	N	%
Trial	12	5,1
Cheaper than branded products	147	62,0
Served the same purpose, yet was cheaper	25	10,5
Branded products were out-of-stock	5	2,1
For Baking (margarine)	2	0,8
On promotion	2	0,8
TOTAL	193 *	81,3

- * 44 consumers sampled have never purchased the house brand products that were studied.

The results of the study indicated that:-

- * A substantial 62 % of the consumers purchased house brands because they were cheaper than branded products. This would indicate that these consumers are price conscious.
- * 10,5 % of the individuals bought house brands because they felt that it served the same purpose and yet was cheaper than nationally advertised brands.
- * 5,1 % of the consumers purchased house brands to try them out since they heard via

word-of-mouth communication that these brands were cheaper and of the same quality, if not better than, branded products.

- * Whilst 2,1 % bought house brands as substitutes because branded products were out-of-stock, 0,8 % purchased them for baking (margarine) and 0,8 % bought it because it was on promotion.

7.9 PURCHASE PATTERN (BRAND LOYALTY) OF THE INDIAN CONSUMER

On the basis of their purchasing pattern, consumers were classified into brand loyal consumers and non-brand loyal buyers. Those who:-

- * Chose to wait until the next shopping trip or chose to try another store in the absence of the preferred brand, and
- * Purchased the preferred brand in the last two purchases, and
- * Would buy the preferred brand if the price has increased substantially while the price of an alternative brand does not increase, were classified as being brand loyal.

Table 7.42 indicates the brand loyal and non-brand loyal consumers for food and non-food products:-

TABLE 7.42

BRAND LOYALTY: FOOD AND NON-FOOD PRODUCTS

(FREQUENCY AND PERCENTAGE)

PURCHASE PATTERN/ COMMITMENT	FOOD PRODUCTS		NON-FOOD PRODUCTS	
BRAND LOYAL	97	40,9	86	36,3
NON-BRAND LOYAL	140	59,1	151	63,7
TOTAL	237	100	237	100

From Table 7.42 it can be deduced that:-

- * Whilst 40,9 % of the consumers are brand loyal to food products, 36,3 % are brand loyal to non-food products. Thus, Indian consumers are more brand loyal to food products than to non-food products.
- * Whilst 63,7 % of the consumers are non-brand loyal to non-food products, a smaller proportion of 59,1 % is non-brand loyal to food products.

HYPOTHESIS 12

"There is a significant difference in the purchasing pattern (brand loyalty) of Indian consumers between food and non-food products"

*** PURCHASING PATTERN (BRAND LOYALTY) FOR FOOD AND NON-FOOD PRODUCTS**

The chi-square test was used to determine whether a significant difference exists in the brand loyalty patterns of Indian consumers for food and non-food products.

TABLE 7.43

CHI-SQUARE TEST: BRAND LOYALTY OF INDIAN CONSUMERS FOR FOOD AND NON-FOOD PRODUCTS

VARIABLE	χ^2	p
BRAND LOYALTY (FOOD AND NON-FOOD ITEMS)	62,619	0,000

* $p < 0,05$

Table 7.43 indicates that there is a significant difference in the brand loyalty patterns of Indian consumers for food and non-food products.

Table 7.44 enables a descriptive analysis of the brand loyalty of Indian consumers to food and non-food products.

TABLE 7.44

BRAND LOYALTY: FOOD AND NON-FOOD PRODUCTS
(FREQUENCY AND PERCENTAGE)

F O O D S		NON-FOOD PRODUCTS					
		BRAND LOYAL (BL)		NON-BRAND LOYAL (NBL)		TOTAL	
		BL	64	27	33	13,92	97
NBL	22	9,28	118	49,79	140	59,01	
TOTAL		86	36,29	151	63,71	237	100

From Table 7.44 it can be deduced that:-

- * 27 % of the consumers are brand loyal to both food and non-food products.
- * Just under half of the consumers (49,79 %) are non-brand loyal to both food and non-food products.
- * Whilst 13,92 % are brand loyal to food products and non-brand loyal to non-food products, 9,28 % are brand loyal to non-food items and non-brand loyal to food items.
- * More consumers are non-brand loyal than brand loyal.

HYPOTHESIS 13

"There is a significant relationship between the purchasing pattern (brand loyalty) of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for food products".

*** BRAND LOYALTY OF INDIAN CONSUMERS: FOOD PRODUCTS**

The chi-square test was used to determine whether a significant association exists between brand loyalty of Indian consumers and each biographical variable respectively for food

products.

TABLE 7.45

CHI-SQUARE TEST: BRAND LOYALTY PATTERNS - FOOD PRODUCTS

VARIABLE	χ^2	p
SOCIO-ECONOMIC STATUS	5,098	0,078 *
GENDER	1,557	0,212 *
MARITAL STATUS	5,132	0,077 *
EDUCATION	3,599	0,463 *
OCCUPATION	14,356	0,073 *
INCOME	3,776	0,437 *

* $p > 0,05$

Table 7.45 illustrates that no significant relationship exists between the brand loyalty of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for food products.

Table 7.46 enables a qualitative analysis of the relationship between brand loyalty for food products and each biographical variable (socio-economic status, gender, marital status, education, age, occupation, income) respectively.

TABLE 7.46

BRAND LOYALTY OF INDIAN CONSUMERS: FOOD PRODUCTS

VARIABLE	BRAND LOYAL		NON-BRAND LOYAL		TOTAL	
SOCIO-ECONOMIC STATUS						
LOWER	24	10,13	51	21,52	75	31,65
MIDDLE	30	12,66	45	18,99	75	31,65
UPPER	43	18,14	44	18,57	87	36,71
TOTAL	97	40,93	140	59,07	237	100
GENDER						
MALES	41	17,30	48	20,25	89	37,55
FEMALES	56	23,63	92	38,82	148	62,45
TOTAL	97	40,93	140	59,07	237	100
MARITAL STATUS						
SINGLE	17	7,17	29	12,24	46	19,41
MARRIED	78	32,91	99	41,77	177	74,68
DIVORCED	2	0,84	12	5,06	14	5,91
TOTAL	97	40,93	140	59,07	237	100
EDUCATION						
BELOW STD 3	1	0,42	3	1,27	4	1,69
STDS 3 - 5	5	2,11	16	6,75	21	8,86
STDS 6 - 9	23	9,70	34	14,35	57	24,05
STD 10	28	11,81	34	14,35	62	26,16
POST MATRIC	40	16,88	53	22,36	93	39,24
TOTAL	97	40,93	140	59,07	237	100

TABLE 7.46 (CONTINUED)

VARIABLE	BRAND LOYAL		NON-BRAND LOYAL		TOTAL	
AGE						
UNDER 20	3	1,27	7	2,95	10	4,22
20 - 29	19	8,02	33	13,92	52	21,94
30 - 39	33	13,92	47	19,83	80	33,76
40 - 49	25	10,55	35	14,77	60	25,32
50 - 59	15	6,33	15	6,33	30	12,66
60 AND OVER	2	0,84	3	1,27	5	2,11
TOTAL	97	40,93	140	59,07	237	100

OCCUPATION						
PROFESSIONAL	30	12,66	36	15,19	66	27,85
ADMIN./ MANAGERIAL	9	3,80	10	4,22	19	8,02
CLERICAL	21	8,86	21	8,86	42	17,72
SERVICE WORKER	8	3,38	10	4,22	18	7,59
SKILLED ARTISAN	6	2,53	5	2,11	11	4,64
SEMI-SKILLED	2	0,84	12	5,06	14	5,91
UNSKILLED	0	0	9	3,80	9	3,80
UNEMPLOYED	5	2,11	11	4,64	16	6,75
HOUSEWIFE/ HUSBAND	16	6,75	26	10,95	42	17,72
TOTAL	97	40,93	140	59,07	237	100

INCOME						
0 - 1499	22	9,28	37	15,61	59	24,89
1500 - 2499	25	10,55	42	17,72	67	28,27
2500 - 4999	34	14,35	49	20,68	83	35,02
5000 - 7999	15	6,33	11	4,64	26	10,97
8000 - 9999	0	0	0	0	0	0
10000 - 11999	0	0	0	0	0	0
12000 +	1	0,42	1	0,42	2	0,84
TOTAL	97	40,93	140	59,07	237	100

The following results emerge from Table 7.46:-

- * More consumers in the lower (21,52 %), middle (18,99 %) and upper (18,57 %) social classes are non-brand loyal for food products.
- * 18,14 % of the upper class consumers are brand loyal to food products. Since there exists an equal sample of lower and middle class consumers, it can be deduced that middle class consumers (12,66 %) are more brand loyal than lower class consumers (10,13 %).
- * More males (20,25 %) and females (38,82 %) are non-brand loyal to food products. However, 17,30 % males and 23,63 % females are brand loyal to food items.
- * More single, married and divorced consumers are non-brand loyal to food products. However, a significant percentage (32,91 %) of married consumers are brand loyal to food products.
- * A greater proportion of consumers are non-brand loyal to food products in all education and age categories.
- * More consumers are non-brand loyal to food products in all the vocational categories, except skilled artisans who are more brand loyal (2,53 %) than non-brand loyal (2,11 %).
- * Only consumers who earn between R5 000 and R7 999 are more brand loyal (6,33 %) than non-brand loyal (4,64 %) to food products.

HYPOTHESIS 14

"There is a significant relationship between the purchasing pattern (brand loyalty) of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for non- food products".

* **BRAND LOYALTY OF INDIAN CONSUMERS: NON-FOOD PRODUCTS**

The chi-square test was used to determine whether a significant association exists between brand loyalty of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for non-food products.

TABLE 7.47

CHI-SQUARE: BRAND LOYALTY PATTERNS - NON-FOOD PRODUCTS

VARIABLE	χ^2	p
SOCIO-ECONOMIC STATUS	5,798	0,055 *
GENDER	0,226	0,634 *
MARITAL STATUS	1,423	0,491 *
EDUCATION	2,286	0,683 *
OCCUPATION	13,144	0,107 *
INCOME	3,160	0,531 *

* $p > 0,05$

Table 7.47 indicates that there is no significant relationship between brand loyalty of Indian consumers and each biographical variable (socio-economic status, gender, marital status, education, occupation, income) respectively for non-food products.

Table 7.48 enables a descriptive analysis of the relationship between brand loyalty for non-food products and each biographical variable respectively.

TABLE 7.48

BRAND LOYALTY OF THE INDIAN CONSUMER: NON-FOOD PRODUCTS

VARIABLE	BRAND LOYAL		NON-BRAND LOYAL		TOTAL	
SOCIO-ECONOMIC STATUS						
LOWER	19	8,02	56	23,63	75	31,65
MIDDLE	32	13,50	43	18,14	75	31,65
UPPER	35	14,77	52	21,94	87	36,71
TOTAL	86	36,29	151	63,71	237	100

GENDER						
MALES	34	14,35	55	23,21	89	37,55
FEMALES	52	21,94	96	40,51	148	62,45
TOTAL	86	36,29	151	63,71	237	100

MARITAL STATUS						
SINGLE	17	7,17	29	12,24	46	19,41
MARRIED	66	27,85	11	46,84	177	74,68
DIVORCED	3	1,27	11	4,64	14	5,91
TOTAL	86	36,29	151	63,71	237	100

EDUCATION						
BELOW STD 3	1	0,42	3	1,27	4	1,69
STDS 3 - 5	7	2,95	14	5,91	21	8,86
STDS 6 - 9	18	7,59	39	16,46	57	24,05
STD 10	21	8,86	41	17,30	62	26,16
POST MATRIC	39	16,46	54	22,78	93	39,24
TOTAL	86	36,29	151	63,71	237	100

AGE						
UNDER 20	0	0	10	4,22	10	4,22
20 - 29	19	8,02	33	13,92	52	21,94
30 - 39	30	12,66	50	21,10	80	33,76
40 - 49	20	8,44	40	16,88	60	25,32
50 - 59	15	6,33	15	6,33	30	12,66
60 AND OVER	2	0,84	3	1,27	5	2,11
TOTAL	86	36,29	151	63,71	237	100

TABLE 7.48 (CONTINUED)

VARIABLE	BRAND LOYAL		NON-BRAND LOYAL		TOTAL	
OCCUPATION						
PROFESSIONAL	31	13,08	35	14,77	66	27,85
ADMIN./ MANAGERIAL	7	2,95	12	5,06	19	8,02
CLERICAL	17	7,17	25	10,55	42	17,72
SERVICE WORKER	6	2,53	12	5,06	18	7,59
SKILLED ARTISAN	5	2,11	6	2,53	11	4,64
SEMI-SKILLED	2	0,84	12	5,06	14	5,91
UNSKILLED	0	0	9	3,80	9	3,80
UNEMPLOYED	4	1,69	12	5,06	16	6,75
HOUSEWIFE/ HUSBAND	14	5,91	28	11,81	42	17,72
TOTAL	86	36,29	151	63,71	237	100
INCOME						
0 - 1499	23	9,70	36	15,19	59	24,89
1500 - 2499	21	8,86	46	19,41	67	28,27
2500 - 4999	34	14,35	49	20,68	83	35,02
5000 - 7999	8	3,38	18	7,59	26	10,97
8000 - 9999	0	0	0	0	0	0
10000 - 11999	0	0	0	0	0	0
12000 +	0	0	2	0,84	2	0,84
TOTAL	86	36,29	151	63,71	237	100

The following results emerge from Table 7.48:-

- * More consumers in the lower (23,63 %), middle (18,14 %) and upper (21,94) social classes are non-brand loyal to non-food products.
- * 14,77 % of the upper class consumers are brand loyal to non-food products. Since there exists an equal sample of lower and middle class consumers, it can be concluded that more middle class consumers (13,50 %) are brand loyal to non-food products than lower class individuals (8,02 %).
- * A greater proportion of males (23,21 %) and females (40,51 %) are non-brand loyal to non-food products. However, 14,35 % males and 21,94 % females are brand loyal to non-food products.
- * More single (12,24 %), married (46,84 %) and divorced (4,64 %) consumers are non-brand loyal to non-food products. However, a significant 27,85 % of the married consumers are brand loyal to non-food items.
- * More consumers are non-brand loyal to non-food products in all education, age, occupation and income categories.

From Table 7.46 and Table 7.48 some significant conclusions include:-

- * Whilst more lower and upper social class consumers are brand loyal to food than non-food products, more middle class individuals are brand loyal to non-food products.
- * A larger proportion of males and females are brand loyal to food than non-food products.
- * Married consumers are significantly more brand loyal to food than non-food items.

7.10 THE PROFILE OF THE BRAND LOYAL AND NON-BRAND LOYAL INDIAN CONSUMER

An analysis was undertaken to determine whether consumers who are brand loyal to food products rated the importance of the general product attributes (price, quality, brand name, label information, choice/variety) and food product attributes (nutritional value, appearance, freshness, taste, shelf life) differently from consumers who are non-brand loyal to food products. The profiles developed from the mean ratings are depicted:-

FIGURE 7.1

PROFILE OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(FOOD PRODUCTS) ON THE RATINGS OF THE IMPORTANCE OF GENERAL
PRODUCT CRITERIA

General Product Attributes Mean

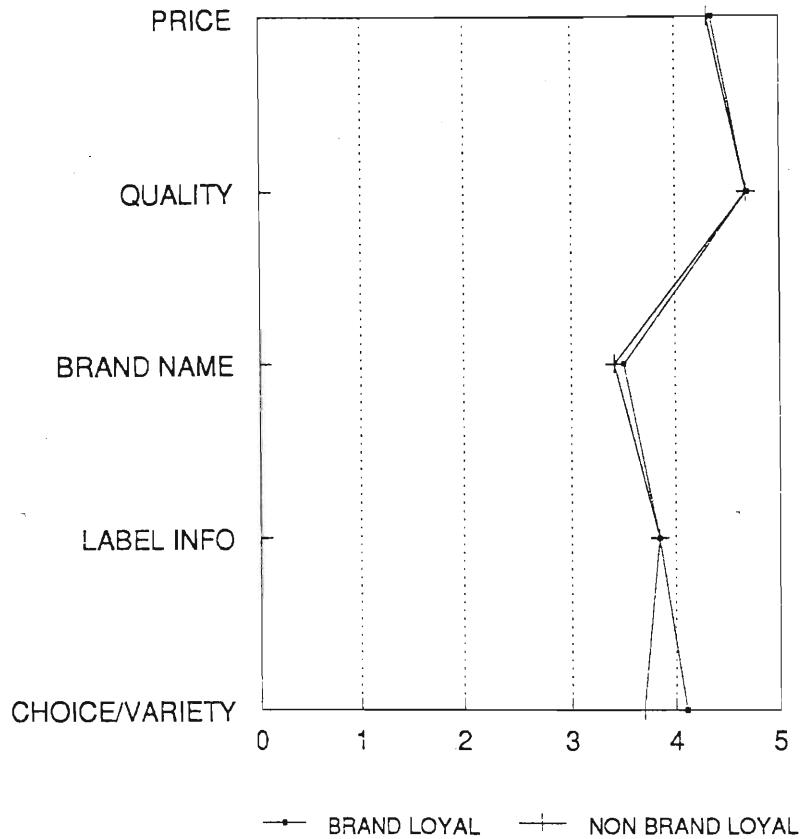


Figure 7.1 indicates the profile of brand loyal and non-brand loyal consumers (food products) on the basis of their mean ratings on the importance of general product attributes. The mean ratings on the product criteria of consumers who are brand loyal for food products are higher than those who are non-brand loyal for food products.

FIGURE 7.2

PROFILE OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(FOOD PRODUCTS) ON THE RATINGS OF THE IMPORTANCE OF FOOD
PRODUCT ATTRIBUTES

Food Product Attributes
Food Product Means

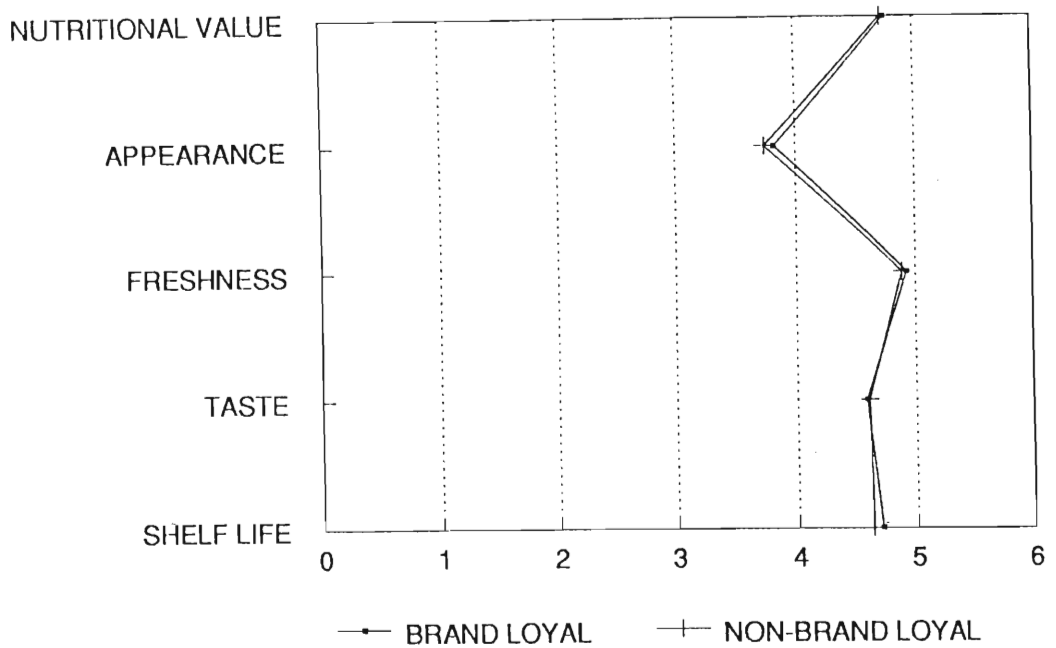


Figure 7.2 depicts the profile of brand loyal and non-brand loyal consumers (food products) on the basis of their mean ratings on the importance of food product attributes. The mean ratings of consumers who are brand loyal for food products are higher on the criteria of nutritional value, appearance, freshness and shelf life, than those who are non- brand loyal for food products. However, the latter have higher mean scores on the criterion of taste, than the former.

FIGURE 7.3

PROFILE OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(NON-FOOD PRODUCTS) ON THE RATINGS OF THE IMPORTANCE OF
GENERAL PRODUCT ATTRIBUTES

General Product Attributes Non-Food Product Means

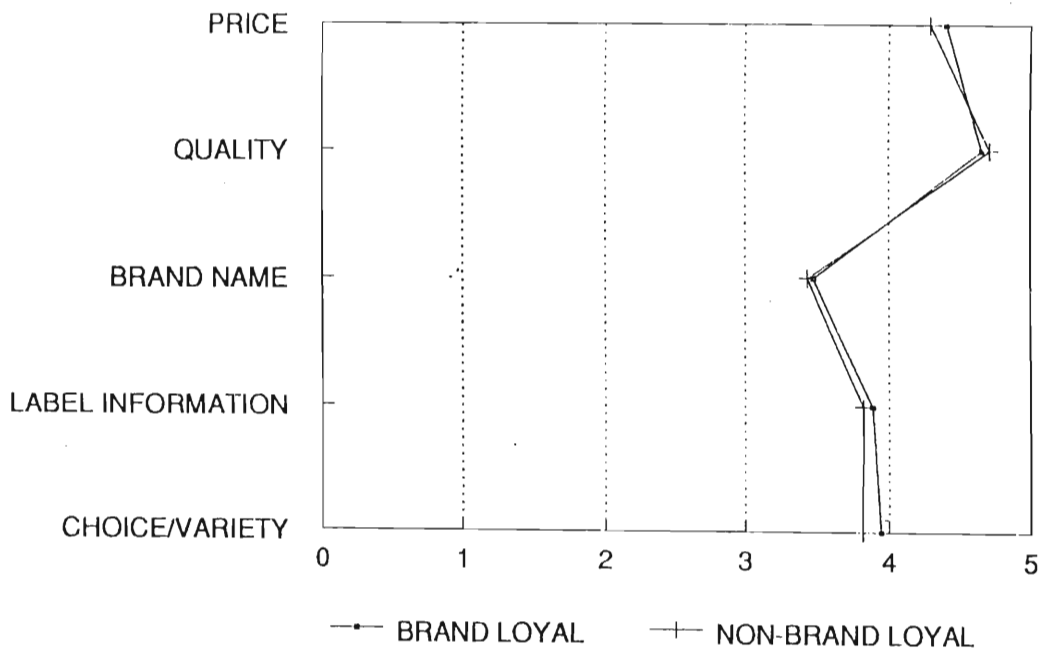


Figure 7.3 illustrates the profile of brand loyal and non-brand loyal consumers (non-food products) on the basis of their mean ratings on the importance of general product attributes. The mean ratings of consumers who are brand loyal for non-food products are higher on the criteria, price, brand name, label information and choice/variety, than those who are non-brand loyal for non-food products. However, the latter have higher mean ratings on the product attribute of quality, than the former.

FIGURE 7.4

PROFILE OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(NON-FOOD PRODUCTS) ON THE RATINGS OF THE IMPORTANCE OF FOOD
PRODUCT ATTRIBUTES

Food Product Attributes Non-Food Product Means

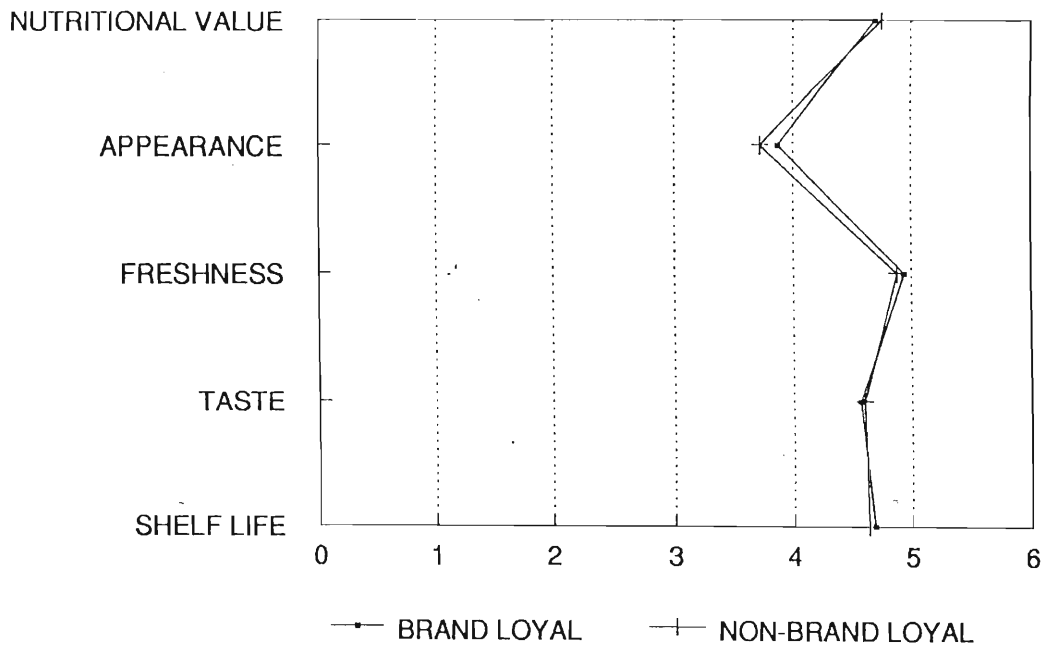


Figure 7.4 portrays the profile of brand loyal and non-brand loyal consumers (non-food products) on the basis of their mean scores on the importance of food product attributes. The mean ratings of consumers who are brand loyal for non-food products are higher on the criteria of appearance, freshness and shelf life, than those who are non-brand loyal for non-food products. However, the mean ratings of consumers who are non-brand loyal for non-food products exceeds that of the mean scores of consumers who are brand loyal for non-food products on the criteria of nutritional value and taste.

An analysis was undertaken to see whether the profile of consumers brand loyal to food products differed from that of individuals who are non-brand loyal to food products on their mean ratings of the attributes on the preferred brand of product.

FIGURE 7.5 - FIGURE 7.9

PROFILES OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(FOOD PRODUCTS) ON THE BASIS OF MEAN RATINGS ON
ATTRIBUTES OF SELECTED BRAND OF PRODUCT

FIGURE 7.5

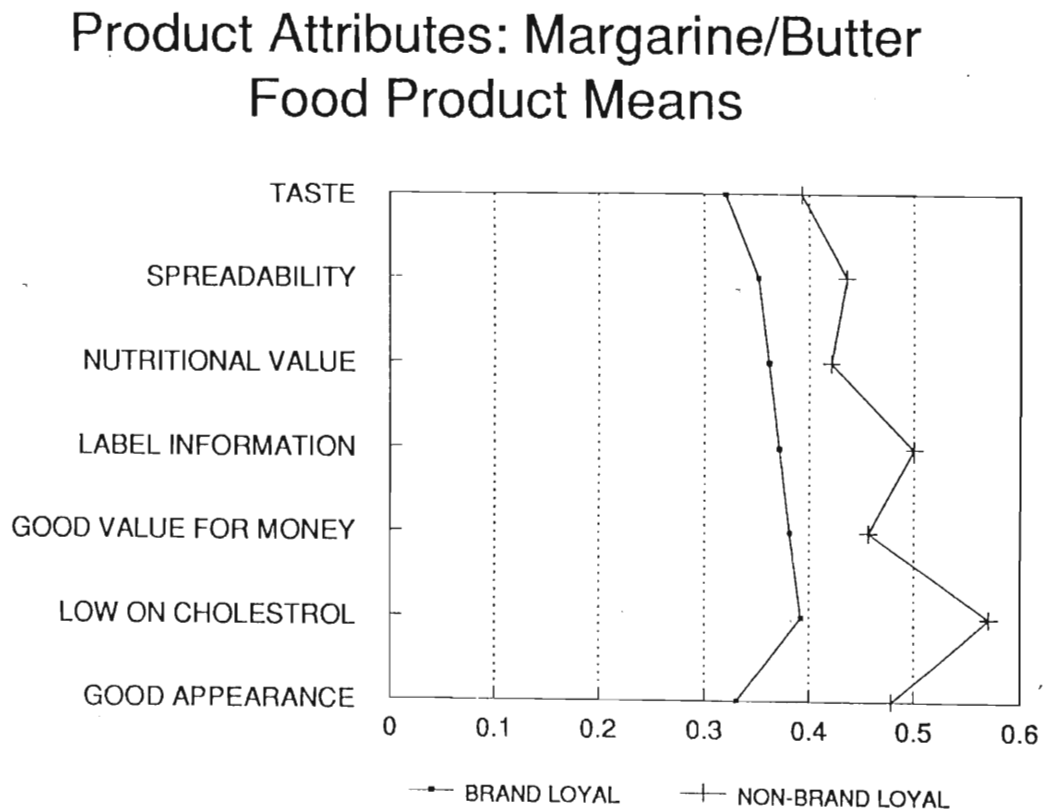


Figure 7.5 enumerates the profile of the brand loyal and non-brand loyal consumers (food products) on their mean ratings of the attributes of the selected brand of margarine/butter. It is indicated that non-brand loyal consumers have substantially higher mean ratings than those

who are brand loyal on all the attributes of the brand of the product.

FIGURE 7.6

Product Attributes: Breakfast Cereal Food Product Means

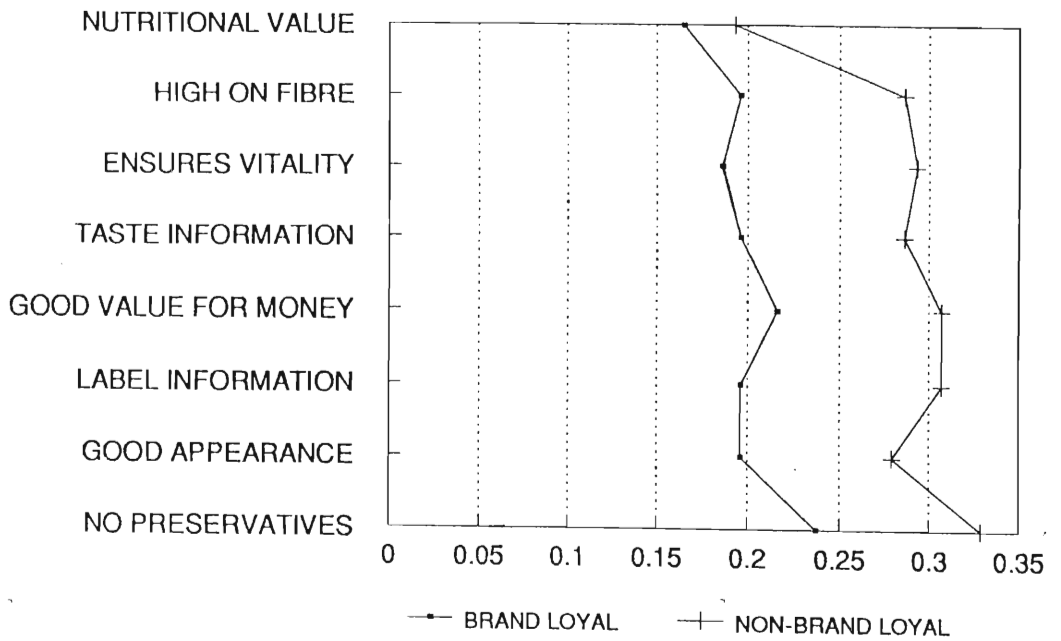


Figure 7.6 depicts the profile of the brand loyal and non-brand loyal consumer (food products) on their mean ratings on the attributes of the selected brand of breakfast cereal. The profile presents the non-brand loyal consumer as having significantly higher mean ratings than the brand loyal consumers on all the attributes of the brand of the product.

FIGURE 7.7

Product Attributes: Tea/Coffee Food Product Means

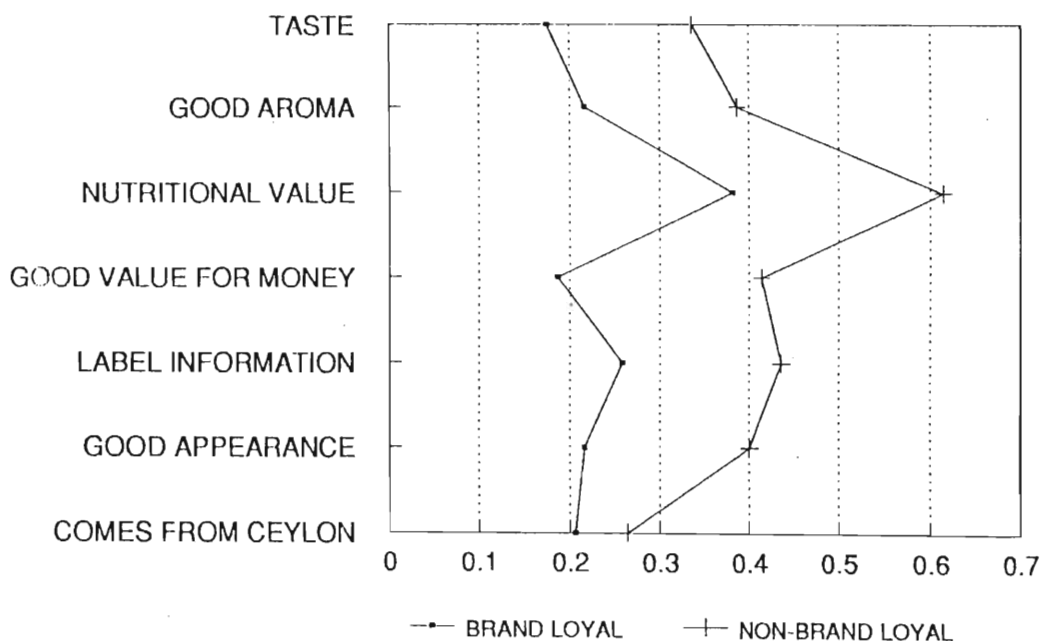


Figure 7.7 displays the profile of brand loyal and non-brand loyal consumers (food products) on their mean ratings on the attributes of the selected brand of tea/coffee. The figure indicates that non-brand loyal consumers have a substantially greater mean score than those who are brand loyal on all the attributes of the brand of the product.

FIGURE 7.8

Product Attributes: Rice Food Product Means

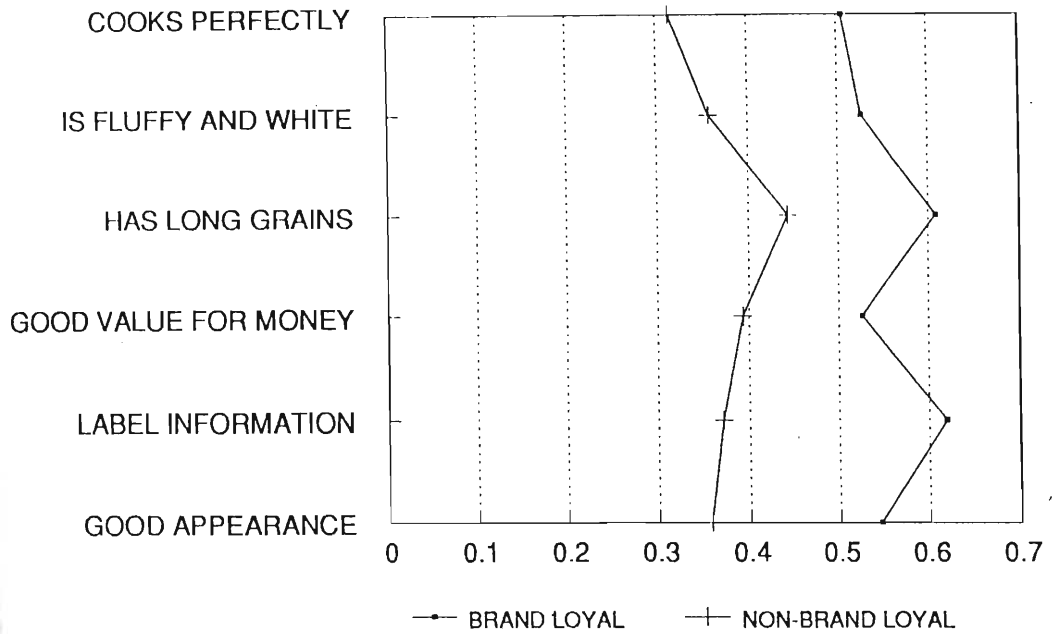


Figure 7.8 exhibits the profile of the brand loyal and non-brand loyal consumers (food products) on their mean ratings on the attributes of the selected brand of rice. It is observed that the brand loyal consumers have significantly higher mean score values than the non-brand loyal consumers on all the attributes of the brand of that product.

FIGURE 7.9

Product Attributes: Cooking Oil Food Product Means

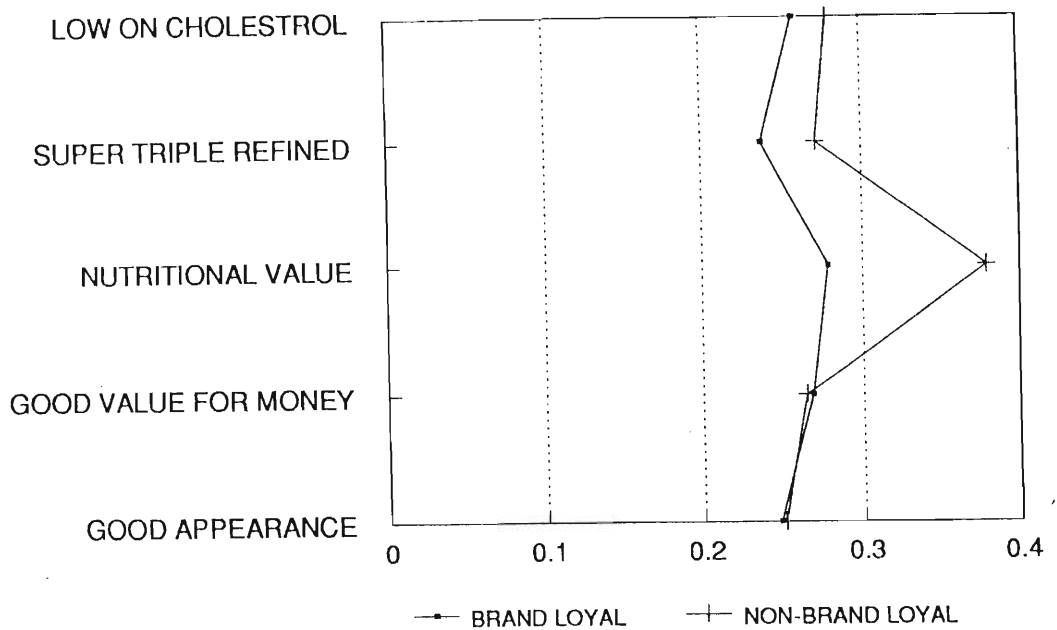


Figure 7.9 reflects the profile of the brand loyal and non-brand loyal consumer (food products) on their mean scores on the attributes of the selected brand of cooking oil. It is vividly depicted that the brand loyal consumers have a higher mean rating on the attribute that the brand of cooking oil 'ensures good value for money' than the non-brand loyal consumer. For all the other attributes of the brand of the product non-brand loyal consumers have higher mean ratings than brand loyal consumers.

FIGURE 7.10 - 7.14

PROFILES OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(NON-FOOD PRODUCTS) ON THE BASIS OF MEAN RATINGS OF ATTRIBUTES
OF SELECTED BRAND OF A PRODUCT

FIGURE 7.10

Product Attributes: Toothpaste Non-Food Product Means

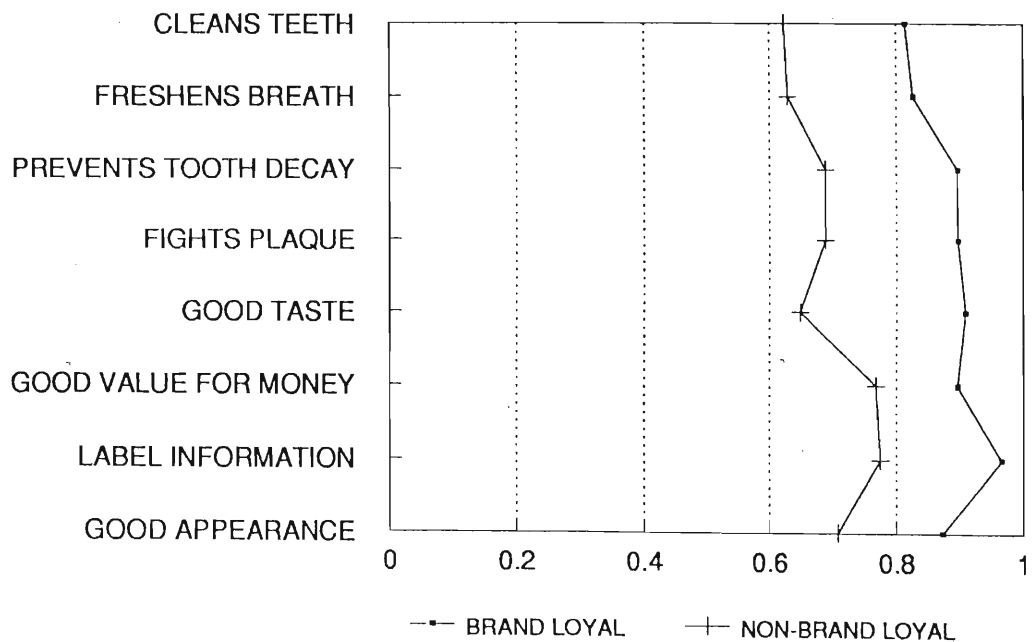


Figure 7.10 expounds the profile of the brand loyal and non- brand loyal consumers (non-food products) on their mean ratings on the attributes of the selected brand of toothpaste. The illustration indicates that the mean ratings of the brand loyal consumers are significantly higher than the non-brand loyal consumer on all the attributes of the brand of the product.

FIGURE 7.11

Product Attributes: Washing Powder Non-Food Product Means

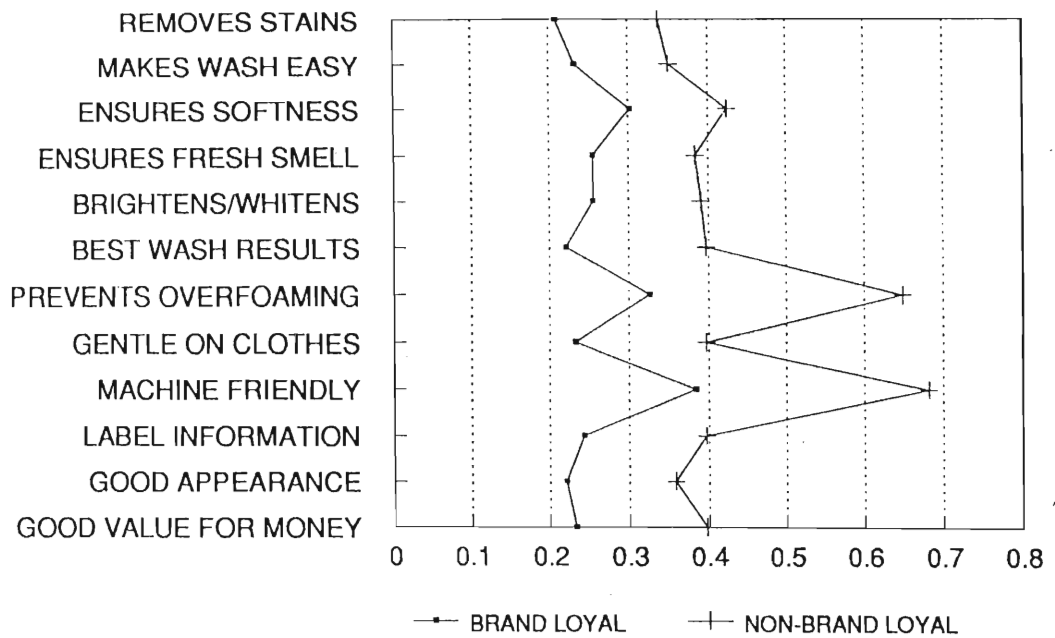


Figure 7.11 displays the profile of brand loyal and non-brand loyal consumers (non-food products) based on their mean ratings on the attributes of the selected brand of washing powder. The figure shows that the non-brand loyal consumers have substantially higher mean ratings on all the attributes of the brand of the product than those who are brand loyal.

FIGURE 7.12

Product Attributes: 'Toilet' Bath Soap Non-Food Product Means

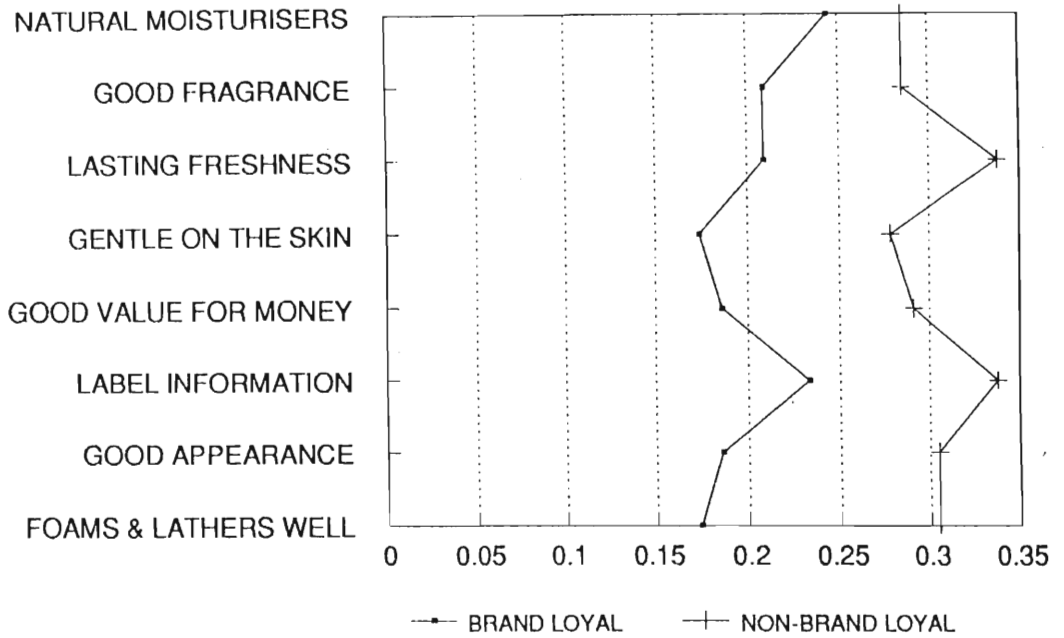


Figure 7.12 expounds the profile of the brand loyal and non-brand loyal consumers (non-food products) on their mean score values on the attributes of the selected brand of 'toilet' bath soap. It is observed that the non-brand loyal consumers have considerably higher mean ratings on all the attributes of the brand of the product than brand loyal consumers.

FIGURE 7.13

Product Attributes: 'Underarm' Deodorant Non-Food Product Means

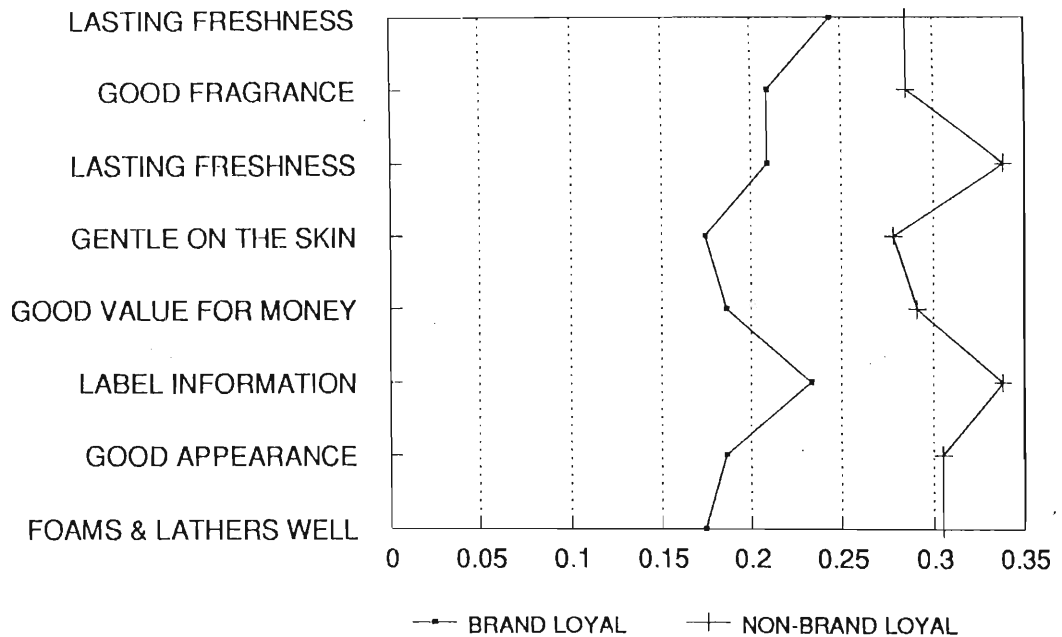


Figure 7.13 depicts the profile of brand loyal and non-brand loyal consumers (non-food products) on their mean ratings on the attributes of the selected brand of 'underarm' deodorant. It is evident that for all the attributes of the brand of the product, the non-brand loyal consumers have significantly higher mean ratings than brand loyal consumers.

From Figure 7.1 to Figure 7.13 the following can be concluded:-

- * It is evident that non-brand loyal consumers have higher mean ratings on the attributes of all the food products, except rice and on the attribute 'ensures good value for money' for cooking oil, and on all the non-food products, except toothpaste.

* Whilst the mean ratings of brand loyal and non-brand loyal consumers are high for margarine/butter, rice and toothpaste, they are low for breakfast cereal, tea/coffee, cooking oil, washing powder, 'toilet' bath soap and 'underarm' deodrant.

An analysis was undertaken to determine whether consumers who are brand loyal to food and non-food products differ in their price-quality perception of house brands from consumers who are non-brand loyal for food and non-food products.

FIGURE 7.14

PROFILE OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(FOOD PRODUCTS) BASED ON THEIR PERCEPTION OF QUALITY OF
HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS

Quality Perception of House Brands Food Products - Percentages

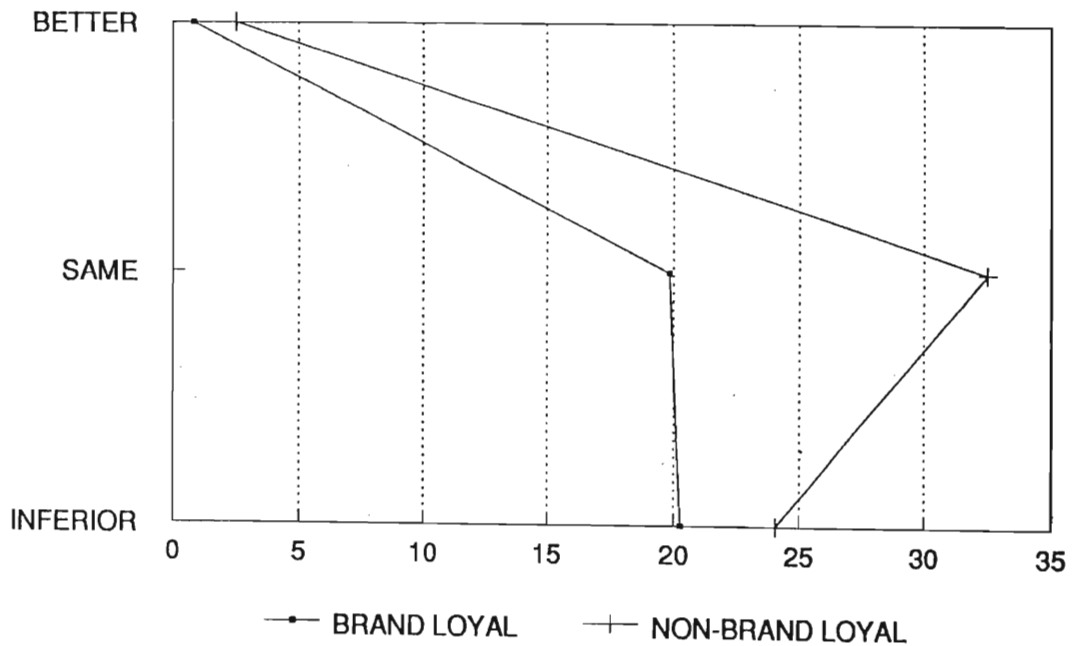


Figure 7.14 indicates that there is a significant difference in the quality-perception of brand loyal and non-brand loyal consumers (food products):-

- * More consumers who are non-brand loyal to food products (2,53 %) feel that house brands are better in quality than branded products, than brand loyal consumers (0,84 %).
- * More consumers who are non-brand loyal to food products (32,49 %) are of the opinion that house brands are the same in quality to branded products than brand loyal consumers (19,83 %).
- * Whilst 24,05 % of the consumers who are non-brand loyal to food products maintain that house brands are inferior in quality to branded products, 20,25 % that are brand loyal share this opinion.

FIGURE 7.15

PROFILE OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(FOOD PRODUCTS) BASED ON THEIR PERCEPTION OF PRICE OF
HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS

Price Perception of House Brands Food Products - Percentages

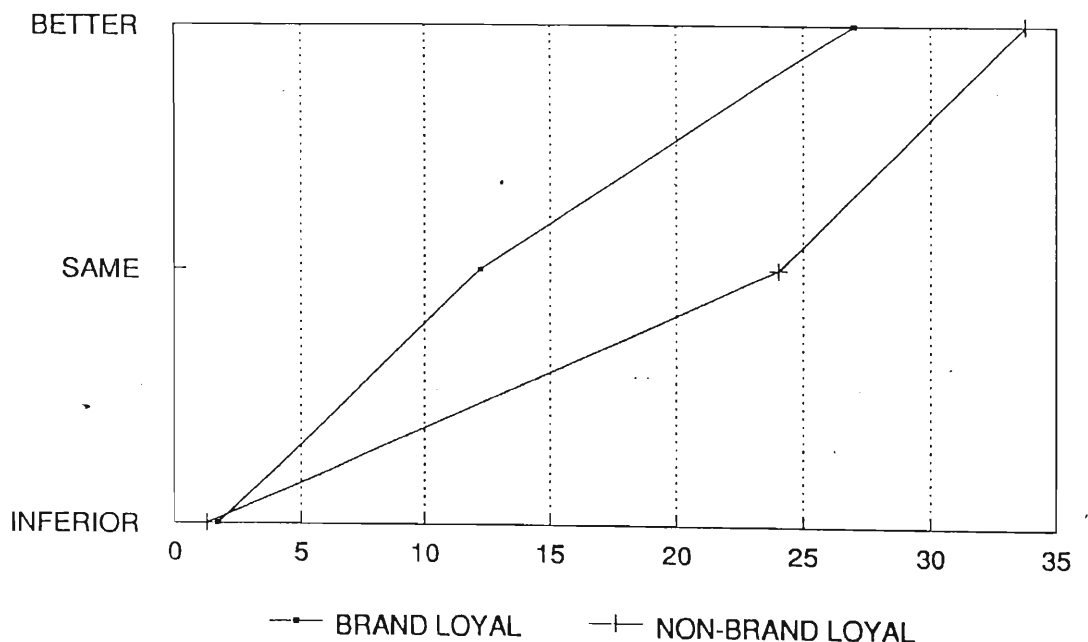


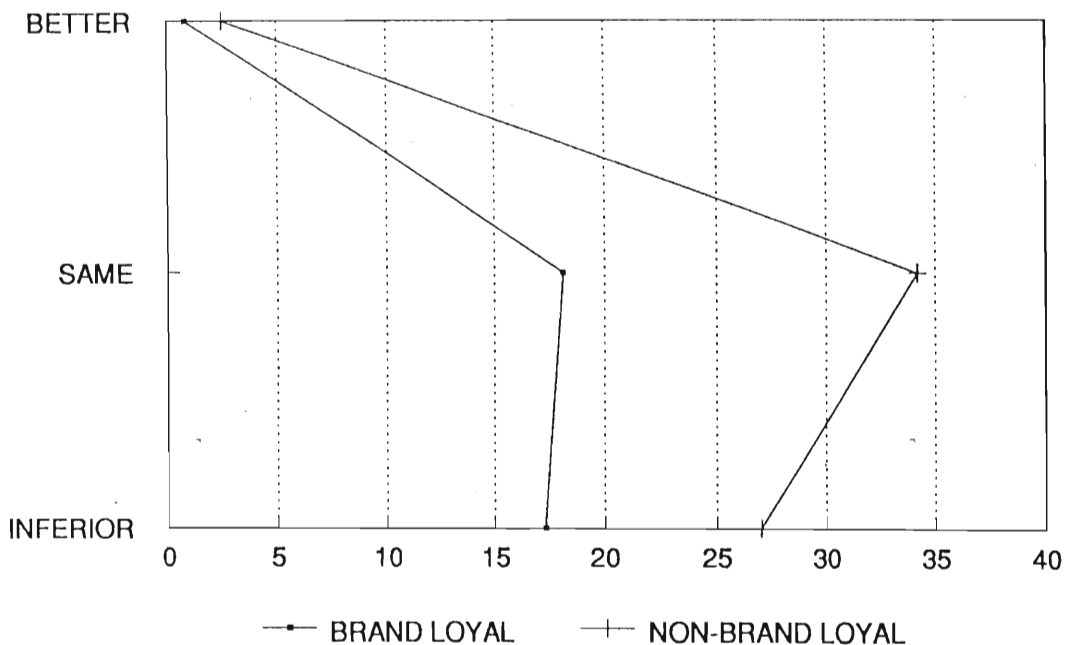
Figure 7.15 depicts that there is a significant difference in the price perception of brand loyal and non-brand loyal consumers (food products):-

- * More consumers who are non-brand loyal to food products (33,76 %) maintain that house brands are cheaper than nationally advertised ones than brand loyal consumers (27 %).
- * More consumers who are non-brand loyal to food products (24,05 %) feel that house brands are similarly priced to branded products than brand loyal consumers (12,24 %).
- * A larger proportion of consumers who are brand loyal to food products (1,69 %) are of the opinion that house brand are more expensive than branded products than non-brand loyal consumers (1,27 %).

FIGURE 7.16

PROFILE OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(NON-FOOD PRODUCTS) BASED ON THEIR PERCEPTION OF QUALITY
OF HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS

Quality Perception of House Brands Non-Food Products - Percentages



From figure 7.16 it can be concluded that there is a significant difference in the quality perception of brand loyal and non-brand loyal consumers (non-food products):-

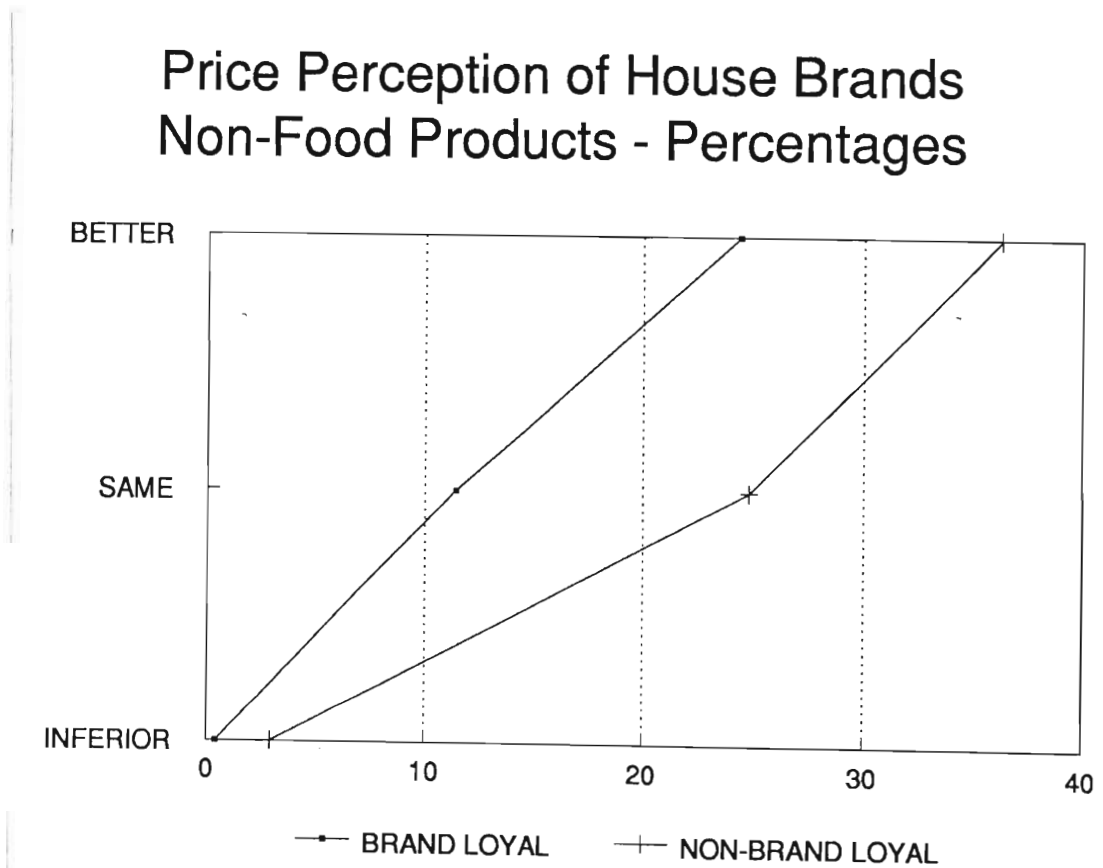
- * A greater proportion of consumers who are non-brand loyal to non-food products (2,53 %) are of the view that house brands are better in quality than branded products (0,84 %).
- * More consumers who are non-brand loyal to non-food products (34,18 %) believe that

house brands are of the same quality as branded ones than brand loyal consumers (18,14 %).

* The belief that house brand products are inferior in quality to nationally advertised brands is held by more consumers who are non-brand loyal to non-food items (27 %) than those who are brand loyal (17,30 %).

FIGURE 7.17

PROFILE OF BRAND LOYAL AND NON-BRAND LOYAL CONSUMERS
(NON-FOOD PRODUCTS) BASED ON THEIR PERCEPTION OF PRICE OF
HOUSE BRANDS AS COMPARED TO BRANDED PRODUCTS



From Figure 7.17 it can be concluded that there is a significant difference in the price perception of brand loyal and non-brand loyal consumers (non-food products):-

* More consumers who are non-brand loyal to non-food products (36,29 %) feel that house

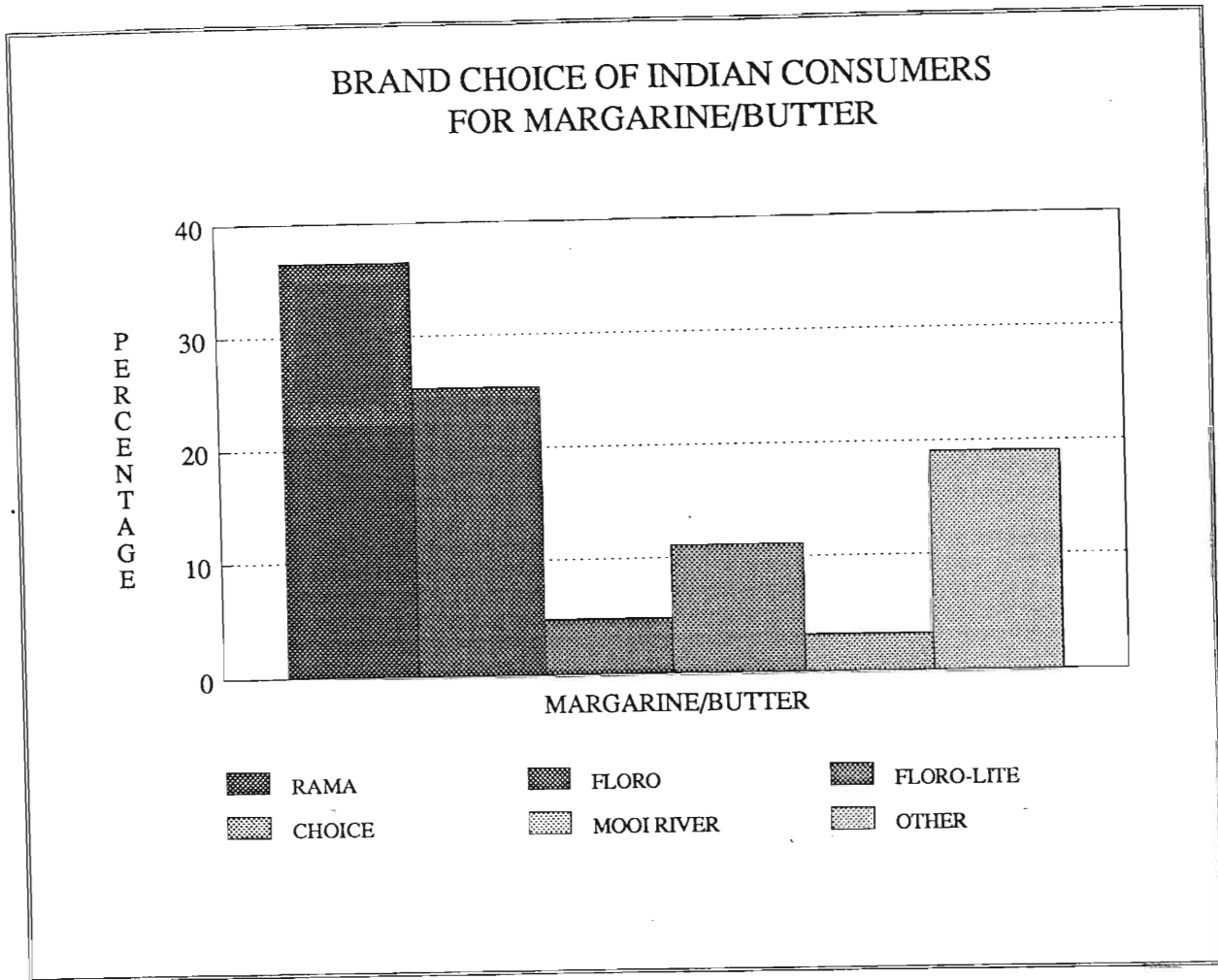
brand products are cheaper than branded items, than brand loyal consumers (24,47 %).

- * Whilst 24,89 % of the consumers who are not brand loyal to non-food products maintain that house brands are similarly priced to branded products, only 11,39 % of the brand loyal consumers hold the same opinion.
- * The opinion that house brands are more expensive than nationally advertised brands is held by 2,53 % of the consumers who are non-brand loyal to food products and by only 0,42 % of the brand loyal consumers.

7.11 PURCHASE PATTERN OF INDIAN CONSUMERS: BRAND CHOICE AND BRAND LOYALTY - LEADING BRAND

An analysis was undertaken to determine which brand is the most frequently purchased by Indian consumers for each product. Subjects were required to select one food product and one non-food product and answer questions relating to their purchasing pattern of those products. Figure 7.18 to Figure 7.23 indicates the brand choice for each food product.

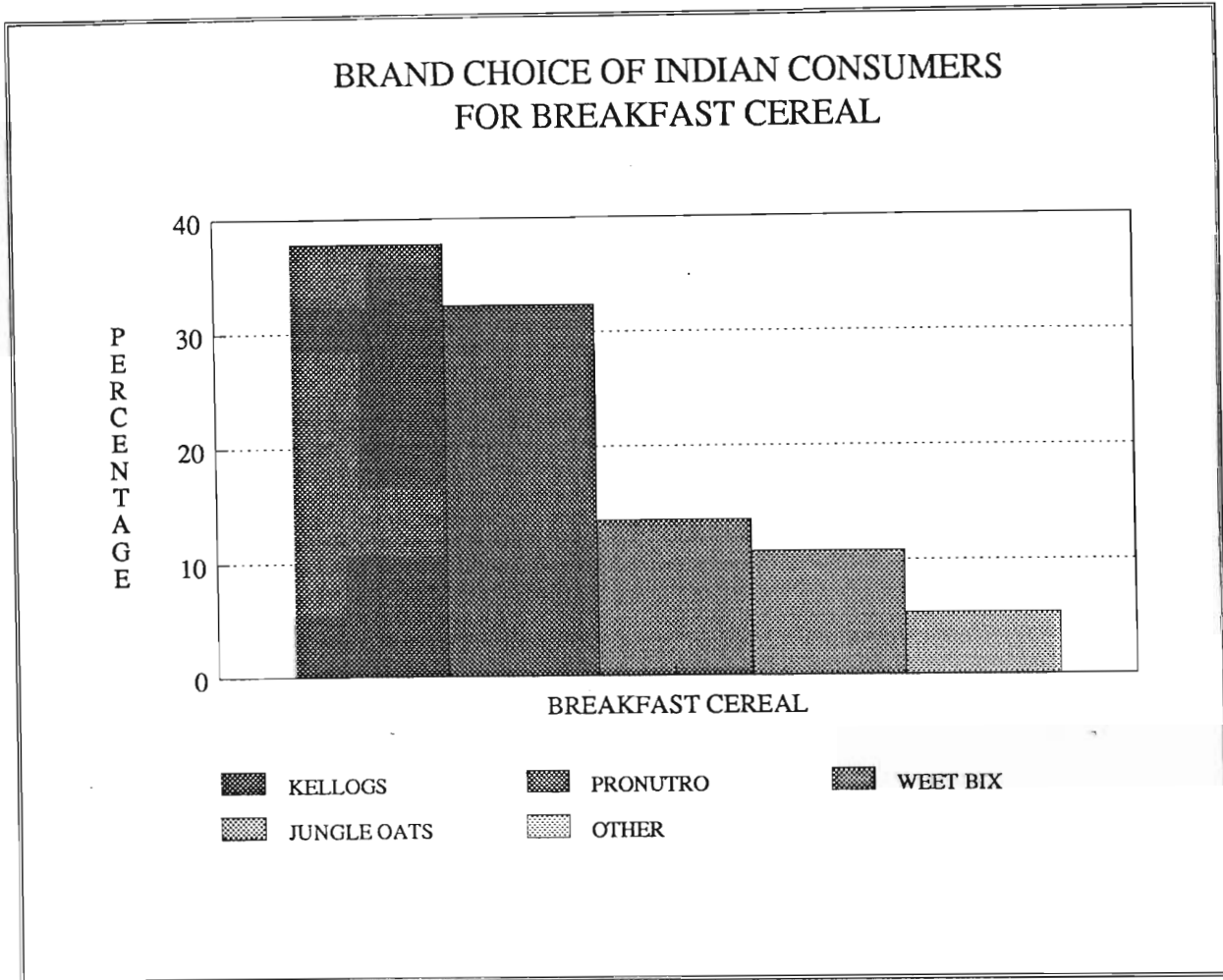
FIGURE 7.18



Of the 237 subjects sampled, 26,58 % chose margarine/butter (Figure 7.18) to reflect their purchase pattern for food products. From Figure 7.18 it is evident that most (36,51 %) of the Indian consumers buy Rama margarine, followed by Floro (25,4 %). Of the 14,28 % of the subjects that buy butter, 11,11 % purchase Choice butter and 3,17 % buy Mooi River. The 'other' category comprises of the other brands of margarine that reflect the brand choice of only a few consumers. The 19,05 % is made up Rondo (3,17 %), More (3,17 %), Stork (3,17 %), Ole (1,59 %), Sunshine D (1,59 %), Vitolite (1,59 %), Craft (1,59 %), Romi (1,59 %) and Checkers brand margarine (1,59 %). It can be clearly seen that Rama is the brand

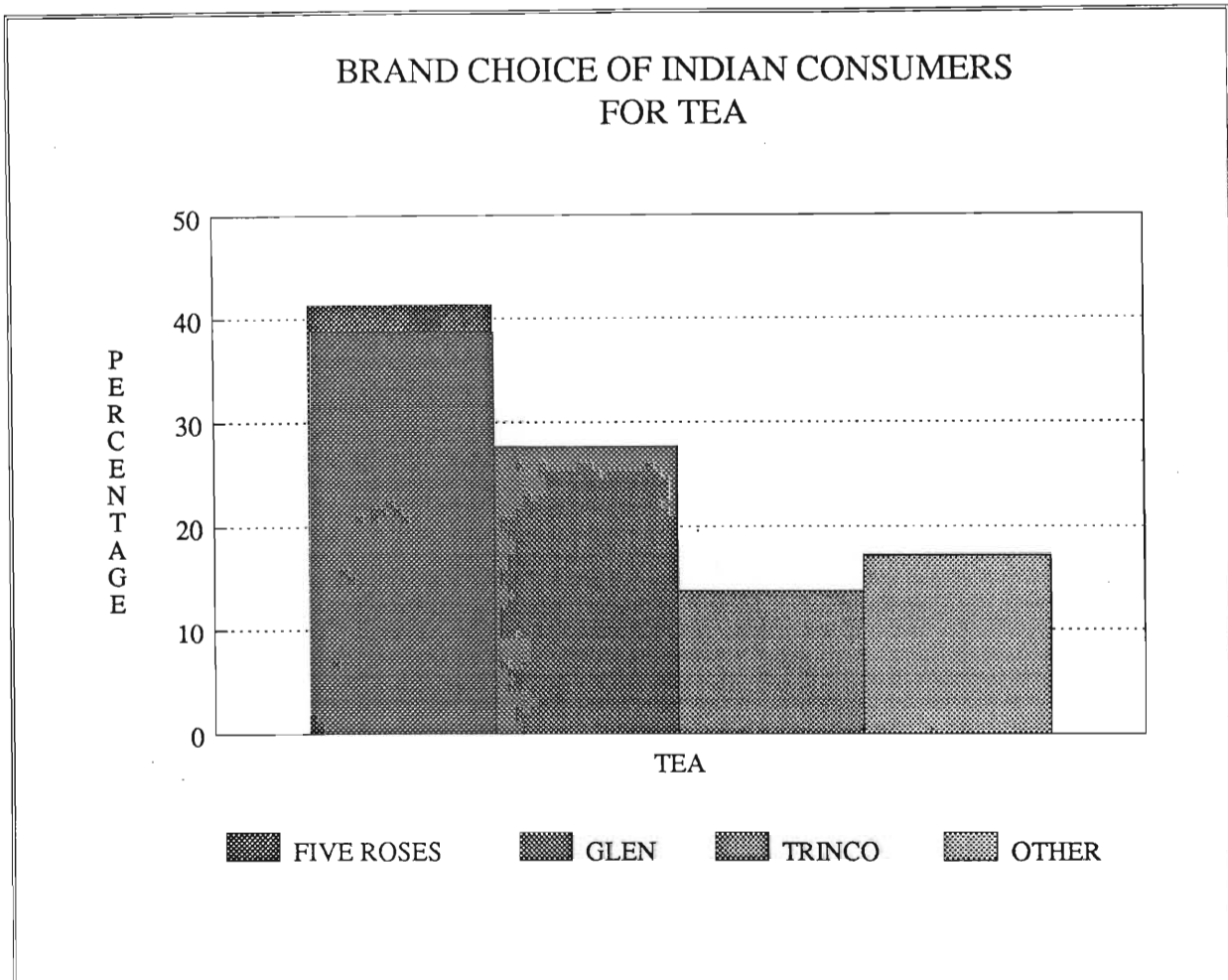
choice of most of the consumers.

FIGURE 7.19



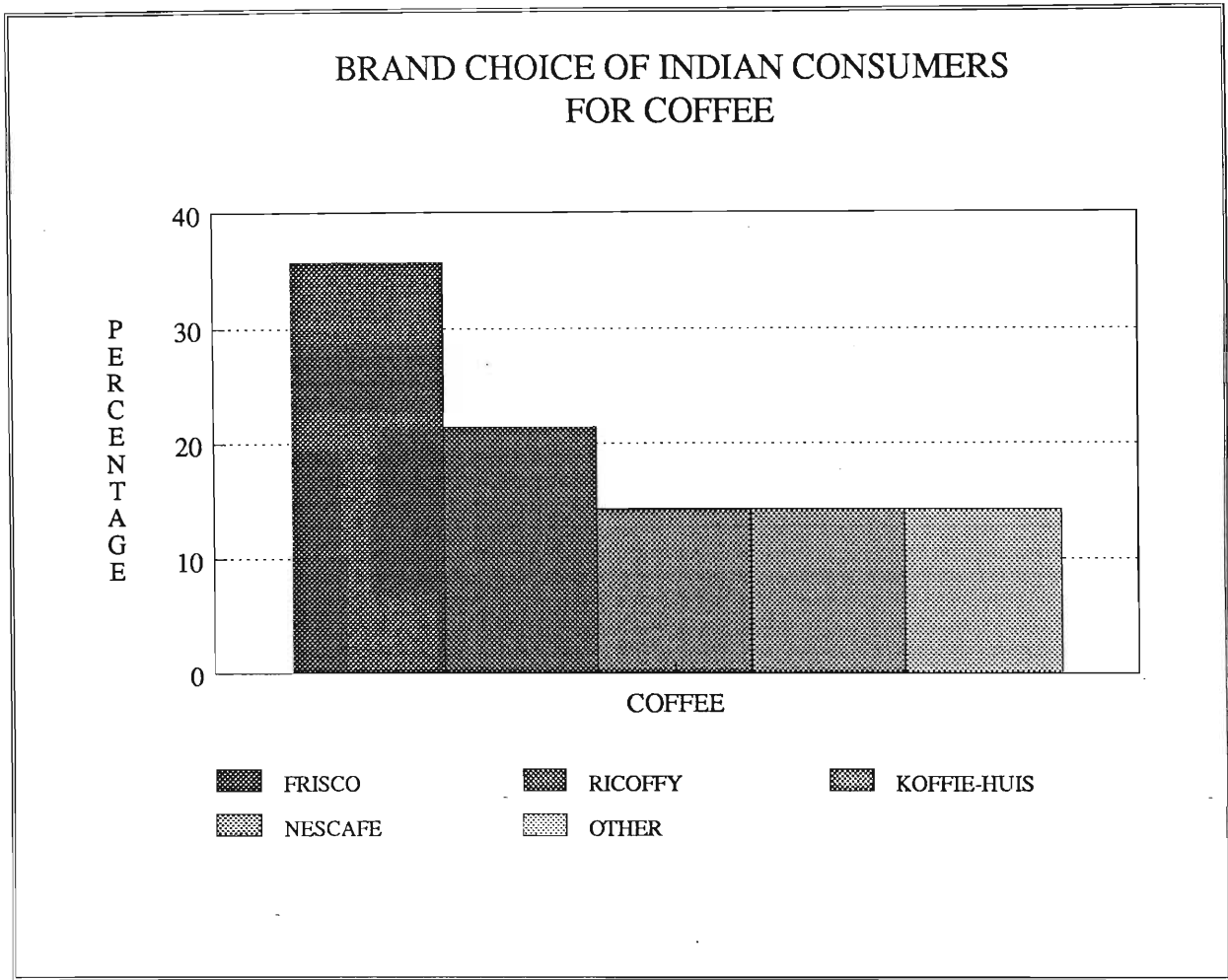
Thirty seven of the 237 subjects sampled chose breakfast cereal (Figure 7.19) to indicate their purchasing pattern for food products. Of these 37 consumers, the majority purchase Kellogs (37,84 %), followed by Pronutro (32,43 %). Whilst 13,52 % buy Weet Bix, 10,81 % select Jungle Oats. The 'other' category consist of Nestle Junior (2,7 %) and Tasty wheat (2,7 %). It is evident that Kellogs is the brand choice of most (37,84 %) of these Indian consumers.

FIGURE 7.20



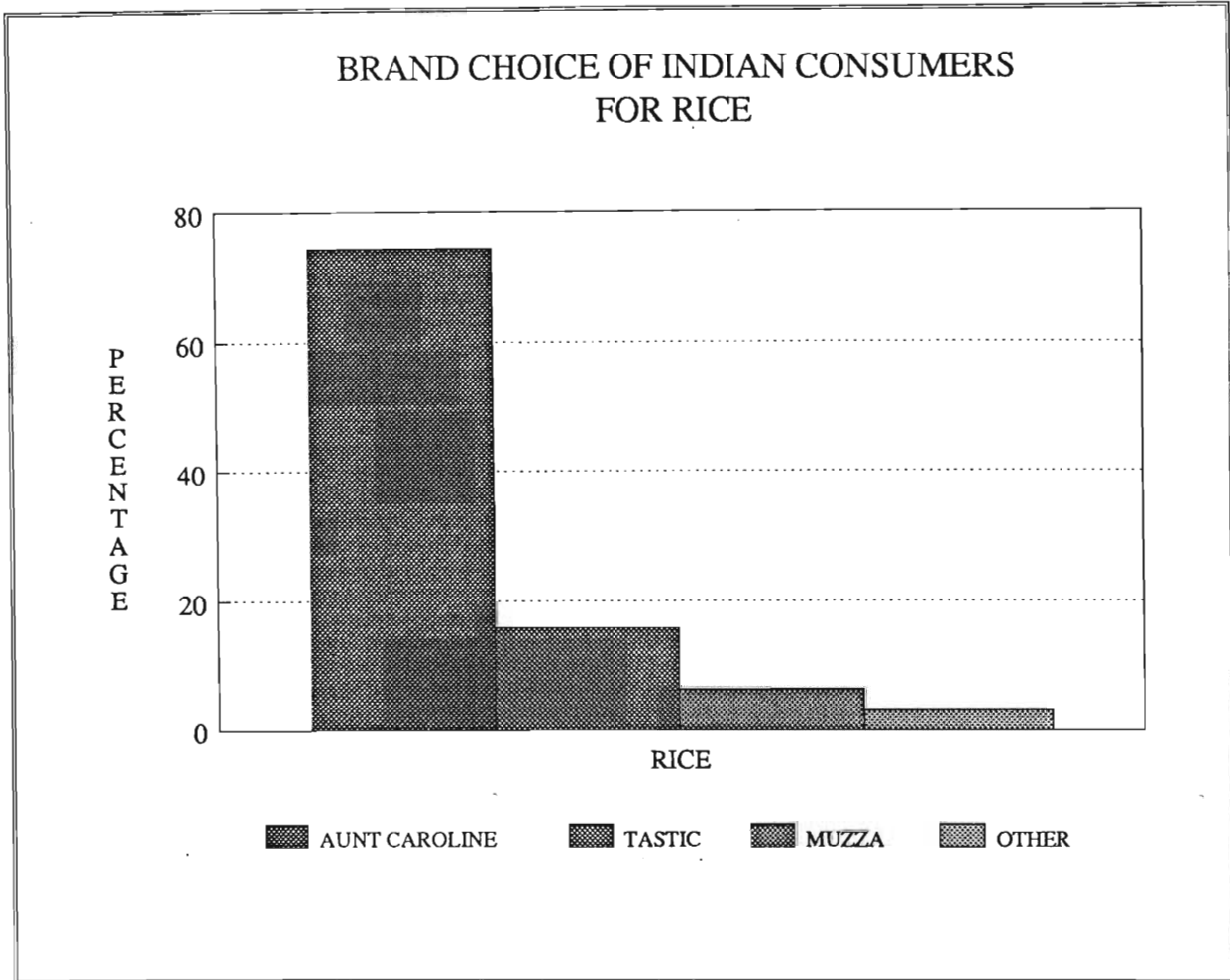
Of the 237 consumers sampled, 12,24 % selected tea (Figure 7.20) to depict their purchase pattern for food products. Five Roses surfaced strongly as the most frequently selected brand of tea (41,38 %), followed by Glen Tea (27,59 %). Whilst 13,79 % select Trinco, 'other' brands chosed by subjects include Importers (3,45 %), Joko (3,45 %), Rooibos (3,45 %), Tea Spoon Tips (3,45 %), and Van Riebeeck (3,45 %).

FIGURE 7.21



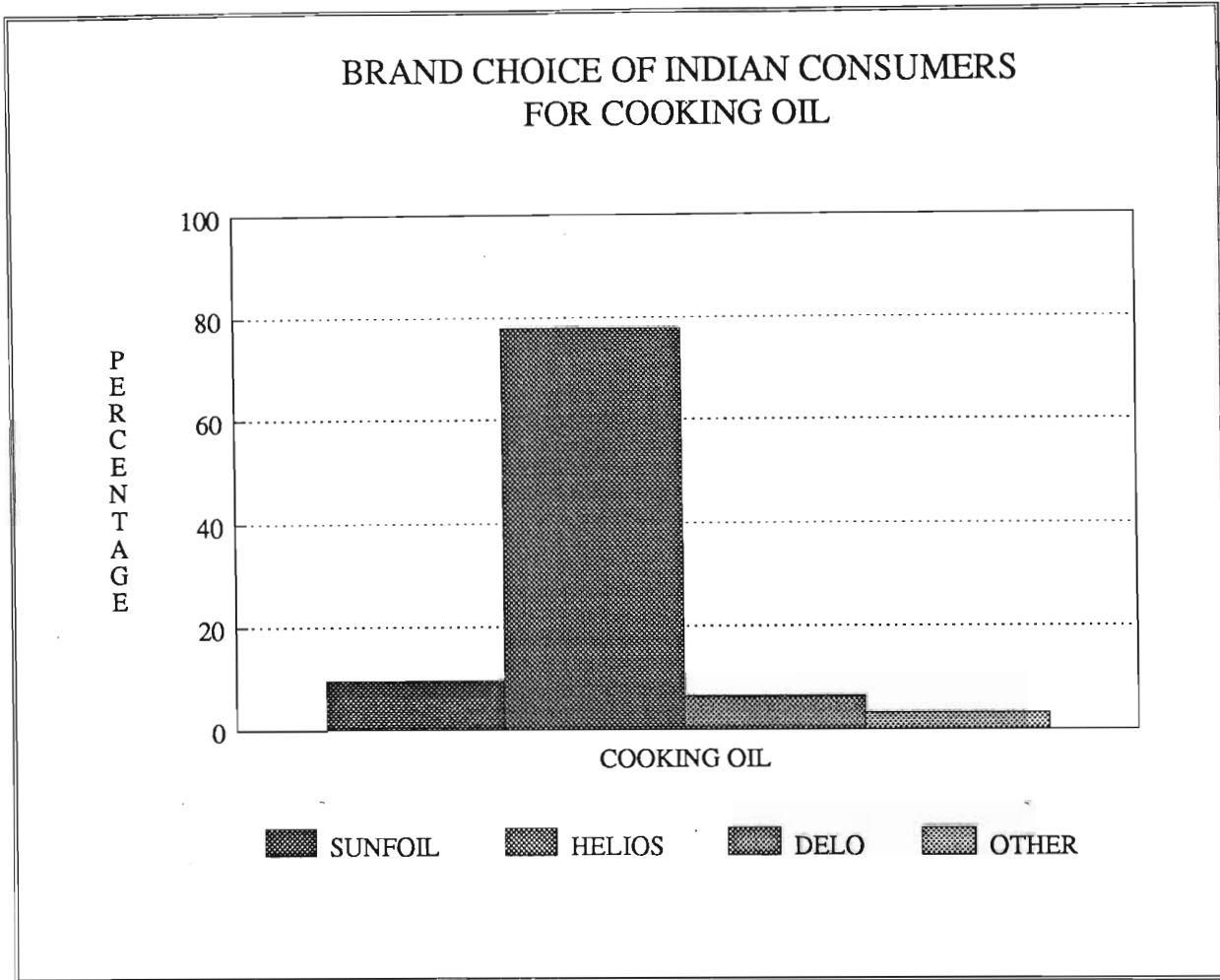
Fourteen of the 237 subjects sampled, selected coffee (Figure 7.) to reflect their purchase pattern for food products. Of these 14 consumers, 35,71 % selected Frisco, 21,43 Ricoffy and an equal percentage (14,29 %) chose Koffiehuis and Nescafe. The 'other' category comprises of Nestle Classis (7,14 %) and Encore (7,14 %). Frisco surfaced as the brand choice of the majority of consumers.

FIGURE 7.22



Of the 237 subjects, 63 chose rice (Figure 7.22) to indicate their purchase pattern for food products. A substantial 74,6 % indicated that they buy Aunt Caroline rice. Whilst 15.87 % purchase Tastic, 6,35 % buy Muzza. The 'other' category comprises of Golden Needle (1,59 %) and Cresta (1,59 %). Aunt Caroline rice strongly surfaces as the most frequently selected brand by Indian consumers.

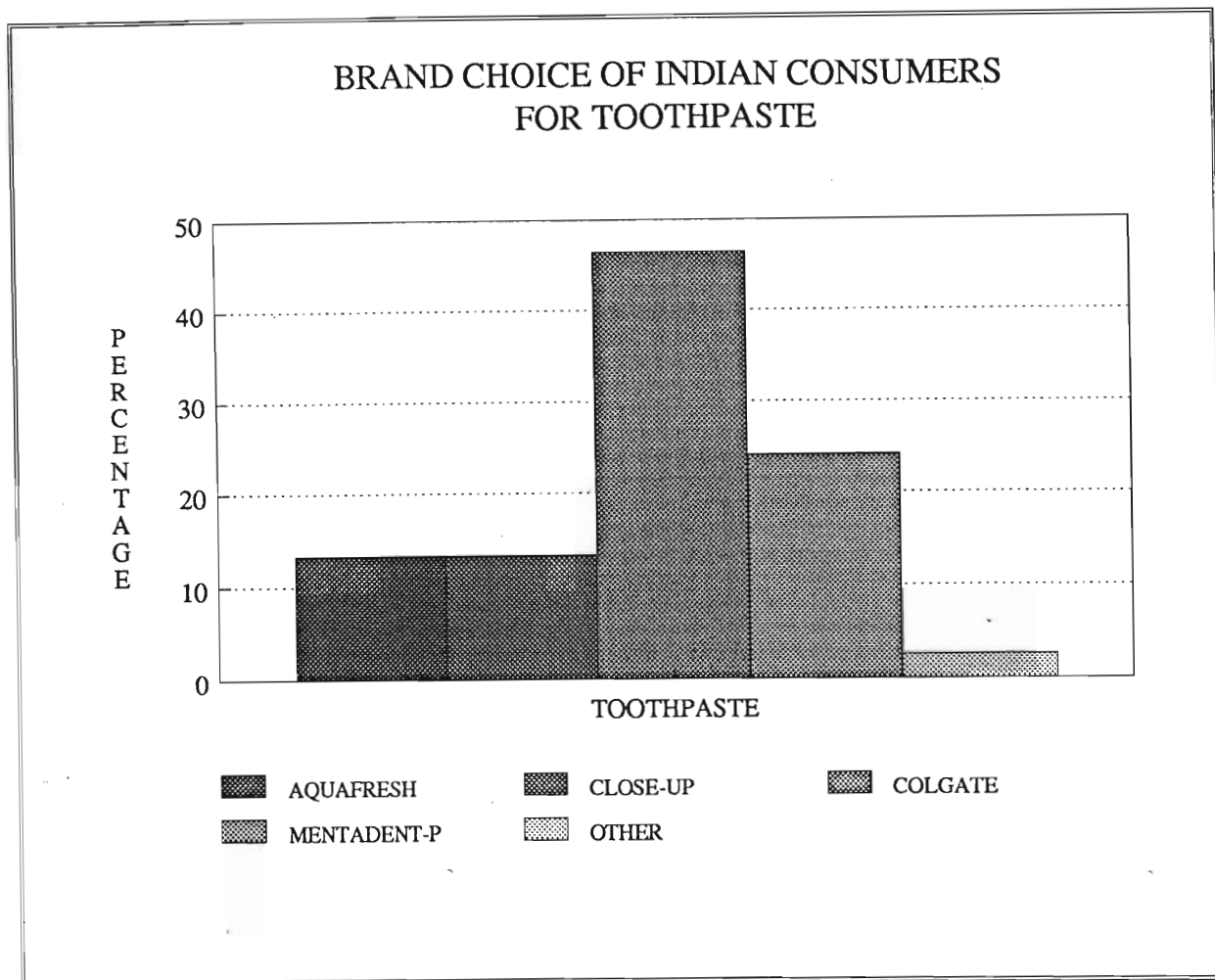
FIGURE 7.23



Thirty one of the 237 subjects sampled chose cooking oil (Figure 7.23) to depict their purchase pattern for food products. Whilst a considerable 77,42 % of these subjects prefer Helios, only 9,68 % chose Sunfoil and 6,45 % selected Delo. The 'other' category consists of Sunseed (3,23 %) and Sunflower (3,23 %). It is evident that Helios is the most frequently selected brand of oil.

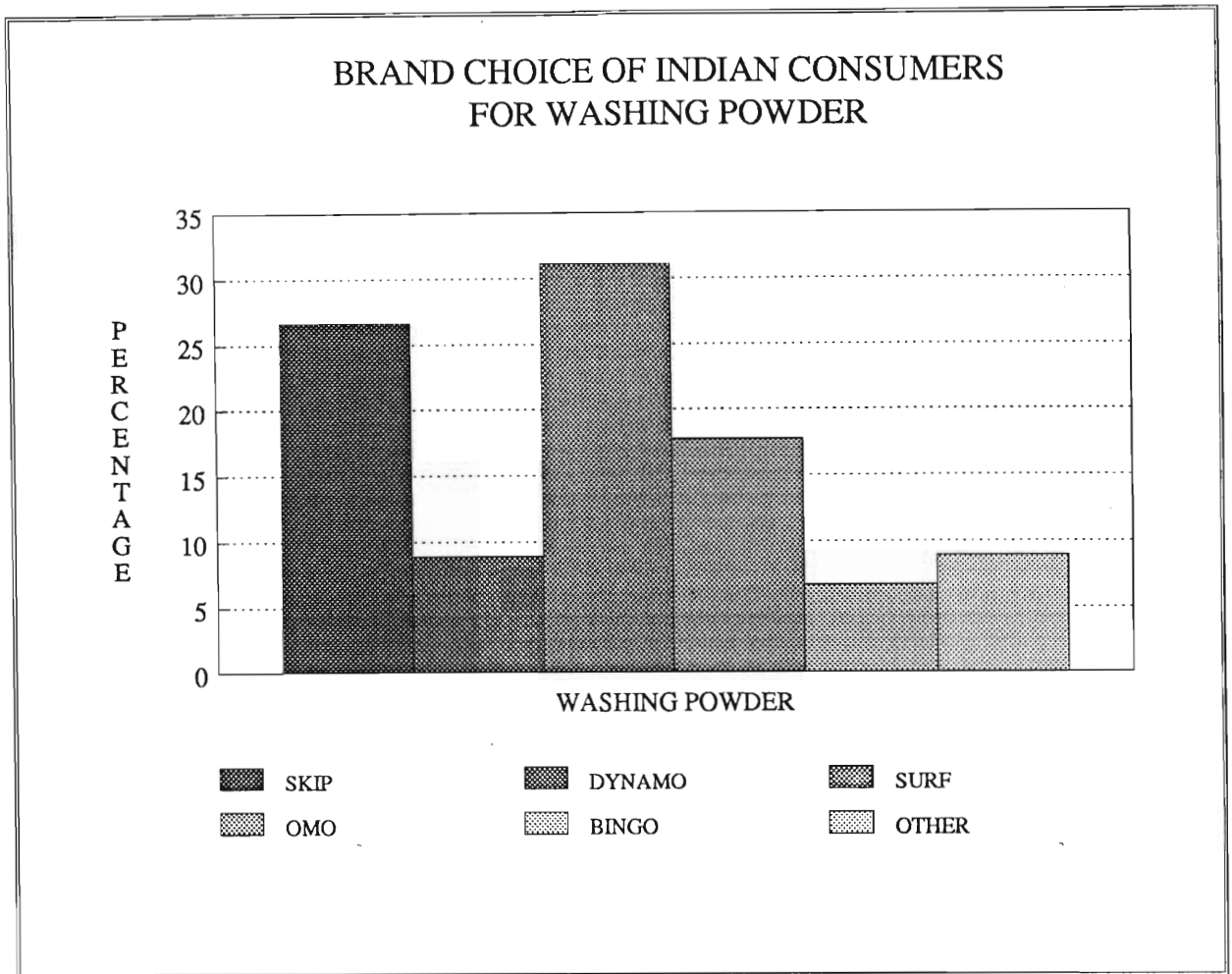
Figures 7.24 to 7.27 indicate the brand choice of the 237 subjects sampled for non-food products.

FIGURE 7.24



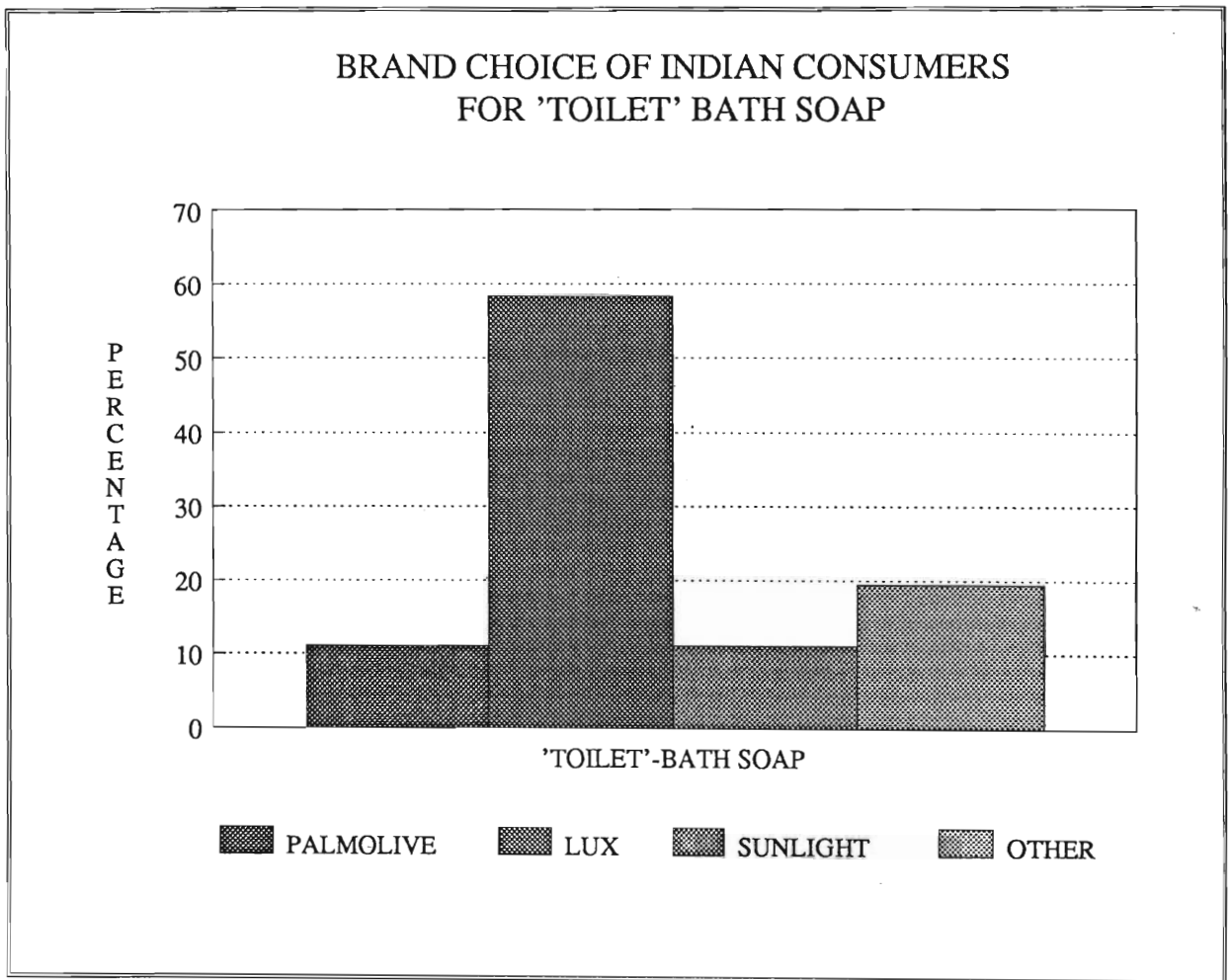
Of the 237 subjects sampled, 112 consumers selected toothpaste (Figure 7.24) to reflect their purchase pattern for non-food products. Just under half (46,43 %) of the subjects who chose toothpaste, buy Colgate. An equal percentage of subjects (13,39 %) purchase Close-up and Aquafresh. Whilst 24,11 % selected Mentadent-P, the 'other' category comprises of Mcleans (1,79 %) and Flourident (0,89 %). Colgate is reflected as the most widely chosen brand of toothpaste by these Indian consumers.

FIGURE 7.25



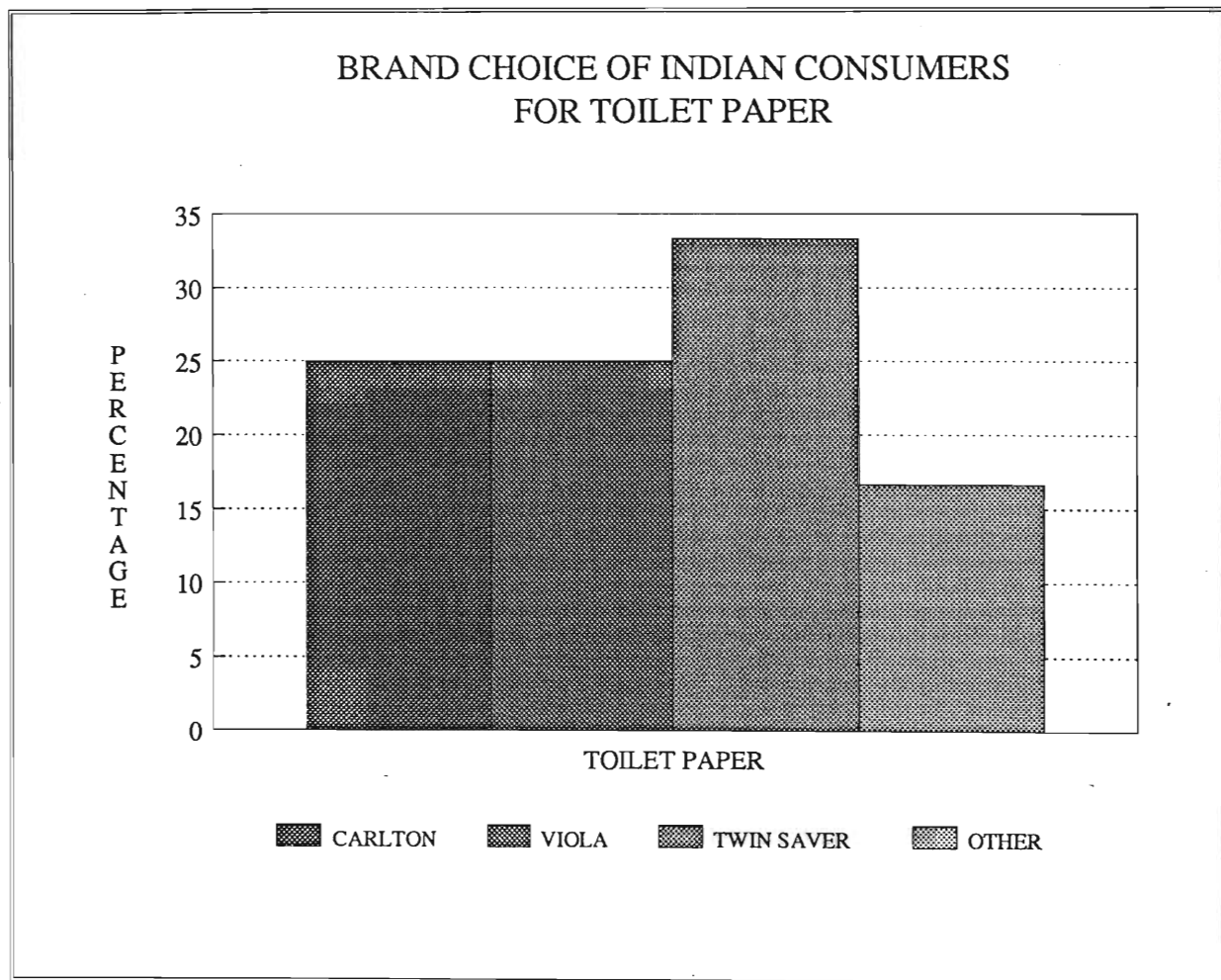
Forty five of the 237 subjects chose to reflect their purchase pattern of non-food products in the purchases of washing powder (Figure 7.25). Surf was the most frequently selected brand of washing powder (31,11 %), followed by Skip (26,67 %). Whilst 17,77 % buy Omo, 8,89 % chose Dynamo. Only 6.67 % buy Bingo and the 'other' brands include Checkers brand (2,22 %), Good Clean and Fresh (4,45 %) and Skip Micro (2,22 %). Surf surfaced to be the most widely selected brand of washing powder.

FIGURE 7.26



Of the 237 consumers, 36 chose 'toilet' bath soap (Figure 7.26) to indicate their purchasing pattern for non-food products. Whilst more than half of the consumers (58,33 %) chose Lux, an equal percentage (11,11 %) selected Palmolive and sunlight. The 'other' category consists of Dettol (5,56 %), Dove (5,56 %), Breeze (2,78 %), Lifeboy (2,78 %) and Nodika (2,78 %). Lux is the most frequently selected brand of bath soap.

FIGURE 7.27



Twelve of the 237 consumers sampled, selected toilet paper (Figure 7.27) to reflect their purchase pattern for non-food products. Of these consumers, an equal percentage (25 %) choose Viola and Carlton. Whilst Twin Savers is selected by 33,34 % of the consumers, the 'other' category comprises of Dianah (8,33 %) and Nurse (8,33 %).

Thirty two of the 237 subjects chose 'underarm' deodorant to reflect their purchasing pattern for non-food products. As a result of an enormous variety of deodorants available to consumers and since individuals' taste differ, a number of brands were selected such that a profile for the brand of deodorant selected could not be developed. The numerous brands selected include Pears (9,38 %), Sensations (9,38 %), Mum (6,25 %), Vinolia (6,25 %), Silke (6,25 %), Ego (6,25 %), Impulse (6,25 %), Playboy (6,25 %), Chase (6,25 %), Shower- to-Shower (6,25 %), She (3,125 %), Shield (3,125 %), Status (3,125 %), Insignia (3,125 %), Mum (3,125 %), Mum for Men (3,125 %), Old Spice (3,125 %), Revlon High and Dry (3,125 %), Right Guard (3,125 %) and Rose Petal (3,125%).

It is however, imperative to note that the selection of these brands by consumers do not reflect brand loyalty but simply brand choice. The study reflected that from the 237 subjects sampled, 97 are brand loyal to food products and 86 and brand loyal to non-food items. On the basis of the brand selected by these brand loyal consumers only, the leading brand for each product will be determined.

Of the 97 brand loyal consumers for food products, 24,74 % are brand loyal to margarine/butter, 35,06 % to rice, 11,34 % to tea, 2,06 % to coffee, 14,43 % to oil and 12,37 % to breakfast cereal. It is evident that most Indian consumers are brand loyal to rice (35,06 %), followed by margarine/butter (24,74 %).

Figure 7.28 reflects the leading brand for each food product.

FIGURE 7.28

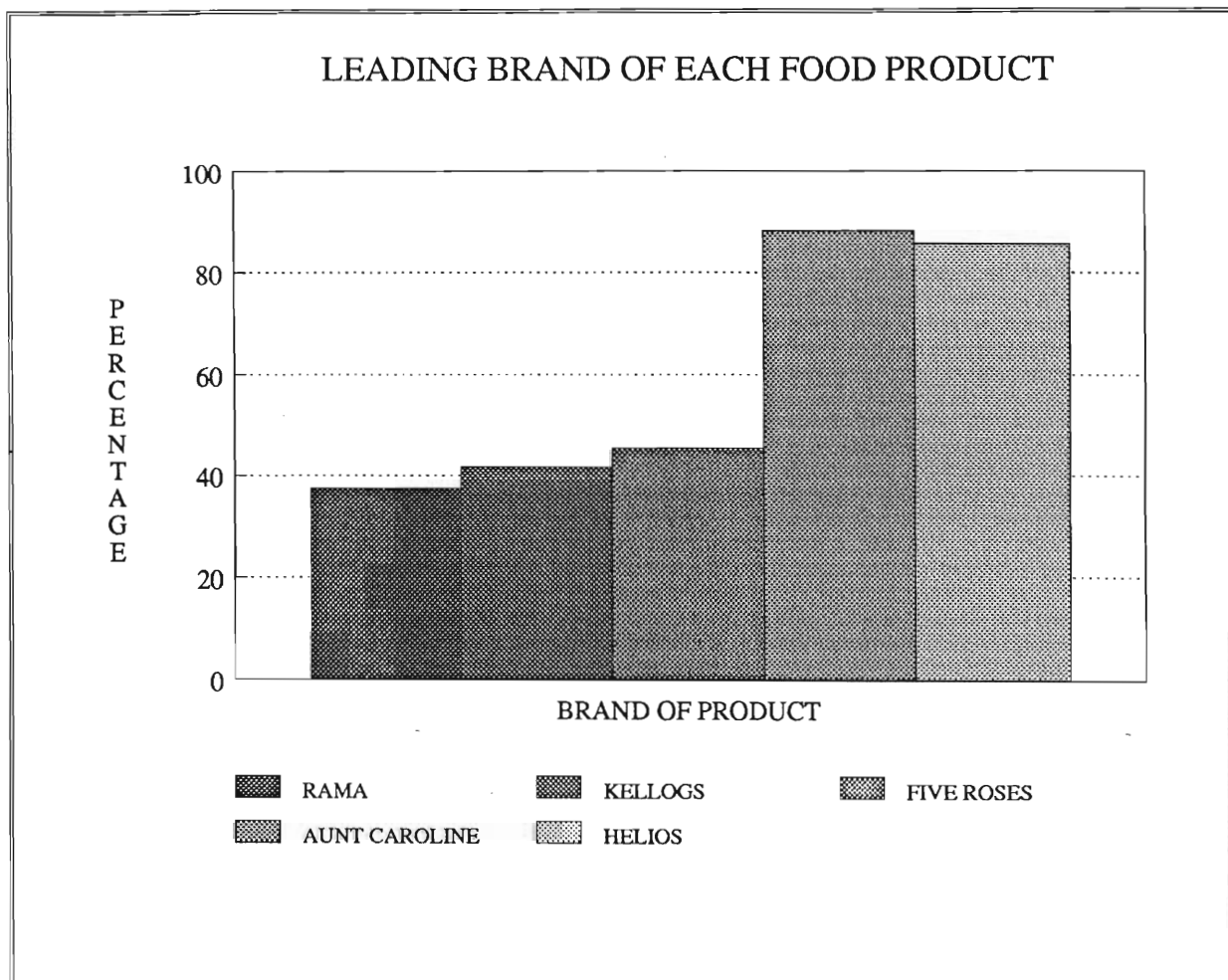


Figure 7.28 indicates that 37,5 % of those who are brand loyal to margarine/butter purchase Rama. Whilst the leading brand of breakfast cereal is Kellogs, that of tea is Five Roses and for cooking oil, Helios. No significant brand loyalty patterns were noted for butter and coffee. However, Indian consumers are extremely brand loyal to Aunt Caroline Rice, which surfaced as the leading brand of rice.

Of the 86 brand loyal consumers for non-food products, 58,13 % are brand loyal to toothpaste, 15,12 % to washing powder, 16,28 % to 'toilet' bath soap and 10,47 % to deodrant. It is evident that no consumer is brand loyal to toilet paper. This may indicate that the type of merchandise involved and the relative strength of brands have an important influence on brand loyalty amongst Indian consumers. Due to the lack of involvement in the product, toilet paper, consumers reflect no loyalty to brands for this product. However, the majority of the Indian consumers are brand loyal to toothpaste (58,13 %), followed by bath soap (16,28 %).

Figure 7.29 indicates the leading brand for each non-food product.

FIGURE 7.29

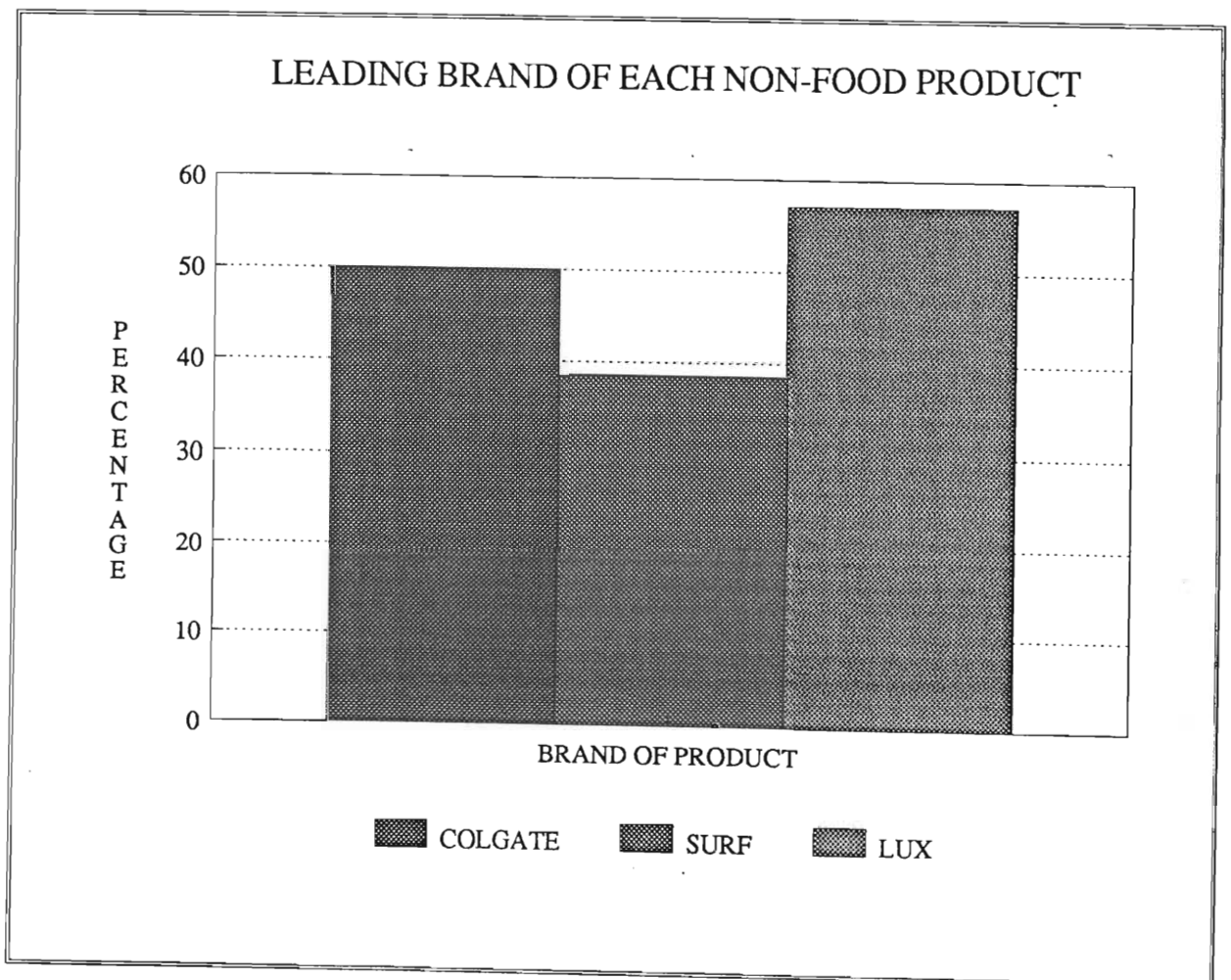


Figure 7.29 indicates that 50 % of the consumers who are brand loyal to toothpaste, purchase Colgate. Whilst the leading brand for washing powder is Surf, that of 'toilet' bath soap is Lux. No specific brand of deodorant surfaced as being the most prominent and widely selected brand.

Since the aforementioned results and conclusions in this chapter are based on the responses of subjects on the questionnaire, it is imperative to quantitatively analyse the instrument and study the relationships within the set of independent and dependent variables, to ensure that the conclusions are valid. To achieve this objective, factor analysis was undertaken.

7.12 FACTOR ANALYSIS

A principal component analysis was used to extract initial factors and resulted in 43 initial factor. An iterated principal factor analysis was performed using SPSS with an orthogonal Varimax rotation. Thirteen factors with latent roots greater than unity were extracted from the rotated factor loading matrix. The factor matrix and the percentage of total variance explained by each factor, are reflected in Table 7.49. Only items with loadings " $>0,29$ " were regarded as being significant (Erwee & Pottas 1982: 91). Furthermore, when items were significantly loaded on more than one factor only that with the highest value was acknowledged. The significant loadings are highlighted in Table 7.49.

TABLE 7.49

VARIMAX ROTATED FACTOR MATRIX OF BRAND LOYALTY DIMENSIONS

ITEMS	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
1	-0,07681	0,24015	-0,19935	0,11262	-0,33544
2	-0,05985	0,07313	0,14190	-0,06396	0,05181
3a1	-0,08093	0,04280	0,02336	0,13134	-0,15442
3a2	0,08171	0,14293	0,52045	0,17930	-0,13945
3a3	0,04151	0,07493	0,06535	0,73344	0,06074
3a4	0,03230	0,05688	0,17894	0,64145	0,04797
3a5	0,08898	0,01488	0,27595	0,72000	-0,06714
3b1	-0,12630	0,05588	0,73288	0,16316	0,02641
3b2	0,06111	-0,15378	0,28110	0,64366	0,03580
3b3	-0,09779	-0,01642	0,86679	0,02375	0,00697
3b4	0,26505	-0,14316	0,51496	0,25867	0,11781
3b5	0,01378	0,18163	0,66995	0,31040	0,05228
611	-0,08194	0,03206	0,03722	0,03566	0,06645
612	0,08194	-0,03206	-0,03722	-0,03566	-0,06645
614	-0,03820	-0,01339	-0,06493	0,35023	-0,56588
615	-0,01981	0,15241	0,00450	0,13223	0,75206
6161	-0,08501	0,04943	0,01595	-0,07261	0,14751
6162	-0,13355	0,02951	-0,00527	-0,33008	0,51646
6163	-0,06027	0,05224	0,04229	0,08147	0,16800
6171	0,02866	-0,86306	-0,16548	0,06102	-0,10441
618	0,00026	0,86652	0,17742	0,01094	-0,00159
619	0,17292	0,30076	-0,07297	0,11923	-0,27068
711	-0,01233	0,02772	0,01785	-0,09891	0,06317
712	0,01233	-0,02772	-0,01785	0,09891	-0,06317
714	0,09630	-0,16704	-0,00627	0,00172	-0,46093
715	0,05508	0,05759	-0,02276	0,20105	0,63432
7161	-0,11209	0,05958	0,02530	0,17913	0,04727
7162	-0,21018	0,23704	-0,10387	-0,02935	0,48009
7163	-0,11294	0,11659	-0,11295	0,17093	0,15633
7171	-0,00486	-0,67256	0,09802	-0,03653	-0,27981
718	0,06952	0,64138	-0,13473	0,06511	0,18294
719	-0,00211	-0,02209	-0,00620	0,03777	-0,10845
81a	0,73036	0,11041	-0,01942	0,06821	-0,00432
81b	0,83574	-0,00564	-0,08270	0,04514	0,02772
81c	0,75130	-0,11680	0,01554	-0,07876	-0,04528
81d	0,81657	-0,05561	-0,02882	0,10198	-0,00442
811	-0,58337	-0,00922	-0,15227	0,01690	0,10163
821	0,58506	0,06263	-0,04348	0,05550	-0,09029
822	-0,00018	-0,06211	0,08347	-0,01103	0,07277
823	0,49840	0,13923	-0,06424	0,09757	0,05388
83	0,39503	0,06927	0,00680	0,14720	-0,07147
84	0,21064	0,00283	-0,00241	-0,09190	-0,02760
85	0,30998	0,05137	0,09787	0,12969	0,11839
EIGEN- VALUE	3,98540	2,82650	2,70573	2,63271	2,53607
% OF TOTAL VARIANCE	9,27	6,57	6,29	6,12	5,90

TABLE 7.49 (CONTINUED)

ITEMS	FACTOR 6	FACTOR 7	FACTOR 8	FACTOR 9	FACTOR 10
1	-0,06001	0,16104	-0,30770	-0,30756	-0,07070
2	0,09306	0,06712	-0,02536	0,05296	0,01470
3a1	-0,03914	0,07409	0,02970	-0,18938	-0,06990
3a2	-0,10208	0,07473	0,02593	-0,22524	0,12409
3a3	-0,11639	0,11779	-0,02409	0,03901	-0,02351
3a4	-0,10546	0,13358	0,05882	0,10072	-0,04086
3a5	0,01568	0,12526	0,07075	-0,01042	0,10994
3b1	-0,00215	-0,00754	0,05071	-0,02554	0,08978
3b2	-0,01521	0,10096	0,02599	-0,01486	-0,04854
3b3	0,04673	-0,01325	-0,01872	0,06134	0,00209
3b4	0,00402	0,14894	0,02763	0,01976	0,02903
3b5	0,06512	-0,02430	0,00991	0,15802	-0,00747
611	0,09466	0,10913	0,96177	0,01886	0,03825
612	-0,09466	-0,10913	-0,96177	-0,01886	-0,03825
614	-0,00162	-0,35632	-0,20095	0,02741	-0,09054
615	-0,03596	0,15586	0,03589	-0,02081	0,10896
6161	0,27062	0,66907	0,22214	0,05585	0,07047
6162	-0,14501	0,35850	0,17314	-0,29461	-0,08033
6163	0,04020	0,82403	0,03912	-0,07860	0,06160
6171	-0,01741	-0,13750	-0,11447	0,05104	0,05976
618	0,00230	0,06700	0,01148	0,01292	-0,03848
619	-0,07839	-0,10337	-0,01089	0,58177	0,13819
711	0,92112	0,19736	0,09873	-0,06728	0,00203
712	-0,92112	-0,19736	-0,09873	0,06728	-0,00203
714	-0,35779	-0,13879	0,13605	0,29627	0,03020
715	0,29423	-0,01037	0,06973	-0,18120	0,14337
7161	0,40601	0,65816	0,04702	-0,18486	0,00353
7162	0,15681	0,14941	-0,06989	-0,46210	0,01657
7163	0,31343	0,44900	-0,00711	-0,40712	0,10575
7171	-0,17197	0,00796	0,03709	-0,00955	-0,01856
718	0,02719	-0,07868	-0,03700	0,09968	0,05925
719	-0,09706	-0,05360	0,01751	0,79056	-0,04983
81a	-0,01594	0,00106	-0,08415	0,11448	0,16464
81b	-0,02386	-0,05085	-0,07642	0,05696	-0,14854
81c	-0,00900	-0,11090	0,09662	-0,05257	0,25869
81d	-0,02153	-0,05810	-0,03912	0,11080	-0,12498
811	-0,03131	0,01813	0,09760	0,11295	-0,44617
821	-0,01920	-0,12767	-0,08348	0,04139	-0,57439
822	-0,02553	0,07431	0,04430	-0,04149	0,93045
823	-0,07282	-0,09326	-0,08760	0,03123	-0,14349
83	-0,08257	-0,05632	-0,03769	0,00472	-0,06338
84	-0,15061	0,14195	0,05649	-0,21213	-0,00633
85	0,07723	0,04500	0,03960	0,38305	0,51634
EIGEN- VALUE	2,46041	2,42241	2,20542	2,08342	1,97046
% OF TOTAL VARIANCE	5,72	5,63	5,13	4,85	4,58

TABLE 7.49 (CONTINUED)

ITEMS	FACTOR 11	FACTOR 12	FACTOR 13	h^2
1	-0,20236	0,05494	0,17756	0,52782
2	0,04045	0,76687	0,03474	0,64361
3a1	-0,12480	-0,08548	-0,71761	0,63653
3a2	-0,05423	0,04305	-0,05057	0,43973
3a3	0,22497	-0,09584	-0,19895	0,68223
3a4	0,29489	0,08497	0,20285	0,62963
3a5	-0,14130	-0,02300	0,02002	0,66122
3b1	0,13802	0,09903	0,13603	0,64221
3b2	-0,11140	-0,08129	-0,21732	0,60191
3b3	-0,02062	0,05488	-0,08125	0,77828
3b4	-0,40681	-0,20286	0,00746	0,66590
3b5	-0,04099	-0,12400	0,02017	0,62852
611	-0,03261	-0,00965	-0,01201	0,96380
612	0,03261	0,00965	0,01201	0,96380
614	0,06850	0,03833	0,09655	0,64051
615	0,01496	0,09415	0,05344	0,65784
6161	-0,01661	0,09644	-0,11556	0,63821
6162	0,01281	-0,18505	0,00199	0,70161
6163	-0,06368	-0,00825	-0,01592	0,73954
6171	-0,04298	-0,02855	-0,11603	0,84233
618	0,06201	-0,08107	0,04901	0,80156
619	-0,13486	-0,07202	0,08870	0,61893
711	-0,03725	0,02601	-0,01449	0,91898
712	0,03725	-0,02601	0,01449	0,91898
714	0,21522	0,05334	-0,21798	0,60083
715	-0,12606	0,18458	0,07617	0,65035
7161	-0,01433	0,09025	0,08756	0,70150
7162	-0,00767	-0,08736	0,19939	0,65555
7163	-0,13573	0,16025	0,11571	0,62707
7171	-0,04504	-0,41576	0,28011	0,82639
718	0,09165	0,39588	-0,38990	0,81095
719	0,03413	0,01924	0,13818	0,67442
81a	0,12871	0,02021	-0,06917	0,61998
81b	-0,07223	-0,04757	0,05112	0,75253
81c	0,14457	0,00752	0,13529	0,71725
81d	0,05586	0,00287	0,03848	0,71900
811	-0,27171	-0,04906	0,12400	0,68848
821	0,38004	0,04119	-0,03247	0,86180
822	-0,12273	-0,01685	0,04299	0,90903
823	0,63879	0,06764	0,05017	0,74272
83	0,73028	-0,01819	0,09270	0,74535
84	-0,14046	0,45897	0,34782	0,49601
85	0,05828	0,11371	0,06369	0,58241
EIGEN- VALUE	1,79199	1,40515	1,29972	30,32539
% OF TOTAL VARIANCE	4,17	3,27	3,02	70,52

Six items (81a, 81b, 81c, 81d, 811, 8) have high loadings on **Factor 1**, which represents 9,27 % of the total variance. Factor 1 incorporates items relating to the types of house brands purchased, the reason for purchasing and usage rate of house brand products. Factor 1 can be described as the **purchase pattern of house brands**.

Factor 2 accounts for 6,57 % of the total variance and is made up of items 6171, 618, 7171 and 718, which have salient loadings on this factor. Items in this factor relate to **brand switching** for food and non-food products.

Five items (3a2, 3b1, 3b2, 3b3, 3b4, 3b5) have high loadings on Factor 3, which accounts for 6,29 % of the total variance. This factor has high loadings on the general product criterion of quality and food product attributes of nutritional value, freshness, taste and shelf life. Factor 3 can be described as **product criteria for food items**.

Factor 4 consists of items 3a3, 3a4, 3a5 and 3b2 and makes up 6,12 % of the total variance. This factor comprises of items concerning the food product criterion of appearance and the general product criteria of brand name, label information and choice/variety. Factor 4 is described as **product attributes for products in general**.

Seven items (1, 614, 615, 6162, 714, 715, 7162) have high loadings of **Factor 5**, which reflects 5,9 % of the total variance. Items on factor 5 relate to store patronage, out- of-stock conditions

and usage rate and frequency of purchase for food and non-food products. This factor can be described as **brand loyalty determinants**.

Factor 6, which accounts for 5,72 % of the total variance, comprises of items 711 and 712 which concern the **usage rate of non-food products**. Items 6161, 6163, 7161 and 7163 formulate

Factor 7, which represents 5,63 % of the total variance. These items refer to the reaction of consumers when the price of a preferred brand of food and non-food product remains the same and when the price of both, the preferred brand and substitute brand of food and non-food items, increases substantially. Factor 7 can thus, be labelled as **price change**.

Factor 8, which accounts for 5,13 % of the total variance, comprises of items 611 and 612, which concerns the **usage rate of food products**. The items that have high loadings of **Factor 9** are 619 and 719. Factor 9, to which 4,85 % of the total variance can be attributed, concerns the **future brand switching tendencies** of Indian consumers for food and non- food products.

Factor 10, which accounts for 4,58 % of the total variance, consists of items 822 and 85, which concerns the frequency of purchase and future purchasing possibility of house brand products. This factor can be described as the **usage rate of house brands**.

Items 823 and 83 have heavy loadings on **Factor 11**, which makes up 4,17 % of the total variance. These items relate to whether consumers like or dislike house brands as well as their

perception of quality of these brands as compared to branded products. It can be labelled as **quality perception of house brands**.

Factor 12, to which 3,27 % of the total variance can be attributed, comprises of items 84, which relates to the price perception of Indian consumers of house brands as compared to nationally advertised brands. Factor 12 can be described as **price perception of house brands**.

Item 3a1 has a high loading on **Factor 13**, which accounts for 3,02 % of the total variance. This item concerns the level of importance that consumers attach to **price** as a criteria when engaging in product evaluation.

The extraction of the thirteen distinct factors together reflect 70,52 % of the total variance.

7.13 CONCLUSION

The results yielded by the empirical study enables an analysis and understanding of the relationship between the variables. An exploration into the purchasing patterns of Indian consumers and their attitudes to nationally advertised and house brands revealed interesting results. The relationship between the dimensions of buyer behaviour and brand loyalty and the biographical variables was analysed. The profile of the brand loyal and non-brand loyal

consumers enabled an evaluation of the differences and similarities between these two group.

The aim of such a study is to provide the marketer with ideas that will ensure a better combination of the marketing mixes and a more efficient and effective implementation of the marketing strategy aimed at the Indian consumer market. However, such research information loses its value and applicability when presented and interpreted in a vacuum. An integration of the findings with past and current research in the field can result in meaningful conclusions.

CHAPTER 8

INTERPRETATION OF RESULTS IN CONJUNCTION WITH PAST RESEARCH

8.1 INTRODUCTION

The value and applicability of research results gains momentum when compared and contrasted with that of earlier studies. The findings presented in the previous chapter have considerable marketing implications, and together with the outcomes of past research, can contribute to the development of effective and efficient marketing strategies with specific reference to the Indian consumer market.

8.2 STORE PATRONAGE AND THE INDIAN CONSUMER

There is a significant difference in the store patronage of Indian consumers in the Chatsworth area. Only 6,75 % of the households sampled do all their shopping at the local township supermarket. The other 93,25 % patronize the chain stores Checkers (56,34 %), Pick 'n Pay (26,58 %), Spar (6,33%) and Ok (3,80 %) in descending order of frequency. Checkers may have surfaced as the most widely patronized store due to its convenient location in the Chatsworth area. The findings are in keeping with that of Palliam's (1988), who found that 25,55 % of the sample of Indian consumers shop at Checkers. However, the majority of the Zulu consumers shop at Ok Bazaars due to its physical location in close proximity in commuting points. It can be concluded that, like Zulu consumers, the location of the store is one of the attributes that Indian consumers evaluate when engaging in store choice. The

selection of chain stores over township supermarkets reflects other determinants of store choice as being price of products, quality and variety of products, store atmosphere, store layout and parking facilities. Similarly Palliam (1988) found that Zulu consumers analyse the attributes of convenient location and well stocked supermarkets when choosing a grocery store. These findings are in accordance with that of Jacoby and Mazursky (1984: 121), who maintain that "stores generally carry a variety of brands and the store's image is most likely determined by the combined assortment of brands". This implies that marketers need to take cognisance of these criteria when planning, developing and managing supermarkets in order to ensure the realisation of both, effective sales and consumer satisfaction.

8.3 PRICE-QUALITY PERCEPTION AND THE INDIAN CONSUMER

There is a significant difference in the price-quality perception of Indian consumers in the Chatsworth area. Whilst 24,89 % of the consumers feel that price is always a good indicator of quality, 51,48 % feel that it is sometimes a good indicator and 23,63 % maintain that price is never a good indicator of quality. If the two categories are combined, it can be concluded that the majority of consumers (75,11 %) are more likely not to base the judgement of quality on the attribute of price. This finding resembles that of Palliam's (1988: 128), who concluded that the majority of Zulu consumers (65,11 %) "suspend the judgement of the quality of a grocery product based on price". However, these conclusions are contradictory to that of Petroschius and Monroe (1987: 518 - 519) who suggest that "price is used by consumers as an informational stimulus to form judgements about a product" and maintain that "price characteristics of a product line affect buyer's product evaluations". Rao and Monroe (1989)

also found that the relationship between price and perceived quality is positive and statistically significant. Such behaviour is not irrational but "simply reflects that the forces of supply and demand would lead to a 'natural' ordering of products on a price scale, leading to a strong positive relationship between price and product quality" (Rao & Monroe 1989: 351). Whilst these conclusions may be true, the deviation in results in the current study and that of Palliam's, may be due to the use of the operative words 'always', 'sometimes' and 'never'. Furthermore, Mehta (1974) found that for clothing, price information does have a significant effect on quality perception. When consumers see price as a good indicator of quality and when quality differences exist among competing brands, they "may 'pay a price' for employing simple choice heuristics such as brand awareness in the interest of economising time and effort (Hoyer & Brown 1990: 141). Furthermore, when consumers lack brand awareness, "price is likely to be employed when choosing a product" (Hoyer & Brown 1990: 145).

8.4 THE LEVEL OF IMPORTANCE ATTACHED TO EACH PRODUCT ATTRIBUTE BY THE INDIAN CONSUMER

Most researchers (Rao & Craig, 1975; Green & Wind, 1975) implicitly assume that a consumer uses the same criteria to evaluate all brands in a product class. Gardner (1983), however, concludes that the attributes an individual recalls or uses to evaluate a brand in a product class may vary. This study analysed the level of importance that Indian consumers attach to each of the product attributes (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste, shelf life) when engaging in the purchase of grocery products.

Freshness, followed by nutritional value, emerged as the most important criteria when engaging in purchases. An important implication for marketing is the enhanced awareness of Indian consumers concerning health and diet. 77,6 % of the consumers ranked quality as being the most important product criterion. This can be attributed to the consumers' desire to 'get their money's worth'. This implies that the consumer does not buy a product but the benefits that it offers. 65 % of the households regarded price as being an important criterion when purchasing grocery products. The implication is that consumers develop personal forecasting rules for price since they "anticipate prices, compare them to observed prices, and develop decision rules based upon the discrepancy" (Winer 1986: 250). The other 35 % of the consumers did not assign a rating of 5 (most important) to price. This can be attributed to the fact that "highly committed consumers are less price sensitive than noncommitted consumers" (Woodside & Fleck 1979: 29).

A significant 38,5 % of the consumers assigned a score of 5 (most important) to label information. This finding is in accordance with Patton's (1984: 81) study which found that "the quantity of information does have an impact on consumers' brand choice decisions when they are faced with a choice among alternative brands in a situation in which more information is provided by some brands than others. Patton concluded that there is a significant preference for brands that provide more information. The implication is that marketers need to ensure that more information is provided, since there is a positive correlation between "the amount of information provided by a chosen brand and the consumer's confidence and satisfaction with that choice" (Patton 1984: 81). However, Alba & Marmorstein (1987: 24) noted that apart from the quantity of information as a means of

persuasion to buy, "frequency information can sometimes serve as a very effective peripheral route to persuasion".

The current study also revealed that brand name is regarded by the majority of consumers as a less important criterion when engaging in grocery purchases. However, 29,1 % of the buyers assigned a rank of 5 (most important) to this criterion and see it as an indicator of quality. This result is supported by Rao and Monroe's study who also found the relationship between brand name and perceived quality to be positive and statistically significant. This implies that people are always looking for quality and added value in their life. Similarly, Pierce and Belke (1988: 235) maintain that "brand names exert stimulus control over opinion and evaluation responses depending on the conditioning history of consumers". The implication is that cognisance should be given to branding, since it is viewed as security, which adds value and profitability to the overall marketing effort.

8.5 OUT-OF-STOCK CONDITIONS AND THE INDIAN CONSUMER

There is a significant difference in the reaction of Indian consumers to out-of-stock conditions of a preferred brand of food and non-food product. For food products, 29,1 % of the subjects indicated that they would buy another brand. This is indicative of brand disloyalty. However, for these products, 66,67 % would try another store and 4,22 % would wait until the next shopping trip. These people can be classified as being brand loyal and brand insistent. For non-food products, whilst 59,91 % can be classified as being brand disloyal, 38,82 % would wait until the next shopping trip and only 1,27 % would try another store. If the 'wait until

the next shopping trip' and 'try another store' categories are combined, it can be concluded that Indian consumers are more brand loyal for food products (70,89 %) than non-food items (40,09 %). Palliam (1988) found that a large percentage of Zulu consumers (62,22 %) would try another store in the absence of their favoured brand. He also reported that whilst 35 % would buy a substitute brand, only 2,78 % would wait until the next shopping trip. This profile is similar to that of Indian consumers for food products.

A substantial 65,82 % of the frequent Indian users indicated that they would try another store for food products, whilst 59,49 % reported the same for non-food items. However, the threat that an out-of-stock condition poses for the well-being of the firm, is evident when 25,74 % of the frequent Indian users buy another brand for food products and 28,27 % reported the same reaction for non-food items.

The current study also indicates that whilst 29,11 % would engage in brand switching in the absence of a favoured brand of food product, a substantial 59,91 % will engage in brand switching for non-food products when faced with an out-of-stock condition. The reaction of Indian consumers to stock-out conditions for food items is similar to that of Zulu shoppers for grocery products. Palliam (1988) found that 35% of the Zulu buyers would engage in brand switching in the absence of their preferred brand. These findings have crucial marketing implications since a stock-out condition is undesirable and costly because it not only represents a lost sale, but the consumer may be lost permanently to the manufacturer of a substitute brand.

8.6 PRICE CHANGES AND THE INDIAN CONSUMER

The reaction of Indian consumers to price changes of a preferred brand of food and non-food product was studied. For food items, while 94,1 % of the consumers will continue to buy the preferred brand if the price remains the same, 89,9 % will react in the same way for non-food products. When both the price of a favoured brand and a substitute one increases, a substantial percentage of households will continue buying the preferred brand for food products (87,3%) and non-food items (83,5 %). More than half of the buyers will engage in brand switching for food items (52,7 %) and non-food products (50,2 %) if the price of the favoured brand increases whilst that of an alternative one does not. It is evident that the profile of Indian consumers is the same under conditions of price change of a preferred brand, with only negligible differences in percentages. The results closely resembles that of the study undertaken by Palliam (1988). He found that 96,11 % of the Zulu consumers will continue to buy the favoured brand if its price remains the same, 53,89 % will buy it if the price increases substantially while that of a substitute brand does not and 87,78 % will continue to buy the favoured brand if the price of both the preferred and substitute brands increase. The implication is that drastic price increases can result in brand switching, since the cost of purchases exceeds the benefits derived from the product. Therefore, marketers need to ensure that there exists no great discrepancy between the price of their brand and that of substitute ones. A major difference in price can result in the permanent loss of consumers to brands. However, Tellis (1988: 142) found that "price affects the quantity purchased more than brand switching, but coupons, displays and features primarily affect brand switching". This implies that marketers need to adopt strategies of coupons, displays and features to ensure the

continuous purchases of their brand, thereby establishing brand loyalty. Similar to the conclusions of Tellis (1988) regarding price increases, Motes, Castleberry & Motes (1991: 501) maintain that a price reduction does not attract brand switching. They found that "the effect of a price reduction is limited to the period during which the promotion is being applied" (Motes, Castleberry & Motes 1991: 501).

8.7 BRAND SWITCHING AND THE INDIAN CONSUMER

The brand switching tendencies of Indian consumers for food and non-food products were studied. It can be established that more Indian consumers prefer to continue buying their favoured brand than to engage in brand switching for both food and non-food products. These results are in accordance with that of Palliam (1988) who found that more Zulu buyers will continue buying their preferred brand of product in the future than to engage in brand switching. Furthermore, the current study indicates that more consumers would remain loyal to their preferred brand of food product (32,9 %) than for non-food items (31,6 %), although only a negligible difference in percentages is noted. The implication is that the type of product concerned has an important influence on brand loyalty. Product involvement is "a recognition that certain product classes may be more or less central to an individual's life, his attitudes about himself, his sense of identity and his relationship to the rest of the world" (Traylor 1981: 51). The results of the current study concerning brand loyalty for food and non-food products, is in accordance with Traylor's (1981: 52) conclusion that for a low-involvement product, the consumers "evoked set should be large, his brand commitment low, and he should be observed switching brands more often than another consumer to whom

this product is more highly involving".

The reasons of Indian consumers for engaging in brand switching was analysed. The findings portrayed the main reasons for brand switching as being price increases, poor quality, poor taste, lack of nutritional value and desire for variety for food products. For non-food items, the main reason for switching brands include price increases, poor quality, desire for variety and taste (preference). However, studies reflect that the main reasons for brand switching are promotional activity and advertising. Lattin and Bucklin (1989: 309) conclude that "consumers form expectations based on their exposure to promotional activity and that these expectations influence the patterns of brand choice". Furthermore, Raju (1984: 214) maintains that "advertising and monetary deals are so prevalent in the marketplace today that they account for a considerable amount of exploratory switching". The additional information gained through advertising encourages brand switching. This is supported by Biehal and Chakravarti's (1983: 12) conclusion that "to the extent that prior learning goals generate selective or inaccurate memories for product information, previously encountered brands may be rejected in favour of newly encountered brands for which satisfactory relevant information is externally available".

8.8 HOUSE BRANDS AND THE INDIAN CONSUMER

The reaction and purchase pattern of Indian consumers to house brand products was analysed. Despite consumers' reluctance to purchase a new product, more than half of the consumers sampled (50,2 %) indicated that they use house brands frequently.

On studying the quality perception of Indian consumers to house brands, it was noted that 52,3 % believe that these brands are of the same quality as branded products. Whilst only 3,4 % of the buyers feel that house brands are better than branded products in quality, a substantial 44,3 % are of the opinion that they are inferior. These findings are in accordance with studies which revealed that "a majority of shoppers rated the quality of private label brands as equal to that of nationally advertised brands of producers" (Patti & Fisk 1982: 92). This better value perception continues today, as depicted by these Indian consumers. However, Palliam (1988) found that a large percentage (63,89 %) of the Zulu consumers sampled view house brands as inferior in quality to branded products.

The price perception of Indian consumers to house brand products was also analysed. 36,3 % feel that house brands are similarly priced but only 3 % maintain that they are more expensive than nationally advertised brands. The majority of the consumers (60,8 %) feel that house brands are cheaper than branded products. This finding is in accordance with that of Palliam's (1988) who noted that most of the Zulu consumers regard house brands as being cheaper than branded products. However, Zulu consumers seem to have an irresistible appeal for house brand products, whereby 83,89 % of the total sample regard them as being cheaper than branded products. These findings support the research undertaken in April 1990 in Pretoria, that concluded that by rather buying house brand products, "a consumer can save as much as R11,12 (24,6 %) on the 13 products surveyed - an average of 86 cents per product" (The South African Consumer 1990: 30).

The research incorporated an exploration into the combined price-quality perception of Indian consumers to house brand products as compared to branded ones. The majority of the Indian consumers maintain that house brands are cheaper than and are of the same quality as branded items.

A vulnerability matrix based on the purchase pattern and attitude of Indian consumers to house brand products was developed. This reflected that more than half of the Indian consumers sampled (50,63 %) dislike house brands. However, the percentage difference between those who like and those who dislike house brands is negligible (1,26 %).

An investigation into the reasons for purchasing house brands revealed interesting results. The majority of those consumers who buy house brands do so because they perceive them to be cheaper than branded products (62 %). This finding supports Cunningham, Hardy and Imperia's (1982: 27) conclusion that house brand users are those most concerned with price". 10,5 % purchased house brands because they served the same purpose and yet posed a smaller financial burden. This finding confirms Patti & Fisk's (1982: 92) conclusion that the rise of store brands is due to "the growing knowledge among shoppers that store brands are often the Siamese twins of manufacturers' brands at lower prices". 5,1 % of the consumers purchase house brands simply to try out. Awareness of the existence of house brands and trial was triggered mainly through advertising and word-of-mouth communication. 2,1 % of the consumers indicated that they buy house brands because their preferred branded products were out of stock.

Undoubtedly, the introduction of house brands triggered the 'battle of the brands' that is being increasingly felt by producers of nationally advertised brands. The implication is that house brands do not only occupy the previous shelf and floor space so dear to the marketing plans of manufacturers of consumer goods but are enjoying a rate of sales growth.

8.9 PURCHASING PATTERN (BRAND LOYALTY) OF THE INDIAN CONSUMER

On the basis of their purchasing patterns consumers were classified as being brand loyal and non-brand loyal. The results indicated that Indian consumers are more brand loyal to food products (40,9 %) than non-food items (36,3 %). In addition, 27 % of the consumers sampled are brand loyal to both food and non-food products. These results are in accordance with Tucker's (1968: 120) conclusion that "consumers vary greatly in their susceptibility to brand loyalty. Furthermore, this study confirms Tucker's (1968: 120) statement that "some consumers will become brand loyal even when there is no discriminable difference between brands other than the brand itself".

In addition, the fact that Indian consumers are more brand loyal to food than non-food products indicates that brand loyalty is a product specific phenomenon and there is no such thing as a loyalty-prone consumer. The marketing implication is that a consumer loyal to one brand in a given product category may not display similar loyalties to brands in other product classes.

8.10 THE PROFILE OF THE BRAND LOYAL AND NON-BRAND LOYAL CONSUMER

A comparison was undertaken between the profile of the brand loyal and non-brand loyal consumer on the basis of their ratings of the importance attached to the product criteria (price, quality, brand name, label information, choice/variety, nutritional value, appearance, freshness, taste and shelf life). The analysis reflects that the profile of brand loyal consumers differ from that of non- brand loyal consumers for both food and general product criteria.

An exploration was also envisaged to determine whether brand loyal and non-brand loyal consumers differ on their mean ratings of the attributes of preferred brands of a product. Once again, these two categories of consumers had differing profiles for all the products studied (margarine/butter, breakfast cereal, tea/coffee, rice, cooking oil, toothpaste, washing powder, 'toilet' bath soap, 'underarm' deodrant), except for toilet paper, where no loyalty was expressed. Ironically, non-brand loyal consumers rated the attributes of each product, except rice and toothpaste, higher than that of brand loyal shoppers.

Significant differences were noted in the profile of brand loyal and non-brand loyal consumers with regards to their price-quality perception of house brand products as compared to branded products. The marketing implication is that more non-brand loyal consumers perceive house brands as being offered at comparable levels of performance and with substantial savings to the consumer.

8.11 PURCHASING PATTERN OF INDIAN CONSUMERS: BRAND CHOICE AND BRAND LOYALTY (LEADING BRAND)

An analysis was undertaken to determine which brand is the most frequently purchased by Indian consumers for each product studied (margarine/butter, breakfast cereal, tea/coffee, rice, cooking oil, toothpaste, washing powder, 'toilet' bath soap, toilet paper and 'underarm' deodorant).

For margarine, Rama surfaced as being the leading brand, followed by Floro. These findings support those of Foster and Tindale (1984: 19) who found that these brands of margarine "both rate tops on product quality and virtually every other rating element you could apply to great branding". The response of these Indian consumers is in accordance with Foster and Tindale's (1984: 19) findings that "Rama is overall brand leader in the market with 30 to 40 percent volume share".

Kellogs was found to be the leading brand for breakfast cereal. This brand also emerged as the brand choice of the majority of subjects in studies undertaken by Barwise and Ehrenberg (1985: 83) and by Brown (1971: 34). In the current study the brand choice, following Kellogs, was Pro-Nutro. This can be attributed to their strategy of brand stretching which implies that "where it is relevant and appropriate to market attitudes and perceptions, an existing brand can be stretched in the same product category" (Foster & Tindale 1984: 27).

The brand of tea that was chosen by the majority of Indian consumers is Five Roses. Frisco emerged as the leading brand of coffee. A tremendous amount of brand loyalty was reflected by Indian consumers for Aunt Caroline rice and Helios oil. Colgate surfaced as the leading brand of toothpaste, followed by Mentadent-P. The brand choice of the majority of consumers for washing powder is Surf, followed by Skip. The study reflected that the leading brand of 'toilet' bath soap amongst Indian consumers is Lux. However, Gardner (1979: 10) found that for the toilet soap product class, nearly 90 % of all consumers are multi-brand buyers. Whilst Twin Savers emerged as the most frequently selected brand of toilet paper, no brand loyalty patterns could be detected for underarm deodorants due to the multiplicity of brands in this product category. It is evident that Indian consumers are more loyal to established brands of products. The implication is that producers entering the market with a new brand of product may have to wait a long time before they can capture a significant proportion of the market share. Therefore, the type of product concerned and the relative strength of brands have an important influence on brand loyalty amongst Indian consumers.

8.12 CONSUMER CHARACTERISTICS, PURCHASING PATTERNS AND BRAND LOYALTY CORRELATES

Attempts have been made to determine why brand loyalty varies across consumers and products. Consumer characteristics that are, or are not, associated with differential degrees of brand loyalty are presented below:-

a) **SOCIO-ECONOMIC STATUS**

In the current study, no significant relationship was found between socio-economic status and the purchasing patterns of Indian consumers. Consumers from the upper, middle and lower social classes reflected no significant differences in their price-quality perception, level of importance attached to the product attributes, reaction to out-of-stock conditions, reaction to price change of a preferred brand of product, brand switching tendencies, usage rate and price perception of house brands respectively. However, there exists only a slight difference in their quality perception of house brands. Furthermore, no significant association was observed between socio-economic status and brand loyalty for food and non-food products. These results coincide with that of Massy's (1966: 172) who concludes that brand loyalty "does not seem to be strongly related" to socio-economic status. Furthermore, Kasper (1988: 395) found that socio-economic variables do not discriminate between loyal and switching consumers. Whilst many of these findings coincide with Thompson (1964) who detected virtually no association between socio-economic variables and brand loyalty, they differ from Frank, Massy and Lodahl (1969) who observed a modest association between these constructs.

b) **GENDER**

No significant difference was observed between gender and price perception of grocery products, reaction to price change of a favoured brand of product, brand switching tendencies and the usage rate and price perception of house brands of Indian consumers respectively. Although no significant difference was detected between gender of Indian buyers and their

level of importance attached to the product criteria of price, quality, brand name, label information, choice/ variety, nutritional value, freshness, taste and shelf life, males and females differed in their ratings on the criterion of appearance. Significant differences were also observed in the quality perception of males and females for house brand products. Whilst more females view house brands as being the same in quality as branded products, more males feel that they are inferior. In addition, no significant association was found between gender and brand loyalty. These findings coincide with that of Guest (1964) who observed that gender was unrelated to brand loyalty. Whilst Britt (1966: 380) found that "there is little indication that sex is related to preference agreements", Boote (1981: 33) observed that since "male and female value structures are similar" so too is their brand preference.

c) **MARITAL STATUS**

No significant relationship was found between marital status and the consumer purchasing patterns studied, except for the ratings of single, married and divorced Indian consumers on the product attributes of label information and nutritional value. These findings are in accordance with that of Britt (1966: 380) who maintains that "there is little indication that marital status is related to preference agreements". In the current study, no association was observed between marital status and brand loyalty. Even Guest (1964) in his 20 year study found that marital status was unrelated to brand loyalty.

d) **EDUCATION**

No significant relationship was found between the level of education of Indian subjects and their purchasing patterns, except for the quality perception of house brand products. More post matriculation consumers viewed house brands as being the same as branded products whilst others felt that they were inferior to nationally advertised brands. This conclusion coincides with that of Britt's (1966: 380) who maintains that "there is little indication that intelligence is related to preference agreements". Furthermore, in the current research, no significant association was observed between the level of education and brand loyalty. Guest (1964) reported similar results and concluded that intelligence was unrelated to brand loyalty. However, Cunningham et al. (1982: 27) found that "those people who did not have any brand loyalty appeared to be significantly more educated than any of the other groups".

e) **AGE**

Only a modest relationship was detected between age and the consumer purchasing patterns of Indian shoppers. A slight association was detected between age and consumers' reaction to out-of-stock conditions for non-food products. More consumers under the age of 20 chose to buy another brand when confronted with an out-of-stock condition of a favoured brand, whilst more consumers in other age categories chose to try another store. Furthermore, a modest relationship was observed between age and the usage rate and quality perception of these consumers to house brands. Whilst consumers in the age group 20 - 29 years buy house brands occasionally, others reported the frequent use of these brands. More consumers

between the ages of 39 and 60 perceive house brands as being of the same quality as branded products than other consumers who regard them as being inferior. The study also reflected that consumers from the different categories varied in the level of importance attached to the product criterion of quality. However, no significant difference was observed between age and price-quality perception of grocery products, reaction to out-of-stock conditions for food items, price change of a preferred brand and the price perception of house brands respectively. Furthermore, no significant relationship was found between age of Indian consumers and brand loyalty. However, Cunningham et al. (1982) found that consumers who have no brand loyalty are significantly younger. In addition, Uncles and Ehrenberg (1990: 19) found that older consumers "tend to buy somewhat fewer different brands than younger households", although the differences are small.

f) **OCCUPATION**

No significant relationship was observed between occupation and the purchasing patterns of Indian consumers, except for the ratings of consumers from the different occupational fields on the product criteria of brand name and label information. Furthermore, no significant association was found between occupation and brand loyalty for these consumers.

g) **INCOME**

A modest relationship was detected between the income of Indian consumers and their ratings of the level of importance on the product attribute of quality. A slight association was

observed between income and the quality perception of house brand products. As income increases, more consumers view house brands as being inferior in quality to branded products. However, no significant association was found between income and price-quality perception, the price perception of house brands and brand loyalty respectively.

From the analysis it can be concluded that consumer characteristics generally do not distinguish brand loyal consumers from non-brand loyal consumers. However, some biographical variables are related to brand loyalty. These relationships tend to be product specific rather than ubiquitous across product categories.

8.13 CONCLUSION

Incorporated into this chapter are several marketing implications, based on the empirical results of the study, which when considered can result in effective marketing strategies aimed at the unique Indian consumer market. Findings concerning the consumer purchasing patterns of store patronage, price-quality perception of grocery products, level of importance attached to product attributes, reaction to out-of-stock conditions and price changes of a preferred brand of product, brand switching and usage rate, price and quality perception of house brands, are fruitful contributions when analysing the operations of the market place. Central elements underlying the dynamics of the Indian consumer market relate to brand loyalty and brand switching, a cognisance of which can ensure long-run security, profitability and success of the marketing firm. A review of the profile of the brand loyal consumer and brand loyalty correlates concerning consumer characteristics, can provide useful guidelines when developing

the marketing strategy of segmentation analysis, thereby increasing marketing efficiency and effectiveness by directing effort more specifically toward the designated segment in a manner consistent with that segment's characteristics.

Total application of the findings of this study demands that future research be undertaken, not only to examine other aspects of consumer purchasing patterns but also to ensure an analysis of the changing profiles and dynamic trends in the Indian consumer market.

CHAPTER 9

RECOMMENDATIONS AND CONCLUSION

9.1 INTRODUCTION

The dynamic nature of consumer behaviour, triggered by changes in the individual and environmental influencing variables and persuasive marketing stimuli, results in continuously changing trends in the consumer market. These ever-changing circumstances demand that updated and ongoing research be undertaken in order to keep abreast of time, and develop and modify marketing strategies so that they effectively reach the desired consumer market. Furthermore, the varied and diverse nature of consumer behaviour made it impossible for all the dimensions of the discipline to be discussed within the jurisdiction of this study, consequently creating the need for future research.

9.2 RECOMMENDATIONS

The conclusions of this study suggest areas for future investigation. Whether the findings will be replicated under different conditions with different subject populations awaits further research. The following thoughts, though conjectural, are offered to stimulate other researchers' thinking on this important dimension of consumer behaviour.

This research investigated the purchasing patterns of Indian consumers residing in the Chatsworth area. The geographic region places restrictions on the generalisability of the results. To overcome this limitation, research should be undertaken to investigate the

consumption behaviour of individuals in other areas and of other race groups. A comparative analysis could thereafter be undertaken, which can provide useful guidelines for market segmentation, a phenomenon that has secured top priority within the domains of consumer behaviour and marketing research.

The current study analyses the brand choice, loyalty and switching tendencies of individuals, concerning their preferred brand of product. The investigation eliminated the possibility of multi-brand buyers. The results of future research that takes cognisance of such shoppers can be compared and contrasted with that of the current study. An evaluation of this nature can enable a discriminant analysis between the profile of the consumer loyal to only one brand and the multi-brand buyer.

Only the purchasing patterns of particular food and non-food products were included in this study. The findings can, therefore, not be generalised to other product categories. In addition, attempts to determine characteristics of consumers who are brand loyal across all product categories are confounded by inherent product differences. Since brand loyalty is a product specific rather than a general attribute, future research should incorporate an analysis of the attitudinal and behavioural dimensions of consumers to other consumer products. Consequently, further evaluation can incorporate an assessment of the degrees of brand loyalty for different products.

Future research along the above-mentioned lines might lead to a better understanding of consumer purchasing patterns concerning store patronage, price-quality perception, importance

of product attributes, reaction to out-of-stock conditions and price changes of a preferred brand of product, brand switching, usage rate, price and quality perception of house brands, brand loyalty patterns and correlates and the profile of the brand loyal consumer. Findings of such investigations can contribute largely to the development of effective marketing strategies, thereby ensuring profitability and successful marketing effort.

9.3 CONCLUSION

The purpose of all marketing effort is to achieve maximum profitability and consumer satisfaction. These objectives can only materialise by developing effective marketing strategies via a proper analysis and evaluation of consumers and their behaviour in the market place. For such an investigation to do justice to the spectrum of activities that fall within the domain of consumer behaviour, cognisance has to be given to the central process underlying all consumer behaviour; the consumer decision-making process, a concept that has dominated much analysis in this research. The decision whether to buy or not, was analysed as a product of the individual and environmental influencing variables that impact on the consumers' psychological field. The psychological activity involved in consumer decision-making implies that consumers' attitudes and needs, which are influenced by motivation, perception, learning and memory, personality and self-concept, culture, subculture, social class, social groups, family, personal influence and marketing activities, determines and shapes the consumer decision-making process. A knowledge of these influencing variables lies at the core of modern marketing since it is by developing total marketing programmes, that satisfy consumers more completely and efficiently, that the modern marketers can maximise company

profits.

Therefore, consumer decision-making specifies the major influences that marketers should have a knowledge of, in order to develop marketing strategy to resolve problems and capitalise on existing opportunities. Consumer analysis provides the basis for developing marketing strategy, that is, evaluating new market opportunities and applications, market segmentation, new product developments, marketing mix decisions, improving retail performance and enhancing the efficiency and effectiveness of marketing strategy and techniques. This enables marketers to efficaciously achieve their ultimate objectives of consumer satisfaction and profit maximisation.

That a strategy for growth and profit optimisation is a cost- control world is brand leverage, has become apparent during the course of the investigation. The implication is that the guiding strategy of product planners is to capitalise on the equity in established brand names.

Against this theoretical background, the attitudinal and behavioural dimensions of Indian consumers to brand loyalty was analysed by means of a precoded questionnaire and measured through the use of numerous descriptive and inferential statistical techniques. The investigation outlined numerous results regarding Indian consumers' purchasing patterns. A wide spectrum of activities relating to store patronage, price-quality perception of grocery products, level of importance attached to product evaluation criteria, reaction to out-of- stock conditions and price change of a preferred brand of product, brand switching and the usage rate, price and quality perception of house brand products were analysed. Patterns of brand

loyalty amongst Indian consumers emerged that enabled a quantitative and qualitative analysis of the determinants of brand loyalty, the brand loyal consumer's profile and brand loyalty correlates concerning consumer characteristics. The investigation paved the way for a discriminant analysis of the profile of the brand loyal and non-brand loyal consumers. The inclusion of food and non-food products generated the conclusion that Indian consumers are more loyal to the former than non-food items, thereby confirming that the type of merchandise involved and the relative strength of brands have an important influence on brand loyalty. Whilst these consumers reflect patterns of brand loyalty, there has been wide acceptance amongst them of house brands, the dreaded beast and nightmare of manufacturers of branded products.

The implication underlying the investigation is that the brand concept should be viewed as a long-term investment developed and nurtured to attain strategic competitive advantage. In the current environment of world-competitive pressures and slow-growth markets the primary objective is to control cost and one way to achieve growth is through brand leverage.

The research has ended with recommendations regarding future research programmes that may evoke the market place and understand consumers, thereby gaining insights that would provoke the most suitable marketing strategies. Consumer satisfaction and profit maximisation are dependant for its survival on favourable consumer decision-making and any research, that will improve the tools for marketers to better ways to guide the successful development of new products and brands and improve the overall effectiveness of the marketing mix, will prove to be valuable.

APPENDICES

APPENDIX A

Cultural Values of Relevance to Consumer Behavior

Other-Oriented Values

- *Individual/Collective*. Are individual activity and initiative valued more highly than collective activity and conformity?
- *Romantic Orientation*. Does the culture believe that "love conquers all"?
- *Adult/Child*. Is family life organized to meet the needs of the children or the adults?
- *Masculine/Feminine*. To what extent does social power automatically go to males?
- *Competition/Cooperation*. Does one obtain success by excelling over others or by cooperating with them?
- *Youth/Age*. Are wisdom and prestige assigned to the younger or older members of a culture?

Environment-Oriented Values

- *Cleanliness*. To what extent is cleanliness pursued beyond the minimum needed for health?
- *Performance/Status*. Is the culture's reward system based on performance or on inherited factors such as family or class?
- *Tradition/Change*. Are existing patterns of behavior considered to be inherently superior to new patterns of behavior?
- *Risk Taking/Security*. Are those who risk their established positions to overcome obstacles or achieve high goals admired more than those who do not?
- *Problem Solving/Fatalistic*. Are people encouraged to overcome all problems or do they take a "what will be, will be" attitude?
- *Nature*. Is nature regarded as something to be admired or overcome?

Self-Oriented Values

- *Active/Passive*. Is a physically active approach to life valued more highly than a less active orientation?
- *Material/Nonmaterial*. How much importance is attached to the acquisition of material wealth?
- *Hard Work/Leisure*. Is a person who works harder than economically necessary admired more than one who does not?
- *Postponed Gratification/Immediate Gratification*. Are people encouraged to "save for a rainy day" or to "live for today"?
- *Sensual Gratification/Abstinence*. To what extent is it acceptable to enjoy sensual pleasures such as food, drink, and sex?
- *Humor/Serious*. Is life to be regarded as a strictly serious affair or is it to be treated lightly?

APPENDIX B

YOU ARE KINDLY REQUESTED TO COMPLETE THIS QUESTIONNAIRE TO ASSIST THE RESEARCHER TO INVESTIGATE THE ATTITUDINAL AND BEHAVIOURAL DIMENSIONS OF CONSUMERS TO BRAND LOYALTY. YOUR RESPONSES WILL BE TREATED WITH UTMOST CONFIDENTIALITY. THESE RESPONSES WILL BE BENEFICIAL IN DETERMINING THE SHOPPING BEHAVIOUR, ATTITUDES AND PURCHASING PATTERNS OF CONSUMERS.

THANK YOU FOR YOUR CO-OPERATION.

BIOGRAPHICAL DATA

(PLEASE MARK THE APPROPRIATE BLOCK WITH AN X)

SUBURB:

Moorton	<input type="checkbox"/>	1	Shallcross	<input type="checkbox"/>	2
Havenside	<input type="checkbox"/>	3	Woodhurst	<input type="checkbox"/>	4
Mobeni Heights	<input type="checkbox"/>	5	Arena Park	<input type="checkbox"/>	6
Croftdene	<input type="checkbox"/>	7	Bayview	<input type="checkbox"/>	8
Silverglen	<input type="checkbox"/>	9	Crossmoor	<input type="checkbox"/>	10
Westcliff	<input type="checkbox"/>	11	Kharwastan	<input type="checkbox"/>	12
Umhlatuzana	<input type="checkbox"/>	13	Harinagar	<input type="checkbox"/>	14
Burlington Heights	<input type="checkbox"/>	15	Montford	<input type="checkbox"/>	16

		1		2
SEX:	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>

MARITAL STATUS:

	1		2		3
Single	<input type="checkbox"/>	Married	<input type="checkbox"/>	Divorced	<input type="checkbox"/>

HIGHEST EDUCATIONAL QUALIFICATION:

Below Standard 3 1
Standards 3 to 5 2
Standards 6 to 9 3
Standard 10 4
Post Matriculation 5

AGE:

Under 20 1
20 - 29 2
30 - 39 3
40 - 49 4
50 - 59 5
60 and over 6

OCCUPATION:

Professional 1
Admin./Managerial 2
Clerical 3
Service Worker 4
Skilled Artisan 5
Semi-skilled 6
Unskilled 7
Unemployed 8
Housewife/husband 9

MONTHLY INCOME (RANDS):

0 - 1 499 1
1 500 - 2 499 2
2 500 - 4 999 3
5 000 - 7 999 4
8 000 - 9 999 5
10 000 - 11 999 6
12 000 + 7

SHOPPING BEHAVIOUR AND ATTITUDE

1. WHERE DO YOU USUALLY DO YOUR MONTHLY SHOPPING?

Township Supermarket 1

Pick 'n Pay 2

Checkers/Shoprite 3

OK Bazaar 4

Spar 5

Other (Specify) _____

2. IN YOUR OPINION WHAT IS THE RELATIONSHIP BETWEEN PRICE AND QUALITY OF THE **GROCERY PRODUCTS** YOU NORMALLY BUY AT SUPERMARKETS?

Price is **ALWAYS** a good indicator of quality 1

Price is **SOMETIMES** a good indicator of quality 2

Price is **SELDOM** a good indicator of quality 3

WHY? (Motivate your answer)

3. HOW IMPORTANT ARE THE FOLLOWING WHEN YOU PURCHASE YOUR GROCERIES?

Rate them on a 1 - 5 point scale
1 - least important
5 - most important

a) GENERAL:

Price	-----
	1 2 3 4 5
Quality	-----
	1 2 3 4 5
Brand name	-----
	1 2 3 4 5
Label information	-----
	1 2 3 4 5
Choice/variety	-----
	1 2 3 4 5

b) FOOD PRODUCTS:

Nutritional value	-----
	1 2 3 4 5
Appearance	-----
	1 2 3 4 5
Freshness	-----
	1 2 3 4 5
Taste	-----
	1 2 3 4 5
Shelf life	-----
	1 2 3 4 5

4. DO YOU BUY THE FOLLOWING FOOD PRODUCTS?

	YES		NO
a) Margarine or Butter	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
b) Breakfast Cereal	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
c) Tea/Coffee	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
d) Rice	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
e) Cooking Oil	<input type="checkbox"/> 1		<input type="checkbox"/> 2

5. DO YOU BUY THE FOLLOWING NON-FOOD PRODUCTS?

	YES		NO
a) Toothpaste	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
b) Washing powder	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
c) "Toilet" Bath Soap	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
d) Toiler Paper	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
e) "Underarm" deodorant	<input type="checkbox"/> 1		<input type="checkbox"/> 2

PURCHASE PATTERN

6. From 4 select any **FOOD** product which you purchase and complete section 6.1 to 6.1.9.

PLEASE NOTE THAT QUESTIONS 6.1.1. TO 6.1.6.3 REFER SPECIFICALLY TO THE BRAND INDICATED IN 6.1

6.1 NAME OF PRODUCT: _____

NAME OF BRAND: _____

6.1.1 DO YOU BUY THIS BRAND REGULARLY? YES NO

1 2

6.1.2 DO YOU BUY THIS BRAND OCCASIONALLY? YES NO

1 2

6.1.3 WITH REGARDS TO THE PRODUCT SELECTED, COMPLETE (WITH AN X) ONLY THE RELEVANT BLOCK TO INDICATE THE DEGREE TO WHICH THE BRAND YOU CHOSE POSSESSES THE FOLLOWING ATTRIBUTES.

MARGARINE OR BUTTER	STRONGLY AGREE 1	2 AGREE	3 NEITHER AGREE NOR DISAGREE	4 DISAGREE	5 STRONGLY DISAGREE
Has good taste					
Is easy to spread					
Has nutritional value					
Has sufficient label information					
Ensures good value for money					
Is low on cholestrol					
Has good appearance and is well packaged					

BREAKFAST CEREAL	1 STRONGLY AGREE	2 AGREE	3 NEITHER AGREE NOR DISAGREE	4 DISAGREE	5 STRONGLY DISAGREE
Has nutritional value					
Is high on fibre					
Ensures high energy and vitality					
Has a good taste					
Ensures good value for money					
Has sufficient label information					
Has good appearance and is well packaged					
Contains no preservatives					

TEA/COFFEE	1 STRONGLY AGREE	2 AGREE	3 NEITHER AGREE NOR DISAGREE	4 DISAGREE	5 STRONGLY DISAGREE
Has a good and fresh taste					
Has a good aroma					
Has nutritional value					
Ensures good value for money					
Has sufficient label information					
Has good appearance and is well packaged					
Comes from Ceylon					

RICE	1 STRONGLY AGREE	2 AGREE	3 NEITHER AGREE NOR DISAGREE	4 DISAGREE	5 STRONGLY DISAGREE
Cooks perfectly everytime					
Is fluffy and white					
Has extra long grains					
Ensures good value for money					
Has sufficient label information					
Has good appearance and is well packaged					

COOKING OIL	STRONGLY AGREE 1	AGREE 2	NEITHER AGREE NOR DISAGREE 3	DISAGREE 4	STRONGLY DISAGREE 5
Is low in cholestrol					
Is super triple refined					
Has nutritional value					
Ensures good value for money					
Has good appearance and is well packaged					

6.1.4 IF YOU WISHED TO BUY THIS BRAND TODAY AND IT IS NOT AVAILABLE IN THE FIRST STORE YOU VISIT, WHICH ONE OF THE FOLLOWING ACTIONS WILL YOU TAKE?

Buy another brand. 1

Wait untill next shopping trip. 2

Try another store. 3

6.1.5 IF YOU CAN REMEMBER, DID YOU INCLUDE THIS BRAND:

in both the last 2 purchases? 1

in the last purchase? 2

Cannot remember. 3

6.1.6.1 NEXT TIME YOU BUY THIS TYPE OF PRODUCT, WILL YOU BUY THIS BRAND IF THE PRICE HAS NOT CHANGED MUCH?

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

WHY? (Motivate your answer - give reasons)

6.1.6.2 NEXT TIME YOU BUY THIS TYPE OF PRODUCT, WILL YOU BUY THIS BRAND IF THE PRICE HAS INCREASED SUBSTANTIALLY WHILE THE PRICE OF AN ALTERNATIVE BRAND DOES NOT INCREASE?

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

6.1.6.3 NEXT TIME YOU BUY THIS TYPE OF PRODUCT, WILL YOU BUY THIS BRAND IF THE PRICE HAS INCREASED SUBSTANTIALLY WHILE THE PRICE OF AN ALTERNATIVE BRAND HAS ALSO INCREASED?

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

6.1.7.1 DID YOU BUY ANOTHER BRAND PRIOR TO THE BUYING OF THIS BRAND? (Refer to 6.1).

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

NAME THIS BRAND: _____

6.1.7.2 WHAT MADE YOU CHANGE?

6.1.8 DO YOU STILL BUY THIS BRAND OCCASIONALLY? (Refer to 6.1.7.2).

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

6.1.9 DO YOU THINK THAT IN THE FUTURE YOU WOULD CHANGE TO ANOTHER EXISTING BRAND?

UNSURE	YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3

IF YES, NAME THE NEW BRAND: _____

PROVIDE POSSIBLE REASONS FOR YOUR ANSWER:

7. From your answers to question 5 select any **NON-FOOD** product which you purchase and complete section 7.1 to 7.1.9.

PLEASE NOTE THAT QUESTIONS 7.1.1 TO 7.1.6.3 REFER SPECIFICALLY TO THE BRAND INDICATED IN 7.1.

7.1 NAME OF PRODUCT: _____

NAME OF BRAND: _____

7.1.1 DO YOU BUY THIS BRAND **REGULARLY**?

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

7.1.2 DO YOU BUY THIS BRAND **OCCASIONALLY**?

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

7.1.3 WITH REGARDS TO THE PRODUCT SELECTED, COMPLETE (WITH AND X) ONLY THE RELEVANT BLOCK TO INDICATE THE DEGREE TO WHICH THE BRAND YOU CHOSE POSSESSES THE FOLLOWING ATTRIBUTES.

TOOTHPASTE	STRONGLY AGREE 1	2 AGREE	NEITHER AGREE NOR DISAGREE 3	4 DISAGREE	STRONGLY DISAGREE 5
Cleans teeth					
Freshens breath					
Protects against decay					
Fights plaque					
Has a good taste					
Ensures good value for money					
Has sufficient label information					
Has good appearance and is well packaged					

WASHING POWDER	STRONGLY AGREE 1	AGREE 2	NEITHER AGREE NOR DISAGREE 3	DISAGREE 4	STRONGLY DISAGREE 5
Removes dirt and stains					
Makes the whole wash easy					
Ensures extra softness					
Makes the clothes smell fresh					
Makes colours brighter and whites whiter					
Consistently delivers the best wash results					
Prevents harmful overfoaming					
Is gentle on clothes					
Protects the metal parts of the washing machine					
Has sufficient label information					
Has good appearance and is well packaged					
Ensures good value for money					

"TOILET" SOAP	STRONGLY AGREE 1	AGREE 2	NEITHER AGREE NOR DISAGREE 3	DISAGREE 4	STRONGLY DISAGREE 5
Is enriched with natural moisturisers					
Has a good fragrance					
Ensures lasting freshness					
Is gentle on the skin					
Ensures good value for money					
Has sufficient label information					
Has good appearance and is well packaged					
Foams and lathers well					

TOILET PAPER	STRONGLY AGREE 1	AGREE 2	NEITHER AGREE NOR DISAGREE 3	DISAGREE 4	STRONGLY DISAGREE 5
Has superior quality					
Is soft and smooth					
Is gentle on the skin					
Ensures good value for money					
Tears easily					
Has sufficient label information					
Has good appearance and is well packaged					

UNDERARM DEODORANT	STRONGLY AGREE 1	AGREE 2	NEITHER AGREE NOR DISAGREE 3	DISAGREE 4	STRONGLY DISAGREE 5
Ensures lasting freshness					
Has a good fragrance					
Is an expression of sophistication					
Is a good anti-perspirant					
Is not strong and harmful to the skin					
Ensures good value for money					
Has sufficient label information					
Has good appearance and is well packaged					

7.1.4 IF YOU WERE TO BUY THIS BRAND TODAY AND IT IS NOT AVAILABLE IN THE FIRST STORE YOU VISIT, WHICH ONE OF THE FOLLOWING ACTIONS WILL YOU TAKE?

Buy another brand. 1

Wait untill next shopping trip. 2

Try another store. 3

7.1.5 IF YOU CAN REMEMBER, DID YOU INCLUDE THIS BRAND:

in both the last 2 purchases 1

in the last purchase 2

Cannot remember. 3

7.1.6.1 NEXT TIME YOU BUY THIS TYPE OF PRODUCT, WILL YOU BUY THIS BRAND IF THE PRICE HAS NOT CHANGED MUCH?

YES NO
 1 2

WHY? (Motivate your answer - give reasons).

7.1.6.2 NEXT TIME YOU BUY THIS TYPE OF PRODUCT, WILL YOU BUY THIS BRAND IF THE PRICE HAS INCREASED SUBSTANTIALLY WHILE THE PRICE OF AN ALTERNATIVE BRAND DOES NOT INCREASE?

YES NO
 1 2

7.1.6.3 NEXT TIME YOU BUY THIS TYPE OF PRODUCT, WILL YOU BUY THIS BRAND IF THE PRICE HAS INCREASED SUBSTANTIALLY WHILE THE PRICE OF AN ALTERNATIVE BRAND HAS ALSO INCREASED?

YES NO
 1 2

7.1.7.1 DID YOU BUY ANOTHER BRAND PRIOR TO THE BUYING OF THIS BRAND? (Refer to 7.1).

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

NAME THIS BRAND: _____

7.1.7.2 WHAT MADE YOU CHANGE?

7.1.8 DO YOU STILL BUY THIS BRAND OCCASIONALLY? (Refer to 7.1.7.2).

YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2

7.1.9 DO YOU THINK THAT IN THE FUTURE YOU WOULD CHANGE TO ANOTHER EXISTING BRAND?

UNSURE	YES	NO
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3

IF YES, NAME THE NEW BRAND: _____

PROVIDE POSSIBLE REASONS FOR YOUR ANSWER:

HOUSE BRANDS

8.1 HAVE YOU EVER PURCHASED THE FOLLOWING HOUSE BRAND PRODUCTS?

	YES		NO
a) Margarine	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
b) Coffee	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
c) Toilet Paper	<input type="checkbox"/> 1		<input type="checkbox"/> 2
	YES		NO
d) Washing Powder	<input type="checkbox"/> 1		<input type="checkbox"/> 2

8.1.1 WHAT ARE THE MAIN REASONS FOR BUYING THIS/THESE HOUSE BRAND PRODUCT(S)?

8.2.1 IF YOU DO BUY HOUSE BRAND PRODUCTS, DO YOU BUY THEM REGULARLY?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

8.2.2 IF YOU DO BUY HOUSE BRAND PRODUCTS, DO YOU BUY THEM OCCASIONALLY?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

8.2.3 DO YOU LIKE HOUSE BRAND PRODUCTS?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

8.3 IN YOUR OPINION HOW DO HOUSE BRANDS COMPARE IN QUALITY TO BRANDED PRODUCTS?

Better than branded products. 1

Same as the branded products. 2

Inferior to the branded products. 3

8.4 IN YOUR OPINION HOW DO HOUSE BRANDS COMPARE IN PRICE TO BRANDED PRODUCTS?

Cheaper than branded products. 1

Similarly priced as branded products. 2

More expensive than branded products. 3

8.5 WOULD YOU CONSIDER BUYING ANY OF THE ABOVE MENTIONED HOUSE BRANDS (See 8.1) ON YOUR NEXT VISIT TO THE STORE?

UNSURE

YES

NO

 1 2 3

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